

**Exempt Information: NOT FOR PUBLICATION – Appendix 2 ONLY**

*(1) The content of this report qualifies as exempt information under Section 100(A)(4) and paragraph 3 of Part I of Schedule 12A of the Local Government Act (1972) as it is information relating to the financial or business affairs of any particular person (including the authority that hold that information), and*

*(2) After applying the public interest test, it is clear that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because disclosure would adversely affect the authority's ability to manage its commercial, financial, and business affairs and accordingly Appendix 2 of this report should remain exempt.*



**URN:** 22-055

**Subject:** Town Deal Intervention 6 - Restoration & adaptation of the historic Ice House as a National Centre for Arts and Circus

**Report to:** ELT – 4<sup>th</sup> May 2022  
Policy and Resources Committee – 17 May 2022

**Report by:** Tracey Read, Project Manager

**SUBJECT MATTER**

At the Town Deal Board on the 16 March 2022, nine Investment Priorities were agreed for submission to Government constituting a Town Investment Plan totalling £20.1 million including Intervention 6 which is the restoration and adaptation of the historic Ice House in Great Yarmouth as a performance venue and National Centre for Arts and Circus.

This report sets out the proposal to grant fund Out There Arts as the Council's delivery partner of Intervention 6, to undertake the redevelopment of the Ice House building and convert it into a public performance venue and training space.

**RECOMMENDATION**

That Policy and Resources Committee:

1. **Recommend to Council** the release of £500,000 comprising £450,000 Town Deal funding and £50,000 Great Yarmouth Borough Council's Business Rates Pool allocation subject to compliance with funding conditions and the parameters set out in this Report.
2. Resolve (subject to Council's agreement to the release of funds) to grant Out There Arts (SeaChange Trust) £500,000 to re-purpose the Ice House as a performance venue and National Centre for Outdoor Arts & Circus as set out in the Report and deliver the associated outcomes, subject to Government confirming their acceptance of the Full Business Case Summary Documents submitted for inspection on 24 March 2022.
3. Delegate authority to the Strategic Director to agree and sign the grant agreement on behalf of the Council with Out There Arts (SeaChange Trust).

## 1. Introduction

- 1.1. In September 2019, the Government announced the initial 101 places invited to develop Town Deal proposals as part of the £3.6 billion Towns Fund. A stakeholder-led Town Investment Plan was submitted to the Ministry of Housing, Communities & Local Government (MHCLG) on 11 December 2020, outlining a total 'ask' of £24,780,390 to co-fund ten interventions as Immediate Investment Priorities.
- 1.2. On 3 March 2021, MHCLG informed the Chair of the Town Board and the Council that MHCLG was offering Great Yarmouth Heads of Terms (HoTs) for a Town Deal of up to £20.1 million. The HoTs were not contractually binding, and the offer was subject to various conditions being met, including the provision of regular reporting or monitoring and evaluation (M&E).
- 1.3. The final agreed list of nine interventions – capital projects within the Town Deal programme – was developed by officers, directed by the Town Board and submitted as Full Business Case Summary Documents submitted to Government for inspection on 24 March 2022, summarised in the following table:

**Table 1. List of Town Deal Board agreed interventions**

Intervention		Project Value	Town Deal value
1.	New operations and maintenance (O&M) campus and incubator on the Great Yarmouth Enterprise Zone and Energy Park	£20,016,019	£3,950,000
2.	Land assembly for the strategic regeneration of North Quay as a vibrant new mixed-use waterfront quarter	£7,600,000	£2,600,000
3.	New Great Yarmouth University Learning Centre (GYULC) providing an enhanced route to economic activity and growth	£10,465,543	£7,463,947
4.	Restoration and commercial repurposing of the iconic Winter Gardens as a year-round seafront attraction	£16,052,151	£4,075,000
5.	Restoration and sustainable repurposing of vacant historic buildings	£1,401,900	£626,000
6.	Restoration and adaptation of the historic Ice House as a National Centre for Arts and Circus	£1,440,000	£450,000
8.	Public wayfinding and sustainable connectivity	£1,100,000	£594,953
9.	Physical enhancements to the rail station gateway as a key point of entry for residents, visitors and commuters	£202,180	£150,000
10.	Smart Deployment of Enhanced Digital and Connectivity Infrastructure	£205,130	£190,100
			<b>£20,100,000</b>

Please note: *Intervention 7: Green mobility: enhancement of Seafront to Town Centre connectivity* removed from the final suite of interventions developed as Full Business Cases in order to meet the upper award value threshold of £20,100,000.

- 1.4. There were a number of key milestones listed in the HoTs:
- In order to proceed, the Town Board needed to sign the Head of Terms by 24 March 2021: this was completed.
  - By 24 May 2021, at the latest, the Town Board needed to submit a draft Monitoring and Evaluation (M&E) Plan addressing key conditions and providing updated intervention capital/revenue splits: this was completed.
  - By 24 March 2022, at the latest, Phase 2 (Full Business Cases for nine interventions) needed be undertaken and formal Summary Documents accompanied by Section 151 Officer declarations submitted to Government: this was completed.
- 1.5. Prior to further development of this intervention, Members are asked to note that the Council intends to work with the not-for-profit charity, SeaChange Trust trading as Out There Arts as delivery partner and delegate to officers the agreement of a robust and compliant mechanism to cascade the Town Deal and Business Rates Pool funding to Out There Arts to deliver the project on behalf of the Town Board, i.e. acquiring and re-developing the Ice House building and repurposing it as a performance venue and circus training school.

## 2. BACKGROUND

- 2.1. The Ice House is a 3,400ft<sup>2</sup>/316m<sup>2</sup> Grade II listed thatched warehouse in a prominent, central riverside location adjacent to the Haven Bridge overlooking the River and historic South Quay. The registered charity (registration number 1063853) and Arts Council England National *Portfolio Organisation*, Out There Arts, based in Great Yarmouth will work with the Council to restore and repurpose the Ice House building and the surrounding site as a performance venue and *National Centre for Outdoor Arts and Circus*.
- 2.2. Great Yarmouth already boasts the UK's only remaining fully working historic circular circus venue, the UK's only full-time dedicated professional National Centre for Outdoor Arts and Circus and the largest annual circus festival in the UK. This combined offer generates over 200,000 annual visits to Great Yarmouth. The Town Board noted the opportunity to develop this artistic cluster and consolidate Great Yarmouth as the country's 'Capital for Circus' in order to drive year-round tourism and wider culture-led regeneration and growth in the Town.
- 2.3. The development would include: a dedicated accredited training and teaching facility, a commercially operated 650 capacity 'gig/event venue' (an identified gap in local provision), and a public riverside cafe/bar/terrace/courtyard (progressing the development of a more vibrant/visible commercial evening economy, transforming South Quay and adjacent North Quay).
- 2.4. The building is currently in private ownership and is leased as storage space to Out There Arts. The Town Deal and Business Rates Pool funding will enable Out There Arts to leverage an additional £350,000 project funding awarded by the Architectural Heritage Fund, £20,000 of urgent repair work by the current freeholder, Brineflow Ltd, and £25,000 of in-kind funding from Out There Arts to deliver a new £875,000 facility, comprising:
- The acquisition, repair and re-development of the historic Ice House building;
  - The creation of 8,525ft<sup>2</sup>/794m<sup>2</sup> new performance, learning and commercial space;

- The creation of additional enhancements, including an internal balcony/mezzanine level and external river-facing balcony;
  - The installation of floor space, flexible seating and public facilities to realise a new 650-capacity performance venue and circus and outdoor arts training centre;
  - The creation of structures providing toilets, services and front-of-house facilities on the northern side of the site;
  - Provision of ancillary services capable of enabling pop-up café/bar facilities on site;
- 2.5 Out There Arts is developing its ongoing partnership with the University of East Anglia and will engage with them, the University of Suffolk and Norwich University of the Arts with the objective of developing an accredited curriculum of outdoor arts, circus and performance courses within the redeveloped Ice House, alongside wider artistic and cultural outreach. It will operate the redeveloped Ice House to:
- Provide a National Centre for Outdoor Arts and Circus, with facilities in Great Yarmouth of the standard required for accredited education and training, with a view to providing NVQ, foundation degree and degree-level learning at the site;
  - Make the facility available for use as a venue for public workshops, event and other contexts by external organisations and individuals;
  - Actively market the facility and Great Yarmouth for wider regional, national, international use on commercial terms;
  - Manage and deliver programmes of relevant performances/events working with local, visiting and touring agencies, working with the local Cultural Consortium.

### 3. OUTPUTS AND OUTCOMES

- 3.1 The specific output and outcomes that this investment and project will realise and/or enable are summarised as in the following table:

Outputs	Outcomes
<ul style="list-style-type: none"> <li>• Deliver a commercially-operated 650 capacity performance/event venue</li> <li>• Deliver training and teaching facility suitable for accredited learning in circus skills and performing arts</li> <li>• Deliver an income-generating public riverside café/bar</li> </ul>	<ul style="list-style-type: none"> <li>• An additional induced visitor spend in the local economy modelled as £9,359,250/annum</li> <li>• An increase in arts-based tourism visits of 187,185/annum</li> <li>• Direct job creation, with 3 FTE posts + numerous freelancers (sound/light/production/front-of-house/stage management/bar/catering) + use by 50 resident artists</li> <li>• A number of apprenticeships, training and work experience positions created linked to employment, with plans for 25 volunteers, 4 internships and 50 student work experience opportunities per year</li> <li>• 4,735 learners assisted at through the facility per annum, with the objective of hosting 25 accredited foundation degree or degree-level students per annum</li> </ul>

Outputs	Outcomes
ringfenced to the operating cost of the Ice House.	<ul style="list-style-type: none"> <li>Active and ongoing collaboration with partners and organisations: proposed Great Yarmouth University Learning Centre, Time and Tide Museum, Historic England, Great Yarmouth Preservation Trust, Hippodrome Circus, St. George's Theatre, CPP Freshly Greated</li> <li>A number of wider outcomes, including: an improved understanding of the Ice House and town history and heritage; an improved perception of venues in town and the live entertainment offer; improved physical landscape and increased civic pride, with an outdoor terrace and new riverfront bar/café; a role in wider regeneration, including quayside development/investment; improved training and education facilities; an improved cultural tourism offer and programme appeal to residents and visitors</li> </ul>

## 4. KEY MILESTONES

4.1 The key project milestones are summarised in the following table:

Milestone	Completion Date
Scheme Design Development and Planning Permissions	Jan 2021- Feb 2022
Acquisition of building	Aug 2022
Architect Project Manager appointed	Apr 2022
Preparation of detailed Schemes of Works for Tender Construction Contracts	Mar 2022 - May 2022
Application for Building Regulations Approval for the whole building	Mar 2022 - May 2022
Contract out to tender	May 2022 – Jun 2022
Contract out to tender	Jul 2022 – Aug 2022
Construction Phase 1: establishment of Services (water, electricity, drainage)	Nov 2022 – Feb 2023
Construction Phase 2: erection of New 'North Side' Building shell only + service for lavatory	Mar 2023 – May 2023
Construction Phase 3 – excavate floor, sub-base + installation of dpm + concrete subfloor in original building	May 2023 – Jun 2023
Construction Complete, building returned to client	Sep 2023
OTA preparation of building for use	Oct 2023 – Mar 2024
Building in use	Apr 2024

## 5. PROJECT PROGRESS AND FURTHER DEVELOPMENT

- 5.1 Planning permission has been granted for a change of use to the building into the multi-functional training and educational venue outline herein, with fabrication space for equipment. A full viability report was produced by Out There Arts in 2019 and has been reviewed more recently by an Officer Working Group.
- 5.2 Out There Arts has been clear that the release of the £450,000 Town Deal and £50,000 Pooled Business Rates funding from Great Yarmouth Borough Council will – alongside the £350,000 project funding awarded by the Architectural Heritage Fund, £20,000 committed by Brineflow Ltd and £25,000 in-kind funding committed by Out There Arts – realise, in its totality, the new £875,000 facility described in this Report.
- 5.3 Out There Arts has also made clear that it is actively seeking additional funding to add functionality and/or relevant services to the facility, above and beyond those described in this report.
- 5.4 A summary of the business case for this project is given in the confidential Appendix 2 for Members’ information.

## 6. MONITORING & EVALUATION SCHEDULE:

- 6.1 It will be Great Yarmouth Borough Council’s responsibility, as the local authority, to formally report bi-annually on inputs and activities, outputs and expenditure and/or as required by the funders. To that end NP Law has prepared a Grant Funding Agreement between the Council and Out There Arts, which sets out the terms of the funding including funders’ requirements and delivery of outputs and outcomes aligned to the Town Deal Strategic Business Case.
- 6.2 The initial M&E reporting schedule outlined by DLUHC is reproduced, below:

M&E required	Deadline	Payment
M&E plan per project including theme specific deliverables	July 2022	For September payment
	October 2022	For December payment
	January 2023	For March 2023 payment
Business case and Project Summary Document	24 March 2022	Payment as per quarters, above
Final M&E plan per project		

- 6.3 Out There Arts will be required to submit monthly highlight reports including updated financial tables/expenditure, risks and programme, and co-operate with the content of reports to the relevant Committee, the Officer Working Group and the Town Deal Board as requested.

## 7 FINANCIAL AND LEGAL IMPLICATIONS

- 7.1 At the Town Deal Board meeting held on 17 May 2021, it was agreed that the Town Deal allocation to this project would be £450,000 and GYBC would contribute £50,000 of Pooled Business Rates funding allocated to it. Project financials are summarised as follows:

Type	Source	Total value
<b>Great Yarmouth Borough Council Funding</b>		
Public	Business Rates Pool	£50,000
Public	Town Deal Award	£450,000
<b>Additional Funding</b>		
Public	Architectural Heritage Fund	£350,000
Third sector	Out There Arts (in-kind)	£25,000
<b>Total project value</b>		<b>£875,000</b>

- 7.2 In addition to the above, the current owner of the Ice House, Brineflow Ltd, has agreed to pay for the re-crowning of the thatch at an estimated cost of £20,000.
- 7.3 GYBC has sought State Subsidy control and legal advice from NP Law which has stated the following: *“Current subsidy control law has been considered and the Borough Council has been advised that the proposed funding amounts to a permitted subsidy within the meaning of applicable competition law.”* Appendix 1 sets out the Subsidy Control assessment.
- 7.4 The Borough Council has been advised that the proposed funding amounts to a permitted subsidy subject to:
- a review of the proposed project against the Subsidy Control Principles, as set out at Appendix 1.
  - transparency in respect of the project through publication of details of the funding on the UK’s official website at <https://searchforuksubsidies.beis.gov.uk/>.
  - requirements that any profits arising from the conversion of these buildings shall be applied solely in accordance with the Trust's charitable objectives, funding conditions will include controls on operating profits and that the Trust shall charge market rates on any residential/holiday lettings created as part of this grant award.
- 7.5 Members are asked to note that if this grant award is approved, there will be a legal funder’s agreement in place to enable this funding to be passported to Out There Arts. The agreement ensures that the outcomes and spend for this element of Intervention 6 within the Town Deal fund award are met. This will be the responsibility of the grant recipient Out There Arts.
- 7.6 NP Law has been commissioned by the council to prepare the grant funding agreement for passporting of Town Deal funds to external delivery partners such as Out There Arts.

## 8 RISK IMPLICATIONS

- 8.1 Any project adjustment may affect the scale/costs/scope and, therefore, impact of individual interventions and the overall Town Deal programme or require alternative funding to be identified and secured. Not adhering to the Town Deal Heads of Terms and reporting schedule could be reputationally damaging to GYBC and put at risk of the funding being withdrawn.
- 8.2 NP Law is charged with the preparation of the grant funding agreement for passporting of funds to the delivery partner. The agreement will include the conditions attached to grant drawdown linked to the delivery of outputs and outcomes and the initial cost spend profile for the renovation of the building as set-out in Out There Art's business case which is provided confidentially in Appendix 2. Such grant conditions will safeguards for the council as funder should the recipient not deliver the totality of the project including a charge over the building or clawback as required.
- 8.3 The building is in significant disrepair with exceptional cost associated with repair and sits on a flood plain, confirmation received from Out There Arts existing insurance provider, Rees Astley, that full business insurance cover for the asset can be provided.
- 8.4 A comprehensive 'live' project Risk Register, which identifies specific project risks and the approach that will be used to mitigate each, is being maintained by the project team and will be reviewed monthly by the Delivery Team and updated with input from the Project Board when necessary.

## 9 CONCLUSION

- 9.1 Great Yarmouth has met the Heads of Terms for a Town Deal of up to £20.1 million to deliver the nine of the original ten Immediate Investment Priorities set out in the Town Investment Plan, including Intervention 6: Restoration and repurposing of the historic Ice House building.
- 9.2 NP Law has been consulted and advice received in relation to state subsidy control and passporting of funds.
- 9.3 Progress is being made against key delivery milestones with the remainder of works now being dependent on the agreement to this Town Deal investment.

## 10 BACKGROUND PAPERS

Area for consideration	Comment
Monitoring Officer Consultation:	As part of the ELT process
Section 151 Officer Consultation:	As part of the ELT process
Existing Council Policies:	Great Yarmouth Town Investment Plan (2020) Great Yarmouth's Economic Growth Strategy (2020)



	Culture, Heritage & Tourism Strategy (2020)
Financial Implications (including VAT and tax):	As outlined in the report
Legal Implications (including human rights):	As outlined in the report
Risk Implications:	As outlined in report
Equality Issues/EQIA assessment:	Yes on file
Crime & Disorder:	None
Every Child Matters:	None

## Subsidy Control Assessment - Restoration & Adaptation of the Historic Ice House as a Performance Venue & National Centre for Arts and Circus

**Proposal:** To grant Out There Arts (SeaChange Trust) £500,000 as the Council's delivery partner to undertake the redevelopment of the historic Ice House. The proposed funding has been considered against the Subsidy Control Principles as set out below:

Principle	Requirement	GYBC Assessment
Principle A (common interest)	Subsidies should pursue a specific policy objective that address a market failure or equity rationale; for example, social difficulties or distributional concerns.	<p>Central to Great Yarmouth's Economic Growth Strategy is the aim to strengthen the town's tourism and culture offer by providing greater year-round attractions that improve visitor experience.</p> <p>The Icehouse project strongly aligns with several key priorities within New Anglia's Culture Drives Growth Strategy.</p>
Principle B (proportionality)	Subsidies should be both proportionate and limited to what is necessary to achieve the policy objective.	<p>An assessment of the economic case for the proposal has provided an appraisal of its value for money to the public sector.</p> <p>This has been developed having regard to the HM Treasury Green Book, DLUHC (formerly MHCLG), BEIS and DCMS guidance.</p>
Principle C (incentives and behaviour change)	Subsidies should lead to a change in the economic behaviour of the recipient and must help to address the public policy objective being pursued.	<p>Historic buildings and monuments should be protected in the long term and be used to develop cultural, creative and heritage assets that attract tourists. Repairing and repurposing the Icehouse meets this recovery priority and is complimentary to Historic England's Annual Report 2019-2020.</p> <p>The proposed completed scheme will move the Icehouse away from its current use as a storage facility for event production materials. The project will repair the building and repurpose it as National Centre for Arts and Circus, which will catalyse regeneration along Great Yarmouth's riverside and North Quay. The Icehouse project will deliver floorspace for performing arts classes and training. The building will also be made</p>

		<p>available for commercial activity such as private hire for functions and gigs.</p> <p>A restored and repurposed Icehouse will provide an essential missing element within Great Yarmouth's circus and performing arts sector - a dedicated training space that is accessible for both established sector small and medium-sized enterprise (SMEs) and for the professional development of emerging companies.</p> <p>This one of nine interventions across Great Yarmouth, Towns Fund funding to be used to address the key socio-economic challenges within the area.</p> <p>This is an opportunity to bring a historic building back into use.</p> <p>This would establish a viable and sustainable end use, bring vacant floorspace back into circulation, create employment, reinforce the town's special heritage character and support culture and tourism sectors.</p>
Principle D (additionality)	The subsidy should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.	The funding beneficiary is Out There Arts (The Seachange Trust) which pursuant to its charitable objectives has identified the need for accredited professional/degree level training and a dedicated facility that the Icehouse will provide, accommodating preparatory/foundation level training from youth/community level upwards in tandem with local schools and colleges, creating career pathways into a growing local sector speciality.
Principle E (alternatives)	The subsidy is an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means.	The interventions will realise significant economic and social benefits including accelerated job growth and a strengthening of the town's tourism and culture offer. However distortion to competition and investment are not anticipated.
Principle F (minimal market impact)	Subsidies should minimise the impact on competition and investment within	Localised and the specific training aspects of the initiative mean that funding and proposals will have minimal impact on competition and investment within the UK's internal market.

	the UK's internal market.	Local businesses and stakeholders all had the opportunity to input into the Town Investment Plan by identifying the key issues and challenges facing the town and how these could be addressed through investment projects to have an overall positive impact on Great Yarmouth.
Principle G (net positive effect)	Where relevant, record consideration against Article 3.5 [Prohibited subsidies and subsidies subject to conditions], including consideration of whether that subsidy has or could have a material effect on trade or investment between the Parties.	<p>The beneficiary is not an ailing or insolvent business.</p> <p>An unlimited guarantee is not being provided.</p> <p>The beneficiary is not a bank, credit institutions or insurance company.</p>