



Leicester
City Council

Minutes of the Special Meeting of the
CABINET

Held: MONDAY, 6 JUNE 2005 at 5.00pm

P R E S E N T :

Councillor R Blackmore - Chair
Councillor Scuplak - Vice-Chair

Councillor Coley
Councillor Farmer
Councillor Grantl

Councillor Gill
Councillor Metcalfe
Councillor Mugglestone

Councillor Suleman

With the agreement of the Chair, Councillors Sandringham and Willmott were also present for the duration of the meeting.

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1. DECLARATIONS OF INTEREST

Councillor Mugglestone declared a non prejudicial interest as a member of the Leicester Theatre Trust Board.

2. PRIVATE SESSION

RESOLVED:

that the press and public be excluded during consideration of the following report in accordance with the provisions of Section 100A(4) of the Local Government Act 1972, as amended, because it involves the likely disclosure of 'exempt' information, as defined in the Paragraphs detailed below of Part 1 of Schedule 12A of the Act.

Paragraph 8

The amount of any expenditure to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.

Paragraph 9

Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or

disposal of property or the supply of goods or services.

PERFORMING ARTS CENTRE – PROJECT PROGRESS AND KEY DECISIONS

3. PERFORMING ARTS CENTRE - PROJECT PROGRESS AND KEY DECISIONS

With the agreement of the Cabinet, Councillors Sandringham and Willmott were present for discussion on the item.

Councillor Mugglestone submitted a report asking the Cabinet for guidance on whether to proceed with construction of the Performing Arts Centre. The benefits of continuing with the Performing Arts Centre, and the potential effects of aborting the project were outlined. The importance of having an iconic and flagship feature in the Cultural Quarter area was stressed.

It was noted that the contract price was now 86.7% fixed, with 13.3% variable and that the variable element committed was items of spend which the Council has control over. Councillor Mugglestone thanked officers for their work in achieving this.

The Corporate Director and Focus consultants answered questions from Members on the cost and risks associated with specific items of expenditure and noted that there was a contingency fund of £1 million for the variable element of the cost.

The Chief Finance Officer provided an overview of the finances of the project. The key risks of cost increases arose from design changes (and highlighted the need to control changes, particularly those required by the end use) and design co-ordination. Some elements of grant remained unconfirmed and the decision to proceed should be made provisional on further confirmation and other actions. The future revenue implications were also discussed, which were not certain at this stage.

Members acknowledged the potential risks with the project, but were of the view that the benefits that the project could bring to Leicester in terms of regeneration and the promotion of Leicester as an attractive City for residents and businesses outweighed the potential risks. It was therefore agreed to proceed with the Performing Arts Centre as currently designed.

RESOLVED:

- (1) That the Cabinet proceed with the Performing Arts Centre (PAC),
- (2) that the increase in the expected costs of the scheme, and a reduction in the external funding which can be regarded as low risk be noted, and it be further noted that this is within the level of tolerance Council granted to Cabinet in

January 2005,

- (3) that an increase in capital programme provision for the scheme to £48.03 million consisting of external funding of £26.18 million be approved, and the risks of further cost increases be noted,
- (4) that the increase be funded by means of a contribution from the 2004/05 out turn and prudential borrowing,
- (5) to note that there will be an impact on future years revenue budget and the inclusion of provision in future years revenue budget strategies be agreed,
- (6) that Bovis be instructed to start on site, subject to:
 - (a) completion of the analysis of Bovis' contractor statement, to the satisfaction of the Corporate Director of Regeneration and Culture,
 - (b) receipt of a letter stating that the European Regional Development Fund grant of £2.09 million is to be considered by the Programme Monitoring Committee, and that approval is being recommended (or such other confirmation to the satisfaction of the Chief Finance Officer),
 - (c) receipt of a letter from the East Midlands Development Agency stating that £2 million of funding has been approved, a further £1 million is expected to be approved pending ratification by the Board, and that a further £1.96 million of funding is likely to be granted as it is supported locally (or such other confirmation to the satisfaction of the Chief Finance Officer),
 - (d) formal offer and acceptance of Arts Council grant funding of £12 million,
 - (e) execution of an agreement between the Council and Leicester Theatre Trust stating that the Trust will exercise reasonable endeavours to complete the work required of them as part of Arts Council grant funding conditions, and acknowledging the financial consequences to us of their failing to do so.
- (7) that authority be delegated to the Corporate Director of Resources, Access and Diversity, in consultation with the Corporate Director of Regeneration and Culture and the Cabinet Member for Resources, to agree final terms for the leasehold disposal of the PAC on the basis of a one to one disposal at a peppercorn rent, including any variation, amendment or addition to the terms currently reported,

- (8) that the Head of Legal Services be authorised to enter into all necessary contracts and agreements arising out of the leasehold disposal,
- (9) that the success criteria listed in section 11 of the supporting information be abided by,
- (10) that the Corporate Director of Resources, Access and Diversity in consultation with the Cabinet City Centre Sub Group approve the project management arrangements,
- (11) that officers continue to search for additional sponsorship and external funding for the project, and
- (12) that the decision is considered urgent due to the need to start on site to secure funding and contract prices, and that Cabinet procedure rule 12.d (that no call in may be made if the Cabinet decides when making a decision that the matter is urgent for specified reasons) shall apply.

4. CLOSE OF MEETING

The meeting closed at 6.03 pm.

