

Name of meeting: Cabinet
 Date: 8 March 2022

Title of report: 2021/22 – 2025/26 Strategic Investment in Town Halls - proposed allocation of capital funding

Purpose of report: This report outlines the strategic case for capital investment in our Town Halls linked to improved commercial opportunities and community outcomes, sets out associated funding themes for Member approval, and seeks relevant officer delegations to manage these themed programmes within the overall funding envelope.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes – this report proposes significant expenditure in excess of £250K.
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u> ?	Key Decision – Yes
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name Is it also signed off by the Service Director for Finance? Is it also signed off by the Service Director for Legal Governance and Commissioning?	Colin Parr – Strategic Director Environment & Climate Change 24.02.22 Eamonn Croston – Service Director for Finance 24.02.22 Julie Muscroft – Service Director for Legal, Governance and Commissioning 25.02.22
Cabinet member portfolio	Corporate – Cllr Paul Davies Venues – Cllr Will Simpson

Electoral wards affected: All

Ward councillors consulted: No

Public or private: Public

Has GDPR been considered? There are no GDPR implications relating to this report.

1. Summary

- 1.1 This report sets out the strategic case for additional capital investment in our Town Halls, for equipment, furnishings and decorative finish items, which enhance the buildings' commercial appeal and customer experience, primarily linked to maximising sustainable income generation opportunities, but also wider outcomes for our communities.
- 1.2 An allocation of £2.235m in the capital plan for the Strategic Development of Town Halls was approved by Full Council at the budget meeting on 12 February 2020. A total of £400K has been drawn down within the last 12 months, to take advantage of the closure of buildings during lockdown, and complete works originally scheduled for much later in this programme at Dewsbury and Batley Town Halls. This report sets out a programme for the remaining £1.835m and complements associated investment under the Council's Capital Condition Programme.
- 1.3 The impact of the pandemic on this programme has not only caused some understandable slippage of projects, but has also helped us to reflect on a more robust approach to commercial opportunities. Therefore, the original Capital Plan annual allocations will also be revised to reflect the updated investment themes outlined in this report, using delegations available to Service Directors under existing Financial Procedure Rules.
- 1.4 Members are asked to consider and approve the baseline programme for the capital allocation, together with the themes of investment as shown in **Appendix A**; and to authorise delegated powers for officers to manage those themed programmes within the overall budget envelope so that there is flexibility to identify, design and deliver priority projects, across multiple sites.
- 1.5 This baseline investment is a five year rolling programme (which started in 2021/22 and takes us to 2025/6) which runs alongside and links to the wider Capital Condition Programme, and Members are asked to note the links between this investment and other strategic work programmes relating to commercialisation, community access, local distinctiveness, the wider place-shaping agenda, and major transformational projects such as the Huddersfield and Dewsbury Blue Prints.

2. Information required to take a decision

2.1 *Background*

- 2.1.1 Our Town Halls rely on external income from hirers to offset some or all of their day-to-day running costs, but obsolete essential equipment, such as lighting and technical items, as well as poor theatre seating, outdated décor, public toilets and hospitality facilities generally, is now affecting our ability to secure lucrative bookings, losing market share both with hirers and event attendees.
- 2.1.2 It is the success of these commercial hires and shows, which generates the income which not only subsidises the buildings' running costs, but also community and third sector organisations' use, which are an essential contribution towards the council's outcomes for our residents and communities.
- 2.1.3 At the same time, our civic buildings are the flagship home of the council's business and must be fit for purpose as a seat of local government, able to host and support various civic and executive functions.

- 2.1.4 Over recent years, investment in our Town Halls has by necessity, focussed on essential condition work only, with very limited provision for upgrading internal facilities, furnishings and decoration. This has led to a situation where significant sums have been invested in the essential fabric of a building, but because there has been no associated enhancement of décor, fittings, fixtures and equipment, the building is no more appealing to customers or hirers than it was prior to the investment, severely limiting opportunities to generate a financial return on any major investment.
- 2.1.5 Budgets and decisions about Town Hall condition works are held and made centrally by Corporate Landlord and Capital Service colleagues, in consultation with the Head of Venues. However, these budgets are not sufficient to cover the additional works such as technical equipment, fixtures, fittings and the type of décor enhancements which directly affect our ability to appeal to commercial hirers, or to community groups delivering outcomes for residents. At the same time, other operators are coming into the market, and existing operators are refurbishing, which means we continue to lose valuable market share, as customers take their business (and their activities/entertainment) elsewhere.
- 2.1.6 This programme therefore seeks to establish a capital investment programme covering Strategic Town Hall Investment, which will complement the established Capital Condition Programme, and recognises that decisions about the nature of additional strategic investment required in the Town Halls, should be led and developed by the Venues Service, in consultation with the Portfolio Holder, reflecting the needs of hirers, customers, and our communities.
- 2.1.7 The programme recognises the interdependencies of the two elements of our public buildings investment programme, and seeks to balance them, being:
- essential condition work to ensure buildings are safe, weatherproof, watertight, secure and meet all current legislative requirements
 - complementary investment for service development comprising essential fittings & equipment, which is required to support the future sustainability of the buildings, in terms of maximising both commercial income streams, and outcomes for our communities.
- 2.1.8 Working on transformational building projects within the Town Halls portfolio is challenging, as at any time, the focus of activity can change very quickly, as so many factors which affect the business models of these buildings are not within the Venues Service's control. These include for example, trading conditions, audience preferences, the number of operators in the concert/hospitality market, local issues affecting specific locations, the emergence of new competitors, and the council's own strategic direction and motivation.
- 2.1.9 The ability to be flexible in bringing projects forward, changing their focus, or timing, is essential to be able to react and build responsive customer-focused services and products, which are fit for purpose, and commercially attractive. This report therefore sets out an overall thematic approach to future investment set out in Appendix A, which will enable a flexible and dynamic delivery strategy, which allows us to be responsive to opportunities as they arise.

2.2 Benefits of Investment

- 2.2.1 Bringing both condition and complementary investment together under this bid ensures the buildings are in the best position to deliver income and/or outcomes.

- 2.2.2 Buildings are well-maintained, where refurbishments and repairs are strategically scheduled and managed, with an overall objective of improving income potential and opportunities for our communities and residents.
- 2.2.3 The Council is able to lever the potential of our public buildings to contribute to town centre masterplans, and play an important role in the development of place-based working practices. Refurbishment and reinvestment in our flagship public buildings will be a pivotal contribution to the delivery of the major regeneration plans for a new Huddersfield Cultural Heart, and the Dewsbury Blueprint; similarly, a destination-distinct approach for refurbishment of Cleckheaton Town Hall complements the council's wider small centres agenda.
- 2.2.4 The commerciality of public buildings is linked to all major capital investments works, and can be maximised, underpinning sustainability.
- 2.2.5 Well-used public buildings contribute to town centre vibrancy, and community development.
- 2.2.6 There are reputational benefits for the council, as a major land/building owner, actively and effectively managing developing and promoting our quality buildings which play a key part in communities – whether that's as a civic centre for governance, a hireable resource for individuals to enjoy as a venue for entertainment and enjoyment; or as a resource for vital community organisations delivering outcomes for our residents.
- 2.2.7 Cafés and bars will generate a revenue net profit.
- 2.2.8 Improved venues will be able to attract higher calibre shows and events not previously secured, with improved ticket margins and revenue net profit position.

2.3 *Impact of lack of strategic investment in Town Halls*

- 2.3.1 Condition investment is likely to continue, but this alone brings little opportunity to improve the commercial position or sustainability of buildings over the longer term.
- 2.3.2 Venues will continue to become less attractive to hirers, meaning the number of shows and performances, and general hires will decline. This reflects badly on the council in terms of vibrancy and place-based approaches, and critically, affects income generation.
- 2.3.3 With less use, buildings are likely to deteriorate – poorly managed and maintained buildings are a reputational risk to the council.

2.4 *Appropriate place-based development for our Town Halls*

- 2.4.1 The One Venue Development Plan reflects a realistic and balanced place-based response for each of our four main Town Halls, which builds on current uses and customers, and identifies where further investment sustains our existing users and or market share, and may open up new commercial potential:
 - 2.4.1.1 Huddersfield Town Hall is the district's flagship public building - the day-to-day home of various civic and executive functions, with daytime public access to services; but also a prestigious venue for professional (and some amateur) concerts, entertainment and functions which drive income generation.

Strategic investment at this location is centred around improving facilities and navigation through the building, to maximise opportunistic trade, maintain market share with promoters, and deliver a high quality flagship civic building.

2.4.1.2 Dewsbury Town Hall is the seat of civic functions in the North of the district, but also has great hospitality potential given the building's configuration, and its place in the heart of the town centre; smaller offices are suitable for rental to local start-up businesses; and the former Dewsbury Court is attractive for location filming opportunities. The building benefited from significant investment and refurbishment to its kitchen, function rooms, circulation spaces and the main concert hall during the pandemic lockdown period, when officers were able to bring forward investment and works planned for 2023/24, to take advantage of the fact the building was closed to the public, creating a high quality town centre venue within the Dewsbury Blueprint.

Strategic investment at this location is required to complete the final project to upgrade flexible concert hall seating, which will support community and commercial uses.

2.4.1.3 Cleckheaton Town Hall is at the heart of a small town with a flourishing night-time economy, presenting further opportunities to develop the commercial return of both commercial events and private hires, but is also widely used by the community during the day, being home to the University of the Third Age.

Strategic investment at this location is required to improve access and provide an environment and facilities which are attractive to existing and potential new commercial and community hirers; and maximise all food and beverage opportunities.

2.4.1.4 Batley Town Hall is a centre for a wide range of community-based activities requiring flexible meeting spaces and performance arts groups.

Strategic investment at this location is required to improve stage facilities for groups, and to upgrade catering facilities which maximise income potential related to servicing these bookings, and also wider opportunistic trading.

2.5 Strategic Investment Themes

2.5.1 The proposed programme breaks the annual budget allocation down by themes, rather than by specific projects or locations, giving the flexibility to be opportunistic about project timing, which could be driven by the trading climate, or the chance to align other works simultaneously, subject to the delegated powers outlined in Paragraph 2.6.

2.5.2 Proposed investment themes are set out in **Appendix A**, and include:

- Accessibility – both for customers and promoters, including the accessibility of buildings for performers and crews doing get-in and get-out, and including large items such as lifts
- Reconfiguration of commercial space – major construction works to reconfigure parts of buildings in order to create better commercial potential, including for example, the creation of multi-function reception/box office/bar entrances
- Refurbishment & redecorations – both minor facelift works, and substantial projects in relation to our concert halls
- Furniture & fittings – including replacement of concert hall seating
- Technical Equipment – professional PA systems, staging and lighting, and conferencing.

- 2.5.3 Schemes will be developed around these themes, and the One Venue Development Plan objectives for each site, as set out in Paragraph 2.4 above.
- 2.5.4 Investment projects brought forward for Huddersfield Town Hall consolidate condition investment to protect a valuable heritage asset and link to delivery of the cultural vision through the Huddersfield Blueprint. These comprise the reconfiguration of the ground floor entrance area to create a combined reception, bar and box office space; improved facilities for commercial hirers to load in shows; improvements to other bar areas, to improve customer flow and trading opportunities and a comprehensive refurbishment of the main concert hall.
- 2.5.5 Projects brought forward for Cleckheaton Town Hall are linked to the council's place-based vision for smaller centres, which build on community use, to deliver both social wellbeing outcomes and small centre regeneration benefits, linked to the flourishing night-time economy in this location. These comprise the recommissioning of lifts to aid accessibility; upgrading the décor, equipment and facilities in function rooms; and a full refurbishment of the main hall to include replacement lighting and PA; and towards the end of the programme, a major reconfiguration of the reception area to accommodate a café bar, better placed to take advantage of night-time economy opportunities.
- 2.5.6 Projects brought forward for Batley Town Hall complement its use as a valuable community performance space and recognise the potential of income opportunities linked to food and drink, in the town centre. These comprise refurbishment of staging and dressing room facilities; the installation of a commercial grade kitchen to service both existing users of the building, but also linked to a reconfiguration of the existing entrance/reception area, to give flexibility to trading opportunities within the building.
- 2.5.7 Dewsbury Town Hall has already benefited from significant investment in 2021 to refurbish public function rooms, circulation spaces and the main concert hall, and does not feature strongly in this programme, however, an allocation is proposed to cover the upgrade of concert hall seating.
- 2.5.8 Further details of the proposed allocations of funding are provided at **Appendix A**.

3. Implications for the Council

3.1 Working with People

- 3.1.1 The projects identified in **Appendix A** ensure that we are investing in better facilities and experiences for our service users and customers, which encourages more organisations and individuals to use our buildings as a base for their activities, generating better outcomes for the council and our communities, contributing to town centre vibrancy, and supporting the local economy.
- 3.1.2 It goes without saying that these are also significant investments in our heritage buildings, ensuring they continue to be quality facilities which benefit our colleagues and communities for the long term.

3.2 Working with Partners

- 3.2.1 Working with our partners and considering their needs, as well as our own commercial opportunities, is at the heart of our Town Halls operation. Being able to offer better accessibility for private promoters who use our venues to stage their shows not only

underpins ticket income, but provides quality entertainment for our residents and communities and builds the vibrancy which is vital to support our town centres.

3.2.2 Equally, we partner with local community organisations, who have different requirements of our buildings, but whose input and commitment is vital to ensure that valuable opportunities to enjoy learning, dancing, drama and wellbeing, are not only available to our residents, but provided by organisations other than the council.

3.3 **Place Based Working**

3.3.1 The investment proposed under this programme is not a simplistic 'one size fits all' approach for all Town Halls. Rather, it aims to achieve a realistic balance of community, corporate and commercial activity across the portfolio of buildings, whilst recognising the individual strengths and potential of each site within its locality.

3.3.2 This approach will help to deliver local distinctiveness:

- for Huddersfield Town Hall, not only as the home of corporate governance, but also making the most of national touring concerts and shows attracted to its outstanding concert hall, and maximising opportunistic food and beverage trading opportunities
- for Dewsbury Town Hall, as the premier town centre venue available for private hire and conferencing, along with television location filming
- for Cleckheaton Town Hall, as the home to the University of the Third Age, many amateur arts groups, and a quirky venue for music and entertainment promotions linked to the town centre's vibrant night-time economy
- for Batley Town Hall, as a valuable community and civic resource, popular with amateur arts and other community groups.

3.3.3 Continuing investment will ensure that these much-valued heritage buildings remain relevant, and continue to be available to serve their local communities.

3.4 **Climate Change and Air Quality**

3.4.1 The refurbishment schemes identified in this report will ensure that we are replacing inefficient equipment and electrical systems with modern, energy efficient materials and equipment that will contribute to an ever-reducing carbon footprint for the Council. The refurbished buildings will be fit for purpose, modern, and energy efficient.

3.5 **Improving outcomes for children**

3.5.1 Our Town Halls are extremely popular with local community groups, who regularly use our main halls, stages and dressing rooms when staging amateur dance and theatre shows, supporting high quality leisure and recreational opportunities for children. Investing in quality facilities in our venues is not only attractive to our commercial customers, but also means our child-focussed community groups, benefit from an enhanced service provision and experience.

3.6 **Financial / Regulatory**

3.6.1 The programme identified in this report is funded through self-financing capital, which is serviced by the additional income generated as a result of investment.

3.6.2 However, Members' should note there are two main factors which may affect the position of this programme, being:

- ***Commercial Space can be repurposed for other council services***
Accommodation within Town Halls which has been benefited from refurbishment with a view to being available for commercial use, can at any time, be

requisitioned by colleagues for corporate use, in circumstances where for example, a council service has an acute need for space in order to continue its service delivery, immediately removing any income generating potential from that particular part of the asset. **This remains a corporate risk rather than a purely Service issue, and is acceptable in order to maintain flexibility over the use of our own assets and be able to repurpose their focus to address an acute need.*

- **Phasing of income-generating projects**

The larger more commercially-focussed income generating projects under this programme are scheduled in later financial years, often in order to line up with other activities on site. **The self-financing capital repayments will be profiled to commence when the major income-generating projects at Huddersfield and Cleckheaton Town Halls are delivered which are staggered towards later years.*

3.6.3 This programme (and any project flexibility required) will be managed in accordance with the council's Financial Procedure Rules and the existing delegations this confers.

4. Consultees and their opinions

4.1 The programme outlined in this report has been subject to consultation with officers responsible for assets and capital planning within Economy and Infrastructure Directorate, and the Environment and Climate Change Senior Leadership Team.

5. Next steps and timelines

5.1 Subject to approval of the proposed programme and themes, officers will develop, design, and procure projects for the approval of the Service Director for Culture & Visitor Economy, followed by procurement and implementation.

6. Officer recommendations and reasons

Members are requested to:

- (a) Consider and approve the Town Hall Strategic Investment themes of work for 2021/22 – 25/26 as detailed in **Appendix A** of this report, and the associated capital allocation, up to £1,835,000 max for the rolling 5 year period, in order to deliver the commercial, community and building condition benefits, as outlined comprehensively in sections 2.1, 2.2, 2.3, and 2.4 of this report.
- (b) Authorise officers to identify, design, tender and implement the delivery of projects aligned with the work themes identified in **Appendix A** within the agreed budget.

7. Cabinet Portfolio Holder's recommendations

Cllr Will Simpson:

I support the recommendations at Paragraph 6(a) and 6(b) in this report, and welcome the strategic investment in our Town Halls, which will not only protect the historic fabric of our flagship heritage buildings, but also ensure they and the facilities they offer, remain relevant to local people for many years to come.

Cllr Paul Davies:

I support the recommendations at Paragraph 6(a) and 6(b) in this report, and welcome a more commercial approach for our flagship buildings, whereby additional investment in equipment, facilities, and decoration sits alongside essential investment in repairs and condition, delivering for both our communities and customers.

8. Contact officer

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Adele Poppleton – Service Director for Culture & Visitor Economy Email:
adele.poppleton@kirklees.gov.uk

9. Background Papers and History of Decisions

12 February 2020 – Budget Council meeting approves £2.235m in the capital plan for the Strategic Investment in Town Halls.

10. Service Director responsible

Adele Poppleton - Service Director – Culture & Visitor Economy
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11. Attachments

Appendix A – Town Halls Strategic Investment Themes 2021-2026.

APPENDIX A: TOWN HALL STRATEGIC INVESTMENT THEMES

THEME 1 - ACCESS

	2022/23	2023/24	2024/25	2025/26	
Huddersfield				£50K	£50K
Cleckheaton	£120K				£120K
Batley					
TOTAL	£120K			£50K	£170K

THEME 2 - RECONFIGURATION OF COMMERCIAL SPACES

	2022/23	2023/24	2024/25	2025/26	
Huddersfield	£350K				£350K
Cleckheaton				£250K	£250K
Batley			£50K		£50K
TOTAL	£350K		£50K	£250K	£650K

THEME 3 - REFURBISHMENT & REDECORATION

	2022/23	2023/24	2024/25	2025/26	
Huddersfield		£20K	£315K	£100K	£435K
Cleckheaton	£45K	£175K			£220K
Batley	£50K				£50K
TOTAL	£95K	£195K	£315K	£100K	£705K

THEME 4 - TECHNICAL EQUIPMENT

	2022/23	2023/24	2024/25	2025/26	
Huddersfield	£10K				£10K
Cleckheaton					£0
Batley		£100K			£100K
TOTAL	£10K	£100K			£110K

THEME 5 - FURNITURE & FITTINGS

	2022/23	2023/24	2024/25	2025/26	
Huddersfield			£70K		£70K
Cleckheaton	£50K	£30K			£80K
Batley					
Dewsbury		£50K			£50K
TOTAL	£50K	£80K	£70K		£200K

	2022/23	2023/24	2024/25	2025/26
ANNUAL TOTALS	£625K	£375K	£435K	£400K

TOTAL PROGRAMME VALUE	£1,835,000
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