



SCRUTINY COMMITTEE

BURNLEY TOWN HALL

Wednesday, 9th August, 2017 at 6.30 pm

SUPPLEMENTARY AGENDA

1) Apologies

To receive any apologies for absence.

2) Minutes

3 - 6

To approve as a correct record the minutes of the previous meeting.

3) Additional Items of Business

To determine whether there are any additional items of business which, by reason of special circumstances, the Chair decides should be considered at the meeting as a matter of urgency.

4) Declarations of Interest

To receive any declarations of interest from Members relating to any item on the agenda, in accordance with the provisions of the Code of Conduct and/or indicate if S106 of the Local Government Finance Act 1992 applies to them.

5) Exclusion of the Public

To determine during which items, if any, the public are to be excluded from the meeting.

6) Public Question Time

To consider questions, statements or petitions from Members of the Public.

PUBLIC ITEMS

7) Notice of Key Decisions and Private Meetings

7 - 10

To consider the Key Decisions to be taken for the period 15th August 2017 onwards.

8) Empire Theatre

11 - 54

To consider a report on the Empire Theatre.

9) Scrutiny Review Groups

To receive an update on the work of any active Scrutiny Review Groups.

10) Work Programme 2017/18

To consider any additions to the draft Work Plan for 2017/18



SCRUTINY COMMITTEE

BURNLEY TOWN HALL

Wednesday, 28th June, 2017 at 6.30 pm

PRESENT

MEMBERS

Councillors A Tatchell (Chair), M Brindle (Vice-Chair), J Cunningham, B Foster, R Frost, J Greenwood, T Harrison, M Johnstone, A Kelly, T Martin and P Reynolds

OFFICERS

Rob Dobson	– Corporate Policy and Projects Manager
David Donlan	– Accountancy Division Manager
Alison McEwan	– Democracy Officer

1. Apologies

Apologies were received from Councillors Heginbotham, Malik and Newhouse.

2. Minutes

The minutes of the previous meeting were approved as a correct record and signed by the Chair.

3. Notice of Key Decisions and Private Meetings

The Chair introduced the Notice of Key Decisions and Private Meetings, noting that due to the timing of meetings within the cycle, the next iteration of the document was almost due for publication. Alison McEwan was asked to circulate to members once published. This document could be a useful tool in deciding on additions to the work plan, or in formulating ideas for Scrutiny Review groups.

Members discussed the following:

- Play Strategy – hadn't the Council recently approved a new Play Strategy? No, the strategy had been in development for some time, but would be submitted to the Executive for consideration in July. The previous version dated from 2009.

- Business Rates Relief scheme – was this to be removed? Alison McEwan to make enquiries with the relevant officers.

4. Year End Performance Report

Rob Dobson introduced the report, and highlighted areas of strong performance, which included:

- Sickness Absence which was (on average) 5.09 days per employee against a target of 6 days. This gave Burnley the lowest average figure of all Northwest district councils.
- Streetscene missed bins –the number of missed bins was now at 32 per 100,000, against the target of 40/100,000.
- Number of planning applications processed within target time. Members attention was drawn to the fact that the Peer Review team last year had highlighted this an area which might benefit from additional focus. In Q4, 100% of major applications, 97% of minor applications, and 85% of 'other' applications were processed in time, against targets of 60%, 65% and 80%. Comparatively, this put Burnley above the Northwest average for all measures.

One area of weaker performance was drawn to the attention of members – IT business critical system availability. Two major incidents occurred in Q4, causing disruption for officers and members of the public. These were resolved, and Liberata have made investment in hardware, and continue to make improvements to infrastructure.

IT

WAS

AGREED

That the report be noted.

5. Annual Treasury Management Report Review of 2016/17 Activity

David Donlan presented the report which was required so that the Council fulfilled its obligations under the CIPFA regulations.

Highlights of the report included over £150k savings being made on predicted interest payments due to proactive management of cash flows, slippage in capital spending and lower interest rates payable.

The report also drew members attention to the higher than expected returns on investments, which had resulted in an additional £37k in interest being received by the Council.

Members questioned whether alternatives to the Public Works Loans Board (PWLB) had been explored, as their rates seemed to be higher than commercial loans. It was confirmed that although alternatives to the PWLB had been proposed, no new scheme had been realised.

IT WAS AGREED

That the report be noted.

6. 2016/17 Final Outturn Position

David Donlan introduced the report which detailed the position of the Council's 2016/17 budget at year end.

Members discussed the following:

- At paragraph 8, were additional pension costs ('pension strain') costs included within the 'employee redundancy costs' heading. This was confirmed to be the case.
- The total held in reserves was circa £8million. This was almost 50% of the revenue budget, why was this? Within the total reserves, the majority of funding was committed for specific projects and budgets.

Members were reminded of a Member Workshop on 19th July which would be focussed on the Draft Statement of Accounts.

IT WAS AGREED

That the report be noted.

7. Scrutiny Review Groups

The Chair updated new members of the committee on the reviews that had been undertaken so far.

The Railway Review Group was still underway, and confirmation of the date of the next meeting would be issued as soon as confirmation received from the external agencies.

Members had been sent proposal forms to suggest additional topics for future groups. These were to be returned by 14th July, so that potentially a special workshop could be held to work through and choose topics prior to the next full Scrutiny meeting in September.

Members discussed some possible topics, and agreed to submit any suggestions in writing.

8. Work Programme 2017/18

Alison McEwan informed members that this was the latest information received for the work plan, but that this could be added to if new projects and reports were brought forward.

This page is intentionally left blank

BURNLEY BOROUGH COUNCIL

NOTICE OF KEY DECISIONS AND PRIVATE MEETINGS

This Notice contains:

- a) A list of Key Decisions to be taken by the Executive during the months August to November 2017, published on 17th July 2017.
- b) Details of dates of meetings of the Executive during the same period at which decisions may be taken in private or partly in private

A Key Decision is an Executive decision that is likely:

- (i) to result in the local authority incurring expenditure which is, or the making of savings which are significant, having regard to the local authority's budget for the service or function to which a decision relates. The Council has said that Capital or Revenue spending over £100,000 will be a Key Decision; or
- (ii) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the Borough;

A private meeting is a meeting or part of a meeting of the Executive during which the public must be excluded whenever:

- a) it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during that item, confidential information would be disclosed to them in breach of the obligation of confidence;
- b) the Executive passes a resolution to exclude the public during that item where it is likely, in view of the nature of the item of business, that if members of the public were present during that item, exempt information would be disclosed to them; or
- c) a lawful power is used to exclude a member or members of the public in order to maintain orderly conduct or prevent misbehaviour at a meeting.

Meetings of the Executive will be held on the following dates: 15th August , 19th September and 15th November 2017. Meetings normally start at 6.30pm but times can change so please check the council website nearer the date of the meeting. This Notice will be further updated on the following dates: 17th July, 18th August and 16th October 2017.

Matter for decision	Purpose	Key Decision Yes or No	Anticipated date of decision	Public or Private report. If Private give reasons	List of Documents to be submitted including any background papers	Contact person & Executive Portfolio
Insurance Renewals	To consider Insurance Renewals	Yes	August 2017	The report contains exempt information and is therefore NOT FOR PUBLICATION by virtue of Local Government Act 1972, Schedule 12A, Part I, Paragraph 3; Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Report setting out the issues	Lukman Patel Head of Governance, Law, Property and Regulation Executive Member for Resources and Performance Management
Energy Company Obligation Flexible Funding (ECO Flex)	To adopt a Lancashire wide Statement of Intent to enable residents to access Energy Company Obligation (ECO) funding.	Yes	August 2017	Public	Report setting out the issues	Paul Gatrell Head of Housing and Development Control Executive Member for Housing and Environment
Allocation of Business Grant	To consider the allocation of a business grant	Yes	August 2017	The report contains exempt information and is therefore NOT FOR PUBLICATION by virtue of Local Government Act 1972, Schedule 12A, Part I, Paragraph 3; Information relating to the financial or business affairs	Report setting out the issues	Asad Mushtaq, Head of Finance Executive Member for Resources and Performance Management

Matter for decision	Purpose	Key Decision Yes or No	Anticipated date of decision	Public or Private report. If Private give reasons	List of Documents to be submitted including any background papers	Contact person & Executive Portfolio
				of any particular person (including the authority holding that information)		
The Empire Theatre	To consider a report on the Empire Theatre	Yes	August 2017	Public	Report setting out the key issues	Mick Cartledge, Chief Operating Officer Executive Member for Housing and Environment
Business Rates Pooling	To consider a report on Business Rates Pooling	Yes	August 2017	Public	Report setting out the key issues	Asad Mushtaq, Head of Finance Executive Member for Resources and Performance Management
Heritage Lottery Fund (HLF) Funding for Padiham Townscape Heritage	To consider a report on HLF funding for Padiham Townscape Heritage	Yes	August 2017	Public	Report setting out the key issues	Kate Ingram, Head of Regeneration and Policy Development Executive Member for Regeneration and Economic Development

Matter for decision	Purpose	Key Decision Yes or No	Anticipated date of decision	Public or Private report. If Private give reasons	List of Documents to be submitted including any background papers	Contact person & Executive Portfolio
----------------------------	----------------	---------------------------------------	---	--	--	---

A further Notice will be given 5 clear days before each meeting listed above if the meeting or part of the meeting is to be held in private. If you wish to make any representations about why any meeting or part of a meeting proposed to be held in private should be open to the public please send them to: Lukman Patel, Head of Governance, Law, Property & Regulation, Town Hall, Manchester Road, Burnley BB11 9SA.

E-mail: lpatel@burnley.gov.uk

Published: 17th July 2017

THE EMPIRE THEATRE, BURNLEY – VIABILITY STUDY

REPORT TO SCRUTINY COMMITTEE



DATE	9th August 2017
PORTFOLIO	Community Services/Housing and Environment
REPORT AUTHOR	Mick Cartledge
TEL NO	01282 477280
EMAIL	mcartledge@burnley.gov.uk

PURPOSE

1. To consider the results of The Empire Theatre viability study.

RECOMMENDATION

2. That Scrutiny Committee is recommended to consider the results of The Empire Theatre viability study and endorse the following recommendations to the Executive:
 - a) *Due to the significant financial risk and lack of identified commercial operator and the wider resource needs of other strategic projects within the Borough, the Executive are recommended not to support the Council's involvement in project as outlined in the viability study report.*
 - b) *That the site is considered further as part of the Town Centre Masterplan that is currently being developed.*

REASONS FOR RECOMMENDATION

3. The viability study does not present a compelling case for the Council to risk significant financial resources, which are scarce and which could be invested in different projects in the town centre and the Borough to create a wider social and economic impact on the Borough.

SUMMARY OF KEY POINTS

4. **Background**
The Empire Theatre is a Grade II listed building and has not been in any use since 1995. Due to the interest from the local Save The Empire Theatre group and the Theatres' Trust, the Council agreed to part-fund a viability study for the building. In doing so, the Council made it clear from the outset that it would be pleased to see the local group bring the theatre back into use, however, the Council would not be able to commit capital or revenue resource to the building and its operation.
5. Following a joint procurement exercise, Bonnar Keenlyside and Theatresearch were

commissioned to undertake a two-stage viability study in autumn 2016. The study was in two parts and the first stage study ruled out most uses for the building and found there to be no demand from commercial or social uses for the facility.

- 6 The market appraisal also identified that there was insufficient market demand for the Empire Theatre to operate as a traditional theatre/entertainment venue. This was partly due to the catchment area not being large enough to support a traditional theatre programme at The Empire Theatre and the fact that The Mechanics' Theatre, Burnley serves the local population for most live entertainment.
- 7 The review identified a number of strands of activity for the venue, including becoming a music/nightclub venue, including events associated with student union, project space for independent artists, rehearsal space for amateur and community groups and a training stream for potential live production and special effects.
- 8 The Stage 2 report which has recently been received considers the feasibility of developing an innovative model to support these activities as well as looking at different scenarios for the building and a proposed incremental approach for development, roles and responsibilities for ownership development and operations, a business model with finance and funding and an action plan and timetable.
- 9 The report acknowledges that against the opportunities of re-developing the building, there are significant limitations and challenges the Council faces as a result of continued reductions in revenue budgets and the fact that The Empire Theatre is not a strategic priority for capital investment for the Council.

The State of the Building

- 10 The Empire Theatre has suffered from severe deterioration since the last comprehensive survey and plans for restoration as a theatre in 1998 and the site has been fragmented into several separate ownerships. The main parts of the building have no ownership and 'bona vacantia' have fallen under the jurisdiction of the Duchy of Lancaster for disposal. This means that in effect, no legal body claims responsibility for the building. In essence, the Duchy does not have responsibility for maintaining the building and the Council is required by law to ensure public safety and take measures to prevent harm from dilapidated or dangerous buildings.

Long-Term Vision for The Empire Theatre

- 11 The report suggests that the phased development for the building could take place with a range of activities which would include:
 - Music venue and club
 - Creative space for artistic and community work
 - Rehearsal space for local groups, artists and creative entrepreneurs
 - Bar/café/restaurant and function spaces
 - Training/learning/education and research
- 12 The report suggests that the project would evolve over several years through an incremental approach to development. For the purposes of the study it has been assumed that the level of activity and scale of operation is at a fairly modest level assuming a community operator takes on the operation.

- 13 Only outline modelling of the operation of the facility has been undertaken and a number of assumptions have been made around a community business and these are as follows:
- Most events would be hires and there would be strong performance at bars, associated with nature of music/club events.
 - There would be a small core team to manage the operation.
 - The costs of additional staff to deliver individual events would be charged to that event.
 - There would additionally, be ongoing and full participation of volunteers, including students.
 - A ticket restoration levy would be charged towards the costs of repairs, renewals and restoration.
 - The operation, would, at minimum generate sufficient return on activities to maintain the building and to cover overheads and potentially more.
- 14 There is however, no detailed breakdown of the expenditure and income streams of operation.
- 15 The viability study suggests that training activities could be undertaken at the building, including all aspects of building development, management, construction, interpretation and conservation could be undertaken. However, representatives from both UCLan and Burnley College on the group confirm that there will be no financial resource that they could put into the project.

The Site

- 16 The report analyses the different sections of the building and their ownership. It is fair to summarise this by stating that ownership is complex. In addition, the report summarises the potential liabilities associated with the building as follows:
- A Grade 2 listed building in a poor state of repairs.
 - A building contaminated with asbestos with high costs associated with removal of said asbestos.
 - Potential legal disputes and costs associated with party wall issues.
 - No working services within the building and large capital costs associated with restoration, making it non-viable commercially.

Governance and Management

- 17 The report proposes that there should be two charitable organisations established:
- a) A Building Preservation Trust to hold, develop and maintain the building asset and in the earlier phases assemble the site; and
 - b) A charitable operating company to operate, promote, fundraise and engage volunteers; this would most likely be a charitable incorporated organisation.
- 18 Of all the organisations that are suggested for membership of the Building Preservation Trust, it is highly likely that the only organisation on the Trust that would have any potential for financial resource for maintaining the building would be Burnley Borough Council.

Incremental Phases

19 The report proposes a long-term project with incremental phases for the building. These are outlined in Section 8 of the report, along with project timescales and milestones, but can be summarised as:

- Phase 1 – Short – Medium Term: Bringing the stage house back into use as a night club / events space and stabilisation of auditorium space.
- Phase 2 – Long Term: Restoration of the auditorium space through an initiative which is community-led and based in heritage skills training and job creation, with the long term ambition to reunite the areas of the Empire and open as a music venue / club with an optimum capacity of around 1100. A new café / bar and provision of rehearsal / function / training rooms as well as associated offices / back of house space.

Costs and Funding

20 The report proposes that the following costs would be required for bringing the building back into use:

• Initial enabling -	£325,000
• Phase 1 -	£2,155,434
• Phase 2 -	£2,700,211
Total:	£5,180,645

It should be noted that:

- a) In estimating the costs by the consultants, it has not been able to access the building to validate outline costs.
- b) The costs do not include the revenues costs associated with maintaining the building whilst any development took place which would be for a number of years.

The report suggests a range of grant funding options including Heritage Lottery Funding however as a minimum the cost of enabling works and any matched funding for such bids would most likely need to come from the Council. In addition the timescales quoted in the report for HLF funding are not realistic.

Alternative Scenarios

21 The report outlines a number of alternative scenarios:

Option 1 - Do Nothing. The report suggests that to do nothing would result in further deterioration of the building and potentially the need for its demolition. The costs of demolition are identified as £2,157,078 and a breakdown of these costs are showing at Appendix A of the Viability Study report.

Option 2 - Commercial Operation Involvement – At present, it is envisaged that no commercial operator would take on the building at this stage.

Option 3 - The Crown Auctions the Building – If the Council do not take on the project, it is highly likely that the Crown would auction the building and potentially, a speculator would buy the building without knowledge or

experience. They would then be responsible for the liabilities of the building, and although there is the potential for re-development, alternatively, it could result in further deterioration of the building.

Option 4 – Proposed Partnership Development – This is the route proposed in the study and suggests that the Council acts as a catalyst for change and support. The report does not, however, outline what the financial responsibilities would be if the Council took on this role.

Council Response to the Report

- 22 There can be no denying that The Empire Theatre, Burnley, is in a poor state of repair and currently detracts greatly on the town centre. However, the Council must not only consider the options in this report but it also has to consider wider options of how it uses its increasingly scarce capital resources. To put this into context, the Council is facing revenue savings of approximately £4 million over the next three years and therefore has no ability to take on the cost of future maintenance demands especially when they are not quantified, although it is fair to say, that they are potentially significant for the building in the short-term and long-term.
- 23 The Council has now submitted its Local Plan and is currently undertaking a Master Planning exercise for the town centre. Both of these will identify a wide range of sites and projects that will require financial intervention by the Council to bring them to reality.
- 24 Looking shorter term, the Council is also procuring a developer for the Curzon Street development, to bring forward a leisure-led development and it is highly likely looking at the experience of other Councils across the country, that there will be some form of financial commitment from the Council required to bring this to fruition. If this was the case, the investment would be justified on the basis of the additional business rates, jobs created and footfall brought into the town by such a leisure development. However, the re-development of The Empire Theatre would not generate significant business rates, would not generate a significant number of jobs, however it is accepted that it could potentially increase footfall into the town on an evening.
- 24 In addition, the Council is currently working with Burnley Leisure to develop a Heritage Lottery Fund bid for improving The Mechanics' Theatre. It is envisaged that the bid will be for £2,000,000, but again there will be a requirement from the Council to use some of its scarce financial resource as match-funding.

Conclusions

- 25 The report proposes an incremental approach to developing The Empire Theatre, Burnley, but acknowledges the significant risks in terms of ownership funding and costs.
- 26 The Council is the only partner that would take on the financial risk in the short to medium term and these risks are significant. In light of these, and the wider strategic opportunities and projects that the Council is planning to deliver over the next few years, it is recommended that the Council does not take on a role on the Building Preservation Trust, as outlined in the report.

- 27 Conversely, but for the same financial reasons, no justification could be made for investing over £2 million in demolishing the building. Building Control will continue to monitor the state of the building, and whilst it is acknowledged that the building is in a very poor state, there are no visible signs of significant failure.
- 28 It is therefore proposed that the town centre masterplanning exercise consider the site further, as part of the wider town centre masterplanning exercise. In doing so, it is acknowledged that The Crown will probably auction the building and there is still potential that an investor comes forward who wants to both re-develop the site and has the funds to do so (although this may be highly unlikely) and hence the need to consider the site in the wider Masterplan.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

29. The viability study outlines the estimated development costs and demolition costs, but there is no estimate of ongoing revenue costs. As stated earlier in the report, due to the Council's financial challenges and wider strategic project option, no justification can be made for the Council risking significant financial resources.

POLICY IMPLICATIONS

- 30 None

DETAILS OF CONSULTATION

- 31 None

BACKGROUND PAPERS

- 32 None

FURTHER INFORMATION

PLEASE CONTACT: Mick Cartledge

ALSO:

The Theatres Trust on behalf of the Burnley Empire
Stakeholders Group

Burnley Empire Viability Study Stage 2 Report

May 2017

Bonnar Keenlyside with Theatresearch

Contents

PAGE

1. Introduction	1
2. Context	3
3. Long- term vision for the Empire	5
4. Training	8
5. The Site	10
6. Governance and management	18
7. Alternative Scenarios	20
8. Incremental Phases	21
9. Conclusions	26
APPENDIX A: Indicative costs associated with demolition	27
APPENDIX B: Indicative First Phase Development costs	29
APPENDIX C: UCLan Ideas for Burnley Empire Theatre	31

1. Introduction

Background

- 1.1. The Theatres Trust, with partners in the local community, commissioned a study to determine if there might be a viable future use for the Burnley Empire in the context of its imminent potential sale by auction. The Empire is an important Grade II listed theatre on the Theatre Buildings at Risk register and has been disused since 1995. The Burnley Empire Stakeholder Group (BESG) comprises: the community group Burnley Empire Theatre Trust (BETT), Burnley College, Burnley Borough Council, Burnley and District Civic Trust, The Theatres Trust and the University of Central Lancashire.
- 1.2. Bonnar Keenlyside (BK) and Theatresearch were commissioned to undertake a first stage viability study¹ in Autumn 2016. The study considered the options for the future use of the Empire in the context of the available market, operating context and economic issues. Key considerations included the significant costs which would be incurred to restore the building and the associated restrictions of its listed status. This ruled out most uses and the review found there to be no demand from commercial or social users for the facility.
- 1.3. The market appraisal identified that there was insufficient market demand for the Empire to operate as a traditional theatre/entertainment venue. The population within Burnley and the surrounding catchment area is not large enough and does not include sufficient numbers of people to support a traditional theatre programme at the Empire. Further, there are several theatres in the region already attracting audiences who live in the area. The Burnley Mechanics serves the local population for most live entertainment and its success is of high priority for Burnley Borough Council (the Council).
- 1.4. At the same time, the review identified a number of strands of activity which could coalesce around the Empire including: becoming a music/night club venue including events associated with a student union; project space for independent artists, rehearsal space for amateur and community groups and activities with a particular emphasis on young people. There would be a strong training stream including potentially an academy for live production and special effects and further, a close partnership with UCLan which has a large relevant learning and teaching community and a campus in Burnley.

¹ Viability Study Stage 1: Bonnar Keenlyside & Theatresearch November 2016

- 1.5. This report considers further the feasibility of developing an innovative model to support these activities and the use of the Empire, with the implications and issues associated with the concept and the site. This Stage 2 study involved revisiting the opportunities and challenges which emerged during the Stage 1 study and re-engaging with key organisations and potential partners. The report considers:
- a long term future for the Empire as a performance and training space;
 - training activities;
 - the site and building;
 - scenarios for the building including doing nothing;
 - a proposed incremental approach for development;
 - roles and responsibilities for ownership, development and operations;
 - a business model, finance and funding;
 - an action plan and timetable.

2. Context

- 2.1. The Empire needs to be considered against the background of both its operating context and the issues associated with the theatre building and site.

Strategic context

- 2.2. While the Empire could benefit from some factors which provide a rationale for the restoration and re-use of the Empire, there are uncertainties in other aspects. Aspects conducive to its development include: the strong value which the community places on the Empire and its history as a place of entertainment; its historical significance, recognised by the Theatres Trust which includes the Empire in its top five Theatres at Risk; the strong interest in training in heritage skills; the potential to create an alternative entertainment space; the recent arrival in the town of creative businesses; and the identification of Burnley as a 'cold spot' achieving low levels of engagement and low attraction of public funds by national arts, heritage, social and economic funders.
- 2.3. The redevelopment of the Empire could generate multiple community and economic benefits, catalysing the regeneration of the local area. The development of skills, and increased visitor spend in the town, as well as the engagement of volunteers and the local community, could coalesce to deliver sustained direct and indirect economic impacts and a positive impact on Burnley as a place to live, work and visit. Burnley's local plan is currently under review and consolidation of the town centre is under consideration. There may be opportunities to develop the zone around the back of the Empire towards the canal and further to link up with the conservation area of the Weavers' Triangle.
- 2.4. Set against these positive opportunities are the considerable challenges faced by Burnley Borough Council. A small local authority, it faces many economic challenges including those associated with empty properties as a result of de-industrialisation and the Council has faced sustained and significant budget pressures over several years.
- 2.5. While a development at the Empire is recognised as having potential as a project with social and economic impact, the scale and complexities of the project together with the limitations and challenges which beset the Council mean that local funders do not regard the Empire as a priority. The Council has extremely limited funds and has several competing demands for support. It is primarily committed to safeguarding its own theatre, the Burnley Mechanics, for which it has recently been awarded an HLF grant.

- 2.6. The Council's position further influences other potential funders including the Lancashire Economic Partnership (LEP) in which it is a partner. The Council has not as yet identified the Empire as a priority for investment and this largely precludes support from the LEP at this point.

The Empire building and site

- 2.7. The Empire has suffered from severe deterioration since the last comprehensive survey and plans for restoration as a theatre in 1998 and the site has been fragmented into several separate ownerships as described in Section 5.
- 2.8. The building is currently partially open to the atmosphere, with some windows un-boarded and water ingress continuing to gain access to all parts. If no action is taken, there are multiple risks including that parts of the building collapse and cause damage as well as consequential escape of un-encapsulated asbestos into the atmosphere through windows that are currently not glazed.
- 2.9. The stage and auditorium footprints of the Empire have no ownership and are 'Bona Vacantia', having fallen under the jurisdiction of the Duchy of Lancaster for disposal. In effect, no legal body claims responsibility for the building. It is understood that the Duchy does not have responsibility for maintaining the building and that the Council is required by law to ensure public safety and take measures to prevent harm from dilapidated or dangerous buildings. In the event that the building has to be demolished due to a failure to agree a viable plan for the future, the Council could be required to meet the whole costs of demolition and asbestos removal. These costs could be in excess of £2m as indicated in Appendix A.
- 2.10. The various alternative scenarios for the building are considered in Section 7.
- 2.11. The issues with the site are critical elements and a viable way forward is dependent on a phased plan which deals with these issues in the short to medium term in the context of a longer term vision.

3. Long- term vision for the Empire

3.1. While this report focusses on the short to medium term steps in an incremental development, the restoration of the Empire, with the concomitant complexities in site assembly, can only be justified if there is a long-term viable use. That long-term use would inevitably evolve and is underpinned by a vision which has been developed as a result of the viability study.

Activities

3.2. Activities would include:

- primary commercial use as a music venue and club at different scales with an optimum capacity of around 1100 (but with potential to operate at larger or smaller scales); with around 75 events annually, of which perhaps 50 would be regular club/gig nights and with the other 25 including other performances. In addition, there would be training events, rehearsals and hires;
- use as a curated space for artistic and community work, on a project basis, with involvement from local and regional artists;
- use for rehearsal space for local groups, artists and creative entrepreneurs;
- bar/café/restaurant and function spaces;
- training, learning, education and research including in close partnership with UCLan and other agencies.

Facilities

3.3. The site, currently in multiple ownership as described in Section 5, would be re-assembled to provide accommodation including:

- an auditorium configured optimally at 1100 over 2 levels (with potential for more)
- rehearsal/function/training rooms;
- café/bar and potentially other trading spaces;
- accessible offices, front of house and back of house facilities.

*The Theatres Trust on behalf of the Burnley Empire Stakeholders Group
Burnley Empire Viability Study Stage 2 Report*

- 3.4. The aim of the business would be to sustain the Empire as a social, heritage, cultural and economic asset for Burnley.
- 3.5. There is long term potential for the Empire to operate as a commercial music club. Early discussions with commercial operators confirmed that such an operation could be viable with additional potential for a commercial operator to work in partnership with the community and other partners including UCLan. There are therefore several alternative operating models which might sustain the Empire in the longer term and this would influence the scale of operation.
- 3.6. The project would evolve over several years through a measured and incremental approach to development. The project would build on the experience of other similar community led ventures which have re-imagined and restored an historic and disused entertainment venue. There are several examples demonstrating that a community-led approach which harnesses skills and enthusiasm from volunteers and partners, within a robust system of governance and management, can achieve a sustainable development. Examples include: Morecambe (Winter Gardens), Aberdeen (Tivoli Theatre), Stockport (Plaza) and Edinburgh (Leith Theatre). Each of these developments has progressed over several decades.
- 3.7. For the purposes of this study, it is assumed that the level of activity and scale of operation is at a fairly modest level, assuming a community operator, possibly in partnership with a commercial operator. This is based on the examples cited above, where the community and partners commit a significant amount of time and skills to the operation and where the underlying principles would be that costs would be kept low, using a combination of voluntary support and freelance and contracted posts.

Operating profile

- 3.8. A prudent approach has been taken to modelling the operation in the context of the incremental nature of this project. The project would evolve and the market demand would be developed over time.
- 3.9. Based on comparators, a number of assumptions can be made around a community business similar to many including the Tivoli Theatre Aberdeen, Morecambe Winter Gardens and commercial pubs and clubs (and not similar to the local authority's own venue, the Mechanics, where the staff are employees of the Council):
- most events would be hires and there would be strong performance at bars associated with nature of the music/club events;

*The Theatres Trust on behalf of the Burnley Empire Stakeholders Group
Burnley Empire Viability Study Stage 2 Report*

- there would be a small core team to manage the operation and provide technical, marketing and administrative support: potentially some of these roles could be provided by partners; roles are likely to be largely freelance or contracted for a limited number of days per week;
- the costs of additional staff required to deliver individual events, including back of house and front of house, be would be charged to that event;
- there would additionally be ongoing and full participation of volunteers including students and others from UCLan;
- a ticket restoration levy would be charged towards the cost of repairs, renewals and restoration;
- the operation would, at minimum, generate sufficient return on activities to maintain the building and cover overhead and potentially more.

4. Training

- 4.1. A unique aspect of this project would be the active, integrated and sustained training activities and the application of skills in all aspects of building development, management, construction, interpretation and conservation through partnership with UCLan, Burnley College and the private sector supported by funders. This would address the recognised shortage of craftspeople and artisans working in the conservation and heritage sector.
- 4.2. During the restoration project, ongoing programmes would benefit students in gaining experience through the practical application of skills of direct benefit to the project through the provision of skilled labour. In addition, this approach would create many opportunities for engaging the community in learning about heritage and increasing engagement with the development, as discrete aspects of the building are restored and interpreted.
- 4.3. UCLan would take the lead in a wide range of programmes and projects across its key themes of cultural, social and economic sustainability. The University is already using the Empire as a case study for learning and has expressed a strong will to be an active partner. It has set out its ideas for engagement in these areas, which could contribute towards the project development, management and activities.² Courses would be taught in the Empire. UCLan staff and students are particularly keen to be involved in this new and innovative project.
- 4.4. Burnley College would embed working at the Empire into its training modules for all building, services and decoration trades.
- 4.5. Other training and educational institutions may additionally be involved in this rare opportunity to learn and apply knowledge and techniques in a real heritage restoration project. UCLan has identified multiple opportunities for its university community including not only students but researchers and academics. Burnley College welcomes the opportunity for its students and lecturers to be involved with specialise craftspeople.
- 4.6. Local construction companies are also keen to be involved in the training. There are additionally schemes for heritage training apprenticeships offered by The Prince's Trust and grants from Heritage Lottery Funds.

² Appendix C

*The Theatres Trust on behalf of the Burnley Empire Stakeholders Group
Burnley Empire Viability Study Stage 2 Report*

- 4.7. There is the long-term potential to develop specialist training with local industry in production and special effects, for example in special effects perhaps in partnership with an accredited third party supplier and also to train theatre technicians.
- 4.8. This area requires further partnership engagement and development in the next phase.

5. The Site

5.1. The site has been split into a number of key elements as shown on the site plan on the next page. These can be defined as:

- Theatre Entrance 118 James Street (blue shaded area)
- Bridged Area & Foyer (yellow shaded area)
- Stage House (green shaded area)
- Dressing Room Block “Empire House” (grey shaded area)
- Auditorium (white area surrounded by red line)
- Bin Storage Area (green outlined area)

*The Theatres Trust on behalf of the Burnley Empire Stakeholders Group
Burnley Empire Viability Study Stage 2 Report*



- | | | | |
|---|-------------------------------|---|-------------------------|
|  | Entrance from St James Street |  | The Stage House |
|  | Bridged area across the river |  | The dressing room block |

Ownership and Values

5.2. In summary the ownerships and values are as follows:

- Theatre Entrance 118 James Street (blue shaded area):
 - Owners: Mr Giuseppe Musso & Mr Francesco Musso;
 - Value: not stated;
- Bridged Area & Foyer (yellow shaded area):
 - Owners: Currently in dispute, possibly claimed by Messrs. Musso;
 - Value: not stated;
- Stage House (green shaded area):
 - Owners: The Crown;
 - Value: not stated;
- Dressing Room Block “Empire House” (grey shaded area):
 - Owners: John Stansbury;
 - Value: £3,000;
- Auditorium (white area surrounded by red line):
 - Owners: The Crown;
 - Value: not stated;
- Bin Storage Area (green outlined area):
 - Owners: Mr Giuseppe Musso;
 - Value: £4,000.

5.3. The current position regarding the site components is summarised:

- 118 James Street – Currently being emptied by the owners for potential development. This could cause problems later if changes take place which ultimately restrict public access to the auditorium. We also understand that a claim has been made to the access bridge which crosses the river to provide access to the auditorium;
- Stage House and Auditorium – Currently held by the Crown for possible auction later in 2017;
- Dressing Room Block – Currently held by John Stanbury – no known immediate or changes;
- Bins Storage Area – no immediate changes.

Auditorium and Stage House

5.4. The Crown has taken ownership of both the Auditorium and Stage House areas of the site through 'Bona Vacantia', there being no known owner.

5.5. The building was put up for auction in late 2016 but withdrawn by the Crown in order to allow all interested parties to explore the possibilities further. However, this is no more than a temporary hold on disposal which is the Crown's primary role in such matters. Disposal would take place by auction in order to try and obtain the greatest public benefit of return.

5.6. In such instances, as was the case when Mr. John Stansbury bought it at auction in the 1990s, this kind of property is often bought by a speculator without actually viewing the property or investigating the limitations of the site, whether they be ownership, listing or covenant. There is a risk that if the Auditorium and Stage House (properties in the possession of the Crown) were auctioned then someone else would buy them without realising the full consequences and liabilities attached to the property. This could create additional risks to the Council that a new owner would not have the resources to respond to urgent repairs notices.

5.7. The liabilities may be summarised as:

- a grade II listed building in a poor state of repair – liable to be served with a repairs notice by the Local Authority;
- a building contaminated with asbestos with high costs associated with removal;

- potential legal disputes and costs associated with party wall issues;
- no working services within the building and large capital costs associated with restoration making it non-viable commercially.

5.8. The costs associated with these liabilities are high and it is highly improbable that an informed commercial developer would take on the project in order to gain a return on the capital. Unfortunately history shows that this is unlikely to deter uninformed speculators who might see the building as a bargain at auction.

Timescales

5.9. It seems that the 'do nothing' option is no longer tenable as things need to be dealt with in a responsible and timely manner. The building is currently partially open to the atmosphere, with some windows unboarded and water ingress continuing to gain access to all parts.

5.10. Similarly, the approach proposed in 1998, to undertake a large capital development of the whole site simultaneously, is not likely to be achieved at this point. The various elements of the site need to be addressed and resolved in different ways, perhaps by varying approaches and almost certainly with differing timescales driven both by funding availability and urgency of action.

Approach

5.11. The fragmentation of the site could be seen as the project's greatest problem. The fundamental question is therefore one of project approach and route to assemble the site.

Possible Solutions

5.12. There a number of key defining facts which may be summarised as:

- the site is broken into several parcels which might serve different purposes – certainly in the short term;
- the site is in fragmented ownership;
- the various parts of the site will have widely varying costs associated with their resolution;
- end use of the various parcels may vary or be limited.

Short Term Approach

- 5.13. A short term approach which deals with the immediate challenges should form the basis of the long term resolution. Given the complex nature of the site it is essential to find collective partnership solutions which deliver an agreed vision.
- 5.14. On the assumption that the Stage House and the Auditorium can be secured from The Crown one option would be to:
- allow the development of 118 James Street and the access bridge;
 - allow a connection to be made to the Stage House;
 - create a means of escape down the side of the Dressing Room Block.
- 5.15. This would allow a development to take place to provide access from James Street into a foyer and café or similar for daytime and evening use. This might also include the bridged area. A link from the James Street block into the Stage House to create a quasi-industrial night club and events space could be opened in the evening and have use of the mans of escape as outlined above.
- 5.16. This would necessitate the formal proscenium arch of the auditorium to be sealed with a temporary fire wall and in so doing separate the auditorium for other uses. This might also involve at some point the acquisition of the Dressing Room Block to provide toilets and office accommodation. The main auditorium would then become another self contained building block with access via other doors from Cow Lane etc.
- 5.17. The approach to the auditorium needs to be carried out in a wholly different and imaginative way through high quality training in the area of building restoration and conservation.
- 5.18. At some future point in time a situation could be envisaged whereby the whole site reverted under the terms of the various leases, options to purchase and agreements that would have to be put in place, to one consolidated site.

Space Capabilities

- 5.19. It has not been possible to site survey any of the premises so figures are approximate:

118 James Street (including the bridge): 90 square metres

Stage House: 157 square metres

- stage depth: 8 metres
- stage width: 20 metres
- proscenium opening: 11.5 metres

Auditorium - Stalls Level: 490 square metres

Dressing Room Block (very approximately): 75 square metres

Capital Costs

- 5.20. The costs associated with this venture are significant, of that there can be no doubt. Yet the costs of the 'Do Nothing' scenario are also considerable and deliver no material benefit.
- 5.21. We estimate that the costs associated with the demolition of the site could be around £2 million.³
- 5.22. We estimate⁴ that the same variance figures could:
- assist the re-opening of 118 James Street;
 - make habitable the Stage House;
 - stabilise the external elevations and water ingress.
- 5.23. This would then allow access to the building to begin the process or redevelopment.

³ see Appendix A

⁴ see Appendix B

- 5.24. The legal position regarding ownership and partnership of all the individual properties would have to be addressed through negotiation and partnership. Different solutions are likely to be required for the various elements.
- 5.25. There would be a requirement for further capital investment in due course to develop the project as it evolved, but it would protect the heritage asset and create a way forward for future partnerships and urban regeneration. It is of course extremely difficult to forecast the funding environment well into the future. Yet at some point something must be done to unlock a problem that will simply enlarge if ignored.
- 5.26. It would in consequence:
- protect the Council's current public liability issues;
 - help with the regeneration of James Street as a whole;
 - commit funds towards the creation of an important heritage asset as opposed to commit funds towards demolition with no residual asset.

6. Governance and Management

6.1. There are options for the governance of the Empire. This report proposes that, due to the complexities of the site, there should be two charitable organisations established:

- a trust to hold, develop and maintain the building asset and, in the earlier phases, assemble the site; this would likely be a Building Preservation Trust (BPT); it would also be the governing body for the project development;
- a charitable operating company to operate, promote, fundraise and engage volunteers: this would most likely be a Charitable Incorporated Organisation (CIO).

Burnley Empire Building Preservation Trust

6.2. The Burnley Empire BPT would have charitable objectives to develop, restore, conserve and maintain the Empire. It would attract and manage funds and other resources required to support these objectives and would have a strong leadership role in promoting the development of the Empire with funders, politicians and other stakeholders.

6.3. Its trustees would include expert skills including in:

- development, ownership and management of similar historic buildings;
- capital development and project management; (potentially architecture, engineering, construction, surveying etc);
- fundraising and finance;
- legal;
- advocacy.

6.4. Its trustees could include a member of the Council, a member of UCLan and the Chair of the operating company. The Chair of the BPT would be a senior independent leader.

6.5. It would grant a lease to the operating entity.

Charitable Incorporated Organisation (CIO)

- 6.6. The CIO set up to operate the company would have charitable objectives to support the Empire including through operating, fundraising, providing voluntary skills and promoting the Empire. It would enter into a lease with the BPT. The specific activities and focus would evolve according to the needs of the project and this would inform the nature of the skills required of the trustees.
- 6.7. At this stage, the skills required would include operations, strategy, management, promotion, fundraising, heritage, arts, education, finance and legal.
- 6.8. BETT is committed to developing to become the CIO and leaders of the current committee with experience in governance, management and charitable entities have undertaken to shape the CIO according to the needs of this project and in compliance with good practice.
- 6.9. The chair of the CIO would have a significant leadership profile and networks with time and energy to be a major ambassador for the project.

7. Alternative Scenarios

7.1. There are a number of alternative development scenarios:

Scenario 1: Do Nothing

7.2. The site has been becalmed in the 'Do Nothing' scenario for the last twenty years. The result has been decay, site fragmentation, public health risk and a dangerous suite of buildings. If this is allowed to continue the situation will continue to deteriorate, with potential that:

- parts of the building may collapse and cause damage;
- consequential escape of unencapsulated asbestos may be released into the atmosphere;
- significant costs may be incurred associated with party wall issues;
- an application for demolition may be made and a possible public enquiry with associated costs;
- ultimately there could be a demolition including high costs of asbestos removal

7.3. There would be significant costs to the Council and little public benefit.

Scenario 2: Commercial Operator Involvement

7.4. In the long term there is potential to attract a commercial operator but only after the capital project and after building up the market. This scenario is not viable at this stage.

Scenario 3: The Crown Auctions the Building

7.5. It is possible that a speculator would buy the building at auction, without knowledge or experience. The likely consequence would be that it would not be developed or used as the scale of problems, difficulties and cost of asbestos removal is realised. The building would therefore deteriorate further with the Council ultimately having to step in with even greater costs than currently.

Scenario 4: Proposed partnership development

7.6. The route proposed in this study involves the Council as a catalyst for change and support. The project has the potential to deliver multiple benefits.



8. Incremental Phases

8.1. A number of elements require to be developed in order to work towards the long-term vision:

- presenting and promoting events;
- training activity development and actions;
- site and building assembly and making the building useable for the public;
- capacity development: governance structures and leadership;
- developing the capital project and fundraising.

8.2. Each of these areas is inter-related and a programme of development and investment proposed over the next three years. There are several key elements:

- the approach to site development as described in Section 5: it is assumed that the Auditorium and Stage House will be transferred from the Crown and used to create a rough and ready performance/club space within the current stage house, supported by a café and bar space with access from James Street;
- the commitment of Burnley Borough Council to support this development in its role as a catalyst for community, cultural and economic development;
- the establishment of appropriate legal bodies to lead and manage the development, as described in Section 6;
- the commitment of a funding package for the project development and building works required for the period up until a successful HLF Stage 1 application.
- these costs, as outlined in Appendix B, are summarised:

BURNLEY EMPIRE: FIRST PHASE DEVELOPMENT COSTS			
	Initial enabling	Phase 1	TOTAL
Building costs	£317,000	£1,498,500	£1,815,500
Fees, prelims, inflation		£325,290	£325,290
Sub-total capital costs	£317,000	£1,823,790	£2,140,790
Other project costs	£8,000	£50,500	£53,500
Contingency @ 15%		£281,144	£281,144
TOTAL	£325,000	£2,155,434	£2,475,434

Timetable and phases

April – September 2017

8.3. The first steps are:

- Burnley Council to agree approach, becoming an initial catalyst for a time-limited period to support the project and commitment to provide funding to make the building wind and watertight and safe, including asbestos removal; further support in setting up the BPT and application to HLF below;
- application to HLF for a Resilience Grant to support a part time Project Director for up to 3 years and associated costs;
- application to the Duchy of Lancaster Benevolent Fund for similar purposes;
- preparation for establishing BPT and CIO;

8.4. The aim would be to submit these applications in July with an award in October and the BPT and CIO established by then. This is on the basis that the Duchy has extended the timetable for the proposed auction.

October –2017 – June 2018

8.5. The HLF award would mark the initiation of the project. The Project Director would be recruited. The Crown would transfer the building to the BPT on the basis of a funding package being in place for the early development costs. Enabling works would be undertaken as required including removal of asbestos. Ideally this enabling work would make the theatre useable for activity using the stage house as a rough and ready performance space. Following the commitment by the Council, the Lancashire Economic Partnership (LEP) might also fund the enabling works and support the project, following on a similar investment in such made by the LEP West Yorkshire Combined Authority, to support Bradford Live to rescue and redevelop Bradford Odeon. In addition, the Arts Council of England might fund the enabling of the spaces for creative use including seats and technical equipment.

*The Theatres Trust on behalf of the Burnley Empire Stakeholders Group
Burnley Empire Viability Study Stage 2 Report*

- 8.6. The aim would be to have the Project Director in place by December 2017. The Project Director would then work with the BPT and the CIO to:
- develop the partnerships;
 - fundraise and develop the project as an HLF project;
 - manage the project in terms of site assembly and legal and financial matters;
 - support the CIO to develop the programming and activity.
- 8.7. The aim would be for the building to be useable and occupied in June 2018. When occupied, the training programmes and events will be introduced with associated community engagement.

July 2018 – June 2019

- 8.8. During this period the project would be developed with a view to submitting an HLF Round 1 project grant application in December 2018 with an award in March 2019.
- 8.9. Building renovation work would take place through the training programmes and through additional works and equipment as funds are raised.
- 8.10. The timetable is summarised on the next page:

*The Theatres Trust on behalf of the Burnley Empire Stakeholders Group
Burnley Empire Viability Study Stage 2 Report*

Milestones

	Phases
Time	Milestone
2017	
July	Decision in principle to proceed
	Prepare and submit HLF Resilient Heritage grant application
	Prepare and submit application to Duchy of Lancaster Benevolent Fund
	Preparation for set up of Building Preservation Trust
	Preparation for set up of CIO
July - September	Set up Trust and CIO
	HLF award September 2017
October - December	Ownership of Empire transferred from Crown to BPT
	Works to remove asbestos and make building accessible
	Project Director recruited
	Project activity commences: partnership, fundraising, legal and programming
2018	
January - June	Works to remove asbestos and make building useable
	Feasibility Study and HLF Stage 1 outputs commissioned
	Building occupied June 2018
July - December	Ongoing development of project and activity
	Restoration and improvement programme including training
	HLF application for Stage 1 submitted December 2018 ⁵
2019	
January - June	HLF decision stage 1 March 2019

⁵ specific surveys required at this stage include :

1. Asbestos removal in order to inform the process
2. Building stabilisation works as a holding operation
3. Followed by: Condition survey and RIBA Stage B development study; Lead Theatre Consultant, Architect, QS, Structural Engineer, M&E Engineer
4. Conservation Statement

Business operating model

8.11. The annual activity and revenue profile during this early phase assumes 30 events of differing scales including regular DJ and cub nights and around 9000 attendances. In addition there would be community and training activities. The illustrative model assumes:

- the operation is run entirely by volunteers;
- events are presented on a hire basis with any associated paid staff charged to the event; club/music/independent DJ nights will be a mainstay;
- independent artists and groups may attract funding to create events in the space.

Burnley Empire Model: First Phase full year operating profile	
no of programmed events	30
no of attendances	9000
Income	£
Event income net	12000
Secondary trading net	8000
Ancillary hires	5000
Total Income	25000
Costs	£
Marketing	5000
Staff	0
Operating Overheads	20000
Total expenditure	25000

8.12. This is a modest profile which might take a few years to achieve. The levels are at the lowest levels achieved by similar comparators.

8.13. The model can be flexed and it may be that the activities are so successful that these numbers are significantly larger. This would enable the contracting of a programmer/manager and this should be an aspiration. There are a number of funders who support capacity building in the arts including the Esmée Fairbairn Foundation.

9. Conclusions

- 9.1. There is potential for a long-term project which could save Burnley Empire through an innovative model with partnership and training at its core and an incremental and phased approach.
- 9.2. It is complex and would require significant leadership and energy from all involved within a harnessed governance structure and management system. There is strong support for the concept from the local community, artists and creative entrepreneurs and training establishments. Galvanising this support and resourcing the project through dynamic leadership and a Project Director could lead to support from funders.
- 9.3. There are multiple challenges and risks associated with the project. However, the costs in the short term will not be more than those the Council would be likely to incur to demolish the building.
- 9.4. The potential benefits are that Burnley will be a better place to live, work, study and visit. The development could create a new entertainment/ heritage zone in Burnley around the canal and linking to Weavers' Triangle and could catalyse other business growth.
- 9.5. Economic benefits could accrue directly from the business at the Empire as well as from the training and skills development.
- 9.6. The cultural benefits would include more opportunities for independent artists and creative entrepreneurs and a wider range of activities for people in Burnley.
- 9.7. The heritage benefits would be that an important heritage asset would be restored, with opportunities for increased heritage skills and for people to learn about their heritage. There would additionally be opportunities for volunteering.
- 9.8. Notwithstanding the potential benefits, this is a complex project dependent on energy, commitment, goodwill and expertise from the key players including the Council, BETT and the other members of the Burnley Stakeholder Group.
- 9.9. As part of this work we have consulted with other similar projects and senior officers at Stockton Borough Council have offered to share their similar experiences with the Globe Theatre project. There is an open invitation for members to visit or receive a visit to learn from their experience of restoring a Grade II listed derelict theatre and the consequential benefits that have arisen therefrom.



*The Theatres Trust on behalf of the Burnley Empire Stakeholders Group
Burnley Empire Viability Study Stage 2 Report*

APPENDIX A

INDICATIVE SCOPE OF COSTS FOR DEMOLISHING BURNLEY EMPIRE		
Element		Notes
Public Enquiry		
Legal Costs	£125,000	
Premises, Travel & Sundries	£5,000	
Expert Witnesses & Specialist Reports	£30,000	
Public Consultation	£5,000	
Advertising & Publicity	£5,000	
Demolition Costs		
Full Digital Point Cloud Survey	£50,000	Condition of Demolition Consent
Drawing Up of Survey	£35,000	Condition of Demolition Consent
Full Photographic Archive Survey	£18,000	Condition of Demolition Consent
Video Survey and Recording	£15,000	Condition of Demolition Consent
Sundry Conditions	£10,000	Condition of Demolition Consent
Archaeology Desk Top Survey	£2,000	Condition of Demolition Consent
Architectural Salvage Costs (by specialists)	£75,000	Demolition consent likely to require long term storage of the auditorium fibrous plaster possible future reconstruction e.g. Dunfermline Opera House & Scarborough Opera House
Long Term Storage Costs	£50,000	
Purchase of Storage Containers	£25,000	
Asbestos Removal	£175,000	
Scaffolding and Access Equipment	£32,000	
Demolition	£475,000	
Land Purchase Costs	£50,000	
Business Interruption Costs	£25,000	
Pollution Prevention Measures to Culvert	£12,000	
Propping of Party Walls	£15,000	
Underpinning Party Walls	£55,000	
Making Good Culvert Retaining Walls	£22,000	
Demolition of Bridge	£8,000	
Making Good to Party Walls	£75,000	
Infilling of Cellars to Datum	£25,000	
Landscaping to a minimum	£50,000	
Fencing and enclosure of site including Culvert	£10,000	
Revised Asbestos Surveys	£15,000	Asbestos surveys would have to be done again including areas not previously accessed
Party Wall Legal Costs & Licences	£12,000	

*The Theatres Trust on behalf of the Burnley Empire Stakeholders Group
Burnley Empire Viability Study Stage 2 Report*

INDICATIVE SCOPE OF COSTS FOR DEMOLISHING BURNLEY EMPIRE		
Element		Notes
Oversailing Legal Costs	£8,000	
CPO Costs	£10,000	
Licences & Permissions	£10,000	
Drainage Surveys	£1,500	
Ecology Surveys e.g. Bats	£1,500	
Search Fees and Land Registry	£3,000	
Sub-Total	£1,540,000	
Professional Fees @ 6%	£92,400	
Preliminaries @ 10%	£154,000	
Inflation @ 5%	£89,320	
Sub-Total	£1,875,720	
Contingency @ 15%	£281,358	
TOTAL	£2,157,078	Exclusions: Loss of Car park Income, Services capping, VAT

The Theatres Trust on behalf of the Burnley Empire Stakeholders Group
Burnley Empire Viability Study Stage 2 Report

APPENDIX B

BURNLEY EMPIRE: FIRST PHASE DEVELOPMENT COSTS			
	Initial enabling	Phase 1	TOTAL
Building works			
Revised Asbestos Surveys	£15,000		£15,000
Asbestos Removal	£175,000		£175,000
Roof Repairs	£15,000	£250,000	£265,000
Rainwater Management	£5,000	£50,000	£55,000
Stucco Stabilisation: Cow Lane		£250,000	£250,000
Structural Stabilisation	£10,000	£76,000	£86,000
Infestation	£5,000		£5,000
Timber Treatments & Removals		£36,000	£36,000
Removal of Waste	£6,000		£6,000
Reinstatement of Services	£5,500	£12,000	£17,500
Natural Ventilation - Opening Up		£12,000	£12,000
Security Systems	£6,000	£6,500	£12,500
Basic Services Installations		£75,000	£75,000
Install Temporary Proscenium Wall	£12,500		£12,500
Joinery to Staircases and Access	£10,000	£75,000	£85,000
Works to Stage House - floors etc	£12,000	£63,000	£75,000
Fire Prevention Works		£80,000	£80,000
Dressing Room Fit-Out: Training Rooms		£50,000	£50,000
General Repairs: Wind & Watertight	£18,000	£55,000	£73,000
Full Digital Point Cloud Survey		£50,000	£50,000
Drawing Up of Survey		£35,000	£35,000
Fibrous Plaster Stabilisation Costs		£75,000	£75,000
			-
Scaffolding and Access Equipment	£22,000	£60,000	£82,000
Land & Property Purchase Costs		£150,000	£150,000
Party Wall Legal Costs & Licences		£12,000	£12,000
CPO Costs		£10,000	£10,000
Licences & Permissions		£10,000	£10,000
Drainage Surveys		£1,500	£1,500
Ecology Surveys e.g. Bats		£1,500	£1,500
Search Fees and Land Registry		£3,000	£3,000
			£
Sub-total building costs	£317,000	£1,498,500	£1,815,500
Associated capital costs			

*The Theatres Trust on behalf of the Burnley Empire Stakeholders Group
Burnley Empire Viability Study Stage 2 Report*

BURNLEY EMPIRE: FIRST PHASE DEVELOPMENT COSTS			
	Initial enabling	Phase 1	TOTAL
Professional Fees @ 6%		£92,940	£92,940
Preliminaries @ 10%		£154,900	£154,900
Inflation @ 5%		£77,450	£77,450
Sub-total associated capital costs	£-	£325,290	£325,290
Sub-total capital costs	£317,000	£1,823,790	£2,140,790
Other project costs			
legal and professional costs to set up BPT	£3,000		£3,000
misc	£5,000		
HLF Round 1 Application: professional fees		£50,000	£50,000
Archive Drawing Scans		£500	£500
			-
Sub-Total	£8,000	£50,500	£53,500
			-
Total project costs	£325,000	£1,874,290	£2,194,290
Contingency @ 15%		£281,144	£281,144
TOTAL	£325,000	£2,155,434	£2,475,434

Exclusions: VAT

APPENDIX C: UCLan Ideas for Burnley Empire Theatre

The Burnley Empire Theatre Renovation project could be a fabulous opportunity for many areas of the local, regional and national communities. The learning and engagement opportunities that it could facilitate could be from primary school children through to short courses and local interest groups. The building and the various projects could respond to identified skill set shortages, for example in construction, be research opportunities for Masters and PhD students. Arts projects could explore identify and diversity in the local communities, foster and encourage connectivity between people and place. These projects could and should be interdisciplinary – to break down ideas of gender, race and culture.

Looking at the project from the point of view of the four areas of sustainability - Cultural, Social, Economic and Environmental will allow us to image some of the projects/involvement that certain courses/disciplines might engage with. Such an excellent 'live case study' could be used in classroom and facilitate workshop/field trip teaching delivery, students assignments work, dissertation research and knowledge transfer partnerships, where students could design and deliver 'services' to aid the scheme to progress, to flourish once completed and to be sustainable in the long term.

CULTURAL SUSTAINABILITY

A new area within the overall discussion about what sustainability is – in this case, it would cover areas of cultural identity and diversity, how people connect with the idea of place, art, literature and technology and how this information and knowledge is transferred between communities.

SOCIAL SUSTAINABILITY

The looks at the issues surrounding access to health, education and services, how age, race, aging and disability are supported and addressed.

ECONIMC SUSTAINABILITY

The explores the ideas of income generation for the building now and in the future, viability as an enterprise and about the affordability of the work needed to bring the building back to use and the long term issues surrounding maintenance and up keep.

ENVIROMENTAL SUSTAINABILITY

Covering aspects of energy use within the building and the idea that it is better to reuse existing resources, but also how technology might help function now and in the future and the impact these changes might have on the building, how it functions and how it is used.



CULTURAL SUSTAINABILITY

The building is a cultural resource for this and future generations, both as a tangible and intangible asset. It can be viewed from the aesthetic, historic, scientific, social and spiritual values it holds. However, the new uses and activities should also allow this generation to make its mark on the space, so that the future generation not only understand the history of yesterday, but the history of our generation.

Such project might include:

- Local historical groups working with schools, colleges and UCLan programmes recording, and reinterpreting material for today's generation to view.
- Exploring the idea of that is happening today and how that might be viewed as history of the future. E.g. the History of Bingo.
- Working with Film, Media and Performance to record the past in a creative and innovate fashion, supporting the development of new skills.
- Allowing the building to be a space to support cultural diversity and integrate – through events, learning and support. For example, Film/Music/Theatre/Festivals.

SOCIAL SUSTAINABILITY

The social sustainability of communities and the wellbeing of the people and the society is maintained and enhanced, if the building can work to provide services, meeting places and cultural opportunities. The areas around the building – the public realms, the outside spaces help the community build identities and through this, there is participation with in the building and the activities that it might accommodate.

An understanding of what the community did need (past), what it does need (present) and what it might need (future) is key to this aspect. The communities need to have a reason to be there, which will bring them in – and through these community links, value is added to the building and its functions and then the communities are able to manage and facilitate any further change that might be identified.

These spaces need to be flexibility and adaptable.

Such Project might include:

- Working with the B.Sc. (Hons) Architectural Technology/Architecture and Interior Design students on how to adapt and design such community spaces.
- Allowing students from local colleges and schools access to the site to expertise first-hand the work that is needed to adapt spaces.
- Setting up workshops to explore ideas of 'brief development' for the Burnley Empire Trust
- Community consultation on potential uses and project decision making.



*The Theatres Trust on behalf of the Burnley Empire Stakeholders Group
Burnley Empire Viability Study Stage 2 Report*

- Working with the Community, Children and Social Care disciplines at UCLan to arrange and facility workshops and activities to identify possible communities, who are missing and or under-represented.

ECONOMIC SUSTAINABILITY

If there is no viable use for the building, it will fall into neglect and despair, which is what it, has happened over the last 20 years – it might need a radical intervention to justify its long-term use. Similar new uses are would be the easiest for this building to accommodate – i.e. use the tiered seating for a cinema or lecture theatre, or to treat the building to a more radical intervention, where more to the internal fabric is lost, but a viable alternative is allowed to develop.

Look at precedents both locally for example The Weavers' Triangle and regionally, but also nationally and internationally to learn from other examples.

Such Project might include:

- Revisit the Waterside Heritage Led Regeneration project
- Reflective evaluation of this (and others) project's successes and failures.
- Encourage Arts organisation to run a series of events highlight the building, its cultural heritage and the issues it faces E.g. The Super Slow Way – '*staging new creative revolution , powered by art and people*'
- More radical alternatives for example 'Escape Rooms/ Zombie Quests'

ENVIROMENTAL SUSTAINABILITY

It should be obvious that the continued use and adaption of an existing building is more preferable then to replace it with a new building, as it minimises using new resources and avoids sending waste to landfill sites.

To successful adapt an existing building it requires a proper assessment and understanding of its values. Learning that what was acceptable in the past might conflict with requirements today and in the future. This might relate to heating, lighting, ventilation and cooling, but also disability access, means of escape and the use of certain materials. The continued use of the rational occupation is often the best and simplest to deal with, however this is often not viable and alternatives that are more radical need to be explored.

Such Project might include:

- Learning best practice methods for retrofitting /improving energy efficiency of existing buildings.
- Learning rational craft skills, identifying needs in the heritage/construction sector and working with local schools and colleges to address these through training, CPD and vocational courses to up skill an existing workforce.



*The Theatres Trust on behalf of the Burnley Empire Stakeholders Group
Burnley Empire Viability Study Stage 2 Report*

- Diagnosis of defects and research-based proposals for repair
- Project Management
- Funding applications
- Historical interpretation to inform significance based decision making
- Building fabric and materials research to aid restoration specifications

UCLan provides small business start-up support and the Empire project could provide a suitable basis for skills development in a lower risk (professional) environment. Students of the BSc (Hons) Architectural Technology and the MSc Building Conservation and Adaptation and possibly other courses/disciplines, would be encouraged to develop entrepreneurial skills in exploring the business potential of developing heritage-based expertise in areas such as grant fund applications, viability studies, survey and appraisal of defects, heritage statement and project management.

The Burnley Empire project would provide a unique opportunity in these multiple regards and additional opportunities in addition to those already listed here would doubtless arise.

BURNLEY EMPIRE THEATRE
PHASE II BUDGET

Description of Works	Cost	Sub-Totals
James Street Entrance		
Demolitions and Stabilisation	£ 25,000.00	
Construction of Small New Entrance Foyer (Designed for Optional Later Expansion)	£ 180,000.00	
Bridge Stabilisation	£ 20,000.00	
Services	£ 8,000.00	
Decoration & Fit-Out	£ 22,000.00	
Toilets & Welfare	£ 27,500.00	
Electrical Installation	£ 78,000.00	
Heating	£ 22,000.00	
Sub-Total		£ 382,500.00
Stage House		
Builders Work	£ 125,000.00	
Services	£ 8,000.00	
Link to James Street Entrance Building Works	£ 22,000.00	
Stage Floor Stabilisation	£ 12,000.00	
Temporary Fire Wall to Proscenium Opening	£ 10,500.00	
Timber Treatment	£ 11,000.00	
Painting	£ 55,000.00	
Fly Floor Stabilisation	£ 11,500.00	
Grid Stabilisation	£ 16,000.00	
Access Walkways & Ladders	£ 17,500.00	
Fire Alarms (Inc James Street)	£ 62,000.00	
Security Systems (Inc James Street)	£ 29,500.00	
Windows Reglazed and Repaired	£ 14,000.00	
Sump Pump	£ 7,500.00	
Electrical Installation	£ 83,000.00	
Heating	£ 37,500.00	
Sub-Total		£ 522,000.00
Auditorium (For Training Purposes)		
Enabling/Demolitions and Removals	£ 22,000.00	
Builders Work	£ 275,000.00	
Internal Structural Repairs	£ 82,000.00	
Joinery Works: Staircases Foyers etc	£ 93,000.00	
Services (75K in Phase I)	£ 18,000.00	
Timber Treatment (£36K in Phase I)	£ 37,000.00	
Plasterwork Stabilisation (£55K in Phase I)	£ 155,000.00	
Training Equipment & Fit-Out	£ 35,000.00	
Industrial Lighting	£ 23,000.00	
Industrial Heating	£ 21,000.00	
Industrial Ventilation (Stott ventilator)	£ 11,000.00	
Fire Alarms	£ 73,000.00	
Security (£12.5K in Phase I)	£ 31,000.00	
Toilets & Welfare	£ 27,500.00	
Sub-Total		£ 903,500.00
Dressing Room Block		
Services	£ 23,000.00	
Supplementary Fit-Out to Phase I	£ 17,000.00	
Fire Alarms	£ 8,000.00	

BURNLEY EMPIRE THEATRE
PHASE II BUDGET

Security	£	7,500.00	
Sub-Total			£ 55,500.00
Grand Sub-Total	£	1,863,500.00	
Professional Fees @ 10%	£	186,350.00	
Preliminaries @ 10%	£	186,350.00	
Inflation @ 5%	£	111,810.00	
Sub-Total	£	2,348,010.00	
Contingency @ 15%	£	352,201.00	
TOTAL	£	2,700,211.00	

Exclusions: VAT

Note: All costs developed on a theoretical brief

Note: Expenditure would be incremental as funding became available