

Report of the Director of Adults, Children and Education and the Director of Communities and Neighbourhoods

The Barbican Auditorium

Summary

1. This report updates members on progress with the Council's strategy to bring the Barbican Auditorium back into public use.

Background

2. The Executive, at its meeting on 28 April 2009, agreed that the Auditorium should provide:
 - Major conference and/or entertainment facilities for the city
 - High quality facilities for the residents of York and for visitors, acting as a focus for important city events and a focus for civic pride
 - Opportunities for community involvement and activities
 - An operation that does not require long-term revenue subsidy from the Council
3. Particular activities were not specified in order to allow creative ideas and opportunities to be generated through open dialogue with bidders. Executive expressed their clear and strong desire to see the building brought back into a form of effective use which met local need, reflected local opinion and was delivered as soon as possible.
4. On 22 September 2009, the Executive agreed to undertake a formal market testing exercise to seek an operator who could deliver the approved objectives using a "competitive dialogue procedure". This process involves the following stages:
 - Publication of a contract notice setting out the authority's needs and requirements and award criteria based on them
 - A pre-qualification process which will assess the track record and experience of bidders to ensure that only those competent and sufficiently financially robust to carry through their proposals are invited to participate
 - An invitation to dialogue in order to identify and define solutions to meet the Council's requirements through discussion with the Council giving equal opportunity to each of the bidders

- Potentially elimination of some of the outline proposals on the basis of the award criteria set out in the contract notice
- Submission of formal tenders by the remaining participants on the basis of the solutions presented and discussed during the dialogue
- Tenders evaluated against the award criteria in order to identify the “most economically advantageous tender”
- Post tender clarification where required
- Award of tender

5. The award criteria to be used in the assessment of bids are as follows:

CRITERIA	MARKS		
<p>Financial</p> <p>An evaluation of the financial impact of the bidder’s proposals on the Council with particular reference to:</p> <ul style="list-style-type: none"> • The premium and/or rent payable to the Council for the grant of the Lease; • The extent of investment in the Auditorium proposed by the bidder; • Any other financial benefits identified for the Council <p>Any requirement on the bidder’s part for subsidy or contribution from the Council would be set against the above benefits.</p>	40		
<p>Quality</p> <p>Quality is split into two sub-criteria:</p>	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;">60</td> </tr> <tr> <td style="border-top: 1px solid black; text-align: right;">100</td> </tr> </table>	60	100
60			
100			
<p>Civic pride:</p> <p>An evaluation of the extent to which the bidder’s proposals will provide the City with prestige facilities which will:</p> <ul style="list-style-type: none"> • Enable the bidder to provide the events/conference programme proposed; • Further the City’s economic development priorities; • Further the City’s sustainable community strategy; • Enable the City to host important city events and generally be a focus for civic pride; • Fit in with the planning statement for the Barbican site; • Otherwise bring economic and social benefits to the City 	35		

CRITERIA	MARKS
<p>A major conference and/or entertainment programme for the City:</p> <p>Bids will score best on this criterion that meet the Council's aspiration for an extensive and wide ranging programme of music, comedy, dance and entertainment of a quality likely to draw a sub-regional and regional audience and which provide opportunities for community activities and involvement. Marks will also be awarded for bids that involve the provision of a programme of quality conference events and an ancillary programme of entertainment events. The minimum standard will be a programme that contains at least some elements of entertainment. Proposals for entertainment of a primarily adult nature or for gambling will not be scored.</p>	25

6. The Council advertised, in national publications, the opportunity to lease and operate the Auditorium with or without acquiring the Kent Street coach park site with a reserve price of £1m. In undertaking the financial assessment, bids including Kent Street would be adjusted by this figure for the purpose of comparing them to bids not including Kent Street. If, ultimately, none of the bidders were found to be interested in Kent Street then it would be available for future separate disposal.
7. Members also agreed the following immediate actions:
 - a) £90k of essential works to be carried out, as a first stage of the total work required to re-open the building, in order to protect the integrity of the asset and prevent further deterioration. These have been completed.
 - b) Officers to support the community users who previously used the Auditorium : the York Carol Concert and the Festival of Remembrance, in seeking alternative arrangements. Support was provided for the 2009 season and Budget Council allocated £2k in order to continue support in 2010.

Progress with the procurement

8. Key elements completed:
 - An Auditorium open day was held in January for all potentially interested parties
 - The pre-qualification stage closed in February. Questionnaires were received from 6 organisations. Of these, 4 were deemed to be of appropriate economic and financial standing, as well as possessing the necessary technical and professional ability, and were selected to be invited to participate in dialogue
 - Bidder dialogues days were held with the 4 shortlisted parties during March. Two of the bidders subsequently withdrew because they did not feel that they would be in a position to meet the Council's requirements

- Outline solutions were received from the remaining two parties in April. Both were invited to submit detailed solutions
- Further dialogues days were held over May and June in order to guide the bidders in developing their bids
- Detailed solutions were received from the two remaining parties in June
- Detailed solutions were received in June

9. The next and final stages of the procurement process are as follows:

15 July	Dialogue closes and issue of tenders
2 August	Return of tenders
August	Evaluation of tenders and identification of preferred bidder
	Finalisation of the legal agreement
21 September	Report to Executive recommending a preferred bidder
	Start of 14 day standstill period
10 October	Preferred bidder to be advised of Executive decision
31 October	Complete development agreement and lease

Options

10. This is a briefing report and hence is for information only; there are no options associated with it.

Corporate Priorities

11. The Council's Corporate Strategy describes the desire to "inspire residents and visitors to free their creative talents and make York the most active city in the country. We will achieve this by providing high quality sporting and cultural activities for all". Within the new strategy we commit to developing an "achievable plan for the Barbican Auditorium" to contribute to this priority.

Implications

Financial

12. There are no direct financial implications resulting from this briefing report. The Executive has already agreed an allocation of £120k for 2010/11 to fund the costs of the review/procurement process, essential remedial works and the costs of retaining the building in its current unoccupied state. It is still expected that all these costs can be contained within this sum. The small grants to the Carol Concert and the Festival of Remembrance will also be funded from this budget.

13. There is no provision to fund any further additional on-going revenue or capital costs of reopening the auditorium within the council's current revenue or capital budgets.

Legal

14. Legal implications are as set out in the report.

Property

15. Property implications are as contained in the report.

Risk Management

16. Risks in related to this important project are handled through good governance arrangements. A Project Group representing key senior officers of the authority with specific legal, technical and financial support, chaired by the Director of Adults, Children and Education reports to the Chief Executive and the wider senior leadership team of the council.
17. There are no Human Resources, Crime and Disorder, or Information Technology implications.

Recommendations

18. Members are asked to note the report.

Reason: To enable future plans for the Barbican Auditorium to be developed and progressed.

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Wards Affected: All

For further information please contact the authors of the report

Background Papers:

Barbican Auditorium - Reports to the Executive 20 January, 3 March, 28 April and 22 September 2009.