

Report for Resolution

Report to Executive
23 July, 2008

Report of Head of Asset and City Management

Subject St Andrews and Blackfriars Halls refurbishment project

Item

7

Purpose

To note the report and to agree the next steps which allow the project to proceed to the next stage of developing a full business case for future consideration. These steps are summarised in the recommendations.

Recommendations

To:-

- (1) agree to HEART (Heritage Economic and Regeneration Trust) leading the development of the feasibility study (business case) for the St Andrews and Blackfriars Halls refurbishment project in partnership with the Council
- (2) confirm agreement to 'option 4' as the basis for this study, this option providing music, performance, conference, meeting, bar, restaurant and ancillary facilities
- (3) confirm in principle to grant a lease of at least 99 years of the asset, to include an area of Monastery car park, to enable external funding
- (4) note the future financial consequences to the Council currently and should a project proceed

Financial Consequences

There is an ongoing subsidy and outstanding capital and revenue works at the Halls. Without a change in the levels of budget available, or a renewal project, the Halls will eventually decline and potentially close with an ongoing financial liability.

By supporting a renewal project, the Council acknowledges that in addition to granting a lease of the asset, it will consider additional capital contributions, supporting a period of ongoing subsidy and underwriting risk through the project development stages and into the future (as set out in paragraph 28 of the report). The Council will continue to provide staff resources to assist HEART in delivery of the business case

Strategic Objective/Service Priorities

The business case will be measured against the community benefits, including for schools, hard to reach and community groups, sustainability and financial criteria in context with the cultural and creative developments in Norwich that enhance both the quality of life for citizens and the wider role of the City.

By creating sustainable facilities a much enhanced range of opportunities can be provided in an accessible location, supporting and building on current activities, as

well as making a very historic building sustainable for the future. It creates a focus to allow the city collectively to make the most of St Georges Street and the Playhouse, Cinema City and Elm Hill areas

The project fits the service plan priorities by building partnerships and implementing the asset management plan

Executive Member: Resources: Councillor Waters

Ward: Mancroft

Contact Officers: Chris Dady

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Background Documents:

None

Report

St Andrews and Blackfriars Halls

Background

1. The St Andrew's and Blackfriars' Halls (the Halls), together with their complex of claustral buildings, have been in the ownership of Norwich City since 1540, shortly after the community of Friars, who had built and occupied the site for close on 300 years, was disbanded. It is the most complete example of a set of medieval friary buildings in the UK, and one of the jewels in the crown of Norwich's heritage attractions.
2. In nearly 470 years of management and ownership St Andrews has been used for civic occasions. In 1824, the then triennial Norwich and Norfolk Festival was launched in the hall and a new organ installed at the west end. In 1863, a new arch was created at the east end of the nave, and the organ was relocated at the east end. In 1880.
3. Blackfriars' Hall, formerly the east end of the friary church, became the chapel of the City Council and its Guilds. For a time it was a free school, and by 1565 it was used by Flemish immigrants, earning it the name of the "Dutch Church". The use primarily for worship ceased only in 1929.
4. The buildings which house the monastic community around the cloister would have incorporated the monks' dining hall however this has gone, as has the Chapter House and portions of the east range of cloister buildings. The surviving portions of the east and west ranges were put to a variety of purposes, as granaries, as meeting houses for nonconformists in the late C17, and as the City Workhouse. By 1859, the transformation from Workhouse to school was under way. Both the cloister ranges are now leased to Norwich's University College for Art and Design, and are used as student union building and as studio space.
5. The Halls are now used as space for a variety of civic, community and private functions and performances, but the spaces they contain are not fully efficient for these uses, and their layout and arrangements are not up to modern expectations.
6. Uses are for a variety of events, and as well as the regular events listed below they also host award ceremonies, educational, exams, exhibitions, festivals (including the beer festival), lectures, receptions and wedding events, which are not scored on the above table. St Andrew's is also currently used for events hosted by the Norfolk and Norwich Festival, the Friends of St Andrew's Hall Organ, and the City Council.

	Concerts and rehearsals	Meetings and conferences	Dinners and dances	Auctions and fairs	Totals
2005-6 events	39	45	20	52	156
2006-7 events	52	76	7	49	184

2007-8 events	50	52	10	49	161
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7. Income for the Halls in 2008-09 is predicted to be around £160,000 and this offsets expenditure leaving an annual subsidy for 2008/09 of about £300,000.
8. Without substantial investment, St Andrews and Blackfriars Halls will have a reducing future business and community use. The annual revenue subsidy would be forecast to grow if lettings diminish due to the condition of the complex of buildings without investment.

Role of HEART

9. The Council's executive agreed a new memorandum of agreement with HEART, the Heritage Economic and Regeneration Trust, following a peer review on 17th October.
10. The peer review had concluded, and it was allowed for in the memorandum of agreement, that HEART should work up a major project to improve a heritage asset for the city, and it was agreed that this project would be St Andrews and Blackfriars Halls where substantial external funding would need to be obtained.

Options Study

11. Various background studies were undertaken between the late 1990s and 2006, and HEART have carried out an options study based on these studies with additional research. The objective of this was to identify all the issues associated with the potential development and to assess the options.
12. These background studies identified a gap in several areas which the Halls could more resolutely fill, in the middle scale of venues, seating 300-900 people. The City is well-provided for in terms of smaller scale venues (up to around 300 seats) at the Playhouse or the John Innes Centre, and larger audiences than this can only be accommodated, apart from the Halls, in the Theatre Royal (1300 seats), the UEA Student Union (1550 standing), and the Waterfront (700 standing), with the latter two tending to specialise in rock and pop music, while the Theatre Royal is a major presenting house for musicals, drama, opera and ballet, with some concerts.
13. St Andrew's hall has the capacity to fill the middle range gap in these audience figures more effectively, and the range of opportunities to attract ensembles and performers within a wide range of middle scale arts and entertainment provision is considerable.
14. Having the right sort of staging and facilities, a range of possibilities can open up for contemporary, world, jazz, and country music; and for performance there could be dance, comedy, theatrical or festival lectures and presentations. The Hall also has an important local function as the natural home for community groups and for local performances for amateur and semi-professional groups.
15. The list of potential spaces for hire within and around the City compiled by the N&N Conference Bureau shows that there is not a great deal of provision for

conferences hosting up to 500 people, with adequate break-out spaces, and recent figures show a potential demand for conference business of around £500,000 a year in the area which is currently not being met, either through lack of follow-through in marketing, or from the lack of suitable facilities. The Halls, right at the cultural heart of the City, would be well placed to provide for such a demand if the space and facilities were fully refreshed.

16. The study considered five options for the complex, and the capital costs shown are based on 2006 prices – these would need to be reassessed as part of the feasibility study and are used for guidance. Additionally the feasibility study will keep under review the range of options so that all opportunities can be considered and not dismissed at this early stage.

17. The Options are:

1. Do nothing	This option has to be looked at to provide the base line – nil cost but will result in closed doors in a relatively short space of time & all that entails	Continuing subsidy to closure and holding costs around £150k pa
2. Repairs as is	Simply to spend capital on ensuring the building remains capable of being a facility to let, as is	£1.8m capital over 5 years, ongoing subsidy of £300k pa
3. Concert & Performance facilities	To fully refurbish St Andrews hall into a proper concert hall, and Blackfriars into a space that can support the halls by providing restaurant, bar and public facilities, also open to non hall users	£12m capital plus subsidy of £500k pa
4. Concert & performance facilities and Conference centre	As above plus a 300/400 seat conference facility	£17.2m capital, subsidy £250k falling potentially to zero in 10 years
5. The above plus the areas leased to the Art school / university & other external options	As above plus the West Garth and other areas identified through a master planning exercise	£2 2m plus subsidy falling potentially to zero

18. Each of the options was appraised against 27 key outcomes for the proposals, arranged according to Strategic Benefits, Economic and Efficiency Issues, and the ease of Delivery. In this appraisal of the 5 options, Options 4 and 5 came out well ahead of the others, and far closer to the Council's overall strategic priorities. Subject to further appraisal of the expected running costs for the Halls

in the future, these Options were also identified as having major potential for contributing to the regeneration of this part of the city centre within the next 10 years.

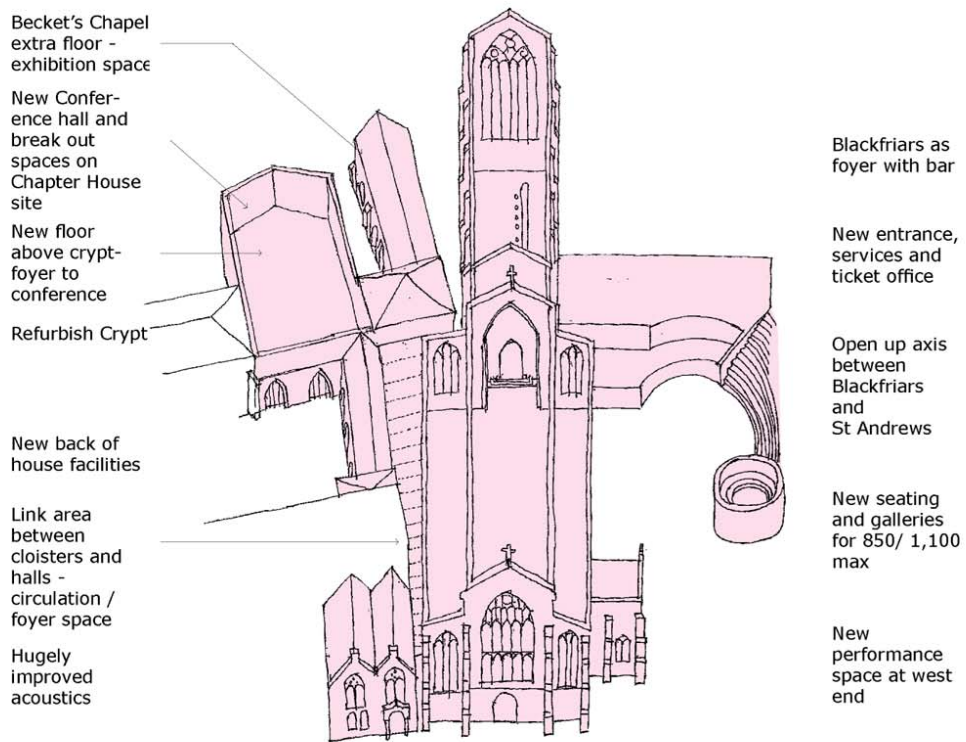
19. Despite the closeness of the outcome between Options 4 and 5, the recommendation was that Option 4 scores better across the full range of criteria for the following reasons:

- close alignment with council objectives including community objectives;
- footprint of proposals lies within City's ownership and control (deliverability);
- meeting the criteria for external funding bodies;
- The best future possibility of the Halls becoming financially independent .

20. This work followed closely on an earlier appraisal, which had concluded, through wider consultation, that any proposals for the Halls should:

- raise local aspirations and achieve social inclusion;
- provide a catalyst for development, regeneration and inward investment;
- increase the profile and raise perceptions about Norwich;
- improve the quality of the design environment;
- create a sense of ownership, local pride and a greater recognition of "place".

Options 4 and 5 are illustrated overleaf.



OPTION 4

Arts Venue with conference

Strategic	✓✓
Economy/Efficiency	✓
Deliverability	✓

Becket's Chapel
extra floor -
exhibition space

New
Conference
hall and break
out spaces on
Chapter House
site

New floor
above crypt-
foyer to
conference

Refurbish Crypt

East Garth
let
commercially

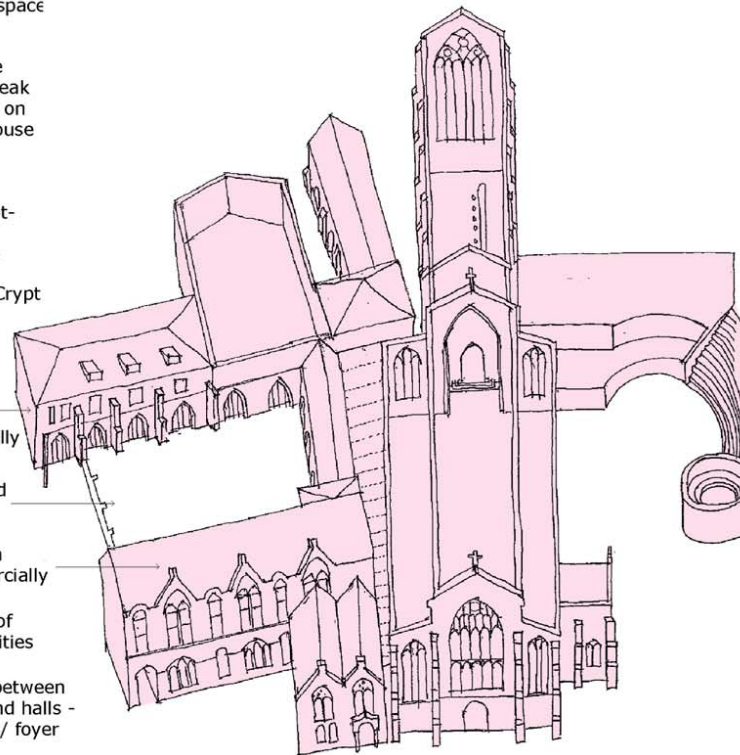
Invigorated
cloister

West Garth
let commercially

New back of
house facilities

Link area between
cloisters and halls -
circulation / foyer
space

Hugely improved
acoustics



Blackfriars
as foyer
with bar

New
entrance,
services
and
ticket office

Open up
axis
between
Blackfriars
and
St Andrews

New seat-
ing and
galleries
for 850/
1,100 max

New
perform-
ance space
at west end

Bring into
use redun-
dant parts
of complex
(eg: stairs,
garden)

OPTION 5

Arts Venue, Conference and Commercial

Strategic	✓✓
Economy/Efficiency	✓✓
Deliverability	?

Next Steps

21. In order for the study to proceed, the council needs to agree to HEART leading the development of the business case in partnership with the Council.
22. The Council has been asked to signify its agreement to 'option 4' as the basis for the business case study, this option providing music, performance,

conference, bar, restaurant and ancillary facilities

23. Funding is not usually forthcoming unless a long legal interest is held by the party seeking the funding, in this case it is likely to be HEART, and hence the Council needs to confirm in principle it will grant a lease of at least 99 years of the asset, to include an area of Monastery car park, should the project be agreed.
24. The feasibility study will concentrate on option 4, however will continue to look at the other options to ensure all opportunities can be realised. It will provide a full business case for the project, and will identify a funding plan. It will additionally consider the external areas including the disused toilets in St Andrews Plain.
25. In producing the study, it will be guided by a Project Development Board, representing the Council and HEART, and other parties including community representatives, and will involve public consultation
26. A timescale will be produced for the study, which is expected to be completed for consideration by the end of 2008.
27. A key decision as part of the feasibility study will be the weighting of criteria against which the proposed project can be measured. These criteria will include the community benefits, including for schools, hard to reach and community groups, sustainability and financial criteria that will include risk.
28. It should be noted that, whilst there are no direct financial consequences arising from this report, the Council will continue to provide assistance with the project via staff resources, and the funding plan will almost certainly require a local government capital contribution to provide matched funding the project, potentially around 20% of the final project costs. However the project is procured, it is also likely the Council will carry the project risk, and this is an issue that will require further consideration when the business case has been prepared.
29. Without this project the Council will have to find additional revenue and capital, and should resources not allow this Hall usage will decline with increasing subsidy levels required. Ultimately, if the Halls close ongoing liability would still have to be met by the council.