

Appendix 1 - Income and Expenditure Analysis (refer to Section 1.4 of report)

Option a & b – Do nothing/Performance Venue
Cost plan - 31 May 2007

<u>Summary</u>	Cost	Comments
Funding:		
Capital Receipt from Stewart Milne (Previously) NCL		
Completion of Phase 1 (The Mill)	2,234,500	
Completion of Phase 2 (Residential)	2,489,500	
Completion of Phase 3 (Hotel)	526,000	To be confirmed based on revised design
Completion of Phase 4 (Retail / Apartments)	250,000	
Public Art	90,000	
Capital Receipt from the Developer	5,590,000	
Other Funding		
Council Grant Resources (towards acquisition of M&W)	600,000	
Advanced Overage (as per cabinet report 17/11/2006)	1,000,000	Considered as income may not be able to spend this on T/Mill site
Receipt from sale of CHP	1,000,000	to be confirmed
Receipt from sale of Drumcroom	-	not available under this option
Further Overage from the Scheme	-	
Contribution from College	-	not available under this option
Other funding total	2,600,000	
Funding total	8,190,000	
Expenditure: Estimated / Actual:		
Acquisitions:		
Middelton & Wood (actual)	755,000	
Encams (actual)	97,199	
Victoria Hall (estimated)	21,000	
Public Art	90,000	Allowance - Consider using this for architectural lighting or projection onto the building or landscaping to enhance the project scope
Preparatory works on the 2 floors above the Mill @ pier	30,000	
Ruddle Wilkinson Fees for the Feasibility Study	61,162	Taken from R Gibson report date 25 May 2007 Of which £47,000 has been spent to the end of May 2007
Gleeds fee	80,000	
NPS fee - certification of grant works	10,000	
Gleeds Surveys	2,200	
Tim Foster Architects	9,400	Options appraisal for the Linacre building, May increase due to expenses
Austin Smith Lord	12,500	Option appraisal for PV @ T/Mill and Arts and heritage centre
Other costs incurred to date	48,912	From R Gibsons report dated 25 May 2007
Other Stewart Milne (Nuttall) costs to be agreed	84,000	
Contribution to:		
	Site investigation	10,000
	Site strip	3,000
	Power	36,000
Plus	Landscaping	30,000
	Works to identify interface between retained spaces and rest of development	5,000
	Security	TBA
	Water main	TBA
		<u>84,000</u>
		84,000
Decommissioning of TWWW	270,000	Estimate provided by WLCT, includes removal of machinery and one year's transitional storage costs
Drainage scheme for the steam engine discharge	30,000	Cost to be confirmed. £16k in capital programme to be added to this budget for the cost of work
Spend to date	1,601,373	
Funding Available For Public Facilities	6,588,627	

**Option c - Arts & Heritage Learning Centre/Linacre
Cost plan - 31 May 2007**

<u>Summary</u>	Cost	Comments
Funding:		
Capital Receipt from Stewart Milne (Previously) NCL		
Completion of Phase 1 (The Mill)	2,234,500	
Completion of Phase 2 (Residential)	2,489,500	
Completion of Phase 3 (Hotel)	526,000	To be confirmed based on revised design
Completion of Phase 4 (Retail / Apartments)	250,000	
Public Art	90,000	
Capital Receipt from the Developer	5,590,000	
Other Funding		
Council Grant Resources (towards acquisition of M&W)	600,000	
Advanced Overage (as per cabinet report 17/11/2006)	1,000,000	Considered as income may not be able to spend this on T/Mill site
Receipt from sale of CHP	1,000,000	to be confirmed
Receipt from sale of Drumcroon	250,000	to be confirmed
Further Overage from the Scheme	-	
Contribution from College	1,000,000	to be confirmed - based on LSC bid
Other funding total	3,850,000	
	Funding total	9,440,000
Expenditure: Estimated / Actual:		
Acquisitions:		
Middleton & Wood (actual)	755,000	
Encams (actual)	97,199	
Victoria Hall (estimated)	21,000	
Public Art	90,000	Allowance - Consider using this for architectural lighting or projection onto the building or landscaping to enhance the project scope
Preparatory works on the 2 floors above the Mill @ pier	30,000	
Ruddle Wilkinson Fees for the Feasibility Study	61,162	Taken from R Gibson report date 25 May 2007 Of which £47,000 has been spent to the end of May 2007
Gleeds fee	80,000	
NPS fee - certification of grant works	10,000	
Gleeds Surveys	2,200	
Tim Foster Architects	9,400	Options appraisal for the Linacre building, May increase due to expenses
Austin Smith Lord	12,500	Option appraisal for PV @ T/Mill and Arts and heritage centre
Other costs incurred to date	48,912	From R Gibsons report dated 25 May 2007
Other Stewart Milne (Nuttall) costs to be agreed	84,000	
Contribution to:	Site investigation	10,000
	Site strip	3,000
	Power	36,000
Plus	Landscaping	30,000
	Works to identify interface between retained spaces and rest of development	5,000
	Security	TBA
	Water main	TBA
		84,000
Decommissioning of TWWW	270,000	Estimate provided by WLCT, includes removal of machinery and one year's transitional storage costs
Drainage scheme for the steam engine discharge	30,000	Cost to be confirmed. £16k in capital programme to be added to this budget for the cost of work
	Spend to date	1,601,373
Funding Available For Public Facilities		7,838,627
Public Facilities @ Trencherfield Mill	5,838,626	
Linacre Theatre	2,000,000	Wigan & Leigh College to contribute £1m

NOTE:

- 1 VAT excluded
- 2 Inflation excluded
- 3 Fees to be update
- 4 Capital receipts to be confirmed
- 5 Other Steward Milne (Nutalls) costs to be confirmed
- 6 Heritage Store excluded other than one years temporary storage included in Decommissioning of TWWW.
- 7 Decommissioning of Drumcroon excluded
- 8 Gleeds fee for £80k was based on the RWA scheme. Should either the scheme for the Linacre Theatre or the M@P Arts & Heritage Learning Centre go forward, the fees allowance includes for QS, therefore there will be a saving against the £80k above.

Wigan Pier Quarter

Risks associated with Grant Funding

The below issues need to be considered in the context of the wider Wigan Pier Quarter approval, which could result in repayment of grant to the Government Office for the North West or the North West Development Agency.

1. Purchase of the Middleton and Wood site – eligibility, end usage eligibility and financial audit trail. *Section 1.4.1*
2. Failure to achieve target outputs within Programme(s) period – specifically jobs created as this was a negotiated issue at approval. *Section 1.2.3*
3. Non delivery of project expenditure in Programme(s) period – deadline for Project 30 September 2008. *Section 1.2.3*
4. Contravention of State Aid rules – Stuart Milne are no longer classified as an SME (Nuttalls were classified as an SME) therefore grant intervention from public funds should be reduced accordingly.
5. Lack of clear audit trail on expenditure incurred by Stuart Milne for the Trencherfield Mill Site – Council is currently at risk as no grant funding from the European Programme is being claimed until acceptable structures are in place.
6. Failure to comply with grant conditions
 - Possible disposal of ERDF funded assets. *Covering Report*
 - None compliance with procurement regulations
7. Additional overage from the office development in Trencherfield Mill – any overage on this element could be classed as income and therefore deducted from any grant offered. *Section 1.4.2*
8. Proposed revised end usage of Trencherfield Mill – eligibility issues. *Section 1.3.4 and 2.4*
9. The use of capital receipt from the development agreement could be deemed as income if reinvested into this site as opposed to the performance venue - thus reducing the grant.
10. Acceptance of Business Plan changes by GONW – there is a requirement to notify of any significant changes to the original project application. *Section 1.2*

Linacre Theatre Option

- A shared facility is, and will always be, a compromise that will never be free from problems with a huge potential for conflict. Community Groups have experienced difficulties frequently in the past. The Arts in Wigan deserve their own performance venue like every other town - not a shared space - as they have attempted to provide productions for too many years without one.
- The visit to Barking Theatre vividly illustrated the practical problems associated with shared facilities with a college. Inevitably, satisfying the needs of the College will dominate the programme - access for community groups would be extremely restricted and subject to continual debate and disputes, with the options for professional performers virtually non-existent..
- Audiences and performers will view it forever as 'making do' rather than providing a good quality facility.
- It can only ever be seen as a short to medium term partnership – what Wigan needs is a long-term plan – 25 years plus.
- The whole image of the 'venue' is crucial. A venue *must* generate expectancy and excitement in the audience and the performer. The visual impression of the College as a venue is not a good one from the perspective of generating expectancy – except in the field of education – which of course is its purpose! It will always be viewed as a 'school - type' facility. That is not what the Arts and the Borough need in order to realise the venue's potential
- Wear and tear on a shared facility is both difficult to restrict and more rapid than on a dedicated theatre. Damage to the fabric of a room is unavoidable. What may appear to be acceptable as an education facility would not meet the standards expected of a first class theatre – maintenance costs might therefore become very high.
- Any daytime use of a facility within the college would be hindered by car parking problems and congestion both in terms of vehicles and people. Car parking is a major consideration for concert goers
- Crucially, investment in the Linacre would divert funds from the Pier Quarter facilities both in terms of capital funding and running costs

Wigan needs a theatre which looks like a theatre, that excites and delivers. In order that any such facility is used to the full it must give the arts community what it deserves. For too long the potential of the arts in Wigan has been 'on hold' – just about surviving but not developing as it has in many other towns and regions.

In order to get the best results those involved in delivering the arts need to be able to work with absolute passion and pride. A shared venue with Education will not generate a suitable atmosphere or create a facility to allow for those aspirations. This is the one chance for the Borough and will not be repeated in our working lives. We must, surely, therefore aim for the best possible building now.

For the reasons given above (and those expressed in more detail in the various meetings) we are unable to support the idea of a shared theatre with education as the solution to the provision of a high class venue, both for community group activity and a wide range of professional events, and we strongly urge that it be rejected.

A THEATRE FOR WIGAN BOROUGH

A ten year campaign for a venue in Wigan, which has aroused very considerable public support, will shortly come to fruition, as the Council decides on options put before it. As representatives of community arts groups, the Arts Exchange and the public, we have participated extensively in the development of these options over the last 10 months. We have expressed our views consistently throughout this period and we think it would be helpful to give a summary of our position to inform the decision making process:

- We understand that Wigan is the largest town in Britain without a theatre – why is this?
- The only venue formerly available, The Mill at the Pier, was closed down with the promise of a much improved facility for the town
- We applauded the recognition by the Council that a theatre was necessary and we welcomed the Leader's pledge to provide a superior performance space.
- There is undoubted public enthusiasm for a venue, as demonstrated by the Rotary petition of over 5000 names and the immediate collection of several hundred names expressing criticism of the Cabinet's abandonment of the project last summer.
- We fully recognise the need for financial responsibility. Senior Council and WLCT officials have consistently provided reassurances that anticipated running costs for a new venue are covered, in accordance with the business plan prepared in 2006.
- As regards any shortfall in the capital required, we have offered proposals throughout the process in terms of opportunities for grants, local fundraising, and corporate sponsorship. We cannot understand why such options have not been vigorously pursued by officials. The recently announced magnificent developments for Angers demonstrate what can be achieved in seeking supplementary support.
- To its immense credit, the Council has invested heavily in Sports facilities, bringing rewards in terms of wide access and individual sporting achievements. It is now time to replicate this approach for arts and entertainment, to give our youngsters the opportunity to excel in dance, drama and music, as well as providing a rich cultural programme for all adult residents.
- Creation of a high quality venue at the Pier was proposed by the Council as the right solution and this remains the case in terms of performers' and audiences' needs. Crucially, provision of a performance space as part of a vibrant, integrated complex including

the Trencherfield Mill steam engine and visual arts is necessary to attract attendances at the Quarter and excite the public's interest.

- We are very concerned that the approach has been to consider a theatre provision as an afterthought to be addressed after the problems of funding associated with the Engine, Drumcroom, College shortfall for their theatre and the infrastructure of the Pier Quarter are resolved . Given the pledge to provide a theatre , this is the reverse of the process the public would expect and results in the remaining funds inevitably being insufficient for a new theatre.
- Performers themselves believe very strongly that shared use of a theatre at The Linacre is not an adequate alternative to a new venue and the option reflects a gross failure to appreciate the requirements of performing arts and the audience experience. The reasons for these objections are included in the attached supplement and we must oppose proceeding with The Linacre option on this basis.
- We urge the Council to provide the town with comparable performance facilities to our neighbours and the rest of the country .The original proposals for the Mill Quarter were described by a leading figure in the local arts scene as “the most exciting development for the arts in the borough for thirty years, possibly ever”.
- There is a unique opportunity, due to the development of the Mill Quarter, the availability of capital proceeds and other financial options to achieve these ambitions and give the town a venue to be proud of. Failure to proceed will condemn our town to being a cultural wasteland, for the indefinite future, with the exodus of local talent and performances to surrounding locations.

We have written this submission prior to seeing the document to be discussed by the Council and we will comment on the report at the time of Council consideration. We hope this initial submission is helpful and that we can make a further contribution to the debate, including questioning on our position, in the spirit of consultation and partnership, which we have always advocated.