

### **Appendix 3**

#### **1. Key Principle:**

- 1.1 As Landlord of the building (subject to the lease to BMT) Bristol City Council ('the Council') will lead and be responsible for delivering Colston Hall Phase II ('the project') to create a music venue for the 21st Century and enhance the cultural offer of the City.
- 1.2 The full project business case to confirm and support the Council's total investment in the project will be presented to Cabinet once clarification of other external funding has been secured. The business case will include a do nothing option of the Council investing an estimated £2.5m in its asset to complete essential repairs and repaying the ACE Phase I Investment of £7m as the associated grant conditions would not have been met.

#### **2. Project Assumptions:**

- 2.1 The total project cost is estimated to be circa £50,000,000. The total project cost assumptions will be tested and confirmed during the design development process.
- 2.2 The Entrustment Agreement the Council entered into with Bristol Music Trust (BMT) to run the Colston Hall and provide cultural, educational and heritage conservation services will run until March 2036.
- 2.3 Upon vacating the old building to facilitate the construction phase of the project BMT will relinquish their current 25 year lease.
- 2.4 BMT will develop a 25year business case addressing the running of the Colston Hall once the project is complete with no grant subsidy from the Council.
- 2.5 BMT will continue to fundraise and secure circa [£43m] investment to finance the project. There is a risk the Council could invest £1,600,000 in the project and it does not progress because the necessary funding is not secured.
- 2.6 The Council will undertake a cost benefit analysis (in partnership with BMT) at the beginning of RIBA Stage 2 to connect the existing business case with the technical requirements for the Project and produce a set of Facilities Requirements.
- 2.7 The Facilities Requirements will set out the design, technical and architectural requirements that the project must realise to enable BMT to successfully operate the building in accordance with their 25 year business plan.
- 2.8 The Council and BMT will be enter into a Collaboration Agreement.
- 2.9 The Council will be contractually required to achieve the Facilities Requirements through a Collaboration Agreement. BMT will be contractually required to meet agreed fundraising target through the Collaboration Agreement. If BMT fail to achieve their fund raising target the agreement will allow for the Council to break the agreement for lease.
- 2.10 The Council will enter into a new full repair and maintenance lease or operating lease (to be

agreed) with BMT to operate the Colston Hall upon completion of the project. BMT will need to ensure this is reflected in their 25year business plan. The form and term of the agreement will be agreed between BMT and the Strategic Director Property prior to BMT vacating the building.

- 2.11 The cost of providing a temporary venue during the construction period is not confirmed. A temporary venue has not yet been agreed. The Council are not responsible for providing a temporary venue but will support BMT in identifying and securing a temporary venue. Currently a provisional sum of £1.4m has been allocated within the cost plan for the provision of the temporary venue.

## **2. Forms of Agreement**

- 2.1 Collaboration Agreement: The Council intends to enter into a collaboration agreement with BMT for works up to and including securing planning permission and subsequently for the full development to completion.. This would be an overarching document (at the head of all the other agreements and licences making up the legal vehicle for project delivery), and would reference the lease agreement, the construction contracts ( appropriate if BMT are to be consultees in the construction process), any licences to occupy and their respective durations, together with agreed arrangements for project governance and monitoring the whole agreement, outcomes, and appropriate remedies in the event of non-performance or default by either party.
- 2.2 Funding Agreement: The Council and BMT will enter into a form of 'funding agreement' which will allow the transfer of funds from BMT to the Council to fund the delivery of the project. The Council will need to approve or be party to all third party grant funding conditions.

## **3. Capital Project Principle**

- 3.1 BMT would be required to transfer all external funding secured to deliver the project to the Council. The Council must approve or be party to all grant funding conditions in accordance with the term of the Funding Agreement.