

15 January 2015		ITEM: 7
Corporate Overview and Scrutiny Committee		
Thameside Complex – Options Appraisal and Savings Target Response		
Wards and communities affected: All	Key Decision: Non-Key Decision	
Report of: Matthew Essex (Head of Regeneration)		
Accountable Head of Service: Matthew Essex (Head of Regeneration)		
Accountable Director: Steve Cox (Assistant Chief Executive)		
This report is public		

Executive Summary

The Thameside Centre, built in the 1970s, is the centrepiece of the Borough's traditional cultural offer. The building houses a range of civic functions including the Borough's main Library, the Registry Office, the Thurrock Museum (and stores) and Theatre. Alongside the civic functions, the building also hosts a number of voluntary and community organisations providing a range of services to residents of Thurrock and neighbouring boroughs.

Like most parts of the Council, the Thameside Centre, together with the services which occupy it, are subject to a series of savings targets over the coming years. It is anticipated that the building's operation and management budgets will be reduced by £200k in 2016/17 and there could be further savings to be found in later years. The savings required from the building together with the approach of services occupying the Thameside to meeting their own savings targets, the wider transformation programme and historic underinvestment in the fabric of the building have all had, or will have, a significant impact on the use and profile of the building. Various parts of the building are already vacant with others expected to become vacant over the next two to three years.

At the same time, the Council's approach to heritage, culture and the arts continues to diversify with programmes emerging from High House Production Park and its associated cultural entitlement programme, the HLF funded Coalhouse Fort programme, the Use of the River/River Festival work and the potential for a new film and television studio complex in Purfleet Centre giving an exciting glimpse of an alternative approach/proposition.

In August 2014 Cabinet received a report setting out some of the context surrounding the Thameside Centre and seeking approval, duly given, to undertake

an 'Options Appraisal of the Thameside complex and Theatre'. The future of the Thameside Centre is an emotive issue which has always provoked passionate debate when raised. The first stage of this work is due to be reported to the February 2015 Cabinet meeting.

This report outlines the approach being taken to complete the options appraisal, identifies some of the emerging themes and reviews the impact of the existing savings targets.

1. Recommendation(s)

1.1 That members of Corporate Overview and Scrutiny Committee acknowledge the work already underway and comment upon the approach to the options appraisal and the emerging themes.

2. Introduction and Background

- 2.1 Thurrock's arts, culture and heritage scene has traditionally been based around the Thameside complex, various arts and heritage sites across the borough such as Tilbury and Coalhouse Forts, events including the Orsett Show and the activities of a plethora of local groups, clubs and societies across the borough dedicated to history, music, dance, theatre, musical theatre and the visual arts. The Thameside complex, opened in the 1970s, has been the centrepiece of the Council's offer; housing both the Thameside theatre - which plays host to a mixture of music, entertainment and drama productions - and the Thurrock Museum and archives.
- 2.2 In recent years, as part of the Council's growth programme, there has been significant capital investment from a range of agencies in the development of an international centre for the creative industries at High House Production Park (HHPP). The Council has worked with partners including the Royal Opera House, Creative and Cultural Skills, ACME studios, Arts Council England and Central Government to secure the delivery of the Royal Opera House's Set Production Workshop, the Backstage Centre's world-class production, rehearsal and training space and dedicated, purpose built creative workspace for artists. A new costume store for the Royal Opera House will open in 2015 and proposals are coming forward for a further artists' studio development which could open in 2016/17.
- 2.3 The creation of HHPP has given Thurrock a much higher profile in the creative sector with the emerging proposals for the creation of a 500,000sqft film and television studio complex as part of the Purfleet Centre development evidence of the new credibility within the sector which the Borough now enjoys. The growing reputation of the borough as a centre for the creative industries has attracted national and international interest and is an opportunity for the Council and other stakeholders to work with the sector and create employment, increase social and community cohesion and work with local residents to support a broad cultural programme.

- 2.6 Recognising this opportunity, Cabinet agreed the recommendations within a report in December 2013 that placed the arts, culture and heritage at the forefront of the Thurrock 'offer'. The 'Unleashing Creative Ambition – A Strategic Role for the Arts and Culture in Thurrock' report set out a clear strategic direction and aligned Council engagement in this area closely with the agreed vision and priorities for the borough. The report recognised the exciting, challenging and game-changing growth programme in Thurrock and sought to capitalise on the opportunities created by securing the development and delivery of three propositions that together constitute a new arts, culture and heritage brief: -
- A cultural entitlement programme for every young person in Thurrock
 - An enterprise and innovation programme to attract, locate and develop businesses in Thurrock
 - A creative place-making programme that takes a culture, arts and heritage led approach to engaging communities with the growth programme
- 2.7 Elements of this programme have started to come forward already with Cabinet having received reports in July 2014 (Celebrating the River) setting out proposals to realise the potential of Thurrock's 18 miles of riverfront and to use the growth programme to provide more accessible open and wild-space, education facilities and foci for community, cultural, arts and heritage based activity as well as new homes and employment opportunities. One of the recommendations was to develop proposals for a festival of the Thames Estuary to celebrate the cultural and historic legacy of the riverfront. A further report in December 2014 (Thames Estuary Festival) outlined the emerging portfolio of projects under the three headings and sought approval, duly given, to establish a new Festival in the summer of 2015 developed with the community across Thurrock as an early development towards a larger Festival of the Thames Estuary in 2016.
- 2.8 With the Borough's cultural landscape changing rapidly the Council needs to establish what its offer will be and what the role of the Thameside Centre and the services within it will be going forward. The Thameside Centre's central location in Grays is a key contributor to the town's civic role for the Borough. The Vision for Grays, agreed by Cabinet in July 2013, acknowledged as much in seeking to build upon the Town's existing status and build a broader day time and evening offer around leisure, culture and entertainment. Whilst the building is well known and much loved by those that use it, the design, location and current use of the Thameside Centre does place constraints on the Council's arts, culture and heritage offer which risk exciting opportunities being missed.
- 2.9 The future of the Thameside Centre is an emotive issue which provokes passionate debate when raised. Previous discussions on its future have failed to reach a clear conclusion which has led to a pattern of underinvestment

and/or disinvestment which means the Council faces a significant capital cost to bring the building back up to an appropriate standard. Seeking to establish the future of the building within a period of intense financial pressure clearly presents a risk that this cycle will simply be repeated / continued. Any assessment needs to focus upon achieving the right service outcome rather than simply trying to achieve a savings target.

- 2.10 The current targets set out in the Council's Medium Term Financial Strategy require various reductions to be made in the costs associated with managing and operating the Thameside Centre together with the services which currently occupy it. A £200,000 saving is expected in 2016/17 and further savings may be required in future years. These will be dependent upon the outcome of the options appraisal exercise.
- 2.11 Consideration also needs to be given to the impact of other factors, including:
- the approach of services occupying the Thameside to meeting their own savings targets which could see current service offers shrinking or being withdrawn;
 - the wider transformation programme which is consolidating Council services within the Civic Centre and has already seen a number of back office functions relocated; and
 - historic underinvestment in the fabric of the building which has left a legacy of work which needs to be addressed if the building is to be retained.
- 2.12 Collectively these measures have all had, or will have an impact on the use and profile of the building with a number of spaces already vacant or shortly anticipated to be so. In the event that there is no alternative use for those spaces the impact on the remaining services will be significant.
- 2.13 Acknowledging the need to seek to balance these various factors, Cabinet received a report in August 2014 setting out some of the context surrounding the Thameside Centre and seeking approval, duly given, to undertake an 'Options Appraisal of the Thameside complex and Theatre'. Recognising that historically the most difficult element to resolve was the Theatre, the August 2014 report focussed on this when suggesting that the options to be considered should 'include but not be limited to':
- Remodelling the site for wider use including a theatre;
 - Provision of theatre facilities on one or more alternative sites;
 - Joint venture with another theatre provider on an existing or alternative site;
 - Maintain the status quo with minimal investment; and
 - Investing in the current site.
- 2.14 Ultimately, it was anticipated in the August 2014 report that the option appraisal would look at a wide range of options, including the potential for maximising use of the site and securing a cross subsidy for development of the theatre as well as an income for the council and could include:
- The implications of 'doing nothing';

- The options for theatre sites;
- An assessment of the pros and cons for each option (benefits and dis-benefits);
- The potential costs of each option and sources of funding; and
- A recommended option for both delivery and funding.

2.15 Work on the options appraisal commenced immediately after the Cabinet meeting. The approach and initial findings are outlined below.

3. Issues, Options and Analysis of Options

Approach to the Options Appraisal

- 3.1 It is clear that, set against the backdrop outlined above, in order to get any form of agreement on the future of the Thameside Centre the options appraisal needs to consider all reasonable options for all affected services within the building – including do-nothing and an enhanced do-nothing. However, considering all possible options for all of the services within the building would be a colossal task likely to take many months to complete. It is therefore considered important to establish some principles early on in the process to allow any detailed consideration to be limited to just the areas that warrant it.
- 3.2 Critically, despite the focus placed upon it within the August 2014 Cabinet report, the options appraisal needs to focus on all services within the building and not just the Thameside Theatre. Whilst there is a general acceptance that the Theatre is likely to be the most difficult function to enhance in situ or re-provide, it is probably the function which the Council already know most about. Work completed in summer 2013 explored the potential to use the State Cinema for live performance and has already provided:
- An assessment of the existing Thameside Theatre audience and programme;
 - An assessment of the catchment area, local competition and potential audience size for a performance venue;
 - A specification for the appropriate scale and servicing of a venue in response to the anticipated audience;
 - An optimum (commercially speaking) programme;
 - A review of management options; and
 - An outline business plan – albeit for a different venue.
- 3.3 Whilst some elements of the work will ultimately need to be updated, very few of the other uses within the Thameside Centre benefit from this level of existing analysis. The headline approach of the options appraisal therefore seeks to get to a common position where a clear vision, determining the optimum service/provision, can be articulated for each of the constituent parts of the current Thameside offer. This will allow the appropriate thematic links to be made with wider programmes such as the Use of the River and the arts and culture work encapsulated within the December 2013 Cabinet report

'Unleashing Creative Ambition' whilst focussing effort on a manageable programme comprised of relatively few strands.

- 3.4 Building on the headline approach, the options appraisal is being conducted in two stages. The first stage seeks to break the current Thameside offer down into its constituent parts and establish the preferred routes forward (visions) for the likes of the Library, Thurrock Museum, Registry Office and the voluntary and community sector agencies which currently occupy parts of the building. The existing State Cinema work will be reviewed to determine an appropriate brief for a theatre within Thurrock (scale, facilities, programme offer and management options). In establishing these visions it should be possible to identify the best route forward for the various services and subsequently determine those functions which would be best served by being retained within the Thameside Centre, relocated/re-provided elsewhere or potentially removed entirely.
- 3.5 Alongside the visioning work, the existing information on a 'do-nothing' option (generally covered within the August 2014 Cabinet report) will be collated and an 'enhanced do-nothing' option explored. This will largely consider the potential to use the space more effectively and overcome the existing restrictions of the Theatre through physically remodelling the Thameside building to provide, for instance, increased and improved seating, a fly tower and increased wing space.
- 3.6 It is anticipated that the outcomes of stage one will be considered and reported to Cabinet in February 2014 with a view to getting acceptance and approval of any recommendations to move into a second stage which considers the potential routes to secure the implementation/delivery of the visions for the various services. It is anticipated that the second stage of the work will be more detailed and will be likely to require external consultancy support. Accordingly, this is not expected to report back to Cabinet until late summer 2015.

Work Completed to Date and Emerging Themes

- 3.7 To date the following headline tasks have been completed or are in chain in support of the options appraisal:
 - An assessment of the current Thameside offer by service (Library, Theatre, Museum and Registrars) to capture a baseline of staffing and expenditure levels, current offer/provision, user/audience numbers and approach to meeting existing savings targets including the impacts of the transformation programme;
 - Development of visions for the future of relevant services tying back to wider corporate or service specific agendas. This work is necessarily progressing at different paces for different services;
 - A review of the budget and expenditure of the Thameside building and the services within it to establish a definitive baseline of the cost of maintaining and operating the building and services;

- A review of existing legal and building information to determine the full extent of the Thameside estate, its condition and the nature and cost of the works required to bring it up to a modern standard. This has included the commissioning of a building condition survey;
- The engagement of Thurrock Arts Council and commissioning of external, specialist support to consider the potential to remodel the existing Thameside Theatre as part of the 'enhanced do nothing' option;
- Initial discussions with the voluntary and community sector providers/agencies who currently occupy parts of the Thameside Centre;
- A high level review of the funding options for supporting the provision of enhanced services either through the Thameside Centre or alternative means including engaging with the Heritage Lottery Fund and the Arts Council;
- A high level review of management structures for cultural facilities and an assessment of the relative strengths and weaknesses of the various options; and
- A high level review of the previously identified alternative options for hosting a theatre in the Borough.

3.8 Whilst some of the strands are still work in progress and it is not possible to draw any clear conclusions at the time of writing this report, there are some themes which have emerged from the work to date which are outlined below for information:

- There is a real need for the Council, users and local stakeholders to gain greater clarity on the nature, use and operation of the Thameside Centre. Discussions to date have highlighted the conflicting understanding of a range of issues relating to the building which are likely to have contributed to the failure to resolve previous discussions on its future. The options appraisal must seek to capture a complete account of the relevant information in a single place;
- There are exciting opportunities to link the heritage and broader cultural offers to wider Corporate agendas that are not tied to the Thameside Centre building;
- The current proposals within the transformation programme which seeks to consolidate Council services within the Civic Offices will have an impact on the Thameside Centre and are not fully aligned with the plans of individual services;
- There is the potential to make immediate savings from the Thameside Centre budget (discussed further below) without any significant impact on its operation but the service specific savings are likely to have greater impact by leaving spaces vacant and/or underused; and
- The building is not easily adapted and contains a great deal of wasted/inefficient space which cannot easily be brought into productive use.

Budget Position and Savings

- 3.9 The direct budget for the operation and maintenance of the Thameside Centre (excluding the budgets of the services that are currently within the building) for 2014/15 is c. £540k. The current savings programme encapsulated within the Medium Term Financial Strategy anticipates a £200k saving from those budgets in 2016/17. There is an expectation of further savings being made in future years depending upon the outcome of the options appraisal. An initial review of the budget position suggests that there is the potential to meet the 2015/16 savings target from a review of the utilities, cleaning and security budgets as well as taking measures to increase the income generated through building and office hire.
- 3.10 However, as is noted elsewhere, the service specific targets are also likely to have an impact on the nature of the provision from the Thameside Centre. The most obvious example of this is the pressure on the Libraries budget where the potential to find a saving of up to £569k is currently being considered. Whilst the approach to meeting this target is the subject of a wider review of the Library Service, there are already suggestions that the existing Thameside offer could be reduced or, through the transformation programme, relocated to the Civic Offices. This would have a range of impacts on footfall, use profile and quality of the Thameside offer and it will be important to tie the two reviews together.

4. Reasons for Recommendation

- 4.1 The Thameside Centre is an important plank of the Council's current heritage, arts and cultural offer and enjoys a high profile locally. However, it is acknowledged as being an expensive building to operate and maintain which places restrictions on the nature of the services that can be provided from within it. The options appraisal which is currently underway is an important step in establishing the nature of the services that the Council wants to provide and thereby determine the facilities now required.
- 4.2 The views of Members of Corporate Overview and Scrutiny are sought on the approach being employed to complete the options appraisal and the emerging themes to ensure that the work is suitably robust.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 Various discussions have been completed with the services within the Thameside Centre and some of the users of those services. This includes the Thurrock Arts Council which was specifically identified within the August 2014 Cabinet report. Some limited public consultation is underway through the Community Builders linked to the Local Area Coordination programme.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 In December 2013 the Council adopted a new approach to heritage, culture and the arts (Unleashing Creative Ambition) which, whilst building on many positive developments across the Borough, cuts across some of the services currently provided from the Thameside Centre. Whilst the Thameside Centre is an important part of the current offer there are elements of the emerging programme which may provide more exciting opportunities for the delivery of some of those services. Establishing the role of the Thameside Centre and the services it currently provides is a critical step in shaping the Borough's approach to cultural activity more broadly in the future.

7. Implications

7.1 Financial

Implications verified by: **Sean Clark**
Head of Corporate Finance

The approach to meeting the existing savings target and wider financial implications are covered within the body of the report. Any further financial implications will be assessed by Cabinet through consideration of the findings of the options appraisal.

7.2 Legal

Implications verified by: **Alison Stuart**
Principal Solicitor

There are no legal implications arising from this report. Any implications arising from the findings of the options appraisal will have to be considered once they become known.

7.3 Diversity and Equality

Implications verified by: **Teresa Evans**
Equalities and Cohesion Officer

The Thameside Centre is a well-known piece of the local cultural infrastructure. The options appraisal is seeking to determine the most appropriate offer to balance the needs of the Borough's communities with the opportunities that currently exist and the available budget. The continued inclusion of the Thurrock Arts Council is positive but it will be important to consider the extent to which any findings from the options appraisal are consulted upon with broader user groups and the public at large.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

- 8. Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

- 9. Appendices to the report**

None

Report Author:

Matthew Essex

Head of Regeneration