

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting23rd March 2016

1. Title of Item/Report

Globe Progress Update

2. Record of the Decision

Consideration was given to a report on the progress, and to provide proposals both for accelerating the delivery of the restoration of the Globe, and procurement of a Commercial Operator.

The Globe had played a significant role in Stockton's modern history, hosting world famous artists and capturing a connection to huge numbers of local people.

The Council had plans to develop a larger scale performance venue to plug a gap in provision that would complement Arc, Georgian Theatre and other smaller venues in the region. Such a plan fits perfectly with the regeneration plans for the town centres to stimulate economic growth. Indeed the Council had seen significant private sector investment in and around The Globe since the announcement of the plans:

- Manhattans (Proposal for a bar / bistro and boutique hotel)
- Dabah (New Indian street food venue)
- Lambton Castle (Refurbishment of public house into modern bar)
- Gloucester House (Recent sale to new business investor for business use)
- Mohujos (Mexican restaurant)
- Wasps Nest (New micro pub)

Officers were actively involved in bringing forward a range of further investments as the Globe development proceeds.

An application to secure HLF grant funding to refurbish the Globe was made in 2012 but despite genuine interest and support from HLF, was unsuccessful.

In 2013, HLF launched a new funding programme – 'HLF Heritage Enterprise' – which presented a further opportunity. The building owner and the Council in partnership, worked with HLF to put forward a

proposal under this new scheme, which was announced as successful in September 2013.

The proposal was a complete restoration of The Globe – a Grade II art-deco style listed building – which was in a particularly fragile and poor condition. The HLF Heritage Enterprise programme was a new programme so this proposal became very much a pilot for all concerned.

In February 2014, Cabinet was advised that Round One funding had been granted by the HLF, giving the green light for a more detailed Development Phase to take place and a Round Two bid application to be developed.

The Round One application released £401,600 from HLF, which subject to approval of Round Two would then see the remaining £3.5M approved by HLF and delivery / construction work begin on site.

At that time, the Council had also approved £1.15M for the project with an expectation that a fundraising campaign would raise the additional £0.65m required.

It was a complex project both technically and commercially involving the Council, the building owner, the Globe Stockton Foundation and HLF. A significant amount of progress had been made including early safety and security work and complete cleaning out of the buildings to enable digital surveys, assessments, etc.

The partnership received 'Permission to Start' (PtS) from HLF in May 2015. This permission enabled further detailed technical work to progress and detailed development work proposals to be undertaken.

The newness of the Heritage Enterprise funding however, had led to months of discussions and negotiations in terms of how, commercially, the project should be taken forward and this had caused some delay.

As a result, subsequent discussions with all partners had led to a preferred model of development which would enable the acceleration of the scheme putting the Council firmly in the lead role, supported by the building owner and HLF. This would enable the Council to negotiate terms and procure the commercial operator for the Globe.

The new model required the Council to contribute £2.1m to fund capital works which could be funded from the Heritage and Town Centre Development fund established as part of the 2016/17 Medium Term Financial Plan. In addition, the Council would need to agree terms with the building owner in order to secure the lead role. As discussions with

potential Commercial Operators of the Globe proceed, potential contributions and profit share would be explored which, it was anticipated, would offset the aforementioned costs. Details of the terms to be agreed with the building owner were commercially sensitive and were attached to the report.

Subject to Cabinet approval and formal support from HLF, this preferred delivery arrangement would enable acceleration of the scheme with visible development works on site within months.

The HLF process required further submission of a business case as part of the Round 2 process expected February 2017. The Council would be in the lead role to progress this with an expectation of an opening event during the winter season 2018. A revised draft high-level programme for the scheme was attached to the report.

RESOLVED that:-

1. The content of the report and work undertaken to date be noted.
2. The Council act as lead Partner for the Globe project and to be the applicant to submit the Round Two bid to Heritage Lottery Fund (HLF);
3. Conditional on HLF funding, the Council enter into a detailed agreement with Jomast Leisure Properties Ltd (the building owner), as outlined in the exempt Appendix A to the report; and any minor amendments of those terms be delegated to the Globe Project Director in consultation with the Cabinet Member for Regeneration and Transport.
4. Subject to recommendation 3, £2.1M be allocated from funds identified for 'Heritage and Town Centre Development' in the 2016/17 Medium Term Financial Plan (MTFP) to contribute to the project.
5. Approval to negotiate commercial terms and appoint the preferred Commercial Operator be delegated to the Globe Project Director, in consultation with the Cabinet Member for Regeneration and Transport;
6. Approval to submit the Development Appraisal and Round 2 bid to HLF be delegated to the Globe Project Director, in consultation with the Cabinet Member for Regeneration and Transport.

3. Reasons for the Decision

Understanding the nature and extent of opportunities and challenges that exist within Stockton's economy will create a Borough that is more confident, vibrant and successful than ever before; where business and

people prosper and grow.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

N/A

7. Date and Time by which Call In must be executed

Midnight, 4th April 2016

Proper Officer
29 March 2016