

Cabinet

18 APRIL 2011

**CABINET MEMBER
FOR CHILDREN'S
SERVICES**

*Councillor Helen
Binmore*

LYRIC THEATRE REDEVELOPMENT

This report addresses the education offer from The Lyric Hammersmith to schools in the local authority and how this might be further developed through the proposed capital investment programme.

**Wards:
All**

CONTRIBUTORS

CHSD
DFCS
ADLDS

**HAS A EIA BEEN
COMPLETED?
YES**

**HAS THE REPORT
CONTENT BEEN
RISK ASSESSED?
YES**

Recommendations:

1. **With a view to the promotion of the economic, social and environmental well-being of the borough, to delegate authority to the Cabinet Member for Children's Services, in consultation with the Head of Asset Strategy and Portfolio Management, the Director of Finance and Corporate Services and the Assistant Director (Legal and Democratic Services), to negotiate and conclude the new lease with St Martins or their successors in title and a new sublease or subleases (as appropriate) with the Lyric, together with any incidental documentation she and they shall consider appropriate. Terms may provide for surrender of existing leases or subleases (including of the former Lyric box office) with a view to consolidation in a new lease or sublease (as the case may be) of the same or extended duration.**
2. **Subject to successful negotiation of the lease, that the following recommendations be approved:**
 - a) **To allocate £2.8m to the Lyric capital project from prudential borrowing supported by the DSG centrally retained funds.**

- b) To delegate authority to the Cabinet Member for Children's Services, in consultation with the Director of Children's Services, to procure the necessary works for the Lyric partnership through the IESE framework within the sums identified within this report.**

- c) To delegate authority to the Cabinet Member for Children's Services to agree the education offer for schools and create a borough-based community hub for voluntary groups within the enlarged Lyric facility and (if the hub is included in the new sublease to the Lyric) to negotiate (in consultation with the Assistant Director Property and Management) a sub-underlease back to the Council of the hub.**

1. BACKGROUND

- 1.1 For over 100 years, The Lyric Theatre, Hammersmith West London's largest theatre, has been developing the skills of young people through their pioneering productions, youth theatre and workshops.
- 1.2 The Lyric is committed to working with young people in Hammersmith and Fulham and currently has a broad education offer which includes:
 - **LYC** – West London's largest youth theatre offers local young people, from a range of schools in the private and state sector, a chance to participate in regular activities, attend master classes led by industry professionals, perform in a professional space and see Lyric shows. This also encourages a life long habit of attending theatre productions
 - **START** – A unique six-week training programme for young West Londoners, aged between 13 and 19, who are not in education, employment or training (NEET). The project re-engages young people with learning and has enabled over 90% of participants to gain a level 1 or 2 qualification in literacy and numeracy, with over 30 young people benefiting from the process in 2010.
 - **Primary School workshops** – Children's shows and "messy play" through a year round programme of performances and hands on activities enabling parents and their children to engage in a range of fun and creative activities.
 - **Targeted projects for example "Young, Autistic and Stagestruck"**. This was an ambitious project which captured the journey of a group of nine young people with autistic spectrum disorders as they worked together to devise, produce and perform an original piece of theatre. The resulting landmark four-part documentary series was broadcast on Channel 4 and had over 3 million viewers. "**Play Up, Pay Back**" is a project delivered in partnership with the Youth Offending Service which engages young people who have offended in diversionary activities on Friday and Saturday nights and encourages them to make a positive contribution to their local community. Such projects will continue to be developed to meet specific needs.
- 1.3 In 2011, The Lyric wish to expand their education offer to schools with more effective targeting of provision. This will form the basis of a comprehensive offer once the Lyric is expanded. It is proposed that in 2011 they will start work on a capital project to build the UK's first ever "teaching theatre" for the performing arts. The new facility will allow artists, teachers and other young people's professionals to collaborate to inspire young people to become the artists, arts managers and audiences of the future.
- 1.4 The project has been developed in response to a wide-ranging consultation and responds to a wide range of economic, social and environmental needs linking to the H&F Community Strategy, including those of the young people of West London, the needs of residents and businesses in Hammersmith, as

well as the needs of the creative and cultural industry sector and the theatre itself.

2. HAMMERSMITH & FULHAM OBJECTIVES

- 2.1 The Lyric Theatre project will provide exciting opportunities for an enhanced creative and media curriculum offer to our borough's pupils by a business partner. Our current offer will be greatly improved by the access gained to the specialist facilities being provided for teaching and learning, as well as schools being able to access comprehensive facilities and services for their own productions.
- 2.2 The new facilities will be linked to the existing building and will create a unique learning environment in the heart of a professional theatre where artists and teachers will collaborate to support, train and inspire young people to achieve their potential. Open seven days a week from 8am in the morning to 11pm at night they will engage up to 200 young people a day and 20,000 each year in range of formal education and apprenticeship programmes as well as extra curricular activities in drama, dance, music, film, TV, visual arts and technical skills.
- 2.3 A detailed Service Level Agreement (SLA) has been agreed whereby the Lyric will provide a curriculum offer specifically for the borough (see Appendix 1).
- 2.4 The vision statement, underpinning our Community Strategy priorities, is to create a borough of opportunity for all. The seven key priorities, that provide a ladder of opportunity for all, drive the council's policies. The recommendation's of this report support the key priority to deliver 'a top quality education for all'.

3. CAPITAL FUNDING REQUIREMENT

- 3.1 The current cost of the redevelopment is £15m. The following sources of funding are currently identified:
 - The Arts Council - confirmed financial support of £4.5m
 - The LDA/GOL - confirmed financial support of £1.0m
 - The DfE - confirmed financial support of £3.0m (but this money must be committed during this financial year)

Therefore, the total confirmed financial support is £8.5m. Due to the level of support for the proposals, the Lyric are confident that they can raise an additional £1.5m through fundraising activities, giving a total of £10.0m funding.

- 3.2 The Council is also supporting the project with an additional £0.5m, which is already committed within Council budgets:

- £0.25m via funding already provided as per the previous Cabinet Decision to develop the feasibility study for the programme.
 - £0.25m as part of the Council's Corporate Planned Maintenance Programme to repair the roof on the Lyric and replacement of front of house air handling unit (both of which can be re-aligned into this project as these works would not be required if the bigger scheme was to go ahead).
- 3.3 The current projected costs of £15m could be reduced if VAT could be reclaimed on the project. If the Council were to become the procuring body, on the basis that the lease is held by the Authority (see section 4 below), then the project would be able to reclaim VAT through the usual Council mechanisms. This is based on the rationale that the land is the borough's (via the lease) and the project is delivering goods and services that are ultimately being commissioned by the borough, through its SLA.
- 3.4 This reduces the total cost of the project from £15.0m to £13.5m, leaving a funding shortfall of £3m for the project, which the Council is being asked to provide.
- 3.5 The proposal recommended to Cabinet is for the Council to contribute £2.8m towards this sum and the Lyric will find an extra £200,000 towards the implementation of the project.

4. LEASE POSITION

- 4.1 St Martins, the freeholders, are currently in negotiation with potential purchasers of the freehold. Discussions are taking place with both parties regarding in effect extending the Council's lease to include the additional space required. This will be substantially on the same terms (999 years at a peppercorn rent) as we currently have for the Lyric Theatre (as opposed to the box office, which may be included in the new lease too).
- 4.2 The Authority will simultaneously need to enter into an agreement with the Lyric (in effect) to extend the existing sub-lease to the Lyric to include the extension when complete. The duration of the sub-lease may also need to be extended so as to justify the investment by the Lyric and its backers. The Lyric also has a sublease from the Council on Unit 19, Kings Mall (the former box office) which it may also be necessary or appropriate to extend in duration or merge into the sublease of the remainder of their premises. The Lyric will also need to agree to make available to the Council any funding they have procured or committed to raise for the build project and the manner in which the proposed hub is to dealt with.

5. RISK MANAGEMENT

- 5.1 The key risk currently is the sale of the freehold and this project will ultimately only be delivered if the negotiations are concluded successfully.
- 5.2 This project will be added to the Children's Services risk register. Key risks already identified are timings, financial, contractual relationship and the Lyric's ability to raise external funds.

6. EQUALITY IMPLICATIONS

- 6.1 A EIA has been completed and is available electronically. This project will support the enhancement of opportunity for many young people in the borough and will have a positive impact on all communities.

7. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

- 7.1 The Council has power to take a new (supplemental or replacement) lease from St Martins or its successor under Section 120 Local Government Act 1972. That power can also be used to accept a surrender from the Lyric of their existing lease(s) (in order for them to be granted a new lease of the enlarged building, with or without Unit 19 as the case may be).
- 7.2 The Council has power under Section 123 of the Local Government Act 1972 to grant a new lease to the Lyric (of the enlarged building, with or without Unit 19 as the case may be), but only with the consent of the Secretary of State at DCLG, where (as here) the lease is not granted for the best consideration that can reasonably be obtained (since only a peppercorn rent is being charged). However, the Secretary of State has issued the General Disposal Consent 2003, which permits a local authority to dispose of property at an undervalue of up to £2m if it considers that the purpose the land will be used for will promote the economic, social or environmental well-being of the borough or any part of it or anyone resident or present in it. Should the undervalue prove greater than £2m, *ad hoc* consent would need to be sought direct from the Secretary of State.
- 7.3 The Council will either retain its existing lease of 999 years and enter into an agreement to take a co-terminous supplemental lease from St Martins of the additional land, once the works have been completed or enter into an agreement with St Martins for the surrender of the existing lease (and possibly Unit 19) and grant of a new lease for the enlarged premises when complete (with Unit 19, as appropriate). The Lyric, on the other hand, are likely to be required to surrender their existing 30 year lease in return for an entirely new sub-lease from the Council of the enlarged premises (possibly for an extended term of up to 125 years and possibly also to include Unit 19).

- 7.4 The Council has power to make grants to the Lyric to support the creation of a teaching theatre, using the power under Section 2 Local Government Act 2000. This enables the Council to do anything which it considers will promote the economic, social or environmental well-being of the borough or any part of it or any persons present in it. In using the power, the Council must have regard to its community strategy and to any guidance issued by the Secretary of State. As regards the latter, nothing has been issued which would adversely affect the present proposal.
- 7.5 Hampshire County Council (on behalf of Improvement & Efficient South East (IESE) has let a Framework Agreement known as the South East and London Construction Framework for Major Projects (OJEU Notice 220175-2010).
- 7.6 This Framework Agreement has a four year duration and has provision for several contractors to provide construction works under it. The Framework Agreement permits Local Authorities and certain public bodies in London and other named authorities in neighbouring areas to call off works from the Framework.
- 7.7 Subject to the following (i) confirmation of the publication of a Contract Award; (ii) compliance with call-off award criteria contract; and (iii) subject to contract it will be permissible for the Council to call off works from the Framework Agreement.

8. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 8.1 The Director of Finance has been consulted and notes:
- a) As the Council is taking the lead in procuring the project due to being the primary leaseholder on a long term lease with St Martins, it is important that the Authority ensure any cost risks are borne by the Lyric.
- b) The provision of £2.8m capital is from the Prudential Borrowing already identified as part of the Council's capital strategy to support learning within the borough and is supported by DSG.
- 8.2 The Director notes that the amount being provided by the Council is less than 25% of the total project costs and will contribute to a significant external investment in Hammersmith and Fulham to benefit the broader life long learning agenda.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		
CONTACT OFFICER:		NAME: Ian Heggs EXT. 2880	

APPENDIX 1

Draft Service Level Agreement

The Lyric Theatre – School Outreach

The Lyric Theatre Hammersmith West London's largest theatre has been developing the skills of young people through their pioneering productions, youth theatre and workshops. The Lyric is committed to working with young people in Hammersmith and Fulham schools and has developed an outreach programme for learners and teachers.

The Service:

The service aims to:

- Support schools in the co-delivery of the performing arts curriculum including GCSEs, IGCSEs and A Levels both in school and at the Lyric.
- Develop creative learning practice in secondary, special and primary schools including early years
- Work with teachers to provide curriculum assessment opportunities in a range of core skills
- Co-develop extended schools programme including after school clubs and school-based youth provision both in school and at the Lyric
- Share innovation and good practice
- Promote inclusive strategies to re-engage learners
- Create ever stronger partnerships and collaboration amongst our schools to support better local delivery of creative learning with children and young people
- Develop The Lyric as a community hub for arts and media practitioners including a youth theatre group and targeted youth programmes

This work is underpinned by the following principles:

- A shared responsibility with schools to develop creative learning practices to support the progress of all learners, especially those who are vulnerable and underachieving
- To develop strong and dynamic partnerships between the creative industries and the school community to place Hammersmith and Fulham schools at the centre of performing arts and new media

The service provides expertise in the following:

- Professionally trained and CRB cleared practitioners from a range of areas including dance, theatre, film, TV, radio, script writing, props, make-up and wardrobe
- Effective teaching and learning and workshops in performing arts
- Supporting curriculum planning and assessment
- Work related learning opportunities including placements at the theatre and with partner industries

- Project design and co-ordination

All schools are eligible for one free workshop per annum and a set of class tickets for one of The Lyric's productions. Those schools who chose to buy-back will receive additional support and will have direct access to expert practitioners from The Lyric Theatre network.

The benefits

- Expert advice from a professional team
- A responsive outreach offer, discussing with you a planned and coherent programme that matches your school curriculum plans
- A partnership to work with you and your learners in developing creative practice
- A flexible service able to respond to your specific needs and aspirations.
- Access to front of house and behind the scenes activities at a premier London Theatre

Service standards

- The Lyric Theatre outreach service will work with the school to draw up a support programme tailor made to the schools requirements
- All work will be monitored and evaluated to measure the effectiveness of the programme

Cost

The tailor made programme will be costed on a 'not for profit' basis with an open book approach.

APPENDIX 2

Quotes:

“The proposed capital project for the Lyric Theatre in Hammersmith is both visionary and exciting. The project will enhance the ability of the Lyric to include all elements of the community in its programming and educational activities and in doing so help to realise the dreams and aspirations of its client groups.”

**Sir William Atkinson, Executive Headteacher,
The Phoenix Canberra Schools Federation**

“London is proud of the Lyric’s outstanding reputation for its work in developing young people and new theatre-makers. The redevelopment project will make a much needed and important contribution to the creation of world-class leisure and education facilities for young people in London. It will give young Londoners of all backgrounds a chance to be involved in positive activities that help them achieve their potential and forge connections with their community. The Lyric’s capital project will enable the organisation to radically expand the number of young people it works with each year enabling to become a 24-hours a day, 7-days a week operation working with up to 20,000 young people a year and also generate a legacy beyond 2012”

**Boris Johnson
Mayor of London**

Case Studies: *[names have been changed to protect identity]*

Chenice:

Chenice was 19 when she first came into contact with the Lyric. She had attempted the START programme twice previously but had never got past the first week to complete the course due to her lack of commitment and low motivation levels. Chenice had very low confidence and self esteem which meant she had a fear of failure that meant she was reluctant to try new activity. Chenice had reached a point where she was confused about what she wanted to do in the future and had tried both education and employment routes; none of which she had completed. Chenice completed the entire programme of START with 99% attendance which demonstrated Chenice’s level of engagement on the project and how much they felt they were gaining from the project. Chenice flourished and grew in confidence trying every activity and challenge which was presented to her. Chenice was encouraging and motivating to other members of the group which was a fantastic asset to the project. Chenice had quite low confidence in her literacy but really applied herself and worked hard to achieve a level 2 City and Guilds literacy qualification. Since the end of the project in April 2010 Chenice expressed an interest in getting involved in youth work to inspire other young people. The Lyric has since offered Chenice a range of opportunities to develop her aspirations by shadowing and supporting on a variety of youth lead projects. Chenice always demonstrates professionalism and a natural ability to engage and support young people, assisting in recruiting over 100 local young people on to our Summer Programme. Chenice is also now employed at the Lyric working in visitor services through Future Jobs Fund and has been described as an asset to the Lyric Team. Chenice is now considering enrolling in

further education to gain her youth work qualification which is an amazing merit to the journey she has come one and we will continue to support her in her professional career development.

Tom:

Tom first engaged in the Lyric through our work experience programme in summer 2009 he attended a local secondary school and was refereed through his drama teacher who knew the work of the Lyric well. During the work experience programme support staff recognized that Tom had huge dance potential dancer but lacked in self confidence and struggled when working alongside his peers, Tom attended an all boy's schools and had difficulty expressing himself and often hid his dance ability. Staff referred Tom onto the Lyric Summer Uni programme funded by LBHF he completed two dance course one focusing on contemporary dance and the other street dance. Tom then returned to school and completed his GCSE with a new found confidence. Tom continued to engage with positive activities provided by the Lyric, he joined LYC the Lyrics resident youth theatre and self referred to our summer Skills 2010 programme. Tom spent two weeks working alongside professional artists gaining new performance skills. At the age of 16 Tom finished his schooling and had no plans to continue his education, in September 2010 Tom auditioned for the annual Lyric pantomime Dick Whittington, he was successful and spend two months rehearsing the production and performed in 26 shows, the project ensured that Tom continued to remain focused on a positive activity after leaving education, by participating in the Panto programme and continuing to engage with the Lyric he has increased his employment opportunities. The Lyric is now supporting Boy A to continue his development as a performance, continue to build his confidence and harness his employability skills.