

 <b>Executive</b> <b>29 June 2020</b>		<b>Agenda Item No.</b> <b>3 (VIII)</b>
<b>Title</b>	Use of delegated powers - Motionhouse Dance & Leamington Town Hall	
<b>For further information about this report please contact</b>	David Guilding, Arts Manager <a href="mailto:David.guilding@warwickdc.gov.uk">David.guilding@warwickdc.gov.uk</a> 01926 456230	
<b>Wards of the District directly affected</b>	All Leamington Wards	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	N/A	
<b>Background Papers</b>	N/A	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes (1,123)
<b>Equality Impact Assessment Undertaken</b>	No

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	04/03/20	Andrew Jones
Head of Service	26/02/20	Rose Winship
CMT	04/03/20	Andrew Jones
Section 151 Officer	04/03/20	Mike Snow
Monitoring Officer	04/03/20	Andrew Jones
Finance	04/03/20	Mike Snow
Portfolio Holder(s)	27/02/20	Cllr Grainger
<b>Consultation &amp; Community Engagement</b>		
Consultation has taken place with the tenants of Leamington Town Hall.		
<b>Final Decision?</b>	Yes	
<b>Suggested next steps (if not final decision please set out below)</b>		

## 1. **Summary**

- 1.1 This report informs Members of an urgent decision taken by the Chief Executive under delegated authority CE(4), following consultation with Group Leaders, to agree to the proposals for Warwick District Council to partner with Motionhouse Dance company in order to create a new 'creation space' in the Assembly Hall within Leamington Town Hall.
- 1.2 Due to the Coronavirus outbreak and in line with the self-isolation Government advice, the 18 March 2020 meeting of the Executive was cancelled. As a result, the decisions on the agenda for that meeting were taken under the Chief Executive's delegated authority CE(4).

## 2. **Recommendation**

That Executive notes the decision taken by the Chief Executive, after consultation with Group Leaders, under delegated authority CE(4) to:

- 2.1 Approve the proposal for Motionhouse Dance to be granted a Licence to Occupy for Leamington Town Hall Assembly Hall for a duration of up to 5 years; and to approve the proposal to grant a commercial lease to Motionhouse Dance for the 'large barn' at the Newbold Comyn site for a duration of up to 2 years.
- 2.2 Delegate authority to the Head of Cultural Services and the Arts Manager to negotiate Heads of Terms and further details of the agreement with Motionhouse Dance within the scope proposed in this report.
- 2.3 Note the intention of officers to begin work on exploring the feasibility of developing a 'creative hub' within Leamington Town Hall, with the aim of increasing the use of the building and lowering the cost of operating the asset to the Council. Proposals will be brought forward to Executive for consideration at a later time.

## 3. **Reasons for the Recommendation**

- 3.1 This was an urgent matter which could not wait until the next Executive meeting. Because of the Coronavirus outbreak, it was not known when the Council meetings would resume.
- 3.2 This resulted in the use of delegated power CE(4), which states:  
*"The Chief Executive be authorised to deal with urgent items that occur between meetings, in consultation with the relevant Deputy Chief Executive, Head(s) of Service (if available) and Group Leaders (or in their absence Deputy Group Leaders) subject to the matter being reported to the Executive at its next meeting."*
- 3.3 Founded in 1988 by Louise Richards and Kevin Finnan MBE, the dance company Motionhouse create world-class dance-circus productions that tour extensively around the world. The company creates full-length productions for theatre touring, flexible work for outdoor festivals, and large-scale 'spectacles'. Their innovative productions, which integrate athletic physicality, digital imagery and emotive musical scores, are popular with audiences and the company is highly regarded nationally and internationally.

- 3.4 Motionhouse has been based in Royal Leamington Spa for over 30 years, creating their productions in the town and touring them to audiences across the UK. They have also performed in the USA, China, Japan, Australia and South Korea as well as touring regularly throughout Europe, helping to put Royal Leamington Spa and Warwick District on the international cultural map.
- 3.5 Motionhouse is one of only two organisations based within the District that receive regular grant funding from the Arts Council of England (ACE) as a National Portfolio Organisation (NPO). ACE has stated that Motionhouse is an important organisation for them, that the company contributes greatly to the delivery of ACE's goals and their mission of "Great Art for Everyone" (a letter of support from ACE is included as Appendix A to the report). ACE recognise that Motionhouse is one of the most celebrated touring dance companies in the country. ACE also value the organisation's enormous contribution to the region and in particular Motionhouse's engagement with the local community and the work delivered with young people in the District. The company is also considered to be stable, well managed, with good governance and an excellent track record.
- 3.6 Motionhouse has been a strategic partner of Warwick District Council for many years and grant funded as a Key Client of Cultural Services. They are also an existing tenant of the Council, with their offices and education studio space located in Spencer Yard in Royal Leamington Spa. Having a nationally recognised organisation like Motionhouse based in the town benefits the local creative economy and organisations like them are integral to the Council's plans to develop Leamington's Creative Quarter and other key actions included within the wider Creative Framework.
- 3.7 In 2017 Motionhouse Dance joined forces with the British furniture manufacturer, Vitsoe, under a 5-year partnership to create a new dance creation space in the Vitsoe headquarters building in Royal Leamington Spa. The co-habitation was conceived by Vitsoe and Motionhouse as a symbiotic and like-minded working arrangement and it received a great deal of attention from the national arts press and funders as a unique partnership between a cultural organisation and the manufacturing sector. The initiative received a significantly large amount of capital investment from ACE in order to create and equip a purpose built, state of the art rehearsal and development space so that Motionhouse could create new, innovative work at a larger scale than previously possible.
- 3.8 When Vitsoe first moved to its new building in Leamington Spa in May 2017 it had surplus warehouse space that it offered to share with Motionhouse, until such time it would be needed by Vitsoe. This was originally thought by all parties to be at least 5 years, and this time period was a condition of the ACE investment into the project. The availability of this space has allowed Motionhouse to grow and to develop the quantity and quality of its performances work, and the company is now thriving more than ever. Meanwhile Vitsoe's global growth – now selling to 70 countries – has led to the need for more production space. The result of this growth is that Vitsoe can no longer accommodate Motionhouse's rehearsal space at the heart of its building. However, Vitsoe will continue to support Motionhouse and provide a limited amount of storage and vehicle parking at the Vitsoe site. (A letter of support from Mark Adams, Managing Director of Vitsoe, is included as Appendix B to the report).

- 3.9 At the end of November 2019 Vitsoe was forced to give Motionhouse six months' notice to vacate their building, meaning that they must leave by 31st May 2020. This caused several serious and immediate issues for the company:
- Firstly, the success of their business model relies upon the continual development of new work which pushes the artistic boundaries of dance-circus and digital projection. Motionhouse's large, purpose built creation space at Vitsoe is crucial to this and without it they would be unable to develop this work and service the demand for their productions from the market.
  - Secondly, ACE invested heavily in the current creation space and the capital funding was awarded with various grant conditions attached, including the length of time that the space would be in place for. If an alternative space cannot be found these grant conditions would be broken.
  - Furthermore, as part of the standard conditions of Motionhouse's NPO funding they must submit their new business plan to ACE before the end of March 2020 in order to retain their grant during the next funding cycle. Therefore, because the creation space is a key part of their business model Motionhouse must urgently secure new premises for it, before the new business plan is submitted, or they risk putting their core ACE funding in jeopardy which would have potentially catastrophic repercussions for the company.
- 3.10 Council officers had worked closely with both Motionhouse, Vitsoe and ACE since November 2019 to explore alternative options including, after agreement with the Portfolio Holder for Culture, assessing the suitability of the Council's own asset base. No suitable commercial alternatives were found to be available within the District. Potentially suitable premises that meet Motionhouse's very specific requirements, such as large, high-ceilinged industrial warehouses, have been found to be prohibitively expensive and also in very short supply. Any opportunities presented by the Creative Quarter are still several years from being delivered. After an extensive search over the past three months Motionhouse have exhausted all potential options for alternative premises within the local area.
- 3.11 This situation presents a unique opportunity to develop a substantial, innovative partnership between a national creative company and Warwick District Council. To this end, the transformation of the Assembly Hall in Leamington Town Hall into a creation and rehearsal space for the company has been proposed by officers.
- 3.12 This opportunity is extremely timely in light of the recent development of the Creative Framework and the progression of plans for the Creative Quarter. It is proposed that by placing Motionhouse at the physical centre of Royal Leamington Spa it would make the company's work more visible and accessible, opening access to local residents, instilling pride in the local community, and attracting more visitors to the town centre. It would also animate an under-used public space on the high street, visibly showcasing a global arts company and celebrating Royal Leamington Spa as the core of a nationally acknowledged creative hub.
- 3.13 This project involved the Council granting Motionhouse a 5-year License to Occupy in order to allow them sole use of the Assembly Hall for their development work. Essentially this would result in the replication of their current specialist 'black-box' theatrical space within the room, complete with dance floor, stage lighting and digital projection equipment. To enable this Motionhouse would invest heavily in the project (estimated to be upwards of

£80,000). The costs to de-install from the Vitsoe site and construct a free standing structure to support a new creation space are very high for a medium sized, not-for-profit arts organisation. Motionhouse's technical team have commissioned a specialist company to manage the project to remove of all equipment from Vitsoe, design the new structure and potentially install it within in the Town Hall. Motionhouse's board have already approved the use of its reserves to cover the cost of such a relocation at the board meeting on the 20<sup>th</sup> of January 2020. Fortunately, Motionhouse has been building up reserves for some years so they are financial stable and have the funds available to meet this significant one-off cost. The Council's Finance team have been able to verify this after being given access to Motionhouse's accounts.

- 3.14 The current trussing structure installed in the Vitsoe building had been designed to be removable (a design choice created to protect ACE's original investment). However, as the Town Hall is a Grade II listed building a new, bespoke free standing structure would have to be built inside the Assembly Hall to replicate the black-box creation space. The Council's Conservation team have been consulted as part on-going feasibility work and have no objections to the proposed changes provided it does not interfere with the fabric of the building and it is a temporary structure (i.e. not fixed to fabric of the building).
- 3.15 Officers are nearing the end of the feasibility stage of this project which has explored whether it would be operationally possible to install the creative space into the Assembly Hall, and to gauge the impact upon other users of the building. The Council's Assets team have undertaken specialist structural and acoustic surveys to ensure the solution is practical and that the impact on other users of the building can be minimised.
- 3.16 As part of on-going discussions between Motionhouse and the Council the company has agreed to offer a new creative space for the town as part of this project. There will be the ability to offer facilities to other users when Motionhouse take their latest production on tour every year and vacate the space. The intention is that the Council would partner with Motionhouse and utilise this space as a new live performance venue for the town, on the occasions when they are not rehearsing (Motionhouse's full proposal is included at Appendix C to the report).
- 3.17 However, it is inevitable that the use of the Assembly Hall for this purpose would displace existing users including some of the Council's own functions that currently take place there. The annual income to the Council currently generated from the hire of the room for events would be replaced by rental income of the same amount from Motionhouse, so budgeted income levels would remain the same. However, the Council would need to provide alternative spaces for regular users of the Assembly Hall. Officers are satisfied that this is possible, either by utilising other spaces within the Town Hall or relocating them to the Assembly Rooms at the Royal Pump Rooms. Fortunately, the event spaces at the Royal Pump Rooms have recently been placed under the management of the Council's Arts team since the removal of the Pump Rooms from the Creative Quarter project, so this is now easily achievable.
- 3.18 Motionhouse would invest heavily in the necessary infrastructure using their financial reserves and also install several hundred thousands of pounds of technical equipment into the space. Therefore, they would require a minimum of a 5-year agreement in order to protect this investment. ACE are highly supportive of the project but, understandably given the context, they would

also require a minimum of a 5-year commitment from the Council as part of their funding arrangement with Motionhouse. ACE also require a formal decision from the Council to provide the assurances they require that their investment would be protected. ACE have indicated that they would be keen to support and publically promote what they see as an innovative and exciting partnership between a local authority and an arts organisation.

- 3.19 In respect of the wider, future use of the Town Hall, officers see this as an overwhelmingly positive opportunity to begin to test the use of the building in a different way, one that is consistent with the aims of the Leamington Town Centre Vision and the recently adopted Creative Framework. The partnership with Motionhouse could be used as an anchor point to attract further investment and explore the development of a new creative hub within the building as an alternative option to those previously explored. 'Creative hubs' are now commonly found in town centres across the UK and have an established model. They are often located within re-purposed civic buildings, with the aim of energising failing highstreets and supporting the creative community to grow.
- 3.20 Currently the Town Hall cannot facilitate the storage of all of the company's extensive sets and touring equipment. As part of the proposed partnership the Council would also provide storage and workshop facilities in a different site under a straightforward lease agreement. The 'large barn' on the Newbold Comyn site is likely to be used for this purpose. The agreement for storage would be limited to a two-year lease as this keeps other long-term options open for the development of the barns as part an Asset Review in line with the Asset Management Strategy. Motionhouse are content with this, as it will be significantly easier for them to source an alternative storage solution during those two years. Other than the proposal for short-term storage by Motionhouse, there are currently no viable alternative proposals for the Newbold Comyn barns. The Asset Management Strategy will review the future of these assets, with projects such as the Newbold Comyn Masterplan providing additional detail regarding alternative use. At present they are used for limited storage, with on-going maintenance and repair covered by the Planned Preventive Maintenance (PPM) programme managed by the Asset Management Team.
- 3.21 As part of the feasibility study for this project officers have approached other tenants within the Town Hall, including Royal Leamington Spa Town Council (RLSTC), the constituency office of Matt Western MP for Warwick & Leamington, and the Council's CCTV monitoring team. They have made the following comments:
- That the Town Hall is a publically owned building and so the Assembly Hall should remain accessible to the local community in some form.
  - That noise generated both from rehearsal activity and accompanying music will need to be contained within the Assembly Room to avoid disruption.
  - Possession of the Mayor's Parlour by the RLSTC may need to be reviewed in the future, depending on the wider impact.
  - That the reduced availability of the Assembly Hall will add to the pressure on accommodation of large public meetings elsewhere in the Town. For example, the Town Hall Council Chamber will be too small a venue for the RLSTC Annual Town Meeting and alternative accommodation will need to be found.
  - It potentially limits consideration of future proposals for use of the Town Hall for the period of the occupation.

- The Creative Framework recognises the current absence of space in the District for creative and cultural activities.
- The logistics of bringing equipment into the Town Hall, particularly via the lift, are limited and will require careful consideration.

3.22 Extensive work to explore the feasibility of this project has already taken place and the above points have been considered fully.

- The agreement with Motionhouse will include provision for use of the Assembly Hall by the community – primarily as a performance space operated by the Council’s Arts team. Motionhouse have also committed to increasing their own existing educational and community programmes to ensure the space is fully utilised.
- Work has been done to assess the impact of noise generated by Motionhouse’s activity upon other users of the building. The company spent a full day on-site rehearsing a production as they normally would to test the acoustics. It was found that the noise transference is no more disruptive than current uses of the space. The Assembly Hall is already licenced for live music and performances – with restrictions. However, there are measures that Motionhouse and the Council can put in place to further reduce this transference, as it would occur on a more frequent basis.
- The noise transference into the Mayor’s Parlour and Room 21, both of which are located directly next to the Assembly Hall, was found to be minimal during testing. The impact upon these spaces is considered to be minor.
- The Arts team have analysed the Town Hall booking data from the previous 3 years and identified those priority community organisations that regularly use the Assembly Room and would require alternative spaces – either at the Royal Pump Rooms or the Royal Spa Centre (or potentially remain within the Assembly Hall). Officers will work constructively with these groups to minimise disruption.
- Various alternative future uses for the Town Hall have been explored over the past eight years and so far none have passed the feasibility stage. The subsidisation of the operation of the Town Hall remains a significant cost to the Council and a solution to maximise its use whilst reducing the ongoing cost of the building must be found. Officers believe that the phased development of a creative hub may provide a feasible, and exciting, alternative future for the Town Hall.
- The Creative Framework identified the need for additional creative spaces within the District, and Royal Leamington Spa in particular. The partnership with Motionhouse presents an opportunity for the Council to explore a business case to develop a ‘creative hub’ within the Town Hall which could meet the aims of the Framework and attract key stakeholders to assist in its delivery.
- There are numerous logistical challenges presented by the Town Hall, all of which will require careful planning and systems of work.

#### 4. **Policy Framework**

##### 4.1 **Fit for the Future (FFF)**

The Council’s FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things, the FFF Strategy contains several Key projects. This report shows the way forward for implementing a significant part of one of the Council’s Key projects.

The FFF Strategy has three strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council’s FFF Strategy.

<b>FFF Strands</b>		
<b>People</b>	<b>Services</b>	<b>Money</b>
<b>External</b>		
<b>Health, Homes, Communities</b>	<b>Green, Clean, Safe</b>	<b>Infrastructure, Enterprise, Employment</b>
<u>Intended outcomes:</u> Improved health for all Housing needs for all met <b>Impressive cultural and sports activities</b> <b>Cohesive and active communities</b>	<u>Intended outcomes:</u> Becoming a net-zero carbon organisation by 2025 Total carbon emissions within Warwick District are as close to zero as possible by 2030 Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> <b>Dynamic and diverse local economy</b> <b>Vibrant town centres</b> <b>Improved performance/ productivity of local economy</b> Increased employment and income levels
<b>Impacts of Proposal</b>		
Impressive cultural offering which encourages an increase in community led activities and use. Creative activities lead to cohesive and active communities.	Safe and vibrant town centres with an active programme of cultural events where the community feel comfortable at all times	Contributes to a dynamic and diverse local economy  Increases visits from day-trippers and tourists to the area.  Increased income levels and footfall
<b>Internal</b>		
<b>Effective Staff</b>	<b>Maintain or Improve Services</b>	<b>Firm Financial Footing over the Longer Term</b>
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers’ needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
<b>Impacts of Proposal</b>		
	The recommendations	The recommendations



	are focused on continuous improvement and development	will establish better uses for the council's arts resources and seek new income streams
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#### 4.2 **Supporting Strategies**

Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here:

#### 4.3 **Local Plan**

The Vision for the District as supported by the Local Plan (paras 1.30-1.34) is to make Warwick District a Great Place to Live, Work and Visit. Specifically, the Plan delivers a Spatial Strategy that, amongst other things, focusses employment, retail, leisure and cultural activities in town centres (1.34). Furthermore, para 5.75 recognises the "multifunctional benefits" offered by sport and recreational facilities noting that "they have a positive impact on people's quality of life, particularly in terms of their health and wellbeing". Clearly any activity that reinforces the usage of these facilities is in line with these paragraphs.

#### 4.4 **Economic/Tourism Impact**

4.5 The creative economy is recognised as being a unique strength for the District.

4.6 The Creative Quarter will regenerate the south of Royal Leamington Spa and have a significant impact on the local economy. Having a high profile, 'anchor' creative company at one end of the Creative Quarter will help to strengthen it.

#### 4.7 **Changes to Existing Policies**

None

#### 5. **Budgetary Framework**

5.1 Annual income generated from hire fees and charges at the Town Hall is typically between £93,000 and £106,000 a year. Approximately 25% - 30% of this income is achieved through the hiring of the Assembly Hall – primarily private functions such as wedding celebrations. It is believed that the majority of these events can be relocated to the Royal Pump Rooms and the income retained by the Council. Motionhouse would pay the Council an annual rent which matches this current level of income. The rental value for the Assembly Hall and the Barn will be set at a commercially competitive level. The Assembly Hall is an unusual space due to the restrictions caused by its Grade II listed status, its large size and high ceilings. Assembly Halls are not routinely leased commercially and so establishing the fair rate for such a space is challenging. Therefore, the Council shall use the rate at which the company paid Vitsoe for the use of a similar space and the rental values currently paid for other leased spaces within the Town Hall as comparable benchmarks in order to determine the appropriate level of rent.

5.2 Motionhouse will also pay a proportion of the rates and charges applicable to the Assembly Hall and the Barn.

- 5.3 The Council would carry out a small amount of enabling works in order to make these spaces fit for purpose. Budget estimates for these works have been provided by the Council's Asset Management Team after quotations from contractors were received.

#### **Town Hall Assembly Hall**

Electrical enabling works	Budget estimate £2,000
Acoustic lobby	Budget estimate £5,000

#### **Newbold Comyn Barn**

Electrical enabling works	Budget Estimate £2,500
Automatic fire detection system	Budget estimate £2,000

- 5.4 The following income estimates have been provided by the Council's Finance team using the following assumptions:

- Actual income from the hire of the Assembly Hall in 2019/20 is forecast to be approximately £21,000. However, a higher income level of £31,800 has been used for this estimate in order to be suitably cautious.
- Up to 50% of current hire income may be foregone, if it is not possible to relocate activity.
- Any potential income from the use of the creative space by the Council has not been included in budget estimates. Any income from these events shall be additional and unbudgeted.
- It is assumed that insurance and licensing costs and rates will be recharged to Motionhouse.
- Heads of Terms have not yet been negotiated with Motionhouse, therefore Rental Values remain estimates at this time.

#### **Income Estimates**

	<b>Year 0</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Town Hall Enabling Works</b>	(7000)					
<b>Barn Enabling Works</b>	(4500)					
<b>Assembly Rm Rental Income</b>		25000	25000	25000	25000	25000
<b>Barn Rental Income</b>		5000	5000			
<b>Assembly Rm Hire Foregone</b>		(15900)	(15900)	(15900)	(15900)	(15900)
	<b>(11500)</b>	<b>14100</b>	<b>14100</b>	<b>9100</b>	<b>9100</b>	<b>9100</b>

A modest increase in income of £44,000 is projected over the 5-year term of the project, assuming that hires at the Royal Pump Rooms perform as anticipated.

## **6. Risks**

- 6.1 As with all arts and cultural organisations that rely upon a mixture of grant support and income generated from the sale of their work there is a risk that Motionhouse could fail financially at some point in the future. However, the risk of this occurring is considered to be very low as the company is well run, with excellent governance in place and a high level of commitment from their primary funder. Now over 30 years old, Motionhouse is also benefitting from a period of growth and expansion, fuelled by their recent successes. ACE have also emphasised the importance of the company to their own objectives and that there is the strong possibility of ACE providing 'intervention funding' to assist further if Motionhouse were they ever to face significant financial challenges in the future.

- 6.2 Motionhouse would substantially deplete their financial reserves by funding the installation of the creative space at the Town Hall. Under their current business model, it would take several years for them to build those reserves back up to a similar level to what they are currently. In the meantime, this would leave the company potentially vulnerable, especially to the unknown impact of the UK's departure from the European Union upon their tour bookings in Europe. However, the company has a robust, mixed business plan and is able to respond to changes in the market quickly so this risk is considered to be low. As a Key Client of the Council the Arts Manager already attends Motionhouse's quarterly board meetings, as an observer, in order to closely monitor the health of the company and ensure that the Council's grant funding is spent appropriately.
- 6.3 The design and installation of the creative space would be funded by Motionhouse themselves. Although the Council will meet the costs of some enabling and improvement works to facilitate the transition these funds have already been budgeted in the PPM programme for the 2020/21 financial year. The majority of the financial risk would be carried by Motionhouse and if the worst were to happen and they had to vacate the Town Hall the Council would be in the same situation it is now, with no liability. The costs associated with reverting the use of the space back to an Assembly Hall under such circumstances would be minimal.
- 6.4 An alternative, more attractive, commercial option for the wider future of the Town Hall may be developed within 5 years which would then be blocked by the occupancy by Motionhouse. Currently, no such clear option is apparent and the Town Hall is unlikely to be progressed as part of the Creative Quarter project. However, the Licence to Occupy will include a break clause after 3 years which the Council could take advantage of if an opportunity were to arise. It should also be noted that existing tenants within the Town Hall have full leases in place which extend beyond five years' time.
- 6.5 It may not be possible to relocate all of the community events to alternative spaces, depending on the needs and preferences of individual organisations. However, if the recommendations of this report are approved the Arts team will begin consult with all users of the Assembly Hall immediately and work constructively to provide suitable alternative options.
- 6.6 There are no direct risks associated with the report because the decision has already been taken.

## **7. Alternative Option(s) considered**

- 7.1 No alternative options were considered as the decision was already made and the report was for information only.

## **8. Background**

- 8.1 Owned and operated by Warwick District Council, Leamington Town Hall, located on The Parade, was opened in 1884 and has two main rooms - the Council Chamber and a 250 capacity Assembly Hall – both located on the first floor. There are also a number of small meeting rooms throughout the building. The Town Hall is a Grade II listed building and an iconic feature of the town centre.

- 8.2 The Town Hall has several permanent tenants. One wing of the ground floor hosts the University of Warwick Learning Grid which provides flexible and informal spaces for students living in Leamington to study without the need to travel to campus. The University renewed their lease on 1st October 2018 for a further 3 years, meaning it will expire on 30th September 2021. The University have an ambition to maintain a larger presence in the town to support the growing student population. On the same floor are the offices of Royal Leamington Spa Town Council which have a lease which will last until 31st August 2027. The building is also the site of the Member of Parliament for Warwick and Leamington's constituency office, which is leased from the Council on a rolling contract. The CCTV monitoring station for Royal Leamington Spa town centre is also located in one wing of the building, operating 24 hours a day, 7 days a week.
- 8.3 The primary use of the Town Hall is for Warwick District Council activity - public committee meetings, planning inquiries, postal vote counting, training and events (approximately 150 Council meetings occur annually). As an integral part of the Council's democratic processes, these activities take precedence over any other event. In the calendar year of 2019 647 events took place in Leamington Town Hall (including commercial hires, community events and Council meetings), generating hirings income of approximately £93,000. The majority of this income (59%) was due to commercial hires that are slotted between Council functions – usually taking place at weekends.
- 8.4 The Council's Arts Team manage bookings for the building and are tasked with generating as much income as possible in order to lower the overall cost of operating the building. However, as the Council's own meetings take precedence this does limit the flexibility of the team to drive the maximum value out the building's hireable spaces (for example, accommodating regular bookings or weddings).
- 8.5 The primary costs associated with operating the Town Hall are Premises costs (repairs and maintenance) and Staffing costs, as the building is staffed every day from 08:00 until 22:00 in order to allow access for tenants and attendees to meetings. In 2018/19 the direct cost to the Council of operating the building was £233,763.
- 8.6 The Assembly Hall is by far the most underutilised space within the building with an average of only 80 events taking place each year (12% of the total number of events in the building). These are a mixture of concerts, fairs, private functions, meetings, training and workshops. The size of the room, it's location on the first floor, and poor acoustics make the room unsuitable for the majority of events.