



Portsmouth Creative Industries Project – Phase 2

SUMMARY

In January 2011 the PUSH Joint Committee resolved to allocate £500,000 of Capital Funding to support the Portsmouth Creative Industries Phase 2 project aimed at securing the development of creative learning workspaces as part of the restoration of the New Theatre Royal Portsmouth. This submission builds on the design feasibility work funded by PUSH in 2009/10 to which it was awarded £700,000. The design study forms the basis of the planning application for delivering Phase 2, which was recently submitted in August 2011.

Following Joint Committee approval, PUSH wrote to the University of Portsmouth who had acted as accountable body for the initial phase to confirm this offer. The University of Portsmouth however, indicated that while they continue to be fully supportive of the project and remain a committed partner, they felt it would not be appropriate for them to continue to act as the accountable body for the Phase 2 project given that the majority of the work to be commissioned for phase 2 was being commissioned by New Theatre Royal (NTR). They therefore suggested the NTR itself should become the lead accountable body.

At a meeting held on 1st July 2011 with the Chief Executive Lead for Quality Places and other key representatives, PUSH received further confirmation that aspects of the project had changed to reflect the fact that the University of Portsmouth and NTR were working in partnership with the Developer, Watkin Jones, to further enhance the cultural offer. Taking these changes into consideration, it was deemed necessary that a formal resolution was required at the next Joint Committee scheduled for 6th October 2011. As a consequence, PUSH, via the Chief Executive Lead for Quality Places, wrote to NTR on 18th July seeking confirmation on a number of conditions. In addition to seeking a response on Governance and accountability matters, NTR was also asked to submit a revised project appraisal given the proposed change in accountable body.

PROJECT ASSESSMENT

On reviewing the response as well as the revised bid submitted by NTR, the Joint Committee are advised to acknowledge the following:

- The overall aims, objectives, and outcomes remain unchanged as approved by the Joint Committee in January 2011. The substantive changes to the project to be considered include the fact that the lead accountable body should become the NTR Board of Trustees instead of the University of Portsmouth.
- With regards governance arrangements, a joint Project Board represented by key stakeholders including the university, NTR and the developer is in place to co-ordinate the project and the activities involved. The NTR Board of Trustees (Portsmouth) Limited as a separate body would act as the lead accountable body for the PUSH funding of £500K



- The NTR Board of Trustees confirms that they have employed a highly experienced Project Manager as well as a Cost Consultant to help manage the project interdependencies and deliverability as well as the finance for which it is directly responsible. NTR are satisfied that therefore that they have the necessary arrangements in place to mitigate budget over/underspend, missed milestones, resource requirements and the delivery of outputs and outcomes.
- There are essentially three elements to the Portsmouth Creative Industries phase 2 projects; the Theatre restoration, creative workspace centre and the provision of student accommodation. The PUSH allocation of £500K would be utilised to deliver the creative learning workspace element of the project. The student accommodation development in particular, would be managed and developed by Watkin Jones Developers subject to planning permission and the final sign off of the legal lease agreement between all three parties (University of Portsmouth, NTR and Watkin Jones).
- The Developer (Watkins Jones) commissioned by the University of Portsmouth will be responsible for the Physical build of all three inter-related elements of the project on the Theatre site.
- The total cost of the project is £24m of which a total of £22.5m has been secured to date. (£20m secured from the University to deliver the creative campus on the Eldon site; and £2.5m secured from various sources by NTR). The project however, is awaiting confirmation for a total of £1.5m from two funding sponsors namely; the Heritage Lottery Fund (£990k to be confirmed on 16th Sept 2011) and Foyle Foundation (450K to be confirmed by end Nov 2011).

PROJECT ASSESSMENT SUMMARY

Deliverability against priorities identified in PUSH ED strategy / Grant Shapps letter	Anticipated Outcomes	Thorough analysis of risk	Value for Money (vfm)
<p>Moderate deliverability against priorities include:</p> <p>The creation of 10 incubation spaces which will facilitate the development of new performance work generated by new companies which will then be performed locally and tour nationally and internationally.</p> <p>The development of level 2, 3 and 4 works based learning opportunities.</p> <p>The creation centre will be strongly linked to the university of Portsmouth and will support the universities work to provide</p>	<p>10 incubation companies; 85 gallery exhibitions by 2013;</p>	<p>Funding gap – In the event that planning permission is not granted on the New Theatre Royal Site, The University Creative Campus will proceed as planned, how some of the incubation spaces may be lost</p> <p>The new theatre royal project will need to be revised and some funders may reconsider their position</p> <p>The creation Centre element of the project</p>	<p>In the event that planning permission is granted, the project as a whole will deliver a cultural and creative industries development package which will benefit a wide range of stakeholders.</p>



pathways to employment for creative graduates this will include support for creative entrepreneurship programmes.		which is the focus of this appraisal is likely to be lost. It is also probable that if planning permission were not granted then the student accommodation element of the project would also be lost.	
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CONCLUSION

The deliverability of the whole project is dependent on the Planning permission decision due on 7th December 2011. In addition it is recognised that NTR are awaiting funding confirmations from, two sponsors. In the event that planning consent is awarded and all funding sponsors are confirmed, then the construction phase is scheduled to commence in March 2012 and complete in September 2013. PUSH's allocation of £500K would deliver the Creation Learning work space which builds on and compliments the overall design work that PUSH funded as part of the phase 1 feasibility study.

RECOMMENDATION

It is RECOMMENDED that the Joint Committee:

- a) NOTES the changes to the project specification for the NTR and ENDORSES that NTR becomes the new lead accountable body for the Portsmouth Creative Industries Phase 2 Project.