



Belfast City Council

Report to:	Development Committee
Subject:	Lyric Theatre
Date:	9 February 2010
Reporting Officer:	Peter McNaney Chief Executive ext 6001
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Relevant Background Information

At a meeting of the Strategic Policy & Resources Committee on 14 December 2007 Members agreed to provide £1.25m funding from the City Investment Fund to the Lyric Theatre, subject to "detailed negotiations and final approval by the Council on the schedule of payments, full recognition being given to the Council in respect of its contribution, the Lyric Theatre being requested to consider Council representation on its Board and a commitment from the Lyric Theatre to undertake an outreach programme in the wider Belfast community".

The Development Department has taken forward discussions with the Lyric Theatre on the funding conditions and briefed Legal Services who have completed the draft legal agreements which are now ready for signature.

The purpose of this report is to brief Members on the progress which has been made and to receive a presentation from Ciaran McAuley, the Chief Executive of the Lyric Theatre, on its education and outreach work, the progress with fundraising and the present state of construction work.

The Committee will then be requested to make a recommendation to the Strategic Policy & Resources Committee, who will have to be briefed by the Director of Finance & Resources in relation to the schedule of payments and the release of funding.

Currently BCC provides funding to the Lyric through the multi-annual funding scheme to the value of £37,971 for the financial year 2010-2011, to cover programming costs.

Key Issues

The total cost of the Lyric project is £18m. Funding support is coming from a number of sources including :

- Department of Culture, Arts and Leisure £9.4m
- Lottery Funding sourced through the Arts Council £2.4m
- Belfast City Council contribution of £1.25m.

This is 73% of the total funding of the project.

The remaining 27% of funding is being raised by the Lyric themselves.

This 27% amounts to almost £5m. The Lyric have now confirmed that £4.75m of this amount has now been sourced from private donations and philanthropic trusts.

A schedule of payments has been agreed through Legal Services and the Director of Finance and Resources and the first Council payment would be due in April 2010 subject to final Council approval. This money is required to maintain the cash flow required for the construction project.

CONDITIONS – Full recognition for Council contributions

The Lyric Theatre has provided full recognition of the Council's contribution to the project in all its promotional material since the Council funding decision in January 2008. Since that time the Council has been recognised as one of the foundation supporters of the rebuild project and the Council's logo has been prominently displayed on promotional material produced by the Lyric Theatre in relation to the project. The Council was represented by the Lord Mayor at the unveiling of the foundation stone of the new Theatre in September 2009 and the Lord Mayor wrote the foreword to the event programme. The Lyric has committed to giving full credit to the Council as one of the foundation partners and the Council will be so credited at the opening of the new Theatre and in all the promotional material associated with the opening.

CONDITIONS - Representation on the Board of the Lyric Theatre

Following the Council decision to provide funding, Council officers relayed to the Board of the Lyric Theatre the Councils wish to have representation on the Board. In response the Lyric has advised us that since its foundation 50 years ago the Board has never included representatives of any corporation, funder or collective interest. A full scale review of the governance of the Board was conducted 2 years ago which resulted in the drawing up of a new memorandum and articles of association (the legal document which forms a limited company). These memorandum and articles of association for the Lyric expressly forbid corporations to be members of trustees of the Board which is constituted as a charity. As a constituted charity the Lyric will not pay VAT on the construction contract for the new build. It is normal practice in such circumstances for funding bodies not to be represented on a charitable organisation claiming such relief from construction projects. Other funders such as the Arts Council are also not represented on the Board, they operate 'on the arms length principle' which follows good governance advice in not placing representatives of funding organisations on the board of arts organisations to avoid conflicts of interest. The Lyric have indicated that unlike other arts organisations in Northern Ireland they are a producing Theatre which commissions and works with new artists to produce pieces for performance in the Theatre.

The Lyric recognise the Council's need as a funder to be reassured on how the construction of the new building is proceeding. To this end the Council have been offered representation on the Project Board which is overseeing the project which comprises all the investment decision makers, currently the Arts Council of Northern Ireland, DCAL and the Council. The Lyric also recognise the Councils concern on its education and outreach activities and to this end has agreed to set up an Education and Outreach Advisory Committee which will be served by the Lyric Education Officer.

The job of the Sub Committee will be to provide advice on education and outreach activities. The Lyric would be pleased to have 2 Council representatives on this Panel and have further offered to update the Council on an annual basis of its outreach and education activities by attendance at a meeting of the Development Committee.

It should be noted that at the Council meeting on 5 January 2010 it was agreed that the Chief Executive of the Lyric Theatre be advised that the Committee will wish to raise with him during his presentation to the Committee the refusal of the Board to agree to the Council's request to be represented on the Board and that the Council finds this position entirely unacceptable, given the level of financial support which has been provided to the Lyric Theatre.

The Chief Executive has been so advised.

Education and Outreach

As outlined above the Lyric Theatre has recently appointed an Education Officer whose job will be to further develop an education and outreach programme during the time the Theatre is being built and to develop a full programme of activities once the Theatre is in full operation. A copy of the commitment by the present Chairman of the Theatre to its education programme contained on the Lyric's website is attached as Appendix 1 together with details of the recent education programmes such as the Boatyard programme which was an initiative involving 6 local primary schools in North and East Belfast and related the history of Belfast's shipbuilding past. The Theatre is presently developing its Pat and Plane project with 12 primary schools throughout Northern Ireland looking at the development of the linen industry. The Theatre also run schools for aspiring actors in the 18-24 age range and a whole range of individual projects. The Lyric Theatre has recently appointed a new Education Officer from the 1 March 2010 and the Chief Executive of the Theatre Ciaran McAuley will further update the Committee on the education programme. The Theatre has committed, in the legal agreement, to undertake an education and outreach programme in the City.

Recommendations

Committee are requested:

- 1 To note the information provided and receive a presentation from the Chief Executive of the Lyric Theatre.
- 2 To note the proposal by the Lyric Theatre that the Council be represented on the Education and Outreach Advisory Committee and the Construction Project Board.
- 3 To make a recommendation to the Strategic Policy & Resources Committee on whether the funding conditions have been satisfied.

Decision Tracking

There is no decision tracking attached to this report as it is for notation only.

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