

# Report to Executive

Agenda  
Item:

**A.5**

Meeting Date: 1st July 2013  
Portfolio: Culture, Health, Leisure and Young People  
Key Decision: YES  
Within Policy and  
Budget Framework NO  
Public / Private Public

Title: ARTS CENTRE DEVELOPMENT  
Report of: The Director of Community Engagement  
Report Number: CD37/13

## Purpose / Summary:

The purpose of this report is to allow consideration of the use of the redundant Warwick Street Fire Station in Rickergate as a venue for an Arts Centre for Carlisle and, on the basis of a decision to progress, make available funds to allow this development.

## Recommendations:

It is recommended that Executive:

1. Approve the Warwick Street Fire Station for development as an Arts Centre for Carlisle
2. To approve the increase in the capital programme from £586,000 to £1,064,500, for recommendation to Council, noting that the increase will be funded from additional capital receipts generated from the Asset Review Programme;
3. To approve the release of the current budget and re-profiling of the overall scheme, subject to Council approval above, with £50,000 being incorporated within the 2013/14 Capital Programme and £1,014,500 in the 2014/15 Capital Programme;
4. Delegate authority to the Portfolio Holder for Culture, Health, Leisure and Young People in consultation with the Director of Community Engagement to produce and progress the plans to deliver the Arts Centre as detailed in this report
5. Make this report available for consideration by the Community Overview and Scrutiny Panel

## Tracking

Executive:	<b>1 July and 5 August</b>
Overview and Scrutiny:	<b>11 July</b>
Council:	<b>10 September</b>

## **1. BACKGROUND**

- 1.1** There has been a long history of exploring the idea of a mid-scale arts centre and performance venue in Carlisle. The Carlisle Plan (ref PC 08/13) provides a pledge for the development of an arts centre within the city.

The Plan's overarching Vision is to *'promote Carlisle as a prosperous City, one in which we can be proud'*. To help achieve this, it commits to *'develop vibrant sports, arts and cultural facilities, showcasing the City of Carlisle'*.

## **2. PROPOSAL**

### **2.1 Outputs**

It is proposed that a venue be identified for an Arts Centre which can:

- bring a new performing arts and entertainment focus into the Carlisle, delivering an offer to the city and its wider hinterland.
- deliver exciting and developing programmes of quality arts and entertainments, aimed at building and broadening audiences.
- offer a varied range of opportunities for Carlisle residents as participants, creators and performers.
- stimulate local talent and build the profile of Carlisle and Cumbria's creative and digital industries sector. This will include supporting emerging, Carlisle based, commercial artists and designers and potential collaboration with Carlisle College and the University of Cumbria.
- contribute distinctively to Carlisle's visitor offer, linking into, and being a resource for, festivals, events, projects and cultural providers.
- provide the foundation for future developments in arts and entertainment.

Having considered potential venues in Carlisle, the former Fire Station in Rickergate is proposed as the preferred option. It is a substantial building with a straightforward structure on a prominent corner site on the edge of the historic quarter.

- 2.2** The proposed format is to use the Warwick Street fire engine range as the main auditorium with the public entrance facing Peter Street. This would provide a larger flexible foyer space and open up the west end as a strong and attractive public face. At first floor level across the west end would be two substantial performance and multi-use studios,, making it a useful function space. Ground floor audience capacity is estimated to be 266 seated and 400 standing. At first floor level the two multi-use studios would each have space for around 110 seated and 200 standing.
- 2.3** New build within the enclosed courtyard, along the rear of the Warwick Street wing, would be required to enable independent access to all main spaces, back of house, dressing rooms and administration spaces.
- 2.4** The Fire Station also includes other usable spaces which could further broaden its offer. On the North side of the yard entrance it includes:

- the former maintenance bay which would accommodate, for example, gallery space, visual arts projects and/or set and street performance building opportunities
- a large meeting room, with potential for managed and incubator workshop space for emerging commercial artists and/or sub-letting

It also has a large loft space over the Warwick Street frontage which may offer substantial visual arts or other studio opportunities

Developed effectively and with a strong design concept, the Fire Station could deliver the Arts Centre concept well.

### **3. THE MARKET POTENTIAL**

- 3.1** In terms of the Carlisle market, there is clearly independent promotion going on, such as The Brickyard, College and University are active in their own ways, the West Walls Theatre is home to non-professional theatre, and the Sands has a significant offer of mainstream large-scale touring entertainment, and is the venue for the Arts Council England funded subscription concert series. None of these are considered to diminish the potential, in a significant regional city, of a well-planned and operated mid-scale mixed programme arts and entertainments venue.

Operational revenue issues are significant. To ensure long term stability and success it is envisaged that some revenue support will be required from external sources and/or City Council in the first years of operation. Important issues to note are that building and strengthening a sustainable audience base which is complementary to and not in competition with other local venues is likely take a number of years to develop. Similarly capacity building through partnerships and joint programming with local commercial promoters, venues and third sector organisations, while an immediate priority for work will be properly judged over a three to five year timeframe. This is recognised in the industry and by the Arts Council for England, which will take this into account in considering applications for funding. A separate report will be brought forward to consider revenue requirements.

### **4. MANAGEMENT**

- 4.1** The long-term success of the enterprise will be determined primarily by the skills, knowledge, commitment and vision of the team which manages and operates it. The Carlisle development will require a genuinely dynamic team operating in a light-footed way, with real entrepreneurial flair, in a culture of innovation. It will require a genuine ability to work effectively, and with mutual respect, with a wide range of partners.

It is not proposed to make a final decision on management and governance arrangements at this stage, with the City Council retaining a central leadership role as the project is progressed. It is likely that to achieve the best balance of accountability, sustainability and entrepreneurial acumen, operational management will, in the medium term will be passed to an independent not for profit organisation. A separate report will be brought forward to consider this.

## 5. PROGRAMME

- 5.1 Carlisle has a recognised weakness in ‘mid-scale’ arts and entertainments programmes compared to other regional cities and large towns. The programme will need to take full account of Carlisle’s existing offer, including key venues Tullie House, the Brickyard, West Walls Theatre, Stanwix Theatre and the Sands, as well as events such as the long-standing Blues Festival, and newer initiatives like Carlisle Music City. As an audience base is developed, the programme offer will include a broad range of content across and within the core genres of touring and available product – theatre, music theatre, dance, comedy and music, aimed at different audience segments. It will mix popular commercially reliable activities with innovative opportunities. This will be based on the development of active performance and programme partnerships and strong relationships with performance companies in the north of England and southern Scotland.

## 6. DESIGN CONCEPT AND CAPITAL COSTS

Day Cummins Ltd (Architects) was commissioned to assess the viability of the Fire Station, alongside two other venues. The Fire Station was subsequently considered as the preferred choice., on the grounds of innovation, value and accessibility The building is situated close to a number of car park facilities and its rear yard provides off street access for event vehicles to unload. The building currently has an Energy Performance Certificate (EPC) rating of C. Option design and preliminary costings are shown in Appendix 2

The proposed scheme includes a new main stair access and lift which will provide disabled access to the upper floors. At the same time it will form the transition between the main uses of the building along with vertical circulation and interesting designed views of the tower feature.

The sectional existing garage doors can be replaced with infill pod panels using acoustic materials and sensitive feature lighting to form a striking appearance along the prime Warwick Street frontage.

The total capital cost of the project is estimated at £1,064,500

<b><u>Capital Activity</u></b>	<b><u>Costs</u></b>
New build Extension, Refurbishment / conversion of existing	£700,000.00
Specialist Equipment	£314,500.00
Other design, acquisition, survey, legal & planning fees & investigation costs	£50,000.00
<b>Total Capital</b>	<b>£1,064,500.00</b>

It is anticipated that design and planning costs being incurred in 2013/14 and expenditure on new buildings, refurbishments and equipment will take place in 2014/15.

The anticipated timetable for the scheme is as follows:

a) Preparation of Tender Documentation	12/8/13
b) Tenders out for Design & Build Package	12/8/13
c) Tenders back	6/09/13
d) Review returns & Inform successful Design Team	20/09/13
e) Cool off period	02/10/13
f) Award to D&B team	03/10/13
g) Planning Application Submission	15 /11/13
h) Consideration of Planning Application	31/01/14
i) Contractor mobilisation up to	3/03/14
j) Start on site	3/03/14
k) Estimated completion by	31/10/14

## **7. CONSULTATION**

Consultation has taken place throughout the appraisal process to date including through:

- Engagement with key stakeholders involved in the cultural sector to understand the current offer and conduct a gap analysis;
- Discussions with similar providers such as: Queens Arts Centre Hexham, Kendal Arts Centre,
- Dialogue with promoters and providers of cultural offer and community arts activities to understand the current market offer and any opportunities.
- The further and higher education sector - Carlisle College, particularly linked to joint working around its arts and digital programme (including facility development and curriculum support) and the University of Cumbria linked to undergraduate/postgraduate programmes, galley provision and workshop space

Ongoing dialogue through the City Council's overview and scrutiny process and with local residents, community groups and the education, private and third sector is being scheduled over the coming weeks.

## **8. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

**8.1** Carlisle has a recognised weakness in 'mid-scale' arts and entertainments programmes and in line with the Aim of the Carlisle Plan now seeks to develop a sustainable facility which will act as a focal point for creative arts complementing and supporting the existing offer in and around the City. This is in line with the vision and actions in the Carlisle plan.

In order to progress this it is proposed that Executive:

1. Approve the Warwick Street Fire Station for development as an Arts Centre for Carlisle
2. To approve the release of the funding (£586,000) approved as part of the 2013/14 budget for the building development (as Section 6);
3. Make recommendations to Council to increase the capital programme for the scheme to £1,064,500 from £586,000 with the increase to be funded from additional capital receipts generated as part of the asset review programme and that the expenditure be re-profile in line with revised expenditure requirements at Section 6.
4. Provide delegated authority for the Portfolio Holder for Culture, Health, Leisure and Young People to produce and progress the plans to deliver work as outlined in this report
5. Make this report available for consideration by the Community Overview and Scrutiny Panel

## **9. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

**9.1** This project will deliver Action 1 'to deliver a city centre Arts Centre and therefore contribute to meeting one of the Council's key corporate objectives **'We will develop vibrant sports, arts and cultural facilities, showcasing the City of Carlisle'**

<b>Contact Officer:</b>	<b>Keith Gerrard</b>	<b>Ext: 7350</b>
<b>Appendices</b>	<b>Appendix 1: Indicative Income &amp; Expenditure</b>	
<b>attached to report:</b>	<b>Appendix 2: Architects Concept Designs &amp; Cost</b>	

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

- **None**

**CORPORATE IMPLICATIONS/RISKS:**

## **Chief Executive's -**

**Economic Development** – The proposal will be subject to planning permission, however, in view of the buildings former use that in principle the use is acceptable subject to conditions relating to noise and opening times.

**Governance** – The Local Government Act 2000 (Section 2) provides that the Council has the power to do anything which it considers likely to achieve the promotion or improvement of the economic, social or environmental well-being of its area. The power may be used in relation or for the benefit of the whole or any part of the community or all or any persons present or resident in the Council's area. The Council is able to incur expenditure in relation to the Fire Station as it owns the said property. In exercising the power, the Council must have regard to its Community Strategy.

The future use of the premises as an Arts and entertainment venue is subject to the planning and licensing regulatory regimes and it is important that these are accounted for prior to significant commitment and expenditure. Goods, services and works must be properly procured and contracts should be subject to appropriate terms and conditions.

## **Local Environment – None**

**Resources** – The capital programme approved by Council in February as part of the 2013/14 budget process, provides capital funding for this scheme of £586,000 (2013/14 - £250,000, 2014/15 - £161,000, 2015/16 - £175,000). If the scheme outlined above is approved, the capital programme would need to be increased by £478,500. This could be funded from additional capital receipts generated from the asset review (£813,686). There are also surplus general capital receipts available within the MTFP of £360,333. The capital programme would also need to be re-profiled in order to meet the anticipated spend on the project, with £50,000 being incurred in 2013/14 and £1,014,500 being incurred in 2014/15. The use of additional asset review receipts will forego the possibility of generating additional rental income for the Council in line with the Asset Business Plan.

As part of the 2013/14 revenue budget approved by Council in February 2013, recurring revenue funding for the Arts Centre scheme was approved with £129,000 approved for 2013/14, £104,000 approved for 2014/15 and £159,000 approved for 2015/16 and beyond. A further report will need to be prepared for a future Executive detailing the on-going revenue costs.

There may be possibilities to apply for external funding to support the capital or revenue costs of the project and these will need to be investigated further.

Due to the value of the capital works anticipated, a competitive procurement process will need to be undertaken in order to appoint a contractor to undertake the developments.



## **APPENDIX**

### **ARCHITECTS CONCEPT DESIGN AND CAPITAL COSTS**

## ARCHITECTS CONCEPT DESIGN & COST

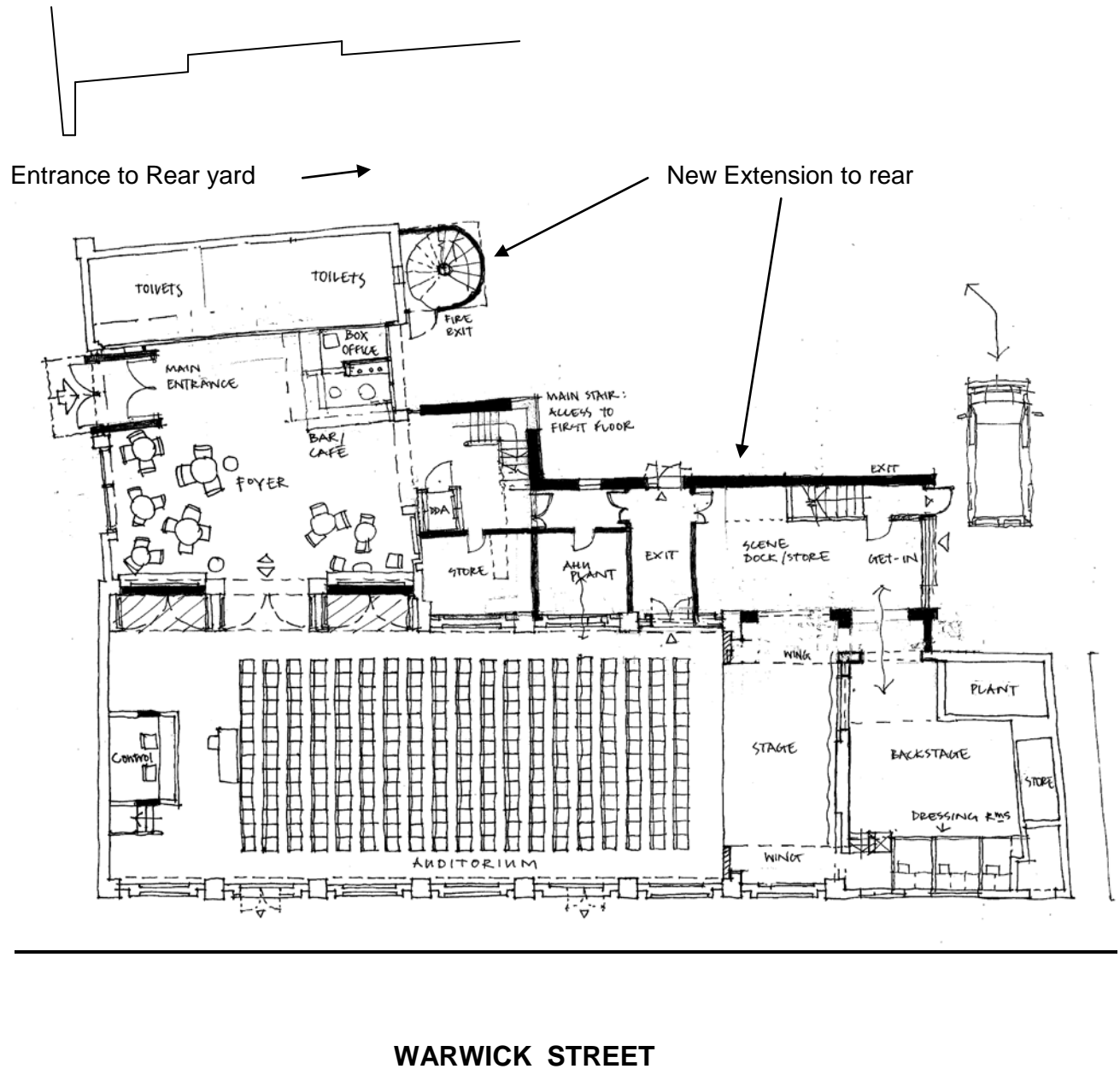
### FORMER FIRE STATION, RICKERGATE



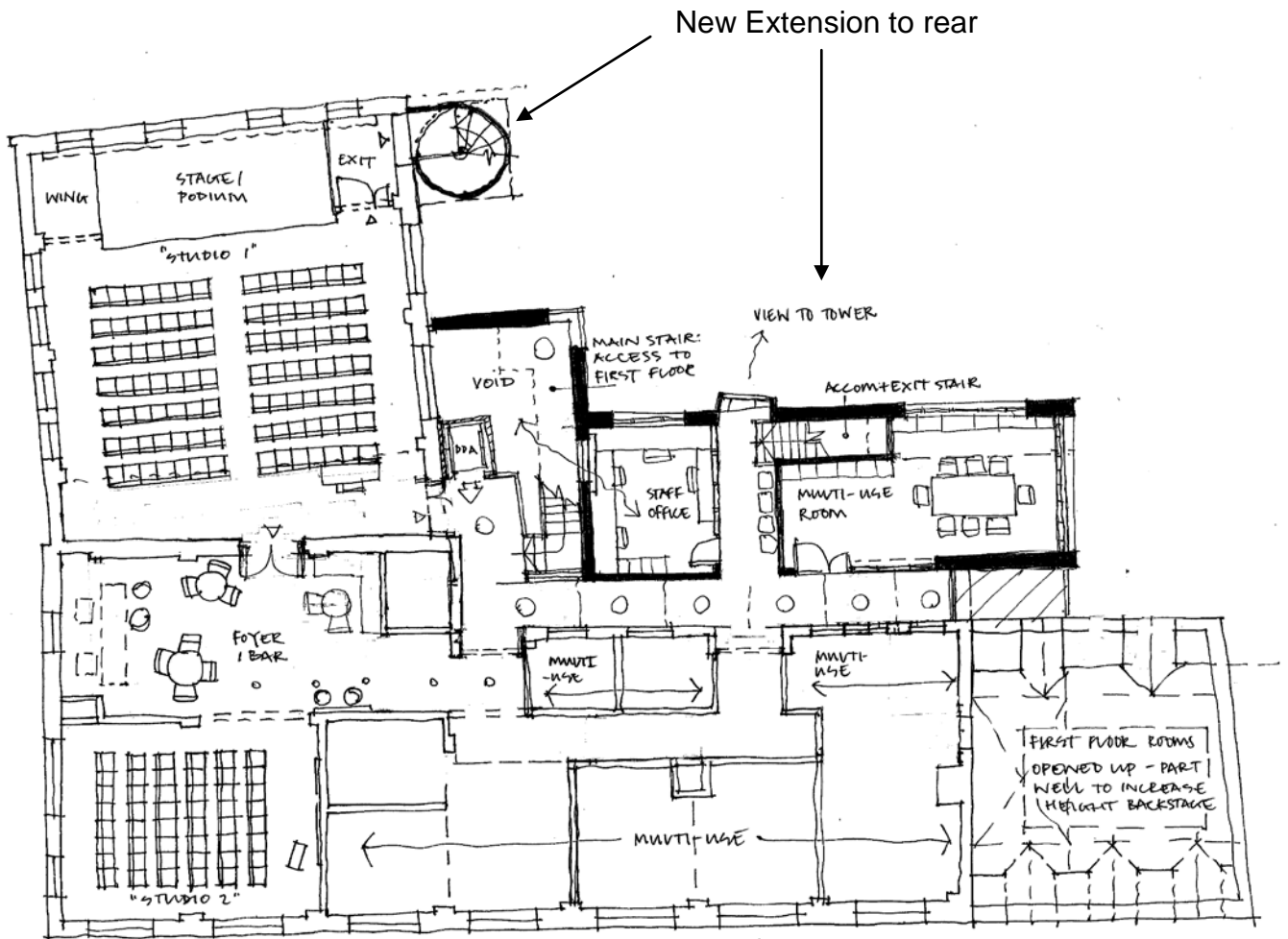
### DESIGN & CAPITAL COSTS

<u>Capital Activity</u>	<u>Costs</u>
New build Extension, Refurbishment / conversion of existing	£700,000.00
Specialist Equipment	£314,500.00
Other design, acquisition, survey, legal & planning fees & investigation costs	£50,000.00
<b><u>Total Capital</u></b>	<b><u>£1,064,500.00</u></b>

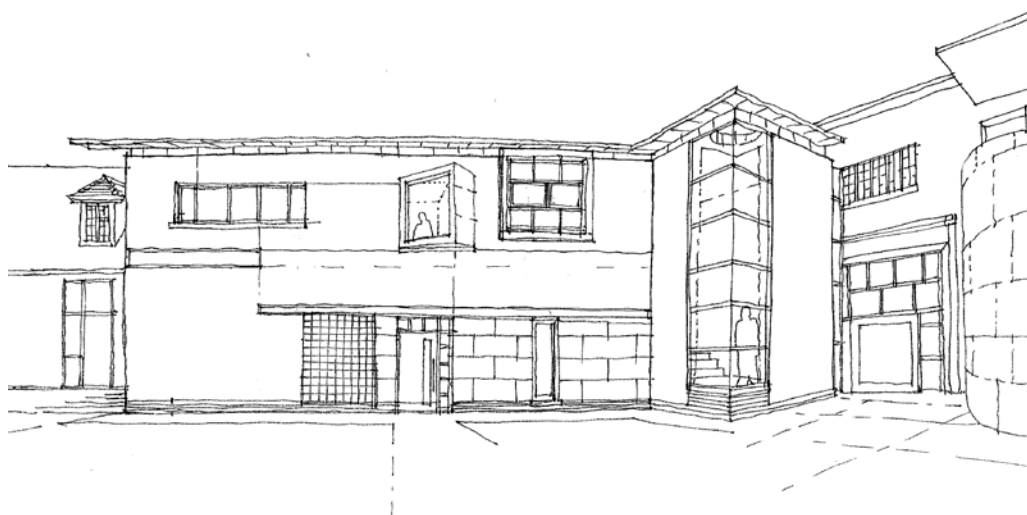
## Ground Floor Proposals Plan



## First Floor Proposals Plan



## View of Rear new Extension from within yard



Specialist Capital expenditure ( Included in design & Capital costs above.)

	COST
<b>BACKSTAGE</b>	
Mirrors	£1,000
Lighting	£5,000
Tables and Chairs	£1,500
Toilets Showers	£20,000
<b>FRONT OF HOUSE</b>	
Sofa Cinema – Screen, projector, sound system, sofas	£25,000
Soundproofing	£5,000
Catering equipment	£10,000
Café bar tables chairs and equipment	£7,500
Bar	£20,000
Repairs to cracks	£2000
Box office	£12,500
Cloakroom	£12,500
Chairs	£18,000
F/A, emergency lighting and signage	£22,000
Electrics & lighting	£10,000
Mechanical/heating improvements	£12,000
Stage Lighting	£15,000
Gallery lighting	N/A
Air conditioning	£8,000
Sound system and microphones	£25,000
Sound desk	£5,000
Decoration	£12,000
Stage appropriate for venue	£25,000
Stage curtains	£2,500
Storage area for stage scenery	£2,500

Carpets / flooring	£7,500
Conditional survey requirements	£6,000
Asbestos signage	£500
Conference / meeting room facilities	£5,000
Tables and Chairs	£2,500
Projectors	£1,000
Whiteboards	£500
Screens	£500
PA system	£2,500
IT and telephone system	£10,000
	£314,500

# ADDENDUM REPORT TO CD 37/13



## Report to Executive

Agenda  
Item:

A.5  
refers

Meeting Date: 5 August 2013  
Portfolio: Culture, Health, Leisure and Young People  
Key Decision: NO (However the original report CD37/13 is a key decision)  
Within Policy and  
Budget Framework YES  
Public / Private Public

Title: ARTS CENTRE DEVELOPMENT  
Report of: The Director of Community Engagement  
Report Number: CD 37/13

### Purpose / Summary:

This addendum outlines the revenue profile for the arts centre over a three year period including the revised profile for the 2013/14 financial year as requested by the Community Overview and Scrutiny Panel of the 11<sup>th</sup> July 2013.

### Recommendations:

It is recommended that Executive:

1. Note the re profiling of the existing budgets to future years.
2. Note the use of the 2013/14 budget provision to fund current arts activity and for the development of a pilot arts programme.

### Tracking

Executive:	5th August 2013
Overview and Scrutiny:	
Council:	

## **1. BACKGROUND**

- 1.1** The Chairman of the Community Overview and Scrutiny Panel reported that Executive Decision EX.69/13 from the Executive on 1 July 2013 concerning Arts Centre Development had been called-in by Community Overview and Scrutiny Panel as members were unclear about how the arts centre would be funded. This addendum provides the latest Art Centre “revenue” profiles as requested by COSP.

## **2. REVENUE PROFILE**

- 2.1** To ensure long term stability and success of the Arts Centre it is envisaged that some revenue support will be required from external sources and the City Council. According to Arts Council England, it has been the experience of similar facilities in other parts of the country that sustainable use and ticket sales take a number of years to develop and to be properly established. As part of the 2013/14 revenue budget approved by Council in February 2013, recurring revenue funding for the Arts Centre scheme was approved with £129,000 for 2013/14, £104,000 for 2014/15 and £159,000 for 2015/16 and beyond. In due course a further report will be prepared for the Executive detailing the estimated on-going revenue costs.
- 2.2** Estimated revenue cost at this stage are based on a cautious approach. Income from ticket sales and hires and the year on year increase in years two and three are relatively modest.
- 2.3** Similarly building heating, lighting and maintenance costs have been modelled on a building of similar size and age. It is likely however, on the completion of capital refurbishment, that heat, light and maintenance costs may be less.
- 2.4** Likewise other operational costs, such as staffing, are modelled on a building of similar size. On completion of refurbishment it is envisaged that the interior design and layout will lend itself to be run more efficiently by a small core staff team.
- 2.5** As part of a commitment to support local skills and training through the arts, and specifically at the Arts Centre, it is proposed that an apprenticeship will be offered to complement the operational and management team.
- 2.6** Although no final decision has been made about governance at this stage, trustee expenses are indicative.



- 2.7 Appendix one profiles the revenue costs of the arts centre over a three year period and shows the net cost to the City Council in each year. Costs associated with the use of the building, licensing, insurance and event delivery are included as are allowances for marketing, programme investment and specialist art consultancy. Management costs of £50,000 are cost neutral, as they are offset by income from seconded staff in kind.
- 2.8 The figures in year one (2013/14) have been updated to reflect 2013/14 activity in setting up the Arts Centre and pilot arts programme during this period. These changes reflect deleting the income from ticket sales, hire of performance space etc during 2013/14 being matched by a reduction in expenditure on planned maintenance, repairs, etc.
- 2.9 Within the pre build 2013/14 year, £58,000 programme investment will support the delivery of a pilot programme that promotes the space, assesses audience/ market reaction and tests what works. It includes meeting the costs associated with commissioning artists, materials, infrastructure, e.g. staging and lighting and room hire.
- 2.10 A key element of the pilot programme process will be local involvement by residents and community/voluntary sector groups and the establishment of a network of supporters and committed volunteers.
- 2.11 This approach is designed to support the future sustainability of the arts centre, including income from hire of performance space.
- 2.12 Building on the back of established relationships developed to support the delivery of the pageant, the pilot programme will operate from the engine shed and gym; with outreach work taking place in Carlisle's urban and rural communities to ensure that the cultural offer is accessible and open to all.

### **3. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

- 3.1 The three year revenue profile is provided to satisfy the requirements of COSP by giving details of how the Arts Centre will be funded and the net revenue contribution that is required from the City Council to pump prime the development of a vibrant, arts and cultural facility that showcases the City of Carlisle

- 3.2** In order to progress this it is proposed that Executive:
1. Note the re profiling of the existing budgets to future years.
  2. Note the use of the 2013/14 budget provision to fund current arts activity and for the development of a pilot arts programme

#### **4. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

- 4.1** This project will deliver Action 1 'to deliver a city centre Arts Centre and therefore contribute to meeting one of the Council's key corporate objectives **'We will develop vibrant sports, arts and cultural facilities, showcasing the City of Carlisle'**

**Contact Officer: Keith Gerrard**

**Ext: 7350**

**Appendices Appendix 1: Indicative "Revenue" Income & Expenditure attached to report:**

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

- **None**

#### **CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's -**

**Economic Development –**

**Governance** – The Local Government Act 2000 (Section 2) provides that the Council has the power to do anything which it considers likely to achieve the promotion or improvement of the economic, social or environmental well-being of its area. The power may be used in relation or for the benefit of the whole or any part of the community or all or any persons present or resident in the Council's area. The Council is able to incur expenditure in relation to the Fire Station as it owns the said property. In exercising the power, the Council must have regard to its Community Strategy.

The future use of the premises as an Arts and entertainment venue is subject to the planning and licensing regulatory regimes and it is important that these are accounted for prior to significant commitment and expenditure. Goods, services and works must be properly procured and contracts should be subject to appropriate terms and conditions.

## **Local Environment – None**

**Resources** – As set out in paragraph 2.1 of the report, revenue funding has been approved for the development of a City Arts Centre, with funding allocated of £129,000, £104,000 and £159,000 for years 2013/14, 2014/15 and 2015/16 onwards. This report advises Members of the need to re-profile these budgets into future years, as set out in Appendix 1, and in line with the programme of structure work required to the preferred site. This will be considered as part of the 2014/15 budget process.

The Executive are also asked to note the use of the 2013/14 budget provision (£129,000) to fund in year arts activity and for the development of a pilot arts programme for the venue.

A further report will be presented to a future Executive providing the detailed on-going operational costs of running the venue, once confirmed.

## REVENUE PROFILE FOR THE ARTS CENTRE

## APPENDIX ONE

Table 1: Revenue expenditure years 1 to 3

Revenue Expenditure	Pre Build (2013/14)	Year 1 (2014/15)	Year 2 (2015/16)	% Increase	Year 3 (2016/17)	% Increase	Comments
Planned maintenance	£0	£23,000	£23,000	0.00%	£23,000	0.00%	Based on a building of similar age and condition
Reactive maintenance	£1,500	£16,000	£16,000	0.00%	£16,000	0.00%	Based on a building of similar age and condition
Energy Costs	£3,000	£36,000	£36,000	0.00%	£36,000	0.00%	Based on 70-100% use of building. Will be dependent on level of program delivered.
Cleaning	£500	£16,000	£16,000	0.00%	£16,000	0.00%	Based on 20 hours per week at £15 per hour (gross). May vary dependent on programme of events.
Rates	£5,000	£5,000	£5,000	0.00%	£5,000	0.00%	Rates reduced from £13,000 to £5,000 to account for rate relief.
Marketing	£15,000	£20,000	£20,000	0.00%	£20,000	0.00%	
Programme investment	£58,000	£30,000	£30,000	0.00%	£10,000	-66.67%	To develop and establish a programme of events
Management	£50,000	£50,000	£50,000	0.00%	£50,000	0.00%	This expenditure is offset by Seconded staff in kind income.
Apprentice	£20,000						Maximum costs for an apprentice for 2 years. Year 1 cost of £6,400 then year 2 is age dependent and could range from £7,500 to £13,700. As post would be 2 years, it is likely some budget would require carried forward at the year end - (see para 2.5 above).
Trustee expenses	£0	£10,000	£10,000	0.00%	£10,000	0.00%	this takes into account of potential cost associated with use of a trust governance model - such as allpied at Tullie House. However no governace decsion has been made at this stage (see para 2.6 above)
Licences	£1,000	£3,000	£3,000	0.00%	£3,000	0.00%	Performing Rights Society licences, PPL, alcohol licence.
Security / Event security	£1,000	£10,000	£10,000	0.00%	£10,000	0.00%	Building security / Front of House security - variable depending on events held.
Insurance	£3,000	£3,000	£3,000	0.00%	£3,000	0.00%	Buildings / Contents / Public Liability / Events - likely to vary depending on events held
IT / Telephone	£1,000	£5,000	£5,000	0.00%	£5,000	0.00%	
Specialist Arts Consultancy	£20,000	£20,000		0.00%	£0	0.00%	
<b>Revenue Costs</b>	<b>£179,000</b>	<b>£247,000</b>	<b>£227,000</b>		<b>£207,000</b>		

Table 2: Revenue Income years 1 to 3

Revenue Income	Pre Build (2013/14)	Year 1 (2014/15)	Year 2 (2015/16)	% Increase	Year 3 (2016/17)	% Increase	Comments
Arts Council Grant	£0	£30,000	£30,000	0.00%	-		50:50 match funding. Likely to be able to use seconded staff as match funding.
Cafe/Bar (net)	£0	£8,000	£9,000	12.50%	£10,125	12.50%	Costs of running the bar have been factored in. E.g. Licences, health and safety, regulations met to allow catering and alcohol to be supplied, stock, staffing, set up costs.
Seconded staff in kind (i)	£30,000	£30,000	£30,000	0.00%	0		This income is used to offset Management costs
Seconded staff in kind (ii)	£20,000	£20,000	£20,000	0.00%	£0	-100.00%	This income is used to offset Management costs
Managed work space	£0	£5,000	£5,625	12.50%	£6,328	12.50%	
Performance space hire	£0	£3,000	£3,375	12.50%	£3,797	12.50%	
Performance ticket sales	£0	£5,000	£5,625	12.50%	£6,328	12.50%	
Rehearsal hire	£0	£2,000	£2,250	12.50%	£2,531	12.50%	
Fundraising and sponsorship	£0	£15,000	£16,875	12.50%	£18,984	12.50%	
<b>Revenue Income(including in kind)</b>	<b>£50,000</b>	<b>£118,000</b>	<b>£122,750</b>		<b>£48,093</b>		<b>12.5% increase based on expected increase in programme.</b>

Table 3: Net Revenue Costs years 1 to 3

Description	Pre Build (2013/14)	Year 1 (2014/15)	Year 2 (2015/16)	% Increase	Year 3 (2016/17)	% Increase	Comments
<b>Net revenue costs</b>	<b>£129,000</b>	<b>£129,000</b>	<b>£104,250</b>		<b>£158,907</b>		<b>Net Revenue Cost to the Council</b>
<b>Current Budget Approved</b>	<b>£129,000</b>	<b>£104,000</b>	<b>£159,000</b>		<b>£159,000</b>		
<b>Additional cost/(Saving)</b>	<b>£0</b>	<b>£25,000</b>	<b>-£54,750</b>		<b>-£93</b>		

It is proposed that the budgets approved through the 2013/14 budget process are moved forward a year, and the budget approved for 2013/14 is used to start developing and delivering a programme of events in the Fire Station prior to the capital works commencing.

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## **EXCERPT FROM THE MINUTES OF THE COMMUNITY OVERVIEW AND SCRUTINY PANEL HELD ON 11 JULY 2013**

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### **COSP.47/13    CALL-IN OF DECISIONS**

The Chairman of the Community Overview and Scrutiny Panel reported that Executive Decision EX.69/13 from the Executive on 1 July 2013 concerning Arts Centre Development had been called-in by Councillors Ellis, Mrs Prest and Mrs Vasey.

The Executive had decided:

That the Executive:

1.     Approved the Warwick Street Fire Station for development as an Arts Centre for Carlisle
2.     Approved the increase in the capital programme from £586,000 to £1,064,500 for recommendation to Council, noting that the increase will be funded from additional capital receipts generated from the Asset Review Programme.
3.     Approved the release of the current budget and re-profiling of the overall scheme, subject to Council approval above, with £50,000 being incorporated within the 2013/14 Capital Programme and £1,014,500 in the 2014/15 Capital Programme.
4.     Delegate authority to the Portfolio Holder for Culture, Health, Leisure and Young People in consultation with the Director of Community Engagement to produce and progress the plans to deliver the Arts Centre as detailed in report CD.37/13.
5.     Make report CD.37/13 available for consideration by the Community Overview and Scrutiny Panel.

The reason for the decision by the Executive was that Carlisle had a recognised weakness in “mid-scale” arts and entertainments programmes and, in line with the aim of the Carlisle Plan, now sought to develop a sustainable facility which would act as a focal point for creative arts complementing and supporting the existing offer in and around the City. That was in line with the vision and actions in the Carlisle Plan.

The reason given by the Members for the call-in was “Concerns over doubling of capital costs”.

The call-in Members explained that they were concerned that the increase in the capital programme was the only part of the Executive’s decision that was to be referred to Council. The Members believed that the proposed costs for the project had already doubled and from experience believed that costs would rise higher than the estimate provided. The report stated that the Council were committed to the project but gave no indication of who would run the centre, how it would be funded or who would use it. The call-in Members acknowledged that those issues would be addressed but they were of the opinion that the decision had been made before costs were known.

The Member advised that some Members had received a briefing from the Director of Community Engagement on the revenue implications for the Council but the Director had not been able to provide a full answer at that time.

It had also been decided by the Executive to delegate authority to the Culture, Health, Leisure and Young People Portfolio Holder to produce and progress plans to deliver the Arts Centre.

Call-in Members believed that the report suggested that scrutiny would have no role in the project as the decisions had been made. Discussions about revenue and potential users had not been scrutinised by Councillors and if the decision had not been called in the decision would have become live.

The Culture, Health, Leisure and Young People Portfolio Holder advised that the report was the first step of a long process. The Arts Centre would tie in with the Carlisle Local Plan to make Carlisle a prosperous City and help to achieve a sports and arts showcase. The paper had taken over a year to produce and a range of venues had been explored. The Council had been investigating an arts centre since 2006 when a report was submitted to the Executive following a review by Roger Lancaster Associates.

The Culture, Health, Leisure and Young People Portfolio Holder stated that the report recently submitted to the Executive was the first step to ensure the capital costs and that additional money could be put into the budget. The figures provided were outline figures. The Executive wished to ensure that an arts centre would attract residents and tourists both now and in the future. The Portfolio Holder believed that Officers had looked at the building to ensure it was fit for purpose, there had been consultation with local residents who had provided positive feedback and there would be further reports in the future in respect of revenue, the business case and who would run the centre.

The report outlined the aims and ambitions of what the Executive wished to deliver.

A Member reminded Members that the City Council owned the fire station building so there would be no outlay to purchase the building.

A Member believed that the decision had been made and that there would be no further scrutiny on that decision. There was no business plan for the development and there was no indication of revenue costs. The report suggested that the project could be funded from the Asset Review Programme. However, the Member believed that the programme was to sell low return assets and invest the funds in high return assets. There was also no risk assessment included in the report.

The Portfolio Holder stated that the report indicated that the Executive were looking at the fire station as a possible venue. The Member pointed out that the decision stated that the Executive "Approved the Warwick Street Fire Station for development as an Arts Centre for Carlisle". The Portfolio Holder advised that the programme was at an early stage and if the figures did not stack up further along the process the Executive

would come back with other proposals. However, the Executive wanted an arts centre and there was more than enough evidence of the need for an arts centre.

The Portfolio Holder stated that the Executive had been careful with the Council's budget over the past year and while they were aware that there were people in the City who were suffering they wished to ensure the Council achieved a good return on their money and created income streams.

A Member believed that the Council had adopted the PRINCE 2 method of project management. The report indicated that that process was not being followed. The Deputy Chief Executive advised that in the past PRINCE 2 had been used but there was currently a Corporate Project Board that managed projects alongside training in Microsoft Project for Officers. The Deputy Chief Executive outlined the remit of the group and advised that the group would report on the project to the Resources Overview and Scrutiny Panel.

A Member queried whether revenues had been investigated. The Deputy Chief Executive explained that the report did not go into the finer detail but that he would expect the project group would look at those issues. The group was set up with the Culture, Health, Leisure and Young People Portfolio Holder and looked at access and value for money to ensure that the project could be delivered alongside everything else.

A Member was reassured by the comments and whilst she was not against the proposal she believed there was insufficient information in the report for the Executive to make an informed decision.

The Environment and Transport Portfolio Holder believed that the scheme would give a better return on Council funds than present interest rates. She had been to a meeting that morning regarding the Sense of Place and advised that the people who attended were positive about the vision and development in Carlisle and believed that Carlisle should be a destination and not a gateway to somewhere else. The Portfolio Holder believed that Carlisle was out on a limb by not having an arts centre. Residents in the Rickergate area had been concerned about the future of the area but the present proposal had allayed those fears. The Portfolio Holder also believed that the proposal would provide an iconic building of which the people of Carlisle would be proud. She explained that the capital costs had increased following the submission of the architect's concept.

A Member stated that he was not against a new theatre and believed that the main reason for the failure of the Lonsdale project was that the building had been allowed to deteriorate to its present condition. The proposed arts centre would be in a residential area with a lot of people around and therefore he did not believe it was the right building.

The Deputy Leader advised that there had been a lot of work undertaken on the project and at the beginning costs were investigated. He highlighted a number of smaller theatres across the country which were very successful. The report had been submitted to the Panel for their involvement.



A Member stated that the information had not been available to all Members until the Executive report was published while others had been given a presentation prior to the Executive meeting. He confirmed that the decision had been called in as members were unclear from the report how the arts centre would be funded and by whom and how it would be run.

The Culture, Health, Leisure and Young People Portfolio Holder outlined the revenue funding as set out within the report. She believed that the arts centre would complement what was already in place and Officers had looked at similar projects in other areas.

The Director of Resources advised, in response to a query from a Member, that the financial figures in the report were a best estimate and were indicative of costs the Local Authorities incurred when running an arts centre. The figures were based on the arts centre being in the Methodist Hall and the Director advised that it was likely that the costs would change. Officers were looking to see what grants were available and a further report would be submitted at a future meeting.

The Deputy Leader acknowledged Members' concerns regarding costs but reiterated that the project was in its early stages and it would be difficult to provide precise figures at such an early stage.

The Environment and Transport Portfolio Holder reminded Members that the issue around the impact on residents had been raised. She believed that so long as the building was adequately sound-proofed there would not be any issues.

The Culture, Health, Leisure and Young People Portfolio Holder advised that she had met with residents on two occasions during the previous week all of whom had given positive feedback. The Portfolio Holder had also received a letter in support of the project.

The Environment and Transport Portfolio Holder, as a Ward Councillor, along with a fellow Ward Councillor, had also met with residents and advised that the majority were in favour of an arts centre on the site.

A Member stated that although the Director of Resources and the Deputy Leader had indicated how much had been put aside for the scheme there was no indication of how much the scheme was likely to cost and how the budget would be achieved.

The Deputy Leader confirmed that Officers, the Executive and the Panel would monitor the project to move the project forward.

A Member believed that the vision could be achieved and would be a major attraction and stimulus for the City. The arts centre could be a centre point for people across the district and would enrich the economic and cultural life of the City.

The Culture, Health, Leisure and Young People Portfolio Holder advised that Officers were working on a business plan for the arts centre but that it would not be ready in time for the next meeting of the Council. When the report was ready it would contain more information about revenue costs.

In response to a query from a Member the Director of Governance agreed to provide the latest revenue projections for the project as an addendum to the report to Council. Under those circumstances the Member was satisfied that matter was being addressed by the Executive and that it would not be necessary to refer the matter back to the Executive.

Members were satisfied that the Panel would be able to scrutinise the project and agreed that it would not be necessary to refer the matter back to the Executive or Council.

**RESOLVED:** That the matter shall not be referred back to the Executive and the decision shall take effect from the date of this meeting.

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## **EXCERPT FROM THE MINUTES OF THE COMMUNITY OVERVIEW AND SCRUTINY PANEL HELD ON 11 JULY 2013**

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### **COSP.52/13    ARTS AND CULTURE STRATEGY (ARTS CENTRE)**

The Director of Community Engagement submitted report CD.40/13 concerning the potential development of an Arts Centre for Carlisle. The matter had been considered by the Executive at their meeting on 1 July 2013 when they made the following decision:

That the Executive:

1. Approved the Warwick Street Fire Station for development as an Arts Centre for Carlisle
2. Approved the increase in the capital programme from £586,000 to £1,064,500 for recommendation to Council, noting that the increase will be funded from additional capital receipts generated from the Asset Review Programme.
3. Approved the release of the current budget and re-profiling of the overall scheme, subject to Council approval above, with £50,000 being incorporated within the 2013/14 Capital Programme and £1,014,500 in the 2014/15 Capital Programme.
4. Delegate authority to the Portfolio Holder for Culture, Health, Leisure and Young People in consultation with the Director of Community Engagement to produce and progress the plans to deliver the Arts Centre as detailed in report CD.37/13.
5. Make report CD.37/13 available for consideration by the Community Overview and Scrutiny Panel.

The Director of Community Engagement introduced Mr Hugh Champion to the Panel. Mr Champion was a recognised expert and development consultant in Arts Centres and had given advice and support whilst looking through the site options. The report commented upon the long history of exploring the idea of a mid-scale Arts Centre and performance venue in Carlisle, adding that the Carlisle Plan provided a pledge for the development of an Arts Centre within the City.

It was proposed that a venue be identified for an Arts Centre which could:

- bring a new performing arts and entertainment focus into the Carlisle, delivering an offer to the city and its wider hinterland.
- deliver exciting and developing programmes of quality arts and entertainments, aimed at building and broadening audiences.
- offer a varied range of opportunities for Carlisle residents as participants, creators and performers.
- stimulate local talent and build the profile of Carlisle and Cumbria's creative and digital industries sector. That would include supporting emerging, Carlisle based, commercial artists and designers.

- contribute distinctively to Carlisle's visitor offer, linking into, and being a resource for, festivals, events, projects and cultural providers.
- provide the foundation for future developments in arts and entertainment.

Having considered potential venues in Carlisle, the former Fire Station in Rickergate (a substantial building with straight forward structure on a prominent corner site on the edge of the historic quarter) was proposed as the preferred option.

Details of the proposed format, market potential, management and programme aspects, design concept and capital costs, and the anticipated timetable were provided.

In considering the report Members raised the following questions and comments:

- *Potential capital costs were included in the report. Was it in the Council's best interests to publish those figures prior to the project going out to tender? Who was preparing the tender documents? Would it be someone with specialist knowledge in that area?*

The Director of Community Engagement advised that advice had been sought from colleagues regarding whether the report should be considered in private. Whilst it was acknowledged that the information was sensitive it was agreed that it would not disadvantage the Council by considering the information in public. The Director did not know whether there would be input from a technical specialist. Officers had been working on what the Council would like the Arts Centre to be.

- *The cooling off period appears to be one day only.*

The Director of Community Engagement explained that the tenders would be reviewed from 20 September 2013 and that would be the start of the cooling off period. That would give people time to amend their tender if necessary.

In response to a query the Director of Community Engagement advised that contingency had been built into the budget.

- *The plan shows a bar/cafe. Would a kitchen also be included?*

The Director of Community Engagement explained that the project was not yet at that level of detail.

The Deputy Chief Executive stated that Day Cummins had been commissioned to produce the plans for the Arts Centre. Their work allowed the Executive to decide upon a preferred site. The project would now follow the proper process before coming to a final decision. Funds were available in the 2013/14 budget for specialist advice and progress reports would be submitted to the Panel throughout the process.

- *Were similar Arts Centres elsewhere struggling or were they successful?*

Mr Champion advised that it was a difficult time for the arts generally. When he first became involved the option for the Arts Centre was the Methodist Hall. When the fire station was first proposed Mr Champion did not believe it would be suitable but after further investigation he was satisfied that the building would be suitable. However the Arts Centre would need to be run in a business like manner with the right skills. He believed that the Centre should draw in a large footfall with meetings, conferences and headline acts.

With regard to the bar and kitchen, Mr Champion stated that it was important that there was a good catering offer where people could meet after work. It was important that it was not seen as a service of the Council and would require good coffee and a welcoming atmosphere. Staff should be flexible and multi skilled as they would be required to cover a range of duties within the Centre.

- *Previous reports had emphasised the need for catering quality and volume. Had the use of volunteers been considered particularly when performances were taking place?*

The Director of Community Engagement explained that the Arts Centre would require supporters who could make a contribution. There would be an important role for the community to ensure the Arts Centre was a success. A core staff would be required but there would also be a role for volunteers.

Mr Champion advised that whilst volunteers were very useful it was important to consider how they were rostered and that they were of the relevant age group to the programme.

- *People looking for performing arts were generally older people.*
- *It was very difficult to gain profit from catering and only by selling high volumes and having tough terms and conditions for staff.*

Mr Champion agreed that it would be difficult and that the Centre would need to trade on the best and most interesting commodities and the best quality. A lot of people like working in the arts and the Council had the opportunity to build up a highly motivated staff. Mr Champion confirmed that people using the Centre should be charged competitive rates for rooms and equipment.

Mr Champion confirmed that the Arts Centre would complement other arts facilities in the area and the staff at the brickyard were keen to work with the Council on the Arts Centre.

- *There were a lot of students in Carlisle and the college was currently undertaking a £5.3m arts centre in the college.*
- *The college would provide learning skills that could then be displayed in public in the Arts Centre. As there was a mix of size of venues it would be ideal for students. As well as the college the Centre could also be used by the University's performing arts*

*students and technical volunteers may be available from the university. The University would also be looking for practice and performance space.*

The Director of Community Engagement advised that a lot of work had been done with the University and they were eager to work with the Council on the Arts Centre. The Centre would enable students to stay in Carlisle as a stepping stone to a further career. A selection of high quality student work had been on display at the University.

Mr Champion believed that the Council had a good opportunity to build up a good working relationship with the educational institutions. Arts facilities within university campuses did not generally make a huge impact on the community but could be a good source of volunteers and a good way for students to gain experience.

- *Had the Green Room been consulted on the proposals?*

The Director of Community Engagement advised that the Green Room were interested in what the Council were undertaking and wanted to be part of a place where people would visit.

RESOLVED: That Report CD.40/13 – Arts and Culture Strategy (Arts Centre) be noted.