

## Appendix 1

### Finance Monitor – Month 5

#### EMD Cinema Project – Forecast Capital Costs

#### EMD Cinema Project – Revenue Funding for Theatre Project Management

##### 1. SUMMARY

This paper details the reasons for the proposal to let Commercial Unit B, one of 3 commercial units to be developed in the EMD/Granada development project, to the Council's operator partner for theatre venue, Soho Theatre.

The paper also sets out a recommended procurement route to delivering works to fit out Unit B to mitigate any programme delays with associated costs to the Council.

##### 2. Background

**2.1. Soho Theatre presented a case for becoming in the tenant in Commercial Unit B in meetings in March 2022. The Council supported the proposal as it provided the following benefits;**

- Increased ability to accommodate arriving audiences inside the buildings
- Improved revenue from food and beverage sales, increasing potential for surplus to support the community programme.
- An additional space that can be utilised for community activities/events.
- Offers a street-facing community space with direct access to the foyer
- Mitigates the potential risks posed by audience queues blocking access to other businesses
- A holding and overspill area to ease management of the queue, particularly when two shows are programmed in the same evening.

A lease for Unit B is to be prepared, with Soho Theatre's tenancy subject to the following terms;

An initial 5-year rent-free period, followed by a rent thereafter set at market value.

A series of community and corporate benefits delivered by Soho Theatre at the venue for Waltham Forest residents and staff, additional to those including  
Comedy workshops and presentation skills - 4 per annum

- Full use of auditorium for 2 days and 2 evenings at mutually agreeable dates for staff conferences or community celebration events.

Complimentary tickets each month for WFC guests, to include best-selling shows

Invitations to opening nights and priority access to hottest tickets for WFC stakeholders

A one-off comedy event for the Council to invite up to 40 staff, supporters, or community for a with exclusive meet and greet opportunity with performers.

##### 3. Costs and Finance

The Commercial Units in the Development including Unit B are completed as “shell and core” units only in the main contract between the Council and Wilmott Dixon Interiors.

An indicative budget to fit out Unit B at £300,000 has been tested by cost consultants and established to be a realistic budget to deliver the works. It is proposed that the additional cost of fit out works is financed in a similar manner to agreed terms in the Lease for the venue. Expenditure incurred by Soho Theatre to a sum of £1,500,000 is financed by the Council and recovered by charging a rent during Years 1 – 11 after the venue opens. This arrangement is to be extended to cover Soho Theatre’s costs in fitting out Unit B