

19 November 2013		APPENDIX A
Planning, Transport and Regeneration Overview and Scrutiny Committee		
Appendix A – Officer Evidence Report		
Portfolio Holder: Councillor Andy Smith, Portfolio Holder for Planning, Transport and Regeneration		
Wards and communities affected: All	Key Decision: Yes	
Accountable Head of Service: Matthew Essex, Head of Regeneration		
Accountable Director: Steve Cox, Assistant Chief Executive		
This report is public		
Purpose of Report: To summarise the call-in made to cabinet decision 01104224, including outlining the options available to the committee when considering it.		

EXECUTIVE SUMMARY

At its meeting on the 5th July 2013 Cabinet received a report updating on the progress made in developing a clear vision for the regeneration of Grays. The report also took the opportunity to update members on a number of other projects (Grays Magistrates Court, South Essex College etc) and introduce work already underway to develop further projects around the railway station and markets. As part of the work in development the report referenced the State Cinema, highlighted its importance to the town and recounted some of the recent efforts to bring it back into use.

The report was supported by a confidential annex which recorded the detail of the work that the Council has completed with the existing owners of the building, including a series of studies into its potential reuse as a live performance venue. The annex was dealt with as a confidential item on the basis that the information that it contained was commercially sensitive and that its publication would be prejudicial to the commercial interests of the Council and/or the existing owners. The element of the July Cabinet report relating to the State Cinema was subsequently called in.

This report outlines the work which is being undertaken and updates members on the work which has been completed since the Cabinet meeting in July. This has included further investigation of technical feasibility and cost together with meetings with key partner agencies including English Heritage and the Heritage Lottery Fund. On the basis of the information gleaned from this work, and taking into account the reasons given for the original decision being called in, this paper proposes that the Planning, Transport and Regeneration Overview and Scrutiny Committee recommend that Cabinet receive a further report on the State Cinema at an appropriate time advising of the progress with negotiations with the various stakeholders and outlining next

steps. In doing so, it is proposed that recommendation 1.2 to the July Cabinet paper be amended and that a new recommendation 1.3 be inserted.

1. RECOMMENDATIONS:

1.1 That Members of the Planning, Transport and Regeneration Overview and Scrutiny Committee:

- a) Acknowledge the work streams currently being taken forward to consider the reuse of the State Cinema**
- b) Refer the item back to Cabinet recommending that the original recommendations be amended as follows:**
 - 1. That recommendation 1.1 relating to the approval of the draft vision for Grays remains as written**
 - 2. That recommendation 1.2 is amended to read “Grant Delegated Authority to the Assistant Chief Executive in consultation with the Portfolio Holder for Planning, Transport and Regeneration to continue negotiations with the current owners, stakeholders and others with a view to securing the reuse of the State Cinema”**
 - 3. That a new recommendation 1.3 be inserted reading “Note that a further report will be provided in due course outlining the outcome of any negotiations and proposing next steps for consideration and/or approval”.**

2. INTRODUCTION AND BACKGROUND:

- 2.1** The background and recent history of the State Cinema is reviewed within the body of the July 2013 Cabinet report. Members will be aware of the importance of the State Cinema to Grays. The scale and location of the building, together with its existing condition, serve to ensure that it continues to have a very high profile. Whilst the Council is seeking to progress exciting proposals to the north and south of the High Street, the continued deterioration of the State Cinema has a severe impact on the reputation of the town. Disappointment with its condition, a strong desire to see the building returned to use and support for cultural and leisure facilities were raised in all of the discussions which informed the development of the vision for Grays.
- 2.2** Recognising the importance of the building to the future of Grays, officers have sought to engage with the existing owners of the building with a view to determining whether the potential exists to bring it back into use. Initially this was on the basis of seeking to support the implementation of proposals developed by the existing owners (granted planning consent in 2011) to create a mix of uses including conferencing and events spaces. However, it quickly became apparent that there was little private sector appetite for such a use

and it was unlikely to proceed. On this basis, officers opened up broader discussions to establish what other uses might be possible.

- 2.3 At the time of the July 2013 Cabinet report, the Council and the existing owners were considering the potential for the building to be brought back into use as a live performance venue. Whilst this might incorporate an element of cinema use, the majority of the activity would be stage based and would incorporate live music, stand-up comedy, drama and musicals etc. These discussions were being informed by a number of studies into the technical requirements of such a venue (i.e. front of house, back of house and audience facilities), the potential impact of such uses on the Grade II* Listed building and a high level business plan to determine the financial viability of such a proposal. These reports, whilst well progressed, were not complete at the time of the July 2013 Cabinet.
- 2.4 In summary, however, the studies have shown that turning the State into a good quality live performance venue is technically feasible, but that the cost of doing so is significant. Estimates based upon the now completed outline scheme suggest that the works would cost in the region of £12-15m. This is well in excess of historic estimates drawn from previous studies which suggested that the building could be brought back into use for around £7m. Whilst the nature of the proposed use was anticipated to have some impact on cost, there is no clear rationale for an increase of this scale and this is the subject of further work.
- 2.5 Commercially, the high level business plan suggests that a good quality, well run and appropriately scaled venue with the right artistic offer could succeed in Grays. However the report, which was not available at the time of the Cabinet meeting, has outlined a number of factors which would have to be given serious consideration before the Council could agree to support the delivery of any scheme. Chief among these is the anticipated impact on other venues within the area, particularly the existing Thameside Theatre and, to a lesser extent, the Civic Hall at Blackshots.
- 2.6 Officers have used the information generated within the studies to engage with a range of agencies including English Heritage and Heritage Lottery Fund (HLF) with a view to establishing their support (or otherwise) for the proposals and the availability of any funding. English Heritage have reviewed the proposals and visited the State Cinema with the Council and the existing owners in August 2013. English Heritage has previously been involved in discussions around the future of the building and is acutely aware of its importance to Grays. They were very supportive of the proposals for its reuse.
- 2.7 Engagement with HLF continues and it would appear to be most likely source of funding towards any works to the building. Initial details of the scheme have been well received by HLF however, a number of complications have been identified including the timescales associated with decision making (any application would take at least a year to develop), the uncertainty surrounding how much money might be available (the absolute maximum sum is likely to be £5m but further work is required to determine this) and the Fund's inability

to support private owners which would render a change in ownership necessary to secure any monies.

- 2.8 Whilst the July 2013 Cabinet report, and the confidential annex which supported it, did not request any immediate decisions in respect of the Council's involvement in bringing the State Cinema back into use, it is clear from the work now completed that the scale of the project, its potential impact on other facilities and the uncertainty around funding necessitates a phased approach to decision making. On this basis, and in recognition of the intent behind the call in request, it is proposed that the members of the Planning, Transport and Regeneration Overview and Scrutiny Committee refer this item back to Cabinet with revised recommendations as detailed within Paragraph 1.1 above.

3. ISSUES AND/OR OPTIONS:

- 3.1 The issues and options in respect of the work undertaken on the State Cinema are outlined within Section Two of the report above and, should Members be minded to agree the recommendations made, will be the subject of further reports to Cabinet. The options available to Members of the Committee are outlined within the covering report but are summarised as being:

- a) Refer the item back to Cabinet for reconsideration, setting out in writing the nature of its concerns. If referred to Cabinet, the decision may be amended or confirmed by them;
- b) refer the matter to the Council; or
- c) reject the call-in stating the reasons why.

4. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

- 4.1 The call-in has a positive impact on corporate policies as it allows for the proper exercise of the democratic function, namely for a concerned ward member to call-in a cabinet decision based on valid arguments.
- 4.2 The role of Overview and Scrutiny in this function will allow for issues to be discussed in a public arena with cross party involvement and will give the opportunity for interested parties to join the debate and make representations.

5. IMPLICATIONS

5.1 Financial

Implications verified by: Sean Clark

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There are two distinct expenditure streams in bringing this site back into use: the purchase cost and the refurbishment costs. These have only been estimated at this stage and there has been no budget provision set aside for either of these purposes. As the report sets out, officers are examining opportunities of third party funding and, in line with the recommendations, any financial implications and requests will be reported through to Cabinet in due course.

5.2 Legal

Implications verified by: **Mike Kelly**
Telephone and email: **01375 652822.**
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The report seeks to update members on negotiations with key stakeholders and the buildings owners about ways to bring the building back into use. Those negotiations have considered most recently re using the building as a live performance venue but have revealed the significant cost of doing so. This use would be consistent with its historic use in planning terms. Any structural alterations within the building will require Listed Buildings Consent as the building is Grade II * listed. External works beyond repair and maintenance would also be likely to attract a planning application.

Another potential option would be for the Council to acquire the building (this may be achieved by agreement or compulsorily) but this will have significant cost and future maintenance implications and would need a development partner who has similar aspirations to retain the performance/entertainment use.

The Council has broad powers in the Local Government Act 2000 to do anything that they consider is likely to achieve the promotion or improvement of the economic, social and environmental wellbeing of their area. The continuing of negotiations to find ways to bring the building back into use falls within these powers.

5.3 Diversity and Equality

Implications verified by: **Samson DeAlyn**
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There are no direct equality implications arising from this call in. Any alternative proposals would need to be reviewed and any equality implications arising from them would be stated as part of the proposals.

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