

## APPENDIX 1 - SUMMARY OF THE NEWLY EMERGING PROPOSALS

### **Background**

The Council has now been approached by the main former user of Victoria Hall (Sue Hill Dance Ltd).

She and her son run the Bath Dance School and have experienced increase demand which has led to a need to provide new facilities.

It is felt that Victoria hall could meet this need and, in summary, the building could be adapted to provide two large and two smaller studios/exhibition spaces, changing rooms and coffee shop. The lease will require the tenant to make the building available for community uses. The four spaces and ancillary space is seen as lending itself very well to a variety of large scale and smaller community uses. They have proposals and ideas to use the hall for an Arts Centre and studio theatre and intend to install mobile theatre seating to encourage wider community involvement. The design would give ongoing flexibility of uses.

The adaptation/refurbishment costs have been examined in some detail and to deliver a building that the school could operate from, the capital costs would be in the order of £660,000.

This proposal would see the house being retained for use as the coffee shop and main access for the building. The library would not be moved in this case and thus the potential to offset the draw-down on the Capital Contingency from the sale of either of these assets would be lost.

The proposal is that the Council would renovate the building and adapt to make it suitable for the proposed use. The dance school would then rent the building on commercial terms with internal repairing obligations. Heads of Terms have been discussed between the parties and are ready to be taken forward.

### **The Capital Position**

<b>Capital Costs:</b>	
Refurbishment of Hall	£ 660,000
<b>Capital Funding:</b>	
Radstock Regeneration Fund	£160,000
Draw Down On Capital contingency	£500,000

The original proposals saw an ultimate call (after offset of capital receipts) on the Capital Contingency of £495,000. In the new scheme there will, therefore, be a similar net position because the capital costs have been substantially reduced.

### **Revenue Position**

The liability for the internal maintenance and running costs for Victoria hall would be borne by the tenant and there would be a yearly rental income on commercial terms. With responsibilities for exterior, structural wall and roof resting with the Authority there is some risk of future expenditure on these elements but no sinking fund provision has been made in either this model or the original preferred option.

Therefore, there would be a positive revenue position as opposed to a potential revenue shortfall of £20,000 in the original proposal.

## **Conclusion**

At a similar net draw-down on the Capital Contingency, a substantially improved revenue position would result from this option, whilst still ensuring a community use for the building. The library would not be relocated.