

Appendix 4E

Project Approval Report

Birmingham Dance Hub

16 February 2018

Recommendation

The Supervisory Board is recommended to note the:

- Approval of the capital grant of £1,476,000 (one million and four hundred and seventy-six thousand pounds) allocation of Local Growth Funding (LGF) to Birmingham Hippodrome for the delivery of the Birmingham Dance Hub project, made by the LEP Director under delegated authority and in accordance with the GBSLEP Assurance Framework.

Background

1. GBSLEP's Executive team has been directly engaging with Dance Hub on this project for over a year. The project aims to extend the fourth floor above the existing Birmingham Royal Ballet building on Thorp Street to provide the One Dance UK cluster with a space to expand and enhance its dance services.
2. In September 2016, Birmingham Hippodrome as lead for One Dance UK cluster submitted an Expression of Interest (EoI) to the Growth Deal 3 programme. The EoI was assessed as an 'A' strategic fit against our Strategic Economic Plan in December 2016 and proceeded straight into the development of a Full Business Case (FBC).
3. The FBC was submitted on 22 December 2017, requesting an LGF grant allocation of £1.476m in the FY2018/19 and 2019/2020, against a total project cost of £4.476m. Dance Hub had already secured £5m funding from Arts Council England, including a £3m match for the capital project.
4. While the initial discussions with GBSLEP were around a £0.75m application, having completed further work on project costs the FBC requested £0.951m towards the capital costs, and a further £0.525m contingency towards potential risks associated with the ground works stage of construction. The applicant ascertained that these were not feasible to fully calculate in advance of the works until intrusive work is undertaken, while the building in question is currently in full use.
5. The FBC was reviewed by the Independent Technical Evaluator (ITE); the report submitted on 22 January 2018 identified no 'red' issues and four 'amber' ones, which were subsequently clarified by the GBSLEP Programme team. Following the meeting on 8 February 2018, Birmingham Hippodrome revised its risk register, cash flow and milestones plan. It also committed to consider further potential funding sources with the view to reduce the contingency amount currently covered by the LGF.

Case for change

1. The five principal dance organisations involved in the project (DanceHub, Birmingham Hippodrome, DanceXchange, One Dance UK and Birmingham Royal Ballet) are a cluster of key actors in dance and performance in the UK, all with levels of international, national, regional and city-wide responsibilities and outreach.
2. The new space will provide one large studio for dance, changing rooms, an office area, a reception area and two meeting rooms. It will offer substantially improved accessibility from the public entrance area and improved routes both vertically and laterally through to the rehearsal and production facilities. These will create spaces for international and national dance services that are already based in Birmingham, and those organisations attracted from London into Birmingham's Dance Cluster.
6. The outputs of the project will be as follows:

	Direct	Indirect
Quantitative	<ul style="list-style-type: none"> • Create 675m² floorspace (including a new 239m² rehearsal room). 	<ul style="list-style-type: none"> • Create 17 new direct jobs • Create 5 new apprenticeships • Enable 6 more productions a year and 100 more performances, increasing audience numbers to 15,000 • Provide (through partner members) 9950 learners across all programmes • Create 3 classes per week (9 per year), community programmes and high-level learning opportunities • Create 1 new dance piece a year with involvement of disabled people, providing employment opportunities for at least 6 dancers
Qualitative	<ul style="list-style-type: none"> • Create a physical entity for the Birmingham Dance Hub • Encourage work as a cluster 	<ul style="list-style-type: none"> • Make Birmingham a locus for dance jobs and skills development

State Aid

7. Birmingham Hippodrome ascertains that the project does not qualify as State Aid because the operation of the space does not constitute economic activity as it is not making profit and is only made possible through public subsidy.

Funding Profile

8. The amount requested is £1,476,000, representing a third of the total £4,476,000 project cost; the remaining £3m has been committed by Arts Council England the commitment is time limited requiring the full funding to be in place by the end of March 2018.
9. The capital grant is allocated to the 2018/19 and 2019/20 financial years and the project is ready to start the works immediately, with an anticipated practical completion and handover date of May 2019.

Conclusions

10. The Birmingham Dance Hub directly addresses GBSLEP SEP commitment to enhance and harness the potential of the cultural and creative assets in the area. The GBSLEP Director approved the allocation of £1.476 LGF capital grant funding for the project on 16 February 2018.

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