

Somerset Council
Scrutiny Committee
– 10th April 2024



Octagon Theatre – Capital Programme

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Executive Lead Member: Cllr Federica Smith- Roberts

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1. Summary

- 1.1.** The extension and refurbishment of the Octagon Theatre in Yeovil was previously part of the Council’s Capital Programme. It was removed when capital costs rose significantly and interest rates on borrowing made the project unviable. Councillors took a decision at that point to remove it from the Capital Programme.

A revised Octagon scheme has been proposed (with an indicative overall cost of £15m) and an application to retain £10m of funding from DCMS has been submitted (with the result awaited). Further funding has been secured (in principle) from Yeovil Town Council and a £15m refurbishment scheme is now proposed with no requirement for further capital input from Somerset Council.

Once completed the intention would be to devolve the Theatre to Yeovil Town Council to operate.

- 1.2.** “.....we will continue to work with these, other businesses and as part of the Great South West Partnership to unlock opportunities for clean and green growth that will play a prominent role alongside tourism and culture. We already offer so much - from Glastonbury Festival, the largest greenfield music and performing arts festival in the world, Bridgwater Carnival’s spectacular procession to the tranquillity of the Exmoor Dark Skies festival. Promoting Somerset as a destination on the national and global stage will support the existing economy enable regeneration and encourage development of new, creative attractions”.

2. Issues for consideration / Recommendations

- 2.1.** Councillors are asked to consider adding the revised Octagon project to the Council Capital Programme. The scheme will be much revised from the previous scheme, which was unaffordable. The new scheme will be funded by DCMS, Yeovil Town Council and funds in hand or via grant applications.

There is no expectation that further capital funds will be required from Somerset Council.

2.2.

3. Background

- 3.1.** A previous scheme to enlarge and renovate the Octagon Theatre was included in the Council's Capital Programme. This project was curtailed when the eventual cost escalated to an estimated c£30m and interest rates rose meaning that the interest payments on the borrowing to fund the scheme made the project unaffordable.

The Department for Culture Media and Sport (DCMS) had previously conditionally offered £10m of capital funding towards the scheme.

The facility was closed on 1st April 2023 for intrusive surveys to take place which were intended to 'de-risk' the project as far as possible.

Architects were appointed and BAM were retained to provide preconstruction advice. A Quantity Survey was appointed. The larger scheme was developed to an advanced stage before costs increased to an unacceptable level and we had to curtail the project.

A revised Outline Business Case has been submitted by Somerset Council (January 2024) and this level of support remains available pending a Council submission later in the year of a Full Business Case (FBC).

Full Council agreed to retain the temporary closure of the Octagon Theatre in 2024 whilst exploring all options to renovate the facility

The revised project includes the provision of a fly tower (which would expand the range of programmes that could be attracted to the Octagon Theatre), a solution to the many accessibility issues that exist at the site, improvements to the auditorium (with a modest increase in capacity within the existing space),

improvements to the front of house and catering facilities and external landscaping.

- 3.2.** If approved the Council will appoint relevant professionals in 2024 to revise the design and provide professional services to enable the submission of the FBC later in 2024. Works would be expected to start in 2025 with completion scheduled for autumn 2026 ahead of the seasonal pantomime.
- 3.3.** We have received considerable useful feedback from DCMS relating to our Outline Business Case Submission and should the project be added to the Capital programme then we have until late autumn to submit a Full Business Case to DCMS who would at that point confirm the award of £10m towards the £15m scheme.
- 3.4.** We are starting the process of procuring a new team of Architects (to review, learn from and revise the original drawings) and other relevant professional support. This is essential to progress the project to a stage where the Full Business Case can be submitted.

4. Consultations undertaken

- 4.1.** The Council has been in near constant dialogue with both Arts Council England (ACE) and the Department for Culture Media and Sport (DCMS) to seek to retain the offer of £10m from the latter towards a less extensive project.
- 4.2.** Latterly the Council has had ongoing conversations with Yeovil Town Council regarding the devolution of the Theatre once the capital project has been completed.

This matter was discussed at Full Council in February 2024 as part of the savings package and the intention now is that the completed Theatre will be transferred to Yeovil Town Council who will also accept future revenue and capital cost risks.

This proposal has been discussed with DCMS who are accepting of the approach to devolve the asset to YTC upon completion.

5. Implications

- 5.1.** The implications of the decision to add the project to the Capital programme are that Somerset Council will continue to develop the project to a point where a full Business Case can be submitted to the DCMS who would in turn approve £10m of capital funding towards the project. The Council will project manage the work to the point of completion of the capital scheme.

- 5.2.** The wider implication should the project continue to completion stage is that the completed Theatre would be devolved to Yeovil Town Council with the staff also transferring under TUPE. All future revenue and maintenance liabilities would also transfer to YTC.
- 5.3.** The implication of not adding the Theatre to the Capital Programme is that we could not progress the application for funding to DCMS. The Council would then have a choice to make between reopening the Theatre using its own funds but recognising that all of the issues that have led to the development of the project would remain and making the decision that the Theatre would remain closed.

6. Background papers

- 6.1.** <https://democracy.somerset.gov.uk/ieListDocuments.aspx?CIId=213&MID=2377>

The Octagon Theatre was discussed at the Executive meeting on 4/10/2023, the link above refers.