

Item 4

KEY DECISION

REPORT TO CABINET
14 DECEMBER 2006

REPORT OF DIRECTOR OF
LEISURE SERVICES

Portfolio: Leisure and Culture

Feasibility Study, Arts Resource – Spennymoor Leisure Centre

1 SUMMARY

- 1.1 Following an audit of arts provision within the Borough of Sedgefield undertaken by Arts UK in 2004, it was clear that a gap in provision existed. In 2005 a further study was commissioned to establish precisely the nature of the gap in Arts provision and identify the scope of provision, its preferred location, how additional arts provision would complement existing facilities within the Borough and to rigorously test the demand for any proposals.
- 1.2 The outcome of 2 years of research is an Arts Resource based at Spennymoor Leisure Centre with total capital required to deliver the facility, in the region of £3m.

2 RECOMMENDATION

- 2.1 That Cabinet agree in principle to the development of an Arts Resource at Spennymoor Leisure Centre.
- 2.2 That Sedgefield Borough Council's capital commitment to the project must be within the region of 20% of the total capital build costs and should not exceed £700,000.
- 2.3 That Cabinet agree that the project will not be progressed beyond the feasibility stage until all necessary capital funding from external sources is in place and there is full sign off of the revenue implications of the project, both of which will be subject to further reports to Cabinet.

3 DETAIL

- 3.1 The Arts Audit in 2004 commissioned by the Borough Council provided an opportunity to map existing physical arts provision and to investigate arts programmes that were being developed within each facility. It was clear from that study that a great deal of artistic activity was taking place in the Borough but what appeared to be missing was a central facility for the Borough to concentrate its arts activity specifically around education, participation and attracting professional artists into the Borough.
- 3.2 Once this mapping exercise had been undertaken, there was a call to carry out an Overview and Scrutiny assessment of arts development across the Borough and this piece of work was concluded in August 05.
- 3.3 Cabinet at their meeting in March 06 adopted the action plan that came out of the Overview and Scrutiny Committee which confirmed the Borough Council's

commitment to the arts with particular reference to placing art at the strategic centre of specific council policies and also giving authority to further investigate arts provision to reflect on the 3 key outputs, education, participation and professional artists.

- 3.4 In 2005, Xsite were commissioned to build on the work of the arts audit and be reflective of the Overview & Scrutiny Committee's action plan.
- 3.5 Their report in February 2006 confirmed the outcome of rigorous consultation with professional artists, voluntary sector organisations and statutory agencies. Their study concluded that what would compliment existing provision and reflect the demands of those involved in the consultation would be an arts resource.
- 3.6 The timing of this work coincided with the development of the gymnastics centre at Spennymoor Leisure Centre and the confirmation of the plans to reshape the accommodation within the Leisure Centre which would also include a new fitness suite fully funded by the private sector which members can look forward to in the autumn of 2007.
- 3.7 Cabinet are well aware of the need to develop within the Spennymoor Leisure Centre the physical area between the gymnastics centre and the new fitness suite and the arts resource would provide the opportunity of investing with a specific purpose.
- 3.8 Shown at appendix 1 of the report is the footprint of space which would be developed as an arts resource. Appendix 2 shows an indicative programme covering various art forms which is reflective of the consultation contained in the research documents.

4 FINANCIAL IMPLICATIONS

- 4.1 It is anticipated that the overall capital cost for the project is around £3m. A summary breakdown of the expenditure and income is contained at appendix 3.
- 4.2 Sources of funding
 - 4.2.1 Given the requirement to invest in the area of Spennymoor Leisure Centre which would be required under the Council's Asset Management Plan, this report is suggesting that a cap of £700,000 is attached to the project which is in the region of 20% contribution towards the total.
 - 4.2.2 An Arts Resource at Spennymoor meets the regeneration definition for capital investment and therefore is eligible for funding from this source.
 - 4.2.3 Discussions with Arts Council of England and funding consultants have allowed us to be quite confident of leveraging specific external grants.
 - 4.2.4 Clearly the project will also rely on other sources of capital whether they be European money or single programme, trusts and foundation money, these funding sources are less certain.

4.3 Revenue Implications

- 4.3.1 Officers and consultants have been at pains to develop the project to ensure that it is not ticket reliant, unlike stand alone theatres, the arts resource will have a performing arts programme which can be tailored to the level of revenue costs acceptable to the Council.
- 4.3.2 The Business Plan which is available for detailed inspection identifies that in the 3rd year of operation (2011/2012); revenue costs for the arts resource could be in the region of £45,000 per annum (at 2006/07 prices). In subsequent years this could rise to £100,000 per annum if the high levels of staffing and marketing and promotion expenditure required in the first 3 years of the project are to be maintained, but officers feel that at this stage of the development, the level of expenditure may not be required at that level.
- 4.3.3 It is clear that relevant officers of the Council would need to be engaged in the rigorous assessment of the proposed business plan and clearly this assessment would be subject to future reports to Cabinet.

5 **CONSULTATION**

- 5.1 Both Arts UK who undertook the Arts Audit and Xsite who undertook the audit findings, consulted with 250 groups, organisations and individuals within the Borough and elsewhere both regionally and nationally. Information was gathered from face to face interviews, telephone interviews, public meetings, desk research and questionnaires. In total organisations and individuals represented over 36,000 people and the proposed arts resource is reflective of the view and aspirations of those individuals.

6 **LINKS TO CORPORATE AMBITIONS**

- 6.1 The Arts Resource is able to make a positive contribution towards helping to deliver the Council's corporate ambitions. The health agenda will be addressed by providing more opportunities for key target groups of people to participate in a range of cultural activities.
- 6.2 More job and volunteering opportunities will be available and the project will improve the external environment of the town adding to the evening economy offer, while a programme designed around more constructive use of leisure time will help to build stronger communities.

7 **OTHER MATERIAL CONSIDERATIONS**

7.1 Risk Management

The project is heavily reliant upon external sources of funding. The primary risk is not being able to assemble the amount of third party funding required.

Albeit that the project is to refurbish existing accommodation rather than a new build, there are still financial risks associated with inflation within the building industry. Revenue costs must be managed in a prudent fashion and it will be necessary to ensure a reasonable balance between fixed and variable costs.

7.2 Sustainability

Compliance with the Council's energy policies in respect of efficient utilisation of energy must be built in to the contractual terms.

7.3 Equality and Diversity

An access plan is contained within the feasibility study document written by Xsite to ensure best practice.

7.4 Crime and Disorder

With a diverse artistic programme geared to youth culture, the arts resource will add to facilities which will provide opportunities for all young people to spend their leisure time in a constructive way.

7.5 Human Rights and Social Inclusion

N/A

7.6 Health and Safety

N/A

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Ward(s)

Key Decision Validation:
Affecting two or more wards
Expenditure over £100,000

Background Papers

I&DeA Arts at the Strategic Centre report, 2002

Arts Audit, May 2004

Spennymoor Arts Resource Feasibility study by Arts UK, August 2005

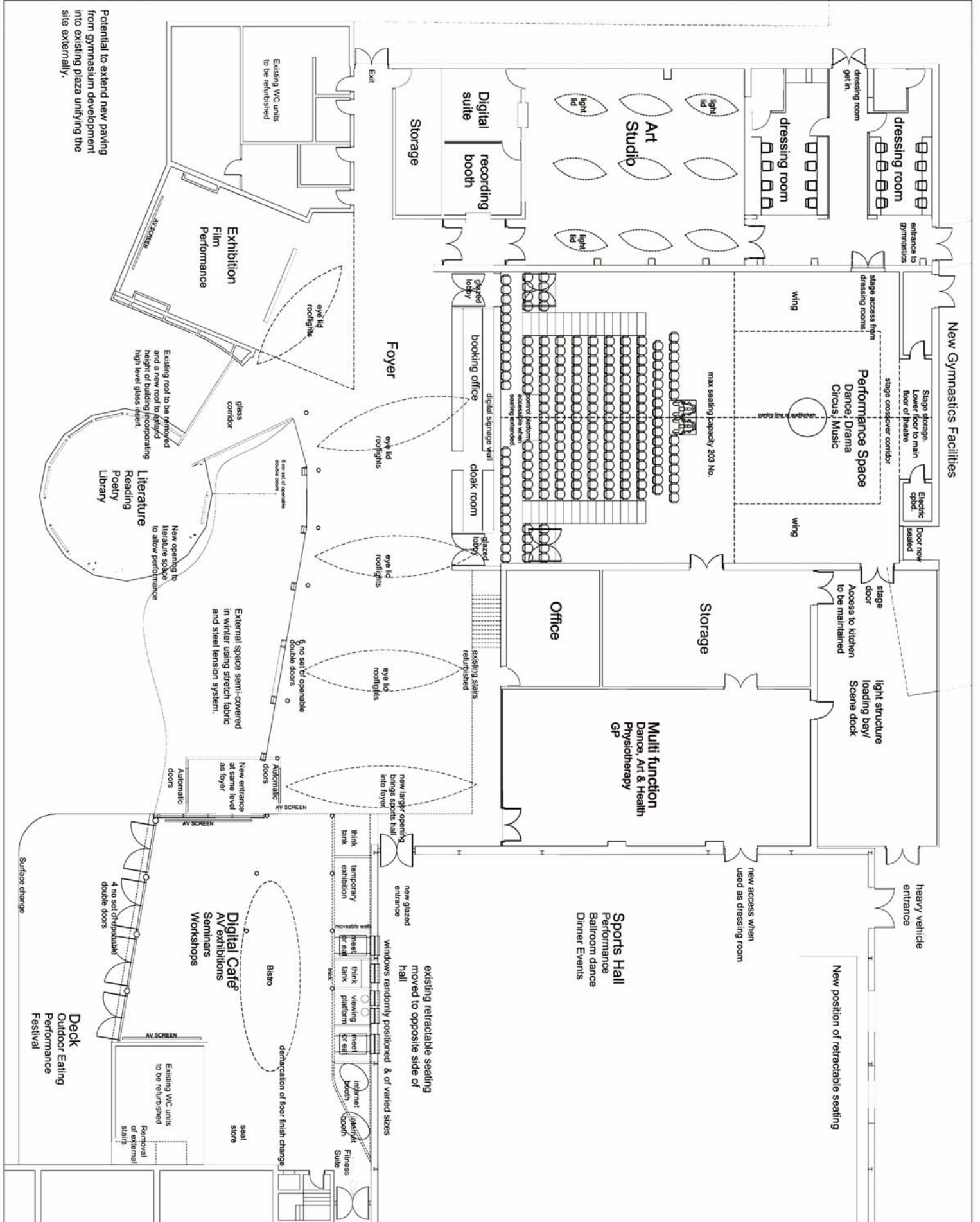
Overview and Scrutiny Committee Action Plan

Spennymoor Leisure Centre Arts Resource Centre: Xsite Architecture, June 06

Spennymoor Arts resource Business Plan, Brian Debenham, November 2006

Examination by Statutory Officers

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Potential to extend new paving from gymnasium development into existing plaza unifying the site externally.

Appendix 2

PROGRAMME	Spennymoor Arts Resource	Settlement	Spennymoor Town Hall	Greenfield Art and Community College	Bishop Auckland Town Hall	Gala Theatre Durham	Darlington Arts Centre	Darlington Civic Theatre	ARC Stockton
Circus programme/facilities									
Cinema facilities									
Digital festival									
Community and Amateur Exhibitions									
Hire of facilities for wedding/conferences									
Artists and Sports Personality presentations									
Drama Residencies (Primary Schools)									
Drama Residencies (Secondary Schools)									
Dance Residencies (Primary Schools)									
Dance Residencies (Secondary Schools)									
Dance company visits/talks/training									
Children's Theatre									
Music Gigs Folk/World/Jazz									
Music Pop/Rock									
Classical Music series									
Amateur company programme									
Community/schools music events									
Comedy store									
Tea dances									
Salsa dances									
Community drama classes									
Community youth theatre									
Community youth dance									
Arts and Health									
Resident company workshops									
Choral singing									
Dance programme educational									
Drama Programme educational									
Music programme professional performance									
Busking programme									
Outdoor music festival									
Outdoor sculpture/lighting programme									
Meetings									
Dance and drama professional performances									
Studio facilities for artists/companies in residence									
Community workshops									
Community performances									
Office facilities for artists/organisations									

Appendix 3

Illustrative Capital Budget	
Expenditure	
Building Works	£1,764,363
Professional Fees	£294,901
Additional Site works	£201,646
Kitchen relocation	£100,000
New Staffing Costs	£220,690
New Marketing Costs	£60,000
Start up Programme	£60,000
Furniture and Equipment	£180,000
Contingency	£218,400
Total Capital Costs	£3,100,000
Income	
Arts Council England	£500,000
Big Lottery	£500,000
ERDF	£400,000
Single Programme	£400,000
Public Art Regeneration Funds	£50,000
SBC Capital Investment Programme	£700,000
Trusts and Foundations	£500,000
Other Partnership Funding	£50,000
Total Income	£3,100,000