

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

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| REPORT TO: | Regeneration and Development Panel | | |
| DATE: | 10 th January 2018 | | |
| TITLE: | GUILDHALL COMPLEX | | |
| TYPE OF REPORT: | Policy Development/ Review/Update | | |
| PORTFOLIO(S): | Culture, Heritage and Health | | |
| REPORT AUTHOR: | Chris Bamfield | | |
| OPEN/EXEMPT | EXEMPT | WILL BE SUBJECT TO A FUTURE CABINET REPORT: | Yes |

REPORT SUMMARY/COVER PAGE

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| PURPOSE OF REPORT/SUMMARY: |
| <p>The report is to update the Panel on options for the St Georges Guildhall complex and particularly the implications for capital funding. It also details the work that has been taking place which would help to strengthen any future grant applications.</p> |
| KEY ISSUES: |
| <p>Is the Guildhall complex an asset the Council would wish to develop and fully utilise?</p> <p>Is the Council willing to substantially increase its Capital support for an overall site solution?</p> <p>Is the level of revenue funding sustainable?</p> <p>Is multi-use of the site taking traditional, digital, heritage and art together the format that should be developed for the site or should its role continue as a traditional venue for local groups.</p> |
| OPTIONS CONSIDERED: |
| <p>The report considers a number of options for the Guildhall complex. The two that would essentially deliver a sustainable and long-term use of the site should this be agreed as the way forward are detailed at 2.5 and 2.6.</p> <p>Other options would result in a lower capital cost but not address the long-term issues around access and maximising use of the asset.</p> |
| RECOMMENDATIONS: |
| <p>The Panel is asked to;</p> <ol style="list-style-type: none"> a) Consider the options for the Guildhall complex and provide a steer for Cabinet on the preferred option. b) Comment on the activities currently underway and proposals for the complex in general. |

REASONS FOR RECOMMENDATIONS:

To provide advice to Cabinet and Officers on how to develop the Guildhall complex.

REPORT DETAIL

1. Background

- 1.1 In December 2016 following on from the demise of the Arts Centre Trust the Council submitted an application to the Heritage Lottery Fund (HLF) to grant support a refurbishment project around the St Georges Guildhall complex.
- 1.2 Although the HLF recognised that the Guildhall is an important historic site they were unable to support the Council's application. The HLF noted that demand for funding continues to be extremely high and they are not able to support all applications. The Guildhall project was one of 24 applications considered by the HLF of which 17 were rejected and 7 approved demonstrating the competitiveness of the process.
- 1.3 In discussions with officers of the HLF it is clear that the Council had not been able to put together a strong enough proposal to demonstrate that the future for the complex was both sustainable and radical enough to attract and develop new visitors and audiences.
- 1.4 A key issue for the future viability and sustainability of the site is the need for the design to allow for flexible and multi-use activity of the space. Current work is around;
 - 1.4.1 Guildhall – to be predominantly a flat floor space approx. 19.5m x 9m. The existing entrance staircase to be retained and to link to retractable seating. This retains 34 fixed seats to the King Street end of the Guildhall, the 84 retractable seats access from the staircase or flat floor, then 175 seats on flat floor for a total of 293 as a maximum. The existing stage size is retained.
 - 1.4.2 Shakespeare Barn/Guildhall – interlinked spaces but sub divided to cater for traditional arts/gallery space and with ability for sub-letting for relevant conservation/arts use.
 - 1.4.3 White Barn – open plan workspace adaptable for use as a creative hub or multi-use office space.

2. Options for the Complex

- 2.1 A key driver for the Council's original application to the Heritage Lottery Fund was to carry out a major refurbishment of the Guildhall complex. The Council has a capital allocation to re-roof the Guildhall and other smaller repairs of £230,000. This was the confirmed funding allocated in support of the grant

applications. It is clear that this level of investment from the Council will not be sufficient to deliver a comprehensive scheme or lever in third party funding.

A number of options are identified;

2.2 Handback to the National Trust

Return of areas leased from the National Trust back to the Trust.

In 2010, when the Council was originally considering the closure of the complex, the National Trust were asked to consider the return of the buildings. The lease with the National Trust expires in 2050. The National Trust required a Capital payment of £21million to cover the remaining 40 years of the lease using the Chorley Formula (standard NT calculation). Assuming the same rate for the remaining lease term of 33 years then the current figure would be circa £17million.

2.3 Mothball

The Council could 'mothball' facilities and only carry out works to maintain the current building and fabric and infrastructure to be in a good condition for the next 33 years. The current condition report identifies structural works including re-roofing, services – mechanical/electrical works including fees to the value of circa £675,000-975,000. These works will become more pressing in the next few years and failure to act is likely to lead to increased repair costs.

2.4 Continue Current Operation

To continue the current operation including the hire of the Guildhall to local theatre and performing arts groups will require significant work to replace seating, lighting, sound, fire evacuation systems, etc. The Charcoal Blue (Theatre Consultants) report identified costs of circa £329,000 including this with the £975,000 above giving an estimated cost of £1,304,000. This approach would not address many of the long-term issues with regard to low levels of use and poor access.

2.5 Overall Site Scheme

2.5.1 As a comparator for 2.3 and 2.4 above, consideration is given to a total site refurbishment broadly on the lines of the original HLF application but with some variations.

2.5.2 Guildhall to a substantially flat floor venue with retractable seating. Total seating capacity circa 293 of which 118 is tiered/retractable and 175 flat floor. Flat floor area circa 19m x 8.5m. New access/lift.

2.5.3 Shakespeare Barn conversion for BCCF use including new workshop/gallery/multi-purpose space.

2.5.4 Repair and upgrading of offices 29 & 29C King Street.

- 2.5.5 Conversion of White Barn to workspace/office/digital hub.
- 2.5.6 New glass link to connect entrance to Shakespeare Barn/Fermoy Gallery to Guildhall corridor but on a smaller footprint than originally proposed.
Building Works estimated at £4,538,000
- 2.5.7 To obtain HLF support any application will also need to include an Activity Plan, the cost is estimated at £300,000.
- 2.5.8 Total proposal cost to deal with all buildings on the site is £4,838,000.

2.6 Phased Approach

- 2.6.1 A phased approach for works has been considered. This would involve the Guildhall itself being taken forward and other parts of the site considered as separate schemes. The estimated cost for the Guildhall elements including front entrance, toilets and new lift is £2,837,400 including a provision for an Activity Plan as part of an HLF application would add circa £300,000 to the costs.
- 2.6.2 Works to the existing office at 29 and 29C King Street are an operational requirement and could be considered separately as part of the Council's capital programme at circa £210,400.
- 2.6.3 The White Barn could continue as a storage space with no major works carried out. Alternatively it could be considered at a later date as a stand alone project, although construction works are likely to be difficult in terms of access if they were to follow on from a completed refurbishment of the Guildhall. The White Barn cost to create circa 600m² of space is £886,900.
- 2.6.4 The works to the glass link, Shakespeare Barn, Fermoy Gallery and Red Barn could be deferred essentially maintaining the current use and operation. This element of the works is estimated at £603,600.
- 2.6.5 The figures used at 2.6 have been extracted from the overall complex costs. It is possible that by carrying out the scheme in phases additional costs will be incurred.
- 2.6.6 As at 2.5 the phased approach also results in a total cost of circa £4,838,000 but potentially delivered over a longer time frame.

2.7 Council Fully Funded

If the Council were to proceed on the basis of funding the elements of the scheme excluding the White Barn and King Street offices then it would not need to develop an activity plan. The cost of works would be circa £3,440,000 to be fully funded by the Council.

3. Capital Funding

- 3.1 The options to return the complex to the National Trust, Mothball or continue with the current arrangements would not be able to draw in any third party funding. Realistically the options would be Mothball at circa £675,000-975,000 or continue current operation at £1,304,000 in capital costs.
- 3.2 Third party funding is still an option if the Council is determined to look for a more sustainable future for the site.
- 3.3 The offices on King Street and the White Barn conversion would generate a rate of return as lettable spaces of circa 4% on an investment of circa £1,100,000.
- 3.4 An HLF grant is still a viable option for the site. The Council was successful in obtaining £1,850,000 towards the Town Hall project and this level of grant funding could be achieved for the Guildhall complex.
- 3.5 Other third party funding particularly from the Arts Council could be deliverable. A target of £500,000 is achievable.
- 3.6 Allowing for 3.3 to 3.5 above then this leaves a funding gap of circa £1,388,000. This level of funding would be required to create an overall refurbishment of the site even if this was phased.
- 3.7 As the Council only has £230,000 in the capital programme all of the options will require additional funding. Any additional capital expenditure would need to be considered by Cabinet as a call on the Council's uncommitted capital receipts.
- 3.8 If the Council did proceed and was prepared to allocate funding and pursue an overall solution then given all the other relevant information it would have a much stronger business case particularly as the percentage support from the HLF would be at a relatively low 39%.
- 3.9 The figures used in the capital breakdown are at second quarter 2017. These will increase with inflation by circa 3.5-4% per annum.

4. Revenue Funding

The current annual revenue cost for the Guildhall complex is £120,000 per annum.

4.1 Mothball

Mothballing the complex does create a potential risk around the £34,500 income received from leases particularly the Riverside Restaurant and Crofters, effectively trading on a closed site. The current leases expire in 2021 but contain a right to renew.

Overall savings estimated at circa £60,000 predominantly Business Rates on Guildhall (Listed Building therefore zero rates), utilities, Arts Trust SLA. Overall net cost then circa £60,000 per annum.

4.2 As Is

On this model there would be a saving if the Council ceased to deliver most of the activities previously carried out by the Arts Centre Trust but continuing to operate the Guildhall as a hall for hire. Overall saving circa £30,000 - £50,000 per annum.

4.3 Overall Site Scheme

In terms of producing a revenue saving;

- Rental of the Shakespeare Barn/Red Barn and Old Warehouse to the BCCF and consequent revenue savings should deliver circa £15,000 per annum.
- Equipping the Guildhall as a multi-use flat floor venue offers the opportunity to generate additional use and revenue but much of this would be absorbed in additional costs.
- The Council will need to prove to the HLF that it has a sustainable approach to future repair and maintenance work. This will require the setting up of a sinking fund for the complex.
- It is unlikely that a significant reduction in the current budget estimate but a figure of circa £30-50,000 could be achievable within 2/3 years.

| | Capital Investment | Revenue | Potential Arts Council NPO funding |
|------------------------|---------------------------|----------------|---|
| Mothball | £675,000-975,000 | £40-£60,000 | NO |
| As Is | £1,304,000 | £30-£50,000 | NO |
| Full Scheme/ Phased | £1,388,000 | £30-£50,000 | YES |

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| White Barn/ King Street Office | £1,100,000 | £35-65,000 | NO |
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5. Positioning for Future Application

- 5.1 The Council is continuing to develop and implement a number of work streams that can provide evidence of a strategic approach and make a positive contribution to any future funding bids or development proposals for the Guildhall complex.
- 5.2 Supported Creative Arts East a National Portfolio Organisation (NPO) to deliver a range of Arts Development projects in the borough. This developing relationship has resulted in Creative Arts East applying for £95,000 of Arts Council funding to support “Celebrating Age in West Norfolk”, a two year project.
- 5.3 Worked with “Collusions” a not for profit company who are predominantly working with emerging technology and digital art as part of creative industries as the fastest growing part of the UK economy. The UKs creative industries contribute almost £90bn net to GDP and one in eleven jobs. Collusion’s first project engages with a new audience providing opportunities for people to work at the intersection of arts and technology.

A video of the King’s Lynn event can be seen at <https://vimeo.com/242061862>

The Council are continuing to work with Collusion and developing a bid to the Arts Council for a further project based on interactive technology and utilising the Council’s light projection equipment.

5.4 Cultural Prospectus

- 5.4.1 The 2015/2020 Council’s Corporate Plan has a clear commitment to drive economic growth and create a prosperous future for the people that live and work in West Norfolk. The Corporate Plan has six priority strands, one of which is a focus on culture and heritage.
- 5.4.2 A Cultural Prospectus is current being developed to build upon the Corporate Plan and help integrate the Council’s work with that of our key stakeholders. This would include the New Anglia Local Enterprise Partnerships new “Economic Strategy” and the Arts Council “Great Art and Culture for everyone”.
- 5.4.3 Being able to demonstrate a more strategic approach will be important if the Council is to obtain third party funding for the Guildhall complex.

- 5.4.4 It is anticipated that the Cultural Prospectus will be an agenda item for the April meeting of the Panel.
- 5.4.5 The major funding for Arts organisations comes via the Arts Council to National Portfolio Organisations “NPOs” for 2018-2022 there are 831 of which 183 are new. Total allocation is £409million in 2018/19. In Norfolk, the following organisations receive funding over four years 2018-2022.

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|----------------------------------|------------|
| Creative Arts East | £600,000 |
| Curious Directive* | £359,272 |
| Norfolk and Norwich Festival | £4,812,680 |
| Norwich Arts Centre | £728,284 |
| Seachange Trust (Great Yarmouth) | £1,560,000 |
| Writers Centre Norwich | £1,993,620 |

*Theatre group based in Enterprise Centre in Norwich.

In addition, Norfolk Museums Service receives £6.5million over four years to support Museums related work.

- 5.4.6 King’s Lynn has a role as an important cultural and economic driver to a sub-region of more than 200,000. Developing and co-investing with the Arts Council over the next four years will help to position West Norfolk to consider a locally based NPO in 2023. King’s Lynn has been a cold spot for Arts Council funding.
- 5.5 The Council has extended its current Service Level Agreement (SLA) with Norfolk Museum Service to assist with supporting the development and implementation of the emerging King’s Lynn and West Norfolk Cultural Prospectus, including:
- To convene and facilitate a Cultural Board of senior cultural leaders and stakeholders, building strong relationships and supporting the development of a strong narrative and vision for arts, culture and heritage in west Norfolk;
 - To ensure strategic alignment with relevant national, regional and local strategies relating to culture, tourism, economy, place-shaping, learning and engagement (including Cultural Education Partnerships) health and wellbeing and in relation to BCKLWN corporate plans;
 - To work with colleagues, stakeholders and co-investors to develop and submit external funding applications including applications to Arts Council England and the Heritage Lottery Fund to realise key Borough-wide strategic arts development ambitions, ensuring a sustainable and distinctive cultural offer for the west of the county;

- To strengthen existing networks across the arts, heritage, tourism and cultural sectors, build new partnerships and to support project development to enable new arts and cultural initiatives;
- To work to build new arts audiences (local and national) and participants from local communities;
- To advocate on behalf of the arts sector in BCKLWN in appropriate arenas;
- To work to ensure that Kings Lynn and West Norfolk benefits from key regional initiatives, including e.g: StartEast, Look Sideways East
- To act as a key point of contact for the BCKLWN Cultural Strategy and to work to ensure that other council contracts and investments contribute to its ambitions.

5.6 Creative Hub/Cluster

5.6.1 The Council has obtained funding from the Norfolk Business Rates Pool to support a piece of work around the feasibility of setting up a Creative Hub in King's Lynn and the potential for this to be based within the Guildhall complex. In the context of the Guildhall complex a Creative Hub is "a venue that uses part of its available space for networking, organisational and business development within the cultural and creative industries".

5.6.2 The Council is a partner in a bid submitted for support through the Government's Creative Industries Clusters Programme. The programme will provide £45million in funding over 4½ years for eight clusters each led by a Higher Education Institution.

The delivery timescale should the bid be successful is from October 2018 to March 2023. This is a phased approval process.

5.6.3 The Creative Cluster complex could utilise some of the existing space on the site but has a better fit with development proposals around the White Barn.

5.7 King's Lynn Festival

King's Lynn Festival has taken a five year lease for the offices and reception area at the Fermoy Gallery and a one year licence for the Fermoy Gallery. As part of the arrangements the Festival will manage and administer bookings for the Fermoy Gallery and also administer and manage the volunteer scheme for entry to the Guildhall.

5.8 Building Crafts and Conservation Foundation

The BCCF has applied for Charity Commission Registration and is continuing to work with the Council around using part of the complex as its base for

Heritage Skills training. The Council has assisted with a small amount of funding to help the Trust move forward in generating third party funding.

6. Issues for the Panel to Consider

- 6.1 The Panel are asked to consider the options for the Guildhall complex including the White Barn and King Street offices and suggest a way forward for Cabinet.

7. Corporate Priorities

- 7.1 The Council has six corporate priority strands, one of which is a focus on heritage and culture, the Council is one of 10 Heritage Action Zones receiving support from Historic England.