

Single Member Cabinet Decision

Executive
Forward Plan
Reference

E2569

**Victoria Hall, Radstock - Refurbishment and Occupation
Arrangements**

Decision maker/s	Cllr Crossley, Leader of the Council Cllr Bellotti, Cabinet Member for Community Resources
The Issue	<p>At its meeting of 14 November 2012 Cabinet agreed to progress a preferred option for bringing Victoria Hall back in to community use.</p> <p>This report updates the outcomes of more detailed feasibilities and sets out an alternative proposal for the operation of the hall.</p>
Decision Date	1 July 2013
The decision	<p>The Cabinet Member agrees that</p> <ul style="list-style-type: none">• 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.• 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.
Rationale for decision	<p>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.</p> <p>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.</p>

Financial and budget implications

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.

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

The capital cost of bringing the Hall back into good and tenable 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

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.

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

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.

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.

	In consultation with the VAT Accountant it has been agreed that the Council will opt to tax the building.
Issues considered	Other Legal Considerations
Consultation undertaken	<i>Ward Councillor; Cabinet members; Other B&NES Services; Service Users; Local Residents; Community Interest Groups; Section 151 Finance Officer; Chief Executive; Monitoring Officer</i>
How consultation was carried out	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.
Other options considered	The other options have previously been considered in report to Cabinet on 14 November 2012

Signatures of Decision Makers	
Date of Signature	
Subject to Call-in until 5 Working days have elapsed following publication of the decision	