

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting20th July 2017

1. Title of Item/Report

The Globe Restoration

2. Record of the Decision

Consideration was given to a report on the successful outcome of the bidding process for Heritage Lottery funds (HLF) to support the restoration of The Globe, as a fully accessible entertainments venue. It also outlined the progress on the design evolution of the project resulting in a new scope of the works, estimated project costs, estimated delivery programme, the procurement of a highly experienced and internationally renowned, commercial operator and the potential economic impact associated with the renovation and operation of the Globe.

Since 1935, the Globe had played a significant role in Stockton-on-Tees' modern history, hosting world famous artists and capturing a connection to huge numbers of local people.

The proposal for a complete restoration of The Globe – a Grade II art-deco style listed building, which was in a particularly poor condition, and 153 High Street the adjacent building, had received a Heritage Lottery Fund (HLF) allocation of £401,000. This had been used to develop the scheme design and, complete site and building investigations, resulting in a final stage 2 application to HLF, submitted in March this year.

The planned restoration of the Globe had been a complex project, both technically and commercially, however, a significant amount of progress had been made since March 2016 when the Council agreed to take the lead on the project, including early safety and security work, cleaning of key areas, and some early strip out works. Works had also been undertaken to ensure the building was “water tight” and works had commenced to remove all asbestos from the building, due to complete in summer 2017.

In early 2016, following lengthy discussions with all partners, a preferred model of development, which enabled the acceleration of the scheme by putting the Council firmly in the lead role was supported by the building

owner and HLF. This had enabled the Council to procure the commercial operator for the Globe.

This lead role required the Council to fund capital works and enter into contracts with the building owner to secure a 40-year lease of the Globe, with an option to purchase at a pre agreed valuation after 15 years.

In March 2016, Cabinet approved funds and agreed to delegate approval to progress the procurement of a commercial operator. Cabinet also agreed to the development of the submission of the Development Appraisal and Round 2 bid to HLF, submitted in March 2017.

In late June 2017, HLF advised the Council that it had been successful in its bid to secure the delivery phase of grant funding and approving a further £4,090,400. This included an additional £500,000, supporting the increased scope of works, proposed to be undertaken.

Following the detailed investigative work, business planning and detailed consultation with operators, the scope and nature of the project had increased as the operational and business requirements of the operator had been considered and included with the scope of the project.

The completion of the development phase had also confirmed that the capital needed to re-develop the Globe could not be repaid under a normal commercial arrangement and as such the "Heritage/Project Deficit" would need to be met via significant capital grant from HLF and the Council.

Further work during the project development stage confirmed the most viable commercial use was a predominantly, live music venue, (with comedy and some light entertainment), and as a result of additional design work, an audience capacity of up to 3,000 could be accommodated; firmly positioning the venue as the largest between Leeds and Newcastle.

The Globe would complement both the current arts organisations in Stockton-on-Tees and contribute to a Tees Valley regional offer, complementing both Middlesbrough Town Hall and Darlington Civic Theatre, both of which were in receipt of Heritage Lottery funding.

The Globe would attract audiences from across Tees Valley, North Yorkshire and County Durham, and would retain local audiences who had to travel to Leeds or Newcastle to see music and entertainment at this scale.

Following comprehensive market engagement with potential operators, it

was clear that the venue could be operated commercially and without ongoing support from the Council, beyond the capital grant required to refurbish The Globe and the adjacent 153 High Street. Within the commercial structure of such deals was the potential for profit sharing arrangements.

Once the Globe was fully operational the anticipated visitor numbers in the first year of over 100,000 growing to over 200,000 attendances per annum by year 5. The impact this was likely to have on the economy was estimated as follows:

- a. Gross impacts of GVA: £38.3m after 5 years; £80.5m after 10 years;
- b. Addition jobs of 256, with 90 from direct operation of the venue and supply chain and 166 from attendee spend;
- c. When the Globe is fully established, by year 5 of opening, the “visitor spend” brought to the local economy is estimated at £18m per year once fully established.

As a result of this detailed additional work, full asbestos removal and investigations, the project also proposed:

- a. To increase audience numbers from 2,500 to 3,000, to allow for several seated and standing configurations for different types of shows;

now proposed. It was also proposed to use this additional bar/café/small venue, independently when the main Globe facilities are not in use;

- c. To complete new auditorium (stalls) flooring and new demountable seating with under stage storage system, which will be stored under a new replaced and slightly raised stage;
- d. An extension of a new six-storey building to the north east corner (stage left) which would include dressing rooms, green room and full production facilities to support the viable operation of the venue as a major music venue;
- e. Additional/replacement facilities to support the practical use of the restored building:
 - Additional engineering and full replacement of all stage support facilities;
 - Enhanced “get in” facilities (Stage lift and loading doc);
 - New full security/safety curtain;

- New stage lighting galleries and flying system;
- f. Full replacement of the roof;
- g. Increased toilets provision;
- h. A revised and re-measured full scheme based on a much more detailed design.

The procurement of an operator had been a lengthy and complex process, however great benefits had resulted with the operators working with the Council and design team, to ensure commercial reality was imbedded within the design, ensuring a successful future for The Globe was realised.

In June 2017, the procurement process and dialogue with potential operators concluded with heads of terms being agreed with Ambassador Theatre Group (ATG), a global leader in live theatre, now diversifying in to music programmed venues. Owning and operating 46 venues, across the UK, Europe and the USA, ATG was also an internationally recognised and award winning producer, and operated a market leading ticketing business ATG Tickets. They would operate the Globe on a 25-year lease as a 'music led entertainments venue.'

Whilst the operator procurement had taken place, the Council had also been considering which construction contract procurement option would be best suited to The Globe project, undertaking an options analysis to support that determination.

The Scape Framework had been selected as the preferred procurement option at this stage, as it would enable the Council to obtain Early Contractor Involvement (ECI), develop price certainty at an earlier stage, and confirm delivery of the programme. This work would conclude later in 2017 and, subject to agreeing the final price, would be the method adopted.

Scape was a national construction framework which had a proven track record of delivering measurable time, cost, quality and community benefits on projects. The framework was fully performance managed and the key performance indicators required optimum levels of training and apprenticeships, community engagement, local supply chain usage and supply chain fair payment terms. The project would aim to achieve 79% local spend within 40miles.

Scape contractor, Wilmott Dixon, was carrying out works of a similar nature at Darlington Civic Theatre and, should timings be appropriate, it

was likely that the construction team would transfer to the Globe project. This would ensure in a construction team with experience in the delivery of this type of renovation and working with HLF would support the project next major delivery phase.

Through-out the construction period there would be many activities which people from Stockton and the surrounding areas could become involved with, including developing new skills and taking part in volunteering opportunities and community activity days.

The restoration of the Globe afforded a fantastic opportunity to inspire people about heritage and build on the cultural and historic assets of the town centre. As well as the physical fabric of the building, heritage survives through experiences documented throughout the 20th Century, and the activities planned outline ways in which the public could contribute to sustaining this heritage, embed the stories of the past, and encourage future generations to create new and meaningful interactions within the Globe in its next phase of life, protecting and supporting it for many years to come.

Activities included:

- a. Heritage apprenticeship(s);
- b. Volunteer and public heritage skills training programme - development of a volunteer body: volunteers will be recruited, trained, developed and supported to create a skilled and engaged group of whom many would stay involved;
- c. Public engagement programme;
- d. Reminiscence project with local community groups including those living with dementia;
- e. Photography/film project recording the restoration which would culminate in a Globe exhibition;
- f. Development of heritage trails linking the heritage of Stockton as a music and dance;

The Planning and Listed Building Consent Applications were approved by Planning Committee in May 2017.

The programme anticipated:

- The renovation and construction was estimated to take 14 months;

- i. Complete final design summer 2017
- ii. Start on site, autumn/winter 2017
- iii. Practical completion winter 2018/19
- iv. Opening spring 2019

RESOLVED that:-

1. The increased offer of £4.492m lottery grant, from the Heritage Lottery Fund (HLF) be accepted to support the project;
2. The outcome of the operator selection process be confirmed and an agreement be entered into with the Ambassador Theatre Group (ATG), to operate the Globe for a period of 25 years;
3. The estimated overall project timetable (para 26 of the report) opening Spring 2019 be noted;
4. The economic impact assessment be noted which highlights;
 - a. Gross impacts of GVA: £38.3m after 5 years; £80.5m after 10 years;
 - b. Addition jobs of 256, with 90 from direct operation of the venue and supply chain and 166 from attendee spend;
 - c. Potential future visitor spend brought to the local economy is estimated at £18m per year.
5. £6.900m be committed from funds allocated for infrastructure and investment in the Borough in the 2017/18 Medium Term Financial Plan (MTFP);
6. The final element of £400,000 be drawn down from the Stockton Town Centre Heritage Initiatives budget, to contribute to the renovation of The Globe.

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.

The restoration and re-opening of the Globe creates a focus for Stockton

High Street, reinvigorates the night-time economy, and provides the Tees Valley and wider hinterland community with a building and live music and comedy offer that they can be justly proud of.

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, 28 July 2017

Proper Officer
24 July 2017