

REPORT TO: EXECUTIVE COMMITTEE
Date of Meeting: January 14th 2020

Report of: Jon-Paul Hedge, Director
Title: Venue update

Is this a Key Decision?

No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function? Executive

1. What is the report about?

- 1.1. Reports have been commissioned into the feasibility of a new multipurpose venue for Exeter City Centre and the refurbishment of The Corn Exchange.
- 1.2. The first report examines the cost, programming and possible funding sources for a new 1,200 seated and 2,400 standing multipurpose venue as part of the CityPoint development.
- 1.3. It includes a notional event programme; the definition of a spatial brief and its translation into a concept plan; a high-level assessment of the site and location options; a preliminary capital cost estimate and a 25 year operational financial projection.
- 1.4. It outlines the projected capital cost for such a significant build is circa £61.97million with no obvious funding routes.
- 1.5. The report into the major refurbishment of The Corn Exchange as an alternative outlines potential options and associated costs.
- 1.6. In addition, soft market testing around a private operator funding, building and running a new commercial theatre in Exeter has taken place. This report outlines the market appetite, options and impact.

2. Recommendations:

- 2.1. That Members note the report finds a 'low likelihood' of externally funding a £61.91million multipurpose venue.
- 2.2. That Members note the opportunity around the development of the Corn Exchange.
- 2.3. That Members note the progress regarding a privately funded commercial theatre for the city, and that any future positive developments, be brought back to Council.

3. Reasons for the recommendation:

- 3.1. The report is a significant year-long and city-wide body of work and engagement that, for the first time, thoroughly examines the possibility around a new multi-purpose performance venue for Exeter. Whilst the long standing ambition and investment in Arts & Culture in Exeter remains steadfast, the report concludes the capital cost for this project is simply too high for the either the council or traditional

grant giving bodies to fund. Even if that capital were to be raised, along with ongoing revenue support, it would also fall short of many public perceptions of delivering a venue to rival the likes of The Theatre Royal in Plymouth. There are new options for Members to consider around the future development of Corn Exchange, but they will not progress without investment. It is therefore currently open to the private sector to deliver any venue, if it concludes there is a business opportunity. Adopting the recommendations will also allow the wider CityPoint development to proceed without delay.

4. What are the resource implications including non-financial resources.

None

5. Section 151 Officer comments:

There are no financial implications for Council to consider. If any option is to be considered in the future, it is vital that the business case is reviewed in detail to test the robustness of the assumptions and a further report to Council will be required setting out the financial implications and risks. Clearly, with the current financial position, significant capital expenditure carries extreme challenges. Equally there may be unexpected financial implications arising from any alternative proposals that may arise from any future options.

6. What are the legal aspects?

None identified.

7. Monitoring Officer's comments:

This reports raises no issues for the Monitoring officer

8. Report Details

- 8.1. In February 2019 'Project Explore' was commissioned by Exeter City Council following a formal tendering process.
- 8.2. Fourth Street, supported by Hopkins Architects and Equals Consulting embarked on a project to examine the potential of a 1,200 seated capacity and 2,400 standing multipurpose venue as part of the CityPoint development.
- 8.3. The first stage of the report, which is attached, examined a notional event programme for such a venue; the definition of a spatial brief and its translation into a concept plan; a high-level assessment of the site and location options; a preliminary capital cost estimate and a 25 year operational financial projection.
- 8.4. All the proposals and assessments set out in the report were derived through an iterative process involving Exeter City Council and a wide programme of research and consultation across the city.
- 8.5. There were differing views on whether Exeter can compete successfully with the regional theatres already in existence. However there was broad consensus that a wider range of event types would help sustain any new multipurpose venue.
- 8.6. A key initial issue for this study was whether the new venue should include the capability of flying and storing scenery above the stage, a large orchestra pit and

related ancillary facilities. If the venue was to host touring commercial theatre of scale and national profile, a fly-tower would be required. However, it would be redundant for 75% of the rest of the programme.

- 8.7. The exclusion of a fly tower would eliminate certain shows from coming to Exeter – notably, larger commercial touring theatre and subsidised national / international touring shows. Conversely, if a ‘fly tower’ was included in plans, the new venue would effectively be going head-to-head with established venues like the Theatre Royal to attract the larger and more commercial touring theatre shows. The report states: ‘While competition can be healthy, it is important to acknowledge that the Theatre Royal is heavily subsidised; has established relationships with national producers and promoters; has almost double the population of Exeter within their respective urban catchments, which affords greater ticket-sale capacity; and has the additional capability of the TR2 production and learning centre’.
- 8.8. Initial costings showed the capital cost of a multipurpose venue was likely to be prohibitive. As there would be additional significant costs associated with the fly-tower aspect, the focus moved on to pursuing other models.
- 8.9. The Apex in Bury St Edmunds was referenced within the Needs Assessment study as a relevant comparator for Exeter notably for its flexibility, integrated development, quality of build and construction date. Of all the other venues that were reviewed as part of the Needs Assessment the report, it has remained one of the most relevant case studies. Hopkins Architects worked ideas up into a series of concept plans showing different configurations of the auditorium to address the multi-purpose programming requirements. These can be found within the report itself but headline figures include a theatre layout for 1,000 seated capacity, concert layout for 1,750 capacity, and arena layout for 1,400 capacity.
- 8.10. The concept plans were translated into the indicative masterplan that arose out of the JLL and Clifton Emery work to assess the pros and cons of siting the venue in different locations. Options were limited because of the significant size and scale of the venue’s footprint.
- 8.11. While the most practical location for the venue – from a construction and operational perspective – would be on the highest and flattest lands available, which are also closest to the city centre, they were considered to have the greatest development value and are also subject to existing leaseholds. As such, pursuing this option could jeopardise the wider CityPoint development. All models and configurations are outlined in the report, including options around the current Civic Centre site.
- 8.12. As well as indicative income and expenditure over 25 years, initial comprehensive capital cost model was prepared by Equals Consulting. The total scheme, including construction elements of £51.73m and project costs of £10.24m, is projected to be £61.97m. Key risks, assumptions and models are fully outlined in the report.
- 8.13. To turn designs into reality, funding would need to come from a plethora of sources. The report outlines the likelihood of garnering sufficient support to fund the project at the scale and ambition is ‘low’.
- 8.14. As a result of the negative conclusions, two other options were then looked into. These were soft marketing testing with regards to private industry funding a commercial theatre, and an extensive refurbishment of the Corn Exchange.
- 8.15. Market testing to date shows there is limited appetite in the commercial sector to directly fund, design and operate a theatre in Exeter. The council has received

interest. Where there has been interest, it is clear that it would still require a contribution from the Council, by way of land or alternatives.

- 8.16. Fourth Street then undertook preliminary feasibility exercise around a significant refurbishment of the Corn Exchange. Work included a review of a previous study into increasing capacity, a high level look at a major refurbishment, capital costs, operational projections and comparisons between this and what the Council was looking to achieve as part of CityPoint.
- 8.17. The report found that the 2012 plans around increasing capacity to 750 did not address other issues with the building, and compounded others.
- 8.18. It is anticipated that these plans would cost £3million to £5million to implement today – whilst still failing to address some fundamental issues with the Corn Exchange
- 8.19. New alternative proposals for a refurbishment have been produced to maximise the audience capacity whilst striking a balance with the operational needs. It includes the concept of lowering the auditorium from its current first floor position to the ground floor. This would see an uplift in audience capacity from 500 seated to circa 1,000 seated and 1,350 standing, enhanced audience access and experience and better production access. Plans would also increase food and beverage space and the new entrance onto Fore Street would have a significant regenerative effect.
- 8.20. The cost for this major refurbishment is projected to be £29.97million and costs are outlined in the attached report. It would take four years and 11 months from the start of the project to completion.
- 8.21. If Members wished to progress plans to an early stage, RIBA stage 1 preparation work would cost £200,000, with concept design to RIBA Stage 2 costing an additional £296,000. The report notes that Arts Council England's previous large capital grants programme applications were required to have completed RIBA stage 1. It is unlikely the scheme would receive serious interest without progressing to RIBA Stage 1.
- 8.22. Like the multipurpose venue, there is no obvious funding route from third party support. Progressing to RIBA Stage 1 would allow ECC to explore conversations within the benefit of more definitive plans. The report outlines a detailed 'favourable' revenue projection over 25 years and assumes a commercially successful venue as well as the wider regenerative impact.

9. How does the decision contribute to the Council's Corporate Plan?

- 9.1. The decision is in line with providing 'Great things to see and do' in the city and contributes to the objective to retain a strong city centre.

10. What risks are there and how can they be reduced?

- 10.1. Outline costs for the Corn Exchange redevelopment are likely to increase over time and become higher than outlined in the report. There is no mitigation to this as funding isn't available to proceed.
- 10.2. Not preparing the Corn Exchange to RIBA Stage 1 means the project is highly unlikely to progress and get Arts Council support.
- 10.3. Risks to the business case and capital costings are outlined in the report itself.

11. Equality Act 2010 (The Act)

- 11.1. Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:
 - eliminate discrimination, harassment, victimisation and any other prohibited conduct;
 - advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
 - foster good relations between people by tackling prejudice and promoting understanding.
- 11.2. In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.
- 11.3. In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.
- 11.4. In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because: because
- 11.5. At this stage there is no new service or existing changes to service
- 11.6. In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

12. Are there any other options?

- 12.1. Proceeding with the multipurpose venue without funding would threaten the viability of the wider CityPoint site.
- 12.2. Members could instruct officers with regards to further commercial discussions for a new theatre.
- 12.3. Members could proceed with RIBA Stage 1 at the Corn Exchange. However, if it were to be unsuccessful in gaining full funding there is reputational risk as monies could have been spent on repairs and maintenance backlogs.

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Director

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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