

Leicester  
City Council

**WARDS AFFECTED: WYCLIFFE & CITYWIDE**

**CABINET**

**5 NOVEMBER 2001**

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**CULTURAL QUARTER**

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**Report of the Director of Arts and Leisure**

**SUPPORTING INFORMATION**

**1 Report**

The Cultural Quarter provides an overarching framework for reconfiguring and relocating Leicester's key arts, media and broadcasting provision as a cultural regeneration driver in the St George's area of the City, and will be a major project in the delivery of Leicester's Cultural Strategy and its Arts, Media and Broadcasting Strategy.

It will be a regional, national and international destination attracting people engaged in creative production, presentation, participation and leisure. It will enhance the quality of life of all who live, work and visit the City, and will provide new opportunities for artistic expression, cultural diversity, education, lifelong learning, social inclusion, housing, technology and new media, environmental sustainability and health. The local identity and cultural distinctiveness of Leicester will be celebrated in the Cultural Quarter and be projected out to the region, the UK, Europe and internationally.

Cultural diversity will be placed at the core of artistic activity and will tap the creative potential of culturally diverse communities, through production and commissioning programmes and exhibitions, management, staffing, education and training, and partnerships. It will achieve this through recognising and building on existing initiatives and identifying opportunities for new investment

**2.1 Site overview**

The Cultural Quarter will be concentrated in the St George's South area, located south of Humberstone Gate, close to public rail and bus transport.

The Cultural Quarter is a key player in driving forward the regeneration aims of the City for the St George's Area. Use of buildings by creative industries and new cultural facilities will increase activity and vitality in the area and act as a catalyst to encourage further development as a mixed-use area.

The hub of the Cultural Quarter is envisaged at the junction of Halford,

Rutland and Queen Streets. This fits well with the planning objective to create better quality public space at this junction, as cited in the Supplementary Planning Guidance for the area. The Rutland Street car park (brown field site) and Leicester City Bus Depot have been welcomed by council planning officers as suitable sites for the proposed cultural uses.

There is a high level of developer interest in the area for conversion of warehouse and factory buildings into residential units, there is a need for further social housing developments in the city centre. Should planning applications be acted upon, residents will help to provide a sustainable market for cultural, café, restaurant, and retail activity.

As environmental and access improvements and Section 106 agreements are planned, those leading the development of cultural facilities will need to be consulted to ensure that decisions reflect the needs of users of the cultural facilities. These will include pedestrian links from the Rail Station, through St George's Church into the Quarter, vehicle access and road use, and ensuring signage, planting and traffic calming were evident in the street environment.

Rutland Street Car Park is the favoured site for the new Centre for the Performing Arts. The Leicester City Bus Depot has been identified as the most favoured and desired location for either the new visual art gallery or the film & media centre. The siting of these facilities will be dependent upon further negotiations and feasibility work with private owners and LCC. For example it may be feasible to use the Odeon building and deliver the film and media centre facilities through a public/private partnership, such as that at the Picture House, Stratford East in London. St George's Church could undergo full conversion into a specific music venue as part of the proposed performing arts centre.

## 2.2 Defining the needs

Leicester can be proud of the achievements of its key arts institutions. The Haymarket, the Phoenix and the City Gallery have all gained regional and national reputations for innovative programming, development of Black and Asian artists and new work, and approaches to presentation and production of theatre, dance, film and the visual arts. The Cultural Quarter will provide the means to bring significant new capital and revenue funds to further develop and enhance programming opportunities.

However, the performing arts in Leicester suffers from the physical constraints associated with the existing Haymarket and Phoenix buildings. Through the Cultural Quarter these would be solved through creating fit for purpose new theatre and performing arts facilities with 750 seat and 300 seat theatres, production facilities, and a new 450 seat music venue to complement De Montfort Hall. Theatre and performing arts and music providers in Leicester also need to be properly resourced and equipped to target valuable resources at under-developed areas, such as the establishment of mainstream culturally diverse theatre, sustaining existing quality production, developing dance programming, commissioning and producing new performance work, and ensuring adequate provision of accessible rehearsal and production spaces.

Leicester's City Gallery has an excellent reputation, but public access is limited by the constraints of its current premises. In a new building offering increased space for major contemporary and touring exhibitions, the

opportunity to house new major collections, increased support for craft, and dedicated space for education and community work and the support for young artists, Leicester could justifiably claim to house the East Midlands's only Regional Arts Gallery.

The Phoenix's film exhibition and new media programme is an important city-wide and regional resource. However whilst its physical access remains problematic the opportunities to support this growing creative industry sector are limited. Leicester and the East Midlands need a properly established regional film theatre, with accessible media resources to provide support for independent film makers.

There is a lack of creative industries production facilities in Leicester, restricting opportunities for enterprise and inward investment. There is a need for subsidised studio space for visual artists, commercial workspace for creative technology, broadcasting, and media organisations, subsidised office space for Leicester's voluntary and professional not-for-profit arts organisations, and suites of rooms to provide facilities for networking, training, business support. This provision would benefit from being co-ordinated through a Creative Industries Development Agency.

## **2.3 Cultural Quarter & Vision**

The proposal to develop the Cultural Quarter is based on the following vision:

Leicester will be the cultural production house for the East Midlands and a regional flagship city for cultural investment and the cultural industries. It will be a city that offers culturally diverse opportunities for training, for making, for distribution and for exhibition.

Leicester will become the key cultural centre in the region by building on the demographic change of Leicester and its diversity. It is further envisaged that through the development of the Cultural Quarter stronger partnerships will be fostered and established with the education sector, particularly with:

- Specialist Colleges,
- City Learning Centres,
- Post 16 education establishments (for example Leicester College), and the
- Universities

to develop the range of programmes offered within the new facilities and to assist in raising educational attainment and lifelong learning.

In summary the Cultural Quarter will comprise of the following facilities:

- the new centre for the performing arts (including a new music venue at a later stage)
- the new film and media centre with accessible media resources
- a new contemporary visual arts centre
- the new creative production facilities

as detailed in the main body of the covering report.

The current projected timetable for the development of the Cultural Quarter is eight years, at an estimated cost of approximately £58 million.

## **2.4 Phase 1 Development**

### **The new Centre for the Performing Arts**

The Council has maintained discussions with both the Haymarket Theatre and Phoenix Arts Centre Boards of Directors in regard to the proposed developments and in particular of the Centre for the Performing Arts. The discussions, initially held with each Board separately, have recently been drawn together to form a Partnership Development Group, this group also includes representatives from East Midlands Arts and Leicestershire County Council and representatives from a wider range of interests and communities.

The Theatre's executive team, to support the progression of the planned Centre for the Performing Arts, has developed a bold vision. The Arts Council of England have stated that the approach that has been taken to re-position and develop Drama and Theatre in Leicester is a model of good practice and is probably the most significant Theatre development taking place in Britain in the 21<sup>st</sup> Century.

### **Access and Inclusion**

The Partnership Development Group have placed issues of access and inclusion at the core of the new Centre's development, permeating into every activity and impacting on all operating functions and relationships with people through its:

#### **Position:**

Located in the Cultural Quarter at St George's in the centre of the City near to all major transport links and beside a secure car park in a well-lit and attractive public space with a highly visible presence and ground floor entry.

#### **Physicality:**

By consolidating all the current theatre's accommodation on one site. Ensure access to all areas is fully integrated for public, artists and workforce. Expose backstage "hidden" activities. Provide dedicated and visible space for youth theatre, rehearsal and educational activities to highlight the work and encourage participation. Provide access and facilities for all people to enjoy the centre in comfort via ramps, lifts, loops, wheelchair space, guide dog facilities, crèche, baby feeding/change accommodation.

#### **Programming:**

By extending a wide range of integrated activities on, around and off the stages featuring South Asian, black, Chinese and international theatre, large and small scale theatre, disability, dance, music, film, puppetry, story-telling, mime, photography and design performed by world class visiting artists, resident companies, school groups and community members. Productions and events would be audio described and signed by trained members of the core staff to offer consistent and continuous service.

#### **Participation:**

This will be the means by which the centre's innovative, interactive and

inclusive approach will be realised. Opportunities for all members of the public to get involved as spectators or participants making full use of all the activities transparently and openly available will be developed across the centre. The centre will provide a base from which the outreach teams extend their work and offer a platform for work in the community to be displayed.

**Price:**

Access and inclusion must be reflected in a range of prices that are broad and flexible to encourage greater access. With the cost of going to the theatre being made nearer to that of going to the cinema, special initiatives on price will be implemented in order to encourage new and/or specific audiences.

**Presentations:**

The resident company would facilitate the work of a broad range of people through arts workshops and producing the physical show. There would be no divide between the professional and the amateur – the centre would be a resource for all – to express creativity in an environment of equanimity and respect.

**Projects:**

Associated activities to inter-connect and add value to the programme to make the theatre experience an event – to include exhibitions, installations, workshops, training sessions, discussions, touch tours, live music and dancing. Artists and project leaders from the Centre would work on an outreach basis in educational and community settings.

**Partnerships:**

With key organisations across the arts, cultural, educational, community and corporate sector developed to maximise the work of the Centre beyond its boundaries linking to relevant City initiatives.

**Promotion:**

A comprehensive range of materials and initiatives will be produced to publicise the Centre, extend access to activity and encourage consumption and participation. New technologies in the production and communication of work will be fully utilised to trail blaze events, distribute educational material, disseminate live work and encourage feedback and interactivity.

**Position Statements: Leicester Theatre Trust and Leicester Arts Centre Ltd.**

The paragraphs that follow set out the current official positions of both the Leicester Theatre Trust and Leicester Arts Centre Limited, in regard to the proposed developments:

**Leicester Theatre Trust (LTTL) - Haymarket Theatre**

The following statement was given, by the Chair of LTTL Board of Directors, at its meeting held on 11 December 2000

“ Discussions are underway regarding the proposal for a new Performing Arts Venue for Leicester. The discussions, initially with

the City Council, have broadened to include representatives of the Phoenix Arts Centre.

There is a clear understanding between us that there will be no agreement to a closure of the Haymarket Theatre until the plans and funding package for the new Venue are in place and building work commenced. There is also an understanding that during the gap period, if any, whilst the new facility is built, suitable alternative venues and facilities will be available and a development programme for the interim period agreed by all concerned. There is also a further understanding that the Haymarket would not move unless the Trust fully approved the proposed alternative venues.

The Leicester Theatre Trust and Leicester Arts Centre (Phoenix) are keen to play a full part in the development of the new performing arts venue. Issues of governance are being explored to determine what the best future arrangements will be. “

#### Leicester Arts Centre Limited - Phoenix Arts Centre

The Phoenix Arts Centre Board will work with the City Council and participate as a full partner in the development and delivery of the Capital Strategy. In particular to represent the interests of the Phoenix Arts Centre in regard to:

- the Live Arts programme, participating as a member of the Development Group to oversee the development of the Performing Arts Complex, and
- the film programme, acting as the lead organisation ( working in partnership with other interested agencies ) to oversee the proposed development of the new Film and Media Centre

East Midlands Arts support the view that the LTTL should not vacate the current Haymarket Theatre until the funding package is in place to achieve the proposed Centre for the Performing Arts, and the builders are on site.

#### **Provisional Timetable**

The provisional timetable for developing the Performing Arts Centre takes into account the following factors:

1. Chartwell Land require access to the Haymarket Theatre site at the earliest opportunity to ensure that their proposed redevelopment can be progressed, which in turn releases a capital receipt towards the new centre for the performing arts
2. to create capacity within LTTL to develop new audiences and new approaches to producing theatre

Consultation with Chartwell Land has continued in conjunction with further planning work. The provisional timetable for the development of the Centre for the Performing Arts indicates that:

- 2001 – 2003/04 full feasibility study undertaken including architectural and business / activity profiling
- construction of the new Centre for the Performing Arts will commence in January 2004 – the first phase of building will concentrate on the Production and Administration spaces so that the Company can relocate the production facilities first and would be able to produce site specific / peripatetic work to tour to other venues and locations (during any interim period), for example these could include De Montfort Hall, Phoenix Arts Centre, Outdoor, Community and School locations among others
- the new Centre for the Performing Arts is forecast to open to the public by late 2005/early 2006

However this is subject to funding partners timescale and confirmation of the funding package from varied sources.

Members are asked to note that within the projected timescale there may be a period where there may not be a performing base for the Theatre. Officers are currently working together with the Haymarket Theatre Executive Team to minimise the impact of any closure period and that other potential venues for the presentation of performance are being explored to ensure business continuity. The building may change but the Theatre Company will not close.

The following indicative timetable applies to the other components of the Cultural Quarter:

- Creative Industries Production Facilities design/development 2002 and on site/open during 2003 and 2004
- Film & Media Centre, constructed and open by late 2007 / early 2008
- Contemporary Visual Arts Gallery constructed and open during 2008
- Music Venue, constructed and open during 2008

## **2.5 Creative Industries Production Facilities**

Within the St George's south area there are a number of buildings that could be converted and refurbished to accommodate for a range of creative production uses. This new development would provide low cost accommodation for a range of creative practices including

- artists who work with wet; paint, clay, wood etc, materials
- commercial workspace units designed to attract technology based start up companies and media organisations
- office accommodation for small scale cultural producers, such as dance, theatre, film and media etc professional and amateur organisations
- suites of rooms suitable for use by professional voluntary sector organisations that need facilities to provide for a range of community and training activities

## **3 Financial and Legal Implications**

The report sets out the development of a cultural quarter in the St George's regeneration area at an estimated development cost of £58m. This figure excludes an estimate of land values owned by the Council in the area, which will be contributed to the project (amounting to approximately £1m).

It is anticipated that capital funds would be available from a variety of sources, including the Arts Council of England, European funding, EMDA, further/higher education sector, sponsorship and the private sector. Whilst there is still a considerable amount of work to be done to raise the sums required, initial discussions and meetings with funding partners and potential contributors have been positive to date. Sums amounting to £15m have already been earmarked by the Arts Council of England and the European Regional Development Fund. Current assumptions are that over £40m of the total cost will be generated from external sources.

Phase 1 of the project will cost an estimated £31.5m, of which £26.7m is for the performing arts centre with a further £4.8m for the arts incubator units.

The Council's estimated contribution to this cost is shown as follows:

Performing Arts Centre	£4.4m
Creative Industries Production Facilities	£1.3m
<u>Plus</u>	
Start of creative industries team	£0.3m
Infrastructure	£0.4m
Feasibility - later phases	£0.2m
	-----
Total	£6.6m
	=====

Of this £6.6m, £0.2m is already available in the existing capital programme budget for feasibility studies; £5.4m will fall due over the period of the next capital programme (2002/03 to 2004/05) with a further £1m due in 2005/06.

Subject to the strategy for managing risk, the director will need some flexibility to vire sums within this provision, and the recommendations to this report provide an appropriate framework for achieving this.

In order to meet indicative timescales for the submission of funding applications, the Director of Arts & Leisure in consultation with the Leader and the Cabinet Lead for Arts, Leisure and the Environment has already committed £65,000 from the existing feasibility studies budget for appropriate work. Members are also asked to note that a sum of £740,000 has been included in the overall funding requirements to provide project direction/project management and to undertake fundraising as appropriate.

It is envisaged that up to a further £9m may be required from the Council over the period 2006 to 2010 to enable the remaining phases of the project to proceed, and to match the capital funding anticipated from external sources for the development of the film and media centre, contemporary visual arts gallery and music venue. However, it is exceedingly difficult to predict the Council's further contribution at this stage as the other facilities need to be subject to detailed feasibility work, (this could in turn generate new funding opportunities). The key point for Members to note is that no commitment of Council resources is required at this time.



Whilst there is of necessity uncertainty regarding external funding (even for phase 1) it is worth noting the view of the Council's funding consultants that this project is one which should attract a keen interest from funding bodies, and ought therefore to be fundable. The actual funding package will of necessity evolve as the project progresses.

It is anticipated that there will be some increase to the revenue cost of the Council arising from the first phase of development. This is estimated to be approximately £150,000 per annum in respect of the Centre for Performing Arts and £100,000 per annum in respect of the creative industries incubator units. Both these estimates are subject to further more detailed analysis, and some of the additional cost may be met from the Arts Council of England's drama review programme.

Commitment to the cultural quarter will require a substantial pre-commitment of the Council's capital programme for the years 2002/03 to 2004/05. There is therefore an opportunity cost to the scheme in that developing the cultural quarter will mean other potential schemes cannot be progressed. On the other hand, if the cultural quarter is not progressed there is an opportunity cost of the loss of a major regeneration scheme for the City, generating employment and prosperity and the raising of educational standards, rapidly declining arts and cultural venues in the City for which lottery support will not be forthcoming to invest in and a missed opportunity to improve the retail product on offer in the city centre and a further regeneration of Humberstone Gate and Belgrave Gate through the redevelopment of the Haymarket Shopping Centre.

The commitment that the Council would be making if it proceeded with the cultural quarter is minor in the context of its total capital spending (over £70 million in 2001/02, of which only £1.5 million is spent on leisure projects). However, it is significant in the context of the capital resources which Members have previously been able to spend at their own discretion.

It is therefore imperative that, before making a commitment to the cultural quarter, Members understand the likely impact on the Council's capital programme.

We are about to embark upon the process of setting a new capital programme for the years 2002/03 to 2004/05. This programme will be based on the priorities and principles agreed in the Council's capital strategy approved last November (and subsequently updated, in the form of a draft for public consultation). The Government allocates a percentage of capital resources to authorities based upon their capital strategies, and by agreeing to a pre-commitment there is a risk that Government Office will "mark us down" accordingly. Officers will do their best to try and ensure that this risk is managed.

In previous years, the cultural quarter would have been unaffordable. This is because resources which the Council has previously had available to it to spend at its own discretion were strictly limited. However, from 2002/03 the Government has created the "single capital pot" bringing together resources previously allocated for corporate purposes with those allocated for housing and transport purposes. This has increased the amount which the Council has available to spend at its own discretion. For corporate planning purposes, therefore, the Council has an estimated £19m available to it over the next 3

years, which could conceivably be supplemented by a small contribution from reserves (subject to the normal minimum working balances). In reality, however, the cultural quarter will only be affordable if Members are prepared to use the new single pot flexibilities to spend monies, which had previously been earmarked by the Government.

The available £19m is, of course, subject to the Council's ability to generate capital receipts; and there are a number of priority schemes which Members will wish to fund and which will therefore reduce the available monies (eg funds to provide the replacement sports facility at Braunstone, requiring a minimum of £1m; and the Council's £1.8m commitment to a new electricity generator, although this may not in practice be required).

Nonetheless, the cultural quarter is a significant commitment against available resources, and will reduce monies available to spend on other schemes. At present, directors have identified potential spending in excess of £50m, including works to cemeteries, elderly person homes, and works to meet the requirements of the Disabled Discrimination Act.

Given Members will almost certainly want to approve some of the new spending bids, it is inevitable that a decision will be needed to use the new single capital pot flexibilities to allocate resources which would otherwise have been available for the housing and transport programmes. Such a decision would have an impact on the Council's ability to achieve the local transport plan, and to achieve fitness in all Council dwellings within 10 years. Estimates of housing and transport notional resources for the next 3 years are:

### Single Capital Pot

	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>
	£m	£m	£m
Housing	9.4	9.8	9.8
Transport	10.5	10.6	10.6
	-----	-----	-----
	19.9	20.4	20.4
	=====	=====	=====

### Housing Capital Receipts

	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>
	£m	£m	£m
Usable element	1.9	1.9	1.9
Less RTIA	(0.4)	(0.4)	(0.4)
	-----	-----	-----
	1.5	1.5	1.5
	=====	=====	=====
Housing DSO Profits	0.4	0.4	0.4

Members are asked to note that, despite the single pot, it is expected to be

disadvantageous for future resources if significant sums are redirected. When approving the strategy for capital, Members agreed that housing and transport services could assume a minimum allocation for planning purposes of:

- (a) 80% for housing;
- (b) approximately 90% for transport.

The above table excludes resources now allocated to housing as part of the major repairs allowance.

#### **4 Consultations**

Consultations have taken place with Chief Financial Officer, Legal Services, Environment and Development, Leicester Theatre Trust and East Midlands Arts

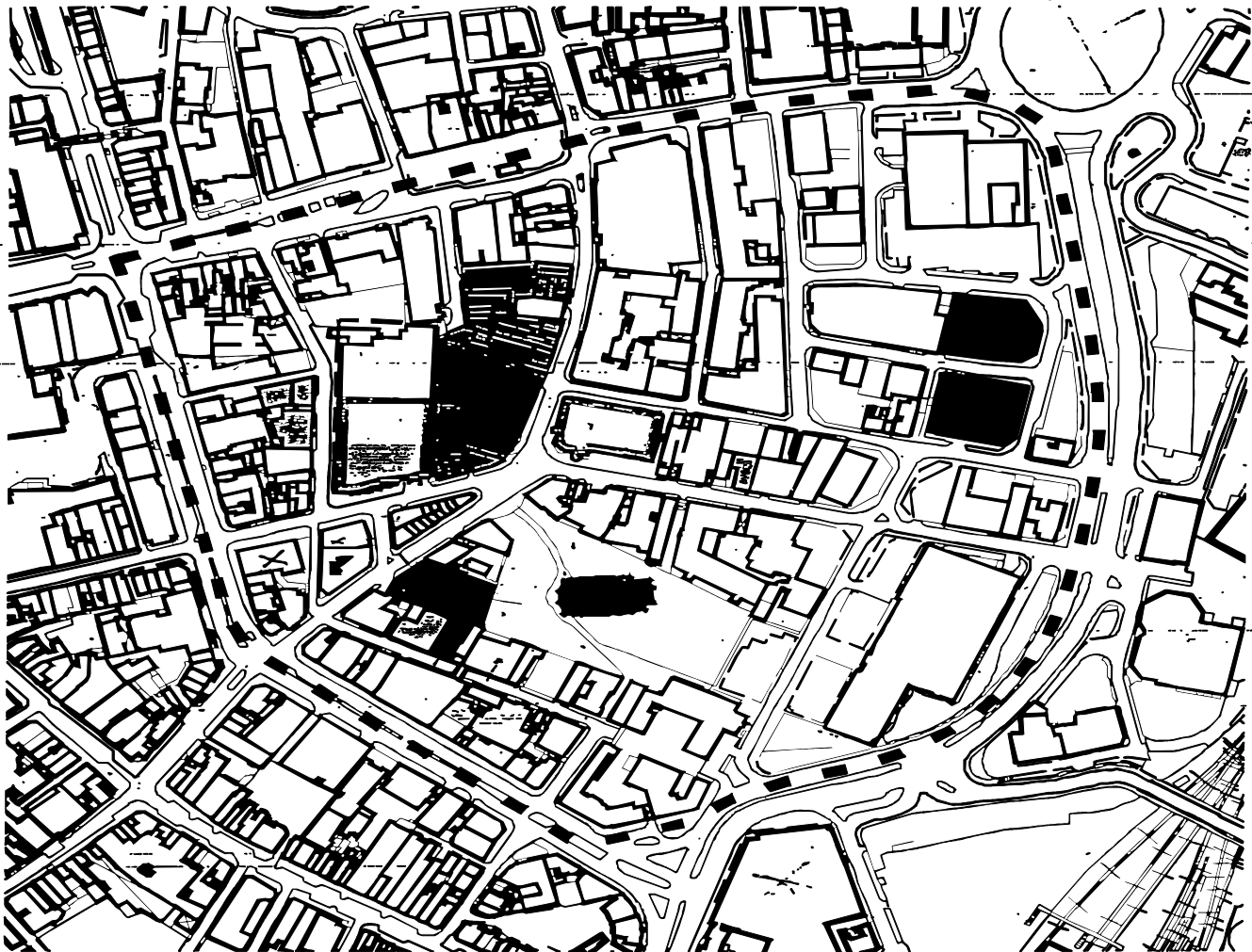
#### **5 Report Authors and Officers to contact**



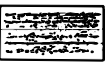



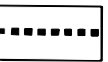

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ST. GEORGE'S: Strategic Regeneration Area Framework

Diagram 9 - Leicester Cultural Quarter - Potential Sites



- |   |  |   |   |
|---|--|---|---|
|  | Potential buildings for conversion creative industry studio use. |  | Potential location for new theatre and performance arts facility. |
|  | Potential buildings for conversion Creative Industry office use. |  | Potential location for visual art gallery.                        |
|  | Potential sites for new theatre Workshop facilities.             |  | Potential location for new music venue.                           |
|  | Boundary of Proposed Cultural Quarter.                           |  | Potential location for film and media centre.                     |

## **Management of Risk**

The cultural quarter is a large, complex project, which needs to be appropriately managed to ensure success. Integral to this is a process for managing risk, and Members are asked to endorse the proposals below.

As the cultural quarter is, of necessity, an evolving process, it cannot be guaranteed that the final shape will be as envisaged at the outset. It is hoped that the initial phases of development will act as a catalyst for subsequent phases, but those phases will themselves be influenced by the views of new stakeholders and funding availability at that time. It is, therefore, necessary that the Council accepts risk over the direction of the strategy itself. However, the Council should not take risks over individual projects, and it is essential to ensure that funding is secure before building contracts are committed.

In particular, it is recommended that contracts are not signed unless:

- (a) there is strategic support to those projects from the Arts Council of England, the ERDF and EMDA, being the 3 major funders involved in the project;
- (b) there is no element of conditionality attached to any funding stream (ie the Council does not put itself in a position where it is obliged to pursue later phases of the cultural quarter, because of funding conditions attached to earlier phases);
- (c) there is certainty over funding for the requisite infrastructure.

Detailed costings for individual facilities have not yet been done, and must therefore be subject to change. The Council needs to manage this risk by capping its contribution to phase 1, and by “cutting our cloth” to match funding available if necessary.

The budget for phase 1 includes a measure of estimated contribution to specific facilities, an element of regeneration funding, and elements of essentially speculative funding (such as feasibility work for later phases). The more speculative elements of funding are essentially risk funding, and it is recommended that the Council caps the amount of funding it is prepared to contribute at risk in this way.