

**Title:** Creative Central NCL – Boho Arts Inclusive Arts Venue Phase 1  
**Report of:** Phil Graham, Project Manager  
**Portfolio:** Housing and Land

## Report Summary

The purpose of this report is to provide details of the Creative Central NCL – Boho Arts Inclusive Arts Venue Phase 1 (Boho Arts) project which was recommended to the Chief Executive for approval by the North East Combined Authority (North East CA) Technical Officers Group on 14 April 2025 in accordance with the Single Assurance Framework.

On 8 September 2023, the former North of Tyne Combined Authority (NTCA) Cabinet resolved with agreement of the former North East Combined Authority (NECA) Constituent Local Authorities, that the NTCA act as the Accountable Body to establish and deliver a £34 million Regeneration Capital Programme (£20m early priorities funding as part of devolution negotiations matched with £14 million Investment Fund). This was to enable delivery ahead of the formal creation of the North East Combined Authority (North East CA). The approved Capital Regeneration Programme and Pipeline will support a range of interventions across the region to boost economic growth and deliver enabling infrastructure. This programme was enhanced with an additional £35 million as part of Trailblazer negotiations in March 2023 for the development of the Crownworks Studios, Forth Yards and Health Innovation Neighbourhood.

Within the approved pipeline there were three schemes relating to Creative Central NCL, a place-based regeneration project in Newcastle that aims to create an inclusive, vibrant and distinctive creative district. These schemes help to address the critical need for cultural and creative workspace (including studios, performance and rehearsal space) that is affordable, accessible, attractive and offers long-term security.

Project Name	Funding Ask	Status
Tyne Theatre & Opera House	£527,252	Tyne Theatre & Opera House scheme approved by Delegated Decision (DD) – 29th February 2024. Scheme is contracted and delivering in line with approved business case.
Gibb Chambers – on original pipeline but withdrawn	£1,614,254 (withdrawn)	Grainger Market Creative Workspaces scheme approved by DD – 21 March 2025
Grainger Market Creative Workspace – replacement	£1,705,427 (replacement)	
Boho Arts	£523,000 (original)	Boho Arts scheme approved by DD (original ask) – 29th February 2024
	£957,598 (revised)	Revised business case submitted with an increased funding ask – for consideration.

Including the approved project at Grainger Market to replace Gibb Chambers, and the increased ask for Boho Arts, the overall position across the three NCL Creative Central schemes is as follows:

Original (Approved Pipeline)		Revised	
Scheme	Funding Ask	Scheme	Funding Ask
Tyne Theatre & Opera House	£527,252	Tyne Theatre & Opera House	£527,252
Boho Arts	£523,000	Boho Arts	£957,598*

Gibb Chambers	£1,614,254	Grainger Market	£1,705,427
<b>Total</b>	<b>£2,664,506</b>	<b>Total</b>	<b>£3,190,277</b>

\*For consideration

The overall Regeneration Capital programme position, including the revised Boho Arts ask outlined above is as follows:

<b>Project Name</b>	<b>Total Funding</b>
Gateshead Quays and Rail Quarter	£3,500,000
NET Park	£10,700,000
Aykley Heads	£9,200,000
Blyth Cultural Hub & Market Place	£2,500,000
North Shields Public Realm	£3,300,000
Creative Central NCL – Tyne Theatre & Opera House	£527,252
Creative Central NCL – Grainger Market Creative Workspaces	£1,705,427
Creative Central NCL – Boho Arts	£957,598 <sup>1</sup>
<i>Unallocated</i>	<i>£1,609,723 <sup>2</sup></i>
<b>Total</b>	<b>£34,000,000</b>

<sup>1</sup> Under review due to increased funding ask.

<sup>2</sup> Does not include Town Centre and High Street Transformation ask.

## Recommendations

The Chief Executive is recommended to approve £957,598 of Regeneration Capital Funding for the NCL Creative Central – Boho Arts Inclusive Arts Venue Phase 1 project subject to the funding conditions set out in this report.

### A. Summary of Investment Proposal (Context)

#### 1. Background

<b>Project Outline</b>	
<b>Applicant</b>	Newcastle City Council
<b>Project location</b>	Boho Arts Inclusive Arts Venue, 66-76 Scotswood Road, Newcastle Upon Tyne
<b>Start Date</b>	May 2025
<b>Financial End Date</b>	April 2026
<b>Practical completion date (date by which all outputs will be achieved)</b>	March 2035 – based on 10 years of activity, with 24 FTE jobs created and safeguarded
<b>Total Project Value</b>	£1,251,598
<b>North East CA Financial Ask</b>	£957,598
<b>Budget Implications</b>	This project will be funded from the Regeneration Capital Fund workstream as set out in the North East CA Investment Framework. If approved, £1,609,723 remains in the budget.

Boho Arts Inclusive Creative Arts Venue – Phase 1, located within Creative Central NCL, would act as an accessible community arts hub with flexi-theatre expo space, workshop rooms, café bar and workspaces which will create and safeguard 24 jobs within the cultural and creative sector.

£957,598 North East CA Regeneration Capital funding will support the transformation of a disused property into an eco-friendly inclusive creative arts venue - a 'future community arts centre' - that will bring diverse artists, communities and individuals of all ages together under one roof to connect, collaborate and be creative; bringing wide public benefit. The first phase of the development will create and safeguard 24 jobs and bring into use 465.3sqm of floorspace.

The project has been developed over 3 years with comprehensive market research and community input that evidenced significant need and demand. The design team led by Napper Architects, have phased the project with plans developed to RIBA3.

## **2. The Investment Proposal**

Creative Central NCL is a place-based regeneration project in Newcastle that aims to create an inclusive, vibrant, distinctive creative district. Investment will support 3 complimentary capital schemes within the area, including Boho Arts Inclusive Creative Arts Venue – Phase 1. These schemes help address the critical need for Creative & Cultural workspaces (including studios, performance and rehearsal space) that are affordable, accessible, attractive, and offers long-term security.

Boho Arts is a registered charity with an ambition to create accessible spaces and activities where communities, artists and audiences can come together to connect, collaborate, and be creative. They are establishing a trading subsidiary to support their charitable activities. The Boho Arts Inclusive Arts Venue would be located at 66-76 Scotswood Road, based within Creative Central NCL. The new venue would house a flexi-theatre expo space, workshop rooms, café bar and coworking. This will create and safeguard 24 jobs.

A grant amounting to £957,598 is sought from the North East CA, which will be matched with an additional £294,000 to bring forward the proposition, with a total project cost of £1,251,598. The match funding is comprised of an amount of £44,000 which is already secured and can be evidenced through bank statements. Since February 2024 alternative funding sources have been considered and sought to meet match funding costs, including the Arts Council and an additional £250,000 match funding sought via a Lottery Reaching Communities bid. However, applications were unsuccessful due to being oversubscribed and Newcastle not being regarded as a priority location. Newcastle City Council are still committed to bringing forward the BOHO Arts project and are exploring options to bridge the gap. NCC have commenced an internal approval process to utilise funding related to Accelerated Development Zones (ADZ), but it is likely to be 6-8 weeks until a decision is made. The likelihood of securing the ADZ funding would be significantly increased if it can be shown that it would assist in unlocking £957,598 funding from the North East CA. Further details regarding this match funding are provided in the Recommended Conditions of Funding section of this report.

Live Theatre, an Arts Council National Portfolio Organisation (NPO), with significant capital project and building management experience, will be a supporting partner to the project. Live Theatre will provide invaluable in-kind support throughout the project and in the early years of operations with guidance from their building management, financial and marketing departments, and in the areas of staff recruitment and training.

Boho Arts' excellent location and services destine the venue to become a linchpin and vital community resource within Creative Central NCL. The venue is located in the heart of the existing and new clusters of creative cultural organisations that will emerge in the zone and will attract local, regional, national and international visitors in the coming years, forecasting circa 50,000 visitors in the first year of operations alone.

Phase 1 of the development focuses on bringing into use the accessible public-facing ground floor community spaces: areas that will generate public engagement and revenue to sustain the venue and operations over the long-term (the lease being 30-years), with aspirations to build revenue and demand to expand services and operations into the first floor in future smaller phases. Boho Arts aim for a soft launch of events in December 2025 with the full launch of the programme in February 2026.

Disused for over 10 years, the property needs extensive modernisation to be fit for purpose. The funded works during Phase 1 of the project will include undertaking the necessary repairs and futureproofing of the whole property - making safe the roof, basement and first floor; fully refurbish the ground floor and external areas; partially refurbish the first floor; and include green energy, LEDs, PEV panels, heat pumps, warm roof and natural ventilation.

Boho Arts have significant grassroots support (demonstrated by a recent £44k crowd funding campaign) but require public support to complete the renovation of their space. There is a clear gap in the market and high demand for a new arts and cultural facility that serves the grassroots creative community and the public. Newcastle is lacking creative, inclusive, accessible spaces that are centrally located, affordable and available. Existing spaces in larger cultural venues can be too costly for your average creative practitioner to hire; or do not offer enough frequency to those who can afford them through publicly funded projects; and research shows that serving the artistic community in this way is not on their agenda. Such venues are often too commercially focused, set up primarily for businesses or corporate activities and are not minded to accommodate creative groups, workshops or performances. Artists are forced into spaces out of town, or into dank inaccessible spaces, or cannot operate at all. The creative community have nowhere to connect, collaborate and develop their craft, or to engage directly with the public. The proposed Boho Arts venue is unique, does not compete, and fills the gap.

Cost Element	Amount
Construction	£950,299
Fees including: <ul style="list-style-type: none"> <li>• Project Management</li> <li>• External Professional</li> <li>• Contingency</li> </ul>	£113,625
Clients costs; Theatre FF&E, Kitchen, and Staff	£78,147
Irrecoverable VAT	£109,528
<b>Total</b>	<b>£1,251,598</b>

## 2.1 Outputs

Outputs	2025/26	2026/27	Total
Refurbished floorspace (sqm)	465.3	-	465.3
FTE direct jobs safeguarded	2	-	2
FTE direct jobs created	8.5	-	8.5
FTE direct jobs created (lifespan of the project - 10 years)	-	-	22

## 2.2 Outcomes

Key project outcomes are as follows:

- Create the opportunity for culture and creative businesses to grow, safeguard and create new jobs, and attract inward investment.
- Intervene and protect creative talent from continuing to leave the region due to lack of work opportunities and outlets for expression here.
- Contribute to regeneration and growth through local economic impact and by providing cultural place-making
- Provide a vital resource for creative practitioners to develop their knowledge and experience; a 'safe house' for the development of artists and companies, encouraging and supporting artistic experimentation and development
- Create a new 'multi-faceted business' that makes a significant contribution to the economy, also driving economic growth by acting as an incubator for talent that supports creative entrepreneurship
- Provide outstanding artistic experiences for the public, maximise social impact and community cohesion through the breadth of activities and depth of engagement
- Increase public participation and engagement in creative and cultural activities, that genuinely promote and improve equality, diversity and inclusivity; foster good mental health and wellbeing; attracting visitor numbers in excess of 50,000 in the first year
- Provide a safe and stimulating environment for the creative development of children and young people
- Create a facility that is a beacon of sustainability and promotes net zero pathways

## 2.3 Evaluation

The appraisal report notes that the project is a construction project only and so an ongoing evaluation is not required. NCC will evaluate performance through the procured operator agreement.

## 2.4 Appraisal

Key points from the appraisal report and the background to funding conditions proposed within the report and summarised below.

The appraisal report notes that the proposal aligns with the North East CA's strategic economic objectives and that Newcastle is home to a large skilled freelance creative workforce. It further notes that the project will create 24 jobs and safeguard up to 38 jobs in this sector and contributes to the wider economy by encouraging inward investment within the creative and culture sector and through alignment with the NCC City Transformation Programme. In addition, the project aligns strongly with the applicant organisation's existing strategic priorities and purpose – it has significant strategic importance where the importance of the cultural and creative sectors has been highlighted in the 'Newcastle Inclusive Economy Strategy'.

A clear case for change is highlighted within the report, with justification of need for public funding. It is noted that there exists a clear gap in the market and high demand for a new arts and cultural facility that serves the grassroots creative community and the public.

The report notes that the outputs of the project are well documented in the Business Case with adequate evidence to back up the numbers. Demand is well evidenced, calculated and documented.

In addition, the appraisal outlines that whilst the project directly impacts delivery of the core outputs as described in Section 2.1, the funding is also a catalyst for several supplementary economic benefits. These include creating the opportunity for culture and creative businesses to grow; the creation of additional job opportunities; attracting inward investment; and increasing the long-term sustainability of our heritage assets. It is concluded that these benefits do bring significant positive economic impacts that would not occur without this project and funding.

Furthermore, the report notes that costs have been appropriately estimated, with all supporting documentation provided and the basis for calculation, contingency and affordability made clear. In recent conversations with Newcastle City Council during the appraisal process, it was noted that the match funding is not yet secured and as such a recommended funding condition provided to de-risk this from a North East CA perspective. The Financial Case concludes that the plan is sustainable in so far as the capital spend will complete all of the Phase 1 refurbishment, enabling operations to commence, as well as increasing the long-term sustainability of a regional heritage asset.

Submitted alongside the business case was a robust Financial Model outlining the revenue and costs over the first 3 years of operations. The model outlines a positive picture in terms of both profits and overall cashflow position over each of the first 3 years, providing further evidence of sustainability of the operation at Boho Arts. At the Technical Officers Group meeting on 14 April 2025, further clarity was sought regarding the future revenue funding position. It was agreed that the North East CA would not commit any future revenue funding to support ongoing running costs associated with the project.

In terms of governance, the report concludes that clear management structures are demonstrated in the business case. Boho Arts are the delivery partner and are governed by their board of trustees who would make the decision to enter into the funding agreement. Newcastle City Council do not anticipate any issues in securing the necessary approvals in a timely fashion. An established design team is set up and ready to start the detailed design work as soon as funding is agreed. The Project Manager at Newcastle City Council will have overall project wide responsibility for all risk; both in terms of escalating issues internally and raising with the North East CA.

The report notes that the Subsidy Control advice obtained by Newcastle City Council indicates that whilst the grant constitutes a subsidy to NCC, there is a compliant route to award funding. However, prior to entering into contract NCC would need to have the advice updated due to changes in the factual position. This will enable the North East Combined Authority to undertake an accurate review of the Subsidy Control position.

## 2.5 RAG Assessment

Overall RAG assessment		
Risk Rating	Strategic case	Green
	Commercial case	Green
	Economic case	Green
	Financial case	Amber
	Management case	Green
	Overall rating	Green

## 2.6 Recommended Conditions of Funding

The award of funding would be **subject to the following proposed funding conditions**:

No.	Condition
1.	The Recipient is to confirm that all match funding is secured prior to entering into contract.
2.	The Recipient is to obtain updated Subsidy Control advice aligned to the latest factual position. Subsidy Control advice to be assessed by North East CA Legal and a Seven Principles Report will be written prior to entering into contract.
3.	The Recipient will be solely responsible for bearing any cost overruns in relation to development costs for the Project.

## B. Potential Impact on North East Combined Authority Objectives

The North East Devolution Deal refers to increased alignment with programmes such as the Culture and Creative Zones to better harness the cultural, economic, social and educational capital of the region. This project fits within our Culture and Creative Zone programme in Newcastle; addressing the needs of the culture and creative sector; unlocking employment opportunities and allowing our existing culture and creative sector to reach their full potential. The proposal clearly supports the Culture and Heritage sector; and drives economic growth.

## C. Key risks

A project risk register has been provided as part of the business case, which will be subject to a robust assessment including the subsidy control position prior to any formal award of funding in line with the Single Assurance Framework.

## D. Financial and other resources implications

The financial profile for the project/programme is included below:

Funding source	2024/25	2025/26	2026/27	Total
North East CA Regeneration Capital Fund	£0	£957,598	£0	£957,598
Match - Crowdfunding	£0	£44,000	£0	£44,000

Match – Newcastle City Council ADZ (TBC)	£0	£250,000	£0	£250,000
<b>Total (£)</b>	<b>£0</b>	<b>£1,251,598</b>	<b>£0</b>	<b>£1,251,598</b>

Status of match funding:

- Crowdfunding (£44,000) is secured and can be evidenced.
- Newcastle City Council Accelerated Development Zone funding (£250,000) is currently going through an internal approval process with a decision due within 6-8 weeks. The likelihood of securing this ADZ funding would be significantly increased if it can be shown that it would assist in unlocking the funding from the North East CA.

## **E. Legal implications**

The comments of the Monitoring Officer have been included in this report.

## **F. Equalities implications**

The North East CA follows the Public Sector Equality duty and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010.

## **G. Consultation and engagement**

Boho Arts engaged marketing firm Crystallised to conduct 2 phases of research in 2022, that had 400 respondents. The research engaged both potential bookers – those people who are booking spaces to host events or activities and the end beneficiaries, those people who currently attend or would like to attend creative events and activities.

When asked how easy it was to find and book creative collaborative workspace in Newcastle, 88% said they found it difficult to find centrally located spaces, 86% found it difficult to find accessible spaces, and 86% found it difficult to find space they could afford. Furthermore, 74% said they found it difficult to find space suitable to work with children and young people. When you combine all these factors together, it is a staggering amount. These elements come up time and again across the quantitative and qualitative research among bookers and potential bookers, those who attend events, the audiences and end beneficiaries.

The community is united by their need for a space which is not only affordable, accessible and well-located but which is by and for them. Spaces that are too corporate, too stuffy, noisy or unwelcoming in atmosphere and environment are extremely off-putting to this community, who of course are looking to pursue their creative professions or passions in a similarly styled creative environment. Based on Arts Council statistic reports and Voda Third sector trends, Crystallised calculate that initially, a target market of some 60,000 people working in the creative and cultural sectors is viable.

## **H. Appendices**

None.

## **I. Background papers**

None.

## **J. Contact officers**

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