Is the final decision on the recommendations in this report to be made at this meeting? | Yes

Civic Complex – Review of Stage 1 and Next Steps

<table>
<thead>
<tr>
<th>Final Decision-Maker</th>
<th>Full Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Holder(s)</td>
<td>Councillor David Jukes, Leader of the Council</td>
</tr>
<tr>
<td>Lead Director</td>
<td>Jonathan MacDonald, Director of Planning and Development</td>
</tr>
<tr>
<td>Head of Service</td>
<td>David Candlin, Head of Economic Development</td>
</tr>
<tr>
<td>Lead Officer/Report Author</td>
<td>Diane Brady, Civic Development Manager</td>
</tr>
</tbody>
</table>

Classification: Non-exempt, except Appendix E, which is exempt information under the Local Government Act 1972 Schedule 12A Paragraph 3: Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Wards affected: All

This report makes the following recommendations to the final decision-maker:

1. To note that:
   - all consultancy fees identified in the report are spent at risk and that they will be abortive costs if the buildings are not developed;
   - the Council has moved into RIBA Stage 2 (concept design) for the project to progress:
     - Office
     - Theatre
     - Underground Car Park
     - Masterplan
     - Procurement of a development partner

2. That the Great Hall Car Park is the preferred site for the new theatre;

3. That Calverley Grounds is the preferred site for an underground car park;

4. That the authority to move into RIBA Stage 3 (detail design) for the project be delegated to the Portfolio Holder for Finance and Governance, the Leader, the S151 Officer and the Director for Planning and Development;

5. That authority be delegated to the Director for Planning and Development, the S151 Officer and Monitoring Officer in consultation with the Leader and Portfolio Holder for Finance and Governance, to enter into a formal agreement for lease with the prospective tenant on appropriate market terms, and that the principle of the capital commitment of doing so is recognised, and the financial risk if the commitments in the agreement to lease are not fulfilled, be recognised;

6. That the Council approves the allocation of £2 million from the General Fund to the Capital and Revenue Initiatives Reserve and that this sum is vired into the Development Programme Budget; and
7. That the S151 Officer in consultation with the Portfolio Holder for Finance and Governance is requested to bring back a report to a future meeting with options to address the revenue implications for funding the capital cost of the project, when or before the capital request is being considered.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough
- A Green Borough
- A Confident Borough

The report supports delivery of the Council’s Five Year Plan and seeks to progress the redevelopment of the theatre, provide brand new office space and improve the entrance setting to Calverley Grounds whilst protecting the historic integrity of the listed civic suite of buildings and providing a masterplan framework within which this place shaping may take place to complement and enhance Tunbridge Wells.

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Board</td>
<td>24 May 2016</td>
</tr>
<tr>
<td>Discussion with Portfolio Holder</td>
<td>20 May 2016</td>
</tr>
<tr>
<td>Finance and Governance Cabinet Advisory Board</td>
<td>7 June 2016</td>
</tr>
<tr>
<td>Cabinet</td>
<td>22 June 2016</td>
</tr>
<tr>
<td>Council</td>
<td>20 July 2016</td>
</tr>
<tr>
<td>Other committee(s)</td>
<td>Overview and Scrutiny</td>
</tr>
</tbody>
</table>
1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 The Borough has a clear and ambitious vision to ‘grow our role as the cultural centre of the Kent & Sussex High Weald, so that by 2024 the Borough of Tunbridge Wells is nationally recognised for its vibrant cultural provision’. Having a modern theatre sits at the heart of this vision. Likewise, the commitment to deliver a modern theatre fit for the 21st century, is a key component of the Council’s Five Year Plan.

1.2 This report seeks to update the Full Council on the progress since the decision in December 2015 to progress the detailed investigation on this project. It summarises the progress on the project workstreams to date and informs of the expenditure on consultancy, legal and survey fees to date.

1.3 The report identifies the next stages to develop the workstreams of the project to the stage where planning permission may be sought for the different elements of the project (submission of planning applications to be subject to a subsequent decision by Cabinet and Full Council).

1.4 The report clarifies the procurement of consultants for the next stages of the feasibility work and outlines where work will be developed to in each stage.

1.5 In keeping to key timelines the report is seeking authority to delegate a decision on progression into RIBA Stage 3 (Detail Design) of the project and completion of the masterplan process.

1.6 The detailed anticipated fee expenditure is outlined in the various stages and authority is sought for an additional budget allocation to meet the civic complex programme up to the point where the Council will need to consider the capital request and an application for planning permission. Progression will be subject to set ‘gates’ prior to progression, being at the end of Stage 2 and the end of Stage 3. The scale of the development is outlined in the report.

1.7 The report highlights the need to progress rapidly and at a timetable dictated by the prospective office tenant to secure that tenant into a binding commitment to lease space in the building. It highlights that entering into a formal agreement for lease commits the Council to providing the office accommodation or to potential financial and reputational liabilities if it then fails to do so. The report informs that the prospective tenant is of sound covenant and is an important business in Tunbridge Wells offering substantial employment.
1.8 In addition the report seeks confirmation that the Great Hall car park is the preferred location for the new theatre and that Calverley Grounds is the preferred location for a new underground car park.

2. INTRODUCTION AND BACKGROUND

2.1 The Borough has a clear and ambitious vision to ‘grow our role as the cultural centre of the Kent & Sussex High Weald, so that by 2024 the Borough of Tunbridge Wells is nationally recognised for its vibrant cultural provision’. Having a modern theatre sits at the heart of this vision. Likewise, the commitment to deliver a modern theatre fit for the 21st century, is a key component of the Council’s Five Year Plan. This was the clear statement of intent set out in the October 2014 Cabinet report which approved the Assembly Hall Theatre mandate. The decisions of that meeting were to investigate all options for the financial viability of delivering a new theatre on, or adjacent to, the civic complex, or Council-owned land in Royal Tunbridge Wells, in addition ensuring that the Development Advisory Panel is engaged as appropriate during the process.

2.2 It is on that basis that Cabinet on 3 December 2015 and Full Council on 9 December 2015 respectively, resolved to:

- the provision of a new theatre with a larger auditorium to accommodate a wider range of productions and therefore a greater offer to the visitor;
- the provision of an office for the Council (including the civic function) and for a tenant on Mount Pleasant Avenue Car Park;
- the provision of a parking facility to support the new developments; and
- a ‘Masterplan Framework’ document to place the proposed developments in the context of the planning policies and place shaping ambition for the town centre.

2.3 Accordingly, consultants GVA, supported by Allies and Morrison (architect) and other technical sub-consultants, were appointed through the ‘Government Framework Agreement Providing Professional Estate Services’ to develop the project design and brief for the office and further investigate the provision of the new theatre and the possible ways of funding such a scheme through the redevelopment of the Town Hall and other Council-owned assets.

2.4 The consultants have undertaken their investigative works in accordance with the Royal Institute of British Architects (RIBA) defined stages:

<table>
<thead>
<tr>
<th>RIBA Stage 0</th>
<th>RIBA Stage 1</th>
<th>RIBA Stage 2</th>
<th>RIBA Stage 3</th>
<th>RIBA Stage 4</th>
<th>RIBA Stage 5</th>
<th>RIBA Stages 6&amp;7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Definition</td>
<td>Preparation and Brief</td>
<td>Concept Design</td>
<td>Developed Design</td>
<td>Technical Design</td>
<td>Construction</td>
<td>Handover and Close Out</td>
</tr>
</tbody>
</table>
2.5 The end of each Stage provides a ‘gate’ or decision point regarding continuation of the project and the commitment of additional resources towards the feasibility. It is at the end of Stage 3 that the Council will need to consider the capital requirements and decide to deliver the project. The initial feasibility elements up to the end of Stage 3 are at financial risk until a decision on delivery is taken.

2.6 At RIBA Stage 0, for each of the civic development project workstreams, the consultants have identified the Council’s business case and strategic brief and other core project requirements; the potential project team has been considered and a project programme has been established.

2.7 At the Cabinet and Full Council checkpoint in December 2015, the project passed from RIBA stage 0 to RIBA Stage 1 and under Stage 1, the consultants have developed the project objectives for each of the workstreams, and have further considered the quality objectives and project outcomes, sustainability aspirations and project budget, constraints and parameters to enable them to produce the initial project brief.

2.8 They have continued to identify the specialist team required to deliver the project, have reviewed the initial project programme produced in RIBA stage 0 and developed it through to provide a greater level of detail of the strands required to be completed within the project programme.

2.9 The feasibility work presented to Cabinet and Full Council in December 2015 had reduced the options down from thirteen to essentially five options.

2.10 The options were judged by a set of objectives to enable a shortlist to be evaluated. These broad objectives are:

- Continuity of theatre operation
- Continuity of Council office operation
- Integration with the Cultural and Learning Hub
- Significant redevelopment of wider civic site
- Cultural benefit to Tunbridge Wells
- Economic benefit to the town centre
- Sensitive to the historic nature of the site
- Contributing to reduce the cost of new facilities

As reported in the December report and supporting information the five options shortlisted were:

- Option 4 - Theatre on the police site with residential-led development of the Town Hall
- Option 6 - Theatre on the police site with leisure-led development of the Town Hall
- Option 7 - New theatre and office with leisure-led redevelopment of the site
- Option 9 - New theatre and office with retail galleria development of the site
- Option 10 - New theatre and office with residential development of the site
2.11 Paragraph 2.20 of the December report states that:
In a number of the options the location of a potential new theatre was identified within the civic complex; however, a number of these impacted on the continuity of theatre use. Within the context of the feasibility study the Great Hall car park site provided the best opportunity to deliver a theatre and maintain continuity of use.

2.12 As a result options 4 and 6 were really not as deliverable. The Police Station location was considered during Stage 1 but this has not been included in the reports as completed. There is the option to rebuild on the current site but this would not meet the continuity of operation criteria. Costs for this approach were outlined in the original Assembly Hall Theatre mandate report in October 2014. In addition, the former cinema site was considered by officers but the sale of that site to a private developer and the additional financial costs of acquiring the site and adjacent land was not a viable proposition. In addition the railway line underneath the site may have caused technical difficulties for a theatre in that location, particularly noise and vibration.

2.13 As a result the main options being explored at Stage 1 were those with the proposed theatre outside the civic complex (options 7, 9, 10). All three options included the theatre on the Great Hall car park site therefore the approach and consideration are consistent in the presentation in the documents.

2.14 Initial pre-application discussions have been undertaken with the planning authority and with Historic England presenting the civic development project as a whole. Although each building may be developed individually, the buildings are intrinsically linked and the main purpose of the masterplan is to set the context of the project as a whole.

RIBA STAGE 1 REPORTS

2.15 The reports summarise the work undertaken to the end of RIBA Stage 1, and the work proposed for RIBA Stages 2 and 3 to take the Council to the position where planning applications may be submitted.

2.16 In addition, for the office, theatre and underground parking, various options have been considered and initial financial appraisals of these undertaken, which are summarised in Exempt Appendix E to this report.

Workstreams
2.17 To the end of RIBA Stage 1, the civic development project comprised four principal workstreams:

- Masterplan
- Office
- Theatre
- Underground car park

2.18 The Masterplan sets the background for the proposed civic complex development and encompasses the existing Town Hall site, the sites for the proposed new development and Calverley Grounds.
2.19 For the office, theatre and underground car park and public realm development, initial high level investigations have been undertaken into: the site; the design and design options for each building; title, land and neighbouring considerations; planning strategy; high level construction costs; and programme and risks.

2.20 Summary reports which form background papers to this Full Council report have been produced for each of the workstreams and can be accessed via the following link:

2.21 A further set of more detailed reports containing confidential information is available to members in the Members’ Room.

MASTERPLAN

2.22 The purpose of the ‘Masterplan Framework’ document is to provide a quasi-planning policy framework to provide context and direction for the various components in the Tunbridge Wells civic centre project and to protect the historic integrity of the existing civic buildings.

2.23 It will have the following functions:

1. Provide supplementary planning guidance to adopted and emerging policy to assist in the preparation and determination of future planning applications;

2. Define and communicate the development proposition with the local community (and other stakeholders), which will include a process of genuine public consultation on the site specific proposals as part of the preparation of the document;

3. Ensure that the Council’s corporate objectives can be formally defined/established in planning terms;

4. Ensure a comprehensive approach to planning/redeveloping the civic development project sites (bearing in mind the anticipation that development will not be brought forward as a single scheme – there will be multiple planning applications); and

5. Establish a firmer planning position in respect to comprehensiveness to enable the potential future use of Compulsory Purchase Order for land assembly purposes (if necessary).

2.24 The document could either be adopted by the Council as a ‘non-statutory’ planning document or could go further and be adopted as a Supplementary Planning Document.
Current Position

2.25 An urban design baseline report has been prepared as part of the initial stage of work, together with early stakeholder engagement in the form of a community stakeholder workshop, meetings with key landowners and engagement with Historic England.

OFFICE

2.26 The purpose of Stage 1 has been to prepare to deliver the project and to establish the brief. Investigation has been undertaken in a number of areas to enable the consultant team to produce a high level building design that can:

- Fit on the site and operate effectively;
- Integrate fully with its surroundings and maximise the advantages of being adjacent to Calverley Grounds;
- Accommodate a flexible civic function that could be provided for alternative uses;
- Deliver the office space and specification requirements of the potential tenant and work with the Council’s office and civic function;
- Create a new entrance and edge to Calverley Grounds together with the new theatre;
- Be delivered to the required timetable;
- Be flexible in design to allow (so far as possible) for the future.

2.27 In addition, the Stage 1 works have considered the planning and heritage implication of the proposed development and financial costs and viability of undertaking this element of the project.

2.28 ‘Without Prejudice’ negotiations have taken place with a tenant of strong covenant and local standing within the town which, if an agreement for lease is obtained, would secure a significant annual income stream to the Council for a significant number of years. The tenant has a specific timeframe and occupational requirement which can be accommodated in this development but which is affecting the project programme for the office element of the civic development project. This timeframe requires that the Council enter into an agreement for lease in September/October 2016 which will then legally bind the parties to build and occupy the building and will have significant financial and other liabilities for each of the parties if they do not honour the terms of the contract into which they have entered, including payment of compensation for any mitigated loss that is suffered.

2.29 Three initial options appraisals have been undertaken which have reviewed:

1. the provision of an office maximising the amount of accommodation that may be sited on the footprint;

2. reducing the size of that accommodation to ensure that the build sits more comfortably within its surroundings; and
3. producing a limited office building which accommodates the Council offices and civic functions only.

2.30 The appraisals are summarised in Exempt Appendix E of this report. The preferred option is defined as “Main Report Option” in the report attached.

2.31 It is recommended that the second option, comprising an office in the region of 50,000 sq ft be explored further in the concept and detailed stages of the office project design.

2.32 To deliver the Council’s requirement to generate future revenue streams, to ensure that the most cost effective office building is delivered, to meet the identified timescale and to work in sympathy with Calverley Grounds and its surrounding area, it is proposed that the second option, comprising an office in the region of 50,000 sq ft be explored further in the concept and developed stages of the office project design.

Current Position

2.33 A high level design for an office building that meets the needs of the potential tenant and the office and civic requirement of the Council has been developed.

- Initial high level costs have been provided;
- Initial title investigations and desk top surveys have been undertaken;
- ‘Without prejudice’ negotiations have commenced and are progressing with the prospective tenant;
- ‘Without prejudice’ initial discussions have taken place with certain land owners to prepare the way for acquisition of title, access or other rights to facilitate the development;
- Consultation with Historic England is progressing;
- Initial options appraisals for the office development have been produced;
- Report for RIBA Stage 1 checkpoint has been produced.

THEATRE

2.34 As part of Stage 1 the Council employed Bonnar Keenlyside to properly inform the plan for a new theatre and its feasibility. As part of the scope of this document the Council asked Bonnar Keenlyside to evaluate what the new seating capacity of the new theatre should be.

2.35 Their report sets out that the Assembly Hall Theatre as it stands is a venue at a difficult scale and nationally there are not many successful venues at this scale as they are not big enough to be commercially viable in their own right as they cannot offer visiting companies a big enough gross ticket scale capacity. The report then goes on to confirm that in order to be cost effective, 1200 seats is the minimum capacity desirable.

2.36 The report does note that commercial operators would potentially prefer a capacity of 1500 seats and that a venue of this size would typically be subsidy-
free but notes that at present this could not be accommodated on the site being examined for a new theatre.

2.37 The arts consultancy expertise has advised that a minimum 1200 seat theatre could be sustained in the Borough and there would be an audience to attend a theatre of this size. It has also suggested that a new theatre would have a significant positive impact on the local economy of around £15-18 million (in comparison to the £4 million that the Assembly Hall Theatre contributes at present).

2.38 Investigations have been undertaken to ascertain whether a 1200 seat theatre with the appropriately sized and designed facilities could fit on the footprint of the Great Hall car park site, whether the operational demands of a new theatre could be accommodated and how a new theatre would work within that setting.

2.39 The Stage 1 investigations have concluded that a theatre could be accommodated on the Great Hall car park site subject to agreements with some neighbouring land owners and that a theatre on this location would sit sympathetically adjacent to the historic setting of Calverley Grounds.

2.40 High level cost appraisals have been undertaken on two potential theatre development options. Both have a 1200 seat auditorium of a consistent size but the first option provides the ancillary facilities to a size and quality that would provide a state-of-the-art 1200 seat theatre. The second offers the same sized auditorium but with reduced foyer, bar, office and back-of-stage space.

2.41 To meet the Council’s aspiration of delivering a state of the art theatre fit for the 21st century and to enhance the cultural offer in the Borough, it is proposed that the first option of a bigger and better theatre be explored.

2.42 The high level cost options are summarised in Exempt Appendix E. The preferred option is defined as “Expanded Option” in the report attached.

Current position

2.43 A state-of-the-art theatre could be situated sympathetically on the site. The report sets out that:

- Initial high level costs have been provided;
- Initial title investigations and desk top surveys have been undertaken;
- ‘Without prejudice’ initial discussions have taken place with certain land owners to prepare the way for acquisition of title, access or other rights to facilitate the development;
- Consultation with Historic England is progressing;
- Report for RIBA Stage 1 checkpoint has been produced.

UNDERGROUND CAR PARK

2.44 Development of the office and theatre on the respective proposed locations produces the requirement to provide parking. New parking would seek to replace the car parking lost by developing on both sites. The project identifies
the provision of approximately 300 parking spaces under Calverley Grounds and this has been explored in Stage 1. New, quality parking in this location will add benefit to the businesses in this part of the town centre and with the theatre and the offices in this location, a new vibrancy to Calverley Grounds.

2.45 In initial discussions, Historic England have been receptive to the concept in principle and recognise how it may complement the overall civic project development.

2.46 The Stage 1 investigations have indicated that in civil engineering terms the proposal is possible. There is a significant cost but this delivers pay back over a fairly long, but acceptable period. The initial designs envisage the terraces of the theatre covering the access ramps to the car park, serving both to disguise the accesses and also to bridge from the theatre to seamlessly integrate into Calverley Grounds.

2.47 An options analysis has been undertaken on the provision of 200, 300 and 400 spaces and the conclusions are summarised in Exempt Appendix E.

2.48 The initial costings show that the most cost-effective option is a car park providing approximately 300 spaces and therefore it is proposed that a car park of that capacity be taken forward for concept and developed design. This option is defined as “Expanded Option Approx. 300 Spaces” in the attached report.

**CIVIC COMPLEX BUDGET AND THE DEVELOPMENT PROGRAMME**

2.49 Cabinet has to date incrementally approved a budget for the Development Programme with decisions in August 2013, September 2014 and December 2015. The last of these decisions was to increase the budget by an additional £2m to £3m.

2.50 Within the Cabinet report in December 2015 and also within the Full Council report on the 2016/17 budget (24 February 2016) it was highlighted that the first £1m was being made available with immediate effect with the second £1m approved but subject to future Cabinet approval on the basis of progress and further evidence of requirement to complete specific projects.

2.51 The spreadsheet attached as Appendix A sets out the budget allocated, expenditure to date, funding committed and available to spend. Income received is also identified. Appendix B provides a brief update on individual projects within the programme.

2.52 In the December Cabinet report it was highlighted that approving the civic complex programme would result in a significant shift and focus in workload. To clarify this work and its associated costs the tables separate out and summarise the civic complex and the wider development programme.

2.53 In total, approvals to date have allocated £2,819,429 of the overall budget. The budget balance remaining is £219,211. As will be noted actual expenditure of £1,273,845 is approximately 45 per cent of what has been allocated to date. Additional commitments of £1,306,516 are expected, of which the majority is
committed to Stage 2 of the civic complex work. It should be recognised that professional fees incurred in the feasibility and viability work are at a financial risk (without any tangible benefit) to the Council until a clear decision to progress with a capital scheme is approved.

**Budget Requirements for Civic Complex RIBA Stage 1**

2.54 As per the governance arrangements, the Leader, Portfolio Holder for Finance & Governance, Director of Planning and Development and S151 Officer approved the resources to cover the budget of £457,100 for Stage 1 works on the Masterplan (or Framework), Office, Theatre and Car Parking elements of the project. This brought the total budget allocated to the Civic Complex work to £656,286 including previous work on Mount Pleasant Avenue and the Assembly Hall Theatre mandate. However, the actual final costs of the Stage 1 work were £361,948 which means overall £542,373 has been spent on the civic complex work. This is shown in the expenditure to date column of Appendix B.

**Budget Requirements for Civic Complex RIBA Stage 2**

2.55 Utilising the actual expenditure to date and using the figures provided by the appointed consultants, a breakdown of the allocations by workstream in Stages 2 and 3 can be projected forward. As outlined in detail elsewhere in the report we have appointed GVA and their team of sub-consultants to progress RIBA Stages 2 and 3. This was concluded through a mini competition within CCS (Crown Commercial Services) framework. The budget requirement for Stage 2 is anticipated as £1,250,459 and is shown in Appendix B as committed. In addition a budget allocation of £120,000 towards securing a development partner has been allocated bringing the Stage 2 budget allocation to £1,370,459. Approval for budget up to the end of Stage 2 has been secured via the delegated authority. The figures shown as the approved budget to date in Appendices A and B include an element of contingency bringing the potential cumulative authority on the civic complex to £1,996,786 up to the end of Stage 2. All figures are allocations subject to monitoring of actual expenditure up to authorised figures.

**Budget Requirements for Civic Complex RIBA Stage 3**

2.56 The budget requirement for Stage 3 is anticipated as £1,512,291 and a breakdown by workstream is shown in Appendix C. The allocation for Stage 3 will only be authorised at the appropriate gate. It is anticipated that there will be some additional costs around the main contract. These may include, but are not limited to, legal costs in addressing the development procurement, office tenant lease and property matters.

**Development programme budget requirement**

2.57 The significant scale of taking the civic complex forward on top of the existing development programme projects - John Street, Kevin Lynes site, Culture & Learning Hub, Warwick Park, Holly Farm, Southborough Hub, sports facilities, commons - has had a significant impact on the development programme budget. For simplicity in projecting possible costs forward the budget
allocations to date are used in Appendix C as the starting financial position including the Stage 2 budget approvals. As can be seen the total approvals to date have allocated £2,819,429 of the overall development programme budget which means that the budget balance remaining from the £3m development programme budget is £219,211.

2.58 Without additional budget allocation we will be unable to progress into Stage 3 and potential budget requirements for the wider programme will not be able to be facilitated. An extra £2m of budget for the development programme is therefore requested at this point, to ensure sufficient funding is available for the civic development programme but also allow capacity (approximately £707,000) for progression of other priority projects within the programme and the Five Year Plan. The allocation of an additional £2m will bring the total budget allocation for all development programme projects to £5m.

Funding the proposal and revenue implications

2.59 In order to deliver the proposed project, on the current high level costings, the Council is expecting to have to borrow approximately £50 million (plus £17 million for the car park which will be self-financing) from a suitable source. As the Council is a local authority it can do this at reasonable rates and over a longer period of time. In order to service this debt the Council would have to deliver approximate revenue savings or additional revenue income of around £2 million per year. It is recommended that the Portfolio Holder for Finance and Governance be requested to bring forward a report setting out how this may be achieved prior to the agreement of the capital request for the project.

3 AVAILABLE OPTIONS

3.1 In terms of progressing from this point there are a number of options. These include:

3.2 Doing nothing – That we continue to maintain the Town Hall and Theatre to the current standard, accepting the current size of the Theatre will not be addressed and that existing maintenance and running costs for the Town Hall and Theatre will be maintained. This was partly considered when the Assembly Hall Theatre mandate was first approved by Cabinet in October 2014.

3.3 Do minimum - As previously outlined, costs in excess of £10m would be required to maintain the current Town Hall building and make it more suitable for current employment practices. We have relocated all our current staff into the Town Hall with the proposal that Gateway is relocated in the new Cultural & Learning Hub. Further contraction of the officer base could enable some space to be let to third parties but without further investment the building is obsolete in the current office space market and therefore unlikely to let. In addition the Theatre, unless it was expanded on site which could cost in the region of £12m, would not attract larger touring shows. The lack of space in the wings would start to see the current facility become less attractive to shows as costs to deliver in a compromised space increase. Some minor improvements in
maintenance and running costs could be expected within the limitations of listed buildings. Again the original Cabinet report considered this option when the Assembly Hall Theatre mandate was first proposed.

3.4 **Do something** – The civic development project comprises the proposed building of an office for Council and private tenant occupation on Mount Pleasant Avenue, and a new theatre on Great Hall car park and a new underground car park with supporting public realm work, and anticipates the disposal (in some form) of the Town Hall and other enabling sites to contribute to the funding of the development.

3.5 There are a range of potential options related to this which release one or more parts of the existing asset sites for redevelopment. However, a by-product of the full option could be that this more modest approach could be delivered at a future date.

3.6 In terms of ‘Do Something’ we could either:

   a) Progress with the office feasibility and concept design (RIBA Stage 2) with a view to moving into developed design (RIBA Stage 3) in isolation.

   b) Progress with a phased development, initially taking the office feasibility and design in isolation (RIBA Stage 2) with a view to moving into developed design (RIBA Stage 3) with the remaining elements being taken through RIBA Stages 2 and 3 at a future date.

   c) Progress RIBA Stage 2 Concept Design with a view to moving through to Developed Design (RIBA Stage 3) for the full project. Within this option there are sub-options regarding the size of office, theatre and car parking. For each of the office, theatre and car park these sub-options consider the most suitable design for the need, a more restrained design and in the case of the office, a substantially reduced office space that would accommodate only the Council requirement.

4. **PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

4.1 The preferred option is to move the whole of the project into Concept Design Stage (Stage 2). Whilst the new developments could take place on a piecemeal basis and at different times, there are strong interdependencies which underlie the full opportunity and which create the concept which in initial discussions has been acceptable to Historic England. The Council has already progressed into Stage 2 (concept design) and it is recommended that the Council proceed with the developed design of the whole civic development project. This full opportunity creates a new entrance into Calverley Grounds and in doing so increases the grounds’ profile and links the park more strongly with the retail street; it enables a new, state-of-the art theatre to be built in a unique location which enhances the leisure offer by linking the theatre with the park; it enables the Council to secure a revenue stream for the future and to move from inefficient, obsolete office accommodation into modern cost efficient space and
it provides a “hidden” car park, enabling the existing car parks to be developed to frame Calverley Grounds.

4.2 Within the complete project option, in order to realise maximum qualitative benefit but having regard to cost and viability, it is recommended that:

- The theatre be the design that offers the maximum space that can be accommodated on the site to ensure the quality of the visitor experience and ensure that this will be a state of the art theatre fit for the 21st century;
- The office is flexible in design to allow for the future, that it imparts dignity but that the civic space is flexible for alternative use, that it provides space for the tenant and for the Council but that it be conservative in size to ensure that it is in keeping with its surrounds and to avoid unnecessary expenditure constructing superfluous space;
- The car park comprises around 300 spaces to maximise the number of spaces against the increased construction as the site is developed deeper into the ground; and
- The masterplan sets the context for the development and provides a framework to protect the integrity of the listed suite of existing historic building.

4.3 The civic development project as a whole is a substantial project and, on initial Stage 1 costing, (which has yet to be refined), it is anticipated that the cost to deliver the masterplan, the office, the theatre and the underground car park will be in the region of £50 million plus £17 million for the car park which will be self-financing. It is anticipated that this will be funded through borrowing but the Council will need to be satisfied that it can service the debt.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 In advance of this report being taken to Finance & Governance Cabinet Advisory Board, all elected members of the Council have received a presentation about the civic complex stage 1 work and the findings in the studies. A further presentation and discussion has been held with the Development Advisory Panel. Members of Cabinet including the Leader have met with the local press to brief them on the studies and the direction.

5.2 As part of the stage 1 programme, stakeholders were engaged in an early consultation event. Additional engagement with stakeholders is planned as we progress. In addition, a non-exempt version of the ‘Civic Complex Stage 1’ studies has been published on our website.

RECOMMENDATION OF THE CABINET ADVISORY BOARD

5.3 The Finance and Governance Cabinet Advisory Board were consulted on this decision at their meeting on Tuesday 7 June 2016 and agreed the following:

- That the recommendations set out in the report be supported; and
• That further information summarising the reasons for selecting the Great Hall car park and Calverley Grounds as the preferred sites be included in the report to Cabinet.

5.4 Accordingly, further information was included in the background summary to the report, in the review of the theatre section to the report and in the car park section of the report.

5.5 The Cabinet, at its meeting held on 22 June, fully endorsed the recommendations set out on the first page of this report.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 The Council has already progressed to Stage 2 and has appointed the relevant professional advice through the ‘Crown Commercial Service RM928 Professional Estates Services’ framework.

6.2 In terms of timescales, it should be noted that there is a significant period of work including procurement to be carried out prior to decisions that would enable the construction phases. Appendix D attached to this report sets out the timeline. It is anticipated that Stage 2 will complete in August 2016, with Stage 3 completing in November 2016. This will inform a Full Council decision and a planning application being submitted in November 2016. It is planned subject to the procurement elements that a new theatre would take approximately 24 months to construct and thereafter commission, and that the Council’s replacement offices would be delivered within an 18 month period. Once the Council has relocated into its new office accommodation and the theatre is operational, then it is assumed the redevelopment within the civic site would commence.

6.3 The appointment of consultants complements the Council’s small in-house resource and continues to provide specialist property development expertise with regard to refinement of options, viability, cost and design advice and in addition procurement of a development partner(s) prior to a future Council decision on progression.

**Masterplan next steps**

6.4 The draft document has been prepared during May and June. Further stakeholder and public engagement on the emerging work took place in mid-June. The draft document will be submitted to the client team for review in July, prior to member review and sign-off for consultation.

6.5 A formal six-week consultation process will be undertaken on the draft ‘Masterplan Framework’, starting in early September. At the conclusion of the consultation, the document will be revised, as appropriate, in the light of the feedback received, prior to submission to the Council for final review and adoption.
Office Next Steps

6.6 The Council has progressed into RIBA Stage 2 and will undertake conceptual design of the tenanted office building comprising approx. 50,000 sq ft.

6.7 As the design moves through Stage 2 and into Stage 3 detail and costs will be refined. Negotiations will continue with the tenant with a view to entering into an agreement for lease by early autumn.

6.8 ‘Without prejudice’ discussions will continue with certain landowners to secure the opportunity if needed by the Council to acquire title, access and other rights to facilitate the final development proposal.

Theatre Next Steps

6.9 The Council has progressed into RIBA Stage 2 and will undertake conceptual design of the theatre with larger ancillary areas and a better back stage offer.

6.10 As the design moves through Stage 2 and into Stage 3, detail and costs will be refined. ‘Without prejudice’ discussions will continue with certain landowners to secure the opportunity. If needed, the Council will acquire title, access and other rights to facilitate the final development proposal.

Underground Car Park Next Steps

6.11 Under the concept design stage for the workstream options identified, the consultants will continue to work towards completing concept design and moving into developed design with a view to preparing the project for the submission of planning permission in November 2016.

6.12 In addition, a fifth workstream will be actioned, which will look to provide a strategy for and achieve the procurement of a development partner to deliver the scheme should it be authorised to progress at the next critical gate.

7 CROSS-CUTTING ISSUES AND IMPLICATIONS

<table>
<thead>
<tr>
<th>Issue</th>
<th>Implications</th>
<th>Sign-off</th>
</tr>
</thead>
</table>
| **Legal** including Human Rights Act | The framework agreements for professional services referred to in the report have been through a process of formal procurement in accordance with European and UK law to ensure that all requirements are met.  

There are a range of legal powers available to the Council which enable it to undertake the development referred to in the report. In addition, section 122 of the Local Government Act 1972 permits the Council to appropriate land or property in its ownership in order to use it for another of its functions.  

At this stage there are no direct consequences arising from the recommendations that                                                                 | John Scarborough  
|                              |                                                                                                                                                                                                            | Head of Legal Partnership    | 13 June 2016 |
adversely affect the rights and freedoms of individuals as set out in the Human Rights Act 1998.

| Finance and other resources | Grant from central Government has already been cut by 65 per cent and after 2017/18 will disappear completely. The ability to raise income locally continues to be curtailed which puts at risk the ability of the Council to balance the revenue budget on an annual basis. The Council is continuing to press for greater local decision-making to ensure services can fully cover their cost and develop income streams to enable financial self-sufficiency. The use of the development programme budget for this project will enable expert advice to be secured to assess the financial viability of delivering new office accommodation, theatre, underground car park and redevelopment of the civic complex. The use of expert advice to deliver a range of non-performing land assets has demonstrated the value of this approach. Through third party framework agreements procurement can be minimised and value for money secured. The initial budget will come from the development programme budget which has already been approved. The Council will seek guidance from consultants regarding VAT as at this stage all estimates exclude VAT. | Lee Colyer Director of Finance and Corporate Services 13 June 2016 |

| Staffing establishment | Staff Engagement and Workforce Transformation will be a significant part of this project. However, this will be delivered within existing resources. | Nicky Carter Head of HR 13 June 2016 |

| Risk management | The Council has already developed a number of 'gates' to manage the allocation of resources and introduce a phased approach to development. This approach will continue to be used for this project. Broader risks for each development will need to be assessed as progressed. The development programme is identified on the Council’s Strategic Risk Register as a separate risk. The risk owner will keep this updated as the development programme progresses so this is managed through the established reporting process of Management Board, Cabinet and Audit and Governance. | Diane Brady Civic Development Manager 13 June 2016 |

| Environment and sustainability | The assessment of space and design will enable the delivery of a more environmentally sustainable building. | Diane Brady Civic Development Manager 13 June 2016 |
| **Community safety** | No specific issues. | Diane Brady  
Civic Development Manager  
13 June 2016 |
|----------------------|---------------------|----------------------------------|
| **Health and Safety** | No specific issues. | Diane Brady  
Civic Development Manager  
13 June 2016 |
| **Health and wellbeing** | No Specific issues. | Diane Brady  
Civic Development Manager  
13 June 2016 |
| **Equalities** | The purpose of this report is to enable the consideration and development of property to meet service requirements into the future. Individual development proposals will be assessed in terms of their requirements and design will ensure aspects such as DDA compliance is addressed from the outset. | Diane Brady  
Civic Development Manager  
13 June 2016 |

### 8 REPORT APPENDICES

The following documents are to be published with, and form part of, the report:

- Appendix A: Development Programme - Budget Approvals
- Appendix B: Development Programme – Summary of Expenditure
- Appendix C: Civic Development Programme Financial Projection
- Appendix D – Civic Development Project – Project Timeline
- Exempt Appendix E – Civic Development Project RIBA Stage 1 Costings and Appraisals

### 9 BACKGROUND PAPERS

- RIBA Stage 1 Reports produced by GVA and Allies and Morrison