

Report Title:	<b>Novello Theatre – Sale of Property</b>
Contains Confidential or Exempt Information	No – Part I. – Appendix C with redactions which are not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972
Cabinet Member:	Councillor Adam Bermange Portfolio holder for Planning, Legal and Asset Management
Meeting and Date:	Cabinet 24 <sup>th</sup> of April 2024
Responsible Officer(s):	<b>Andrew Durrant - Executive Director of Place Services</b>
Wards affected:	Sunninghill and Ascot

## **REPORT SUMMARY**

The Novello Theatre is a former cinema on Sunninghill High Street built in 1910. The Council has owned the property since 1966. The property was rented to an individual tenant in 2003 on a full repairing and insuring basis for a 20-year period. The tenant's use of the property had been sporadic with only occasional events or theatre productions taking place.

Following Covid the Tenant incurred significant rent arrears, negotiations to terminate the lease concluded in July 2023 with the surrender of the lease. The Council would incur significant cost to enable the property to be brought up to a modern reletable standard. The property could be used for a variety of alternative uses and would be suitable as a community facility.

Given the strong feeling in the community – including through the existence of a petition seeking to keep the venue as a community asset - the council proposes to market the property for sale for community related uses that could support a wide range of local Community user groups in the Sunninghill and Ascot area. The marketing of the sale for Community uses would be for a minimum six-month period to enable interested parties time to come forward with proposals and fund raise. It is recommended that the venue is sold and no longer forms part of the council's assets portfolio. If a bid which meets the council's valuation of the property in its current condition is not received after 6 months, the property will be marketed more widely.

The Council has sought independent valuation advise based on the Property being in Community use. This is required by the Council to ensure that it achieves best value as required by Section 123 of the Local Government Act 1972. The value of the building for sale in community use is £300,000.00 and therefore – to demonstrate best value – the council will seek to achieve this level of return. If Cabinet agree the recommendation marketing would commence in May 2024.

Although the Novello is currently not listed as an Asset of Community Value (ACV) under the Localism Act, a nomination to have it listed has been received. The council is working through this nomination based on the evidence received. If it is determined that the Novello reaches the threshold and is given formal ACV status, the terms of the Act would give the community 6 weeks in which to register an interest to purchase the asset upon the Council confirming that it intends to dispose

of the asset. If an interest is formally registered during this 6 week period, the community is given 6 months (including the initial 6 week period) to raise the necessary funds. Under the terms of the Act, local authorities are under no obligation to sell the asset to the community group at the end of that period.

However, regardless of whether or not the Novello receives formal ACV status, the council is treating it as if it were an ACV by giving the community a 6 month window in which to raise funds to buy the building. As with any asset, the council will take any final decision regarding a sale based on its best value duties

## 1. DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That Cabinet notes the report and:

- i) ***Agrees to sell the Novello Theatre and sets a valuation of £300,000.00 based on the independent valuation received.; and give delegated Authority to the Executive Direct of Place in consultation with the Portfolio Holder for Asset, Planning Legal and Asset Management to Market the Theatre for sale for use as Community facility for a minimum period of six months.***

## 2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

### Options

**Table 1: Options arising from this report**

<b>Option</b>	<b>Comments</b>
To sell the property the valuation of the Novello Theatre is £300,000.00 whilst in Community use; and give delegated Authority to the Executive Direct of Place in consultation with the Portfolio Holder for Asset, Planning Legal and Asset Management to Market the sale of the Theatre for Community users for a minimum period of six months  <b>This is the recommended option</b>	This is the preferred approach that seeks the successful sale of the theatre but to support the continued community use.
Do Nothing – this is not the recommended option	The Property could fall further into disrepair, causing additional financial capital expenditure. There will be a continued nondomestic rate cost as well as Health & Safety monitoring cost of the Asbestos Sheet Cement.

Option	Comments
	The building would be venerable to vandalization and trespass.

- 2.1 Through the lease surrender process a dilapidation assessment was conducted. This assessed the cost of repairing and decoration of the property to the same standard when the building was originally leased in 2003. The Property construction consists of brick masonry gable ends, brick piers to support metal roof trusses, asbestos cement sheet panels on wooden stud frame walls. The flank asbestos cement sheets and stud walls have failed and are a health and safety issue. Significant expenditure is required to enable the property to be relet and bring it up to modern standards.
- 2.2 The market for commercial theatre space is limited and unlikely to generate an appropriate income to cover the cost of refurbishment. The property could be used for a variety of alternative activities or redeveloped. It could offer useful space subject to improvement and necessary consent(s) for Community groups and activities in Sunninghill and Ascot. Based on the level of feeling in the local community that the venue remains as a community venue, it is recommended – at least in the first instance – that the property is offered for sale as a community venue. If the market does not respond accordingly, the council may wish to consider alternative uses.

### 3. KEY IMPLICATIONS

- 3.1 There are several successful outcomes that could be realised through the sale. This would see the Theatre brought back into beneficial use for the community, supporting a vibrant local resource. The Council would benefit from the sale reducing the significant holding cost of the property such as non-domestic rates and refurbishment cost.

**Table 2: Key Implications**

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Approve Recommendation to sell Theatre	31 <sup>st</sup> May 2024	24 April 2024	30 <sup>th</sup> June 2024	30 <sup>th</sup> September 2024	24 <sup>th</sup> of April 2024
Market Property for Community Uses	30 <sup>th</sup> June 2024	31 <sup>st</sup> May 2024	21 <sup>st</sup> July 2024	30 <sup>th</sup> September 2024	31 <sup>st</sup> of May 2024
Complete Sale of Property to Community interest group or organisation	31 <sup>st</sup> December 2024	30 <sup>th</sup> November 2024	31 <sup>st</sup> January 2024	31 <sup>st</sup> March 2025	30 <sup>th</sup> November 2024

### 4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 The Council purchased the property in the 1966 at an open market value of £5800.00. The property was leased to an individual tenant in 2003 on a full repairing and insuring basis for a 20-year period. The tenant's use of the property had been sporadic with only occasional events or theatre productions taking place.
- 4.2 Following Covid the Tenant incurred significant rent arrears, negotiations to terminate the lease concluded in July 2023 with the surrender of the lease. Through the lease surrender process a dilapidation assessment was conducted. This assessed the cost of repairing and decoration of the property to the same standard when the building was original leased in 2003. The cost of the Dilapidation was estimated at £95,000.00 this would not enable the property to be relet.
- 4.3 The sale of the property is recommended. The Theatre was valued for sale in late February 2024, and was conducted in accordance with Commercial Property valuation practice and in accordance with the RICS Valuation – Global Standards 2022 and UK National Supplement. The valuer applied two special assumptions to the valuation.
- The Property would remain in community use.
  - The property would be sold for redevelopment.

Based on the valuation assumptions the value of the property remaining in community use is £300,000.00 and as a development opportunity £325,000.00.

- 4.4 Following the valuation advice, the Theatre would initially be market for sale based on it use as a property focused on community uses. This could provide a receipt of £300,000.00 for the property. The sale of the property could ease the Council's proposed capital budget expenditure as the identified £300,000 cost to refurbish the Theatre would not be required.
- 4.5 **Table 3: Financial impact of report's recommendations**

<b>REVENUE COSTS</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
Additional total	£300,000.00	£0	£0
Reduction	£0	£0	£0
Net Impact	£0	£0	£0

<b>CAPITAL COSTS</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
Additional total	£0	£0	£0
Reduction	£0	£0	£0
Net Impact	£0	£0	£0

## 5. LEGAL IMPLICATIONS

- 5.1 The key legal matter is to ensure that any sale of an asset, in this case the Novello Theatre, would meet the Best Value requirements of Section 123 of the Local Government Act 1972. The Section 123 requirement would be met if the sale proceeds were the same or more than the value of the Valuation for the property as defined. This would be the sale of the property to be used by Community organisation or groups.

## 6. RISK MANAGEMENT

- 6.1 The risk to the proposal would be the inability to complete the sale. This would create a financial risk due the extensive work required to refurbish the property. The cost to bring the property up to existing use standards, remove the Asbestos, meet accessibility and minimum energy standards would not be supported by the likely rental income that could be achieved. Remedial action could be demolition to prevent trespass, or vandalism and reduce health & safety risk or a sale as a full redevelopment site.

## 7. POTENTIAL IMPACTS

- 7.1 Equalities. An Equality Impact Assessment is available as Appendix A. The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. The EQIA Assessment is at Appendix A.
- 7.2 Climate change/sustainability. The property was built in 1910 and would require significant improvement to the build fabric to meet existing and future minimum energy efficiency standards. The thermal performance the existing build does not meet allow for adaption to improve insulation.

- 7.3 Data Protection/GDPR. The report does not contain any personal data

## 8. CONSULTATION

- 8.1 To include:
- Summary of consultation Briefing Note to ELT and Lead Member for Planning, Law, and Asset Management.

## 9. TIMETABLE FOR IMPLEMENTATION

- 9.1 Implementation date if not called in: The full implementation stages are set out in table 5

**Table 5: Implementation timetable**

Date	Details
25/04/2024	Market Property of sale

## 10. APPENDICES

- 10.1 This report is supported by 3 appendices:
- Appendix A – Equality Impact Assessment
  - Appendix B – Site Location Plan

- Appendix C – Novello Theatre Valuation Report February 2024 with redactions for information not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

## 11. BACKGROUND DOCUMENTS

11.1 This report is supported by no background document:

## 12. CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory: Statutory Officer (or deputy)</i>			
Elizabeth Griffiths	Executive Director of Resources & S151 Officer	19/03/2024	03/04/24
Elaine Browne	Deputy Director of Law & Governance & Monitoring Officer	19/03/2024	03/04/24
<i>Deputies:</i>			
Andrew Vallance	Deputy Director of Finance & Deputy S151 Officer		
Jane Cryer	Principal Lawyer & Deputy Monitoring Officer		
Helena Stevenson	Principal Lawyer & Deputy Monitoring Officer		
<i>Mandatory: Procurement Manager (or deputy) - if report requests approval to go to tender or award a contract</i>			
Lyn Hitchinson	Procurement Manager		
<i>Mandatory: Data Protection Officer (or deputy) - if decision will result in processing of personal data; to advise on DPIA</i>			
Samantha Wootton	Data Protection Officer	19/03/2024	
<i>Mandatory: Equalities Officer – to advise on EQiA, or agree an EQiA is not required</i>			
Ellen McManus-Fry	Equalities & Engagement Officer	19/03/2024	20/03/24
<i>Mandatory: Assistant Director HR – to advise if report has potential staffing or workforce implications</i>			
Nikki Craig	Assistant Director of HR, Corporate Projects and IT	19/03/2024	25/03/24
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Stephen Evans	Chief Executive	19/03/2024	25/03/24
Andrew Durrant	Executive Director of Place	19/03/2024	02/04/24
Confirmation relevant Cabinet Member(s) consulted	Cabinet Member for Planning, Law & Asset Management	Yes	

## REPORT HISTORY

Decision type:	Urgency item?	To follow item?
If a Cabinet report: Non-key decision	No	No

Report Author: Ian Brazier-Dubber, Managing Director Prop Co, 07866 124168

# Appendix A - Equality Impact Assessment

For support in completing this EQIA, please consult the EQIA Guidance Document or contact [equality@rbwm.gov.uk](mailto:equality@rbwm.gov.uk)

www.rbwm.gov.uk



## 1. Background Information

Title of policy/strategy/plan:	Proposed sale of Novello Theatre for Community use(s)
Service area:	Property Services – Asset Management
Directorate:	Place Services

### **Provide a brief explanation of the proposal:**

- What are its intended outcomes?
- Who will deliver it?
- Is it a new proposal or a change to an existing one?

The Proposal is the market the Novello Theatre property for Sale, the property has been a commercial asset owned by the Council. The Property Service – Asset Management team will manage the sale process.

This is as new proposal.

## 2. Relevance Check

**Is this proposal likely to directly impact people, communities or RBWM employees?**

- If No, please explain why not, including how you've considered equality issues.
- Will this proposal need a EQIA at a later stage? (for example, for a forthcoming action plan)

The Sale will not directly impact individual, communities or RBWM employees. The Property has been operated as a commercial business premises, charging for use of the facility and activities. The slae of the Property is focused on providing a community facility.

If 'No', proceed to 'Sign off'. If unsure, please contact [equality@rbwm.gov.uk](mailto:equality@rbwm.gov.uk)



### 3. Evidence Gathering and Stakeholder Engagement

**Who will be affected by this proposal?**

For example, users of a particular service, residents of a geographical area, staff

**Among those affected by the proposal, are protected characteristics (age, sex, disability, race, religion, sexual orientation, gender reassignment, pregnancy/maternity, marriage/civil partnership) disproportionately represented?**

For example, compared to the general population do a higher proportion have disabilities?

**What engagement/consultation has been undertaken or planned?**

- How has/will equality considerations be taken into account?
- Where known, what were the outcomes of this engagement?

**What sources of data and evidence have been used in this assessment?**

Please consult the Equalities Evidence Grid for relevant data. Examples of other possible sources of information are in the Guidance document.

## 4. Equality Analysis

Please detail, **using supporting evidence**:

- How the protected characteristics below might influence the needs and experiences of individuals, in relation to this proposal.
- How these characteristics might affect the impact of this proposal.

Tick positive/negative impact as appropriate. If there is no impact, or a neutral impact, state 'Not Applicable'

More information on each protected characteristic is provided in the Guidance document.

	Details and supporting evidence	Potential positive impact	Potential negative impact
Age			
Disability			
Sex			
Race, ethnicity and religion			
Sexual orientation and gender reassignment			
Pregnancy and maternity			
Marriage and civil partnership			
Armed forces community			
Socio-economic considerations e.g. low income, poverty			
Children in care/Care leavers			

## 5. Impact Assessment and Monitoring

*If you have not identified any disproportionate impacts and the questions below are not applicable, leave them blank and proceed to Sign Off.*

**What measures have been taken to ensure that groups with protected characteristics are able to benefit from this change, or are not disadvantaged by it?**

For example, adjustments needed to accommodate the needs of a particular group

**Where a potential negative impact cannot be avoided, what measures have been put in place to mitigate or minimise this?**

- For planned future actions, provide the name of the responsible individual and the target date for implementation.

**How will the equality impacts identified here be monitored and reviewed in the future?**

See guidance document for examples of appropriate stages to review an EQIA.

## 6. Sign Off

<b>Completed by:</b> Ian Brazier – Dubber	<b>Date:</b> 18/03/2024
<b>Approved by:</b>	<b>Date:</b>

If this version of the EQIA has been reviewed and/or updated:

<b>Reviewed by:</b>	<b>Date:</b>
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