

Bath & North East Somerset Council

DECISION MAKER:	Cllr Crossley - Leader of the Council with Cllr Bellotti – Cabinet Member for Community Resources		
DECISION DATE:	On or after 21st June 2013	EXECUTIVE FORWARD PLAN REFERENCE:	
		E	2569
TITLE:	Victoria Hall, Radstock - Refurbishment and Occupation Arrangements		
WARD:	Radstock		
AN OPEN PUBLIC ITEM			
List of attachments to this report: Appendix 1 - Summary of the newly emerging proposals			

1 THE ISSUE

- 1.1 At its meeting of 14 November 2012 Cabinet agreed to progress a preferred option for bringing Victoria Hall back in to community use.
- 1.2 This report updates the outcomes of more detailed feasibilities and sets out an alternative proposal for the operation of the hall.

2 RECOMMENDATION

The Leader of the Council with the Cabinet Member for Community Resources is asked to agree that:

- 2.1 The Chief Property Officer is authorised to conclude negotiations for a lease of Victoria Hall on commercial terms, in consultation with The Leader and Cabinet Members for Community Resources and Neighbourhoods.
- 2.2 The lease must require the tenant to make the hall available to the community and promote such uses, at a rate which is in line with similar facilities in the area.

3 FINANCIAL IMPLICATIONS

- 3.1 Under the resolution of Cabinet of 14 November 2012, the redevelopment of Victoria Hall was subject to Section 151 Officer approval; recognising that the revenue figures within the report were broad estimates. They were, therefore, subject to further scrutiny to ensure that the budget was sufficient to operate the building, going forward.

- 3.2 Another potential model for the building, which is capable of delivering community use, has now emerged. It would involve the Sue Hill Dance School and associated Bath Dance College, leasing the building on commercial terms and at Market Rent, to create an arts and dance centre, with community use being facilitated and provided (ensured by lease terms) along with a coffee bar. This proposal could not accommodate the relocation of the library. This option would see similar net capital expenditure facilitate a local organisation that has been a key user of the facility taking over the running of the building on commercial terms; thereby enabling the Council to avoid the burden of additional running costs.
- 3.3 The capital cost of bringing the Hall back into good and tenantable condition, to facilitate this option, is estimated at a maximum of £660,000; which is a substantial reduction on the previous scheme. A summary of the proposal would be as follows:

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

- 3.4 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.
- 3.5 The majority of these works are to bring the building up to a standard that make it sufficient for an ongoing community use and would need to be met regardless of what purpose the Council put the building to.
- 3.6 In order to meet the specific needs of the proposed tenant, however, structural works of approximately £27,000 are required. Without these works, the prospective tenant would not be willing to enter in to a lease and the potential to realise the rental income would be prejudiced. The tenant will be committing their own capital to fund their fitting out works.
- 3.7 Before entering in to a lease agreement, the Chief Property Officer will be satisfied that the proposed transaction meets the tests of best consideration under section 123 of the Local Government Act 1972 and due diligence will be undertaken with regards to the standing of the prospective tenant and their ability to meet the liabilities arising.
- 3.8 In consultation with the VAT Accountant it has been agreed that the Council will opt to tax the building.

4 CORPORATE OBJECTIVES

4.1 Creating neighbourhoods where people are proud to live – The building has the potential to provide a sustainable focus to the town centre, to the benefit of the local community. This proposal helps local people make positive changes within their own communities. In line with the Localism Agenda the Council is keen to help local groups get involved and support them to make improvements within their local neighbourhoods and communities.

4.2 Building a stronger economy – The new proposal would provide a permanent base for a thriving local business.

4.3 In addition the proposal will:

- Bring an important local building, with a strong history, back into use; in response to local consultation, whilst retaining Council ownership.
- Invest in that building so it is safe and capable of use.
- Enable community use to be maximised, with proposals to site a community arts centre in Radstock and provide a performance venue, studio and exhibition space, Crèche, coffee bar and other recreational facilities.

5 THE REPORT

5.1 BACKGROUND

5.2 This relates to the proposal to bring Victoria Hall, Radstock back in to use as a community facility; which was considered by Cabinet of 14 November 2012.

5.4 The preferred scheme, set out in the report, proposed to locate the library on the ground floor, on a model similar to the new library facility at Paulton, retain and upgrade the community facilities on the first floor, with shared facilities at ground floor and provide for lift access. It did not retain snooker use.

5.5 UPDATE

5.6 The Cabinet report gave clear guidance that Victoria Hall should be refurbished to allow it to provide Community Facilities to Radstock and the surrounding area.

5.7 Further detailed work has been undertaken to examine both expenditure and the potential for income from the proposed building and the conclusions are that the viability of a Council-run community facility with library is at best marginal and if use of the hall is to be extended to the maximum reasonable limit then an ongoing revenue drain of c. £20,000 is projected because the additional use will require full time caretaking and management.

- 5.8 It may be possible for a Community Group to take over the running of the building which would be able to bridge the revenue shortfall by fund-raising and seeking grants. Under the terms of the Council's adopted policy for the letting of community assets, however, it is necessary for a group to satisfy a set of criteria before the Council will be in a position to offer anything but very short terms of occupation.
- 5.9 One of the key users of the building, prior to its closure, has approached the Council with a proposal that would certainly maximise the community use of the building, whilst allowing them to relocate to Victoria Hall and expand their operations so that a very full use of the facilities is made. At the same time the Council will be able to offset the running costs of the building and derive a market rent.
- 5.10 In summary the proposals would see the creation of four flexible performance spaces with a community coffee shop and associated facilities. This configuration of the building would also allow for a variety of performance, exhibition and meeting spaces which would be available to the general public on an hourly hire basis. It could not accommodate the relocation of the library. The use of the caretaker's house is essential and would not, therefore, allow for its sale; but because this scheme generates a regular commercial income it does mean that the overall scheme is now financially viable. Because of the reduced capital works needed to renovate the building the proposed scheme is contained within the limits of the capital sums set out and has a similar net position in terms of its drawdown on the capital contingency.
- 5.11 These proposals are examined in more depth at appendix 1.
- 5.12 A lease to Sue Hill School of Dancing would provide for the management of Victoria Hall on a financially sustainable basis with community use being facilitated and promoted by the tenant; who has the benefit of being a well-established local enterprise with excellent links to local residents and the wider community. The uses for the hall being proposed by the prospective tenant include a gallery, which would be available to local artists for exhibits on a monthly basis, three studio spaces, that will be useable as a function space and the large hall upstairs would be made available as a performance space for local and visiting groups for drama, dance and music or for such events as film screenings, shows and dances. It is hoped that the coffee bar will become a new hub for the community.
- 5.13 The lease will require and encourage the maximum level of wider community use. It is proposed that the building must be made available to the community and promote such uses at a rate which is in line with similar facilities in the area. When not in use as dance studio it must be available for hire for community use and the lessee will use reasonable endeavours to maximise community use with a target of 20 hours per week.

6 RISK MANAGEMENT

- 6.1 The report author and Lead Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance.

7 EQUALITIES

- 7.1 An EIA has been completed and this will be made available to the Cabinet Members.
- 7.2 The building will be refurbished to current standards that comply with the obligations of the Public Sector Single Equality Duty to ensure the hall is fully accessible and to enable a range of community uses to continue. At this stage no negative impacts have been identified.

8 RATIONALE

- 8.1 The original proposals for the Hall are capable of being undertaken and the facility operated within the budgets allocated, only if a very minimal level of community use takes place there. If greater community use is made of the property there is possibility of an ongoing revenue deficit in the order of £20,000 per annum.
- 8.2 If the property were to be leased to the Dance School it will be possible to bring this asset back into beneficial use. It will maximise community usage of the building, in line with the resolution of Cabinet, via a third party that will bear all revenue liabilities, whilst generating a market rent.

9 OTHER OPTIONS CONSIDERED

- 9.1 The other options have previously been considered in report to Cabinet on 14 November 2012.

10 CONSULTATION

- 10.1 *Ward Councillor; Cabinet members; Other B&NES Services; Service Users; Local Residents; Community Interest Groups; Section 151 Finance Officer; Chief Executive; Monitoring Officer.*
- 10.2 Ward Councillors, the local community, businesses, Town Council and Community Interest Groups have had the opportunity to respond to the consultation exercise as described within the July report. Council officers and relevant Members have had the opportunity to comment on the draft of this report and their comments have been incorporated into the body of the report.

11 ISSUES TO CONSIDER IN REACHING THE DECISION

- 11.1 *Other Legal Considerations*

12 ADVICE SOUGHT

12.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

Contact person	Rob Scott – 01225 477906
Background papers	Report to Cabinet - E2458 - Options for the Future Use of Victoria Hall, Radstock - 14 Nov 2012
Please contact the report author if you need to access this report in an alternative format	