

Committee: Cabinet

Date of meeting: 14 September 2022

Subject:	Property Transaction - Sale of Weybridge Hall, Church Street, Weybridge, KT13 8DX
Lead Officer:	Property Portfolio Manager- Asset Management and Property Services
Portfolio Holder:	Councillor Mike Rollings – Finance & Resources
Link to Council Priorities:	All
Exempt information:	No
Delegated status:	For Decision
Key Decision:	N/A

Executive Summary:

At the Cabinet meeting in November 2021, members considered the report on Weybridge Hall, the options presented and agreed that officers should:

- (i) conclude an asset swap with Surrey County Council (SCC) to further the WeyBetter Weybridge project; or
- (ii) commission the re-purposing of the Hall to provide a combination of residential units together with community space;

Following the meeting, local ward councillors and others expressed a preference for a local cinema as the preferred community use which will help meet the Vision 2030 – thriving community.

Following discussions with Surrey County Council and several interested parties, officers have received an offer from Swift Entertainment Venues (SEV) to purchase the Weybridge Hall.

Recommended: that

- (a) the sale of the Hall to Swift Entertainment Venues (SEV), for the use of the Hall as Theatre and Arts Centre with an option agreement for up to 18 months at a price of £900,000; and**
- (b) a restrictive covenant on the title is applied so that the building can only be used as a Theatre and/or arts centre.**

Report:

1. Background and Context

The former cinema which opened in 1920 was acquired by the council in 1956.

It was run as a Public Hall until 2014.

The Hall was closed in 2014. Since its closure the condition of the building including the upper floors has worsened. A number of options were considered

for the future use of the Hall including engagement with a number of cinema operators and restaurant operators with conversion of the upper parts to residential. Several commercial transactions were pursued but the return on cost of approximately £1.8 million made the project unviable.

The Leader of SCC had previously said that SCC would be interested in an asset swap but have now confirmed that it is not an option but is supportive of the Cinema offer for Weybridge Hall.

Following the successful opening of Esher Theatre, SEV have been engaging with officers to progress a purchase of Weybridge Hall to create a new Theatre and Arts Centre in the building.

Ward Councillors have engaged positively in the principle of the re opening of the Hall as a Theatre and Arts Centre.

The proposal is to renovate this building in its entirety, creating a brand-new arts and live entertainment facility for Elmbridge right in the heart of Weybridge. This would be in-keeping with the Council's requirement to keep this as a community asset.

The original offer for the freehold of the site is £850,000 with an option agreement for 12 months, allowing them to confirm the capital investment for the building works and obtain all the necessary licences and permits. They would be investing a further £1.5 million on refurbishments and installations. They are proposing that this would be a state-of-the-art facility and for example, the sound system speakers alone have already been quoted at more than £50,000.

After further negotiations a final price was agreed for the sale of the Hall for £900,000 with an option agreement in place for up to 18 months. This is a maximum period and it is anticipated the funds will be in place earlier.

The latest valuation of the building is £905,000. This value assumes that the building has been converted to retail and residential.

The ground floor levels would be used a new theatre, with the upper parts being converted to recording studios and dance studios, together with other artistic facilities being included.

Swift Entertainment Venues have agreed that there will be a restrictive covenant on the title so that buildings can only be used as a theatre and/or arts centre. The sale price is reflective of that, but it does protect the future of the building as a Theatre and/or Arts Centre, if the council require it to be. Under this proposal, the Hall and the upper parts can only be used for a Theatre/arts facility and will not include any Residential.

If in the future a new owner wishes to change the site to an alternate use e.g. residential, they are not able to do so without the council agreement to lift the covenant. If the council decides in the future that the restrictive covenant is no longer be required, it is proposed that overage provisions are included in the transfer to afford some protection.

It is anticipated that project will be finished in late 2024 or Spring 2025, but SEV are keen to work closely with the Surrey CC led Weybetter Weybridge project that is in the pipeline.

Financial implications:

The Council will receive a capital sum of £900,000 for the sale of Weybridge Hall which is in line with the independent valuation and demonstrates best value. In addition, the Hall will be refurbished at a cost of approximately £1.5 million funded by SEV Ltd, with the guarantee that the building remains a Theatre and/or Arts Facility as long as the Council requires it. If the restriction is lifted at any point in the future, there will potentially be a further capital receipt for the Council.

Environmental/Sustainability Implications:

There is likely to be some inherent carbon in the building and there will be some emissions during the course of the works post sale, but post building works the carbon emissions will be significantly reduced.

As part of the planning process all relevant statutory consultations will take place including covering sustainability issues etc. but it should be noted that this is a conversion of an old Victorian building within the conservation area.

Legal implications:

None – the Councils' legal team will ensure that all due diligence will be undertaken including a comprehensive report on title and deeds.

Equality Implications:

None.

Risk Implications:

Minimal but the only risk is the buyer does not raise his funding in the timescale required. In the event that the disposal is not completed, EBC will continue to be responsible for the management, repair and maintenance of the building until an alternative occupier is secured.

Community Safety Implications:

None.

Principal Consultees:

CMB
Head of Leisure
Portfolio Holder for Finance & Resources

Background papers:

None

Enclosures/Appendices:

Two CGI's are attached indicating how the finished internal elements of the building will look.

<http://mygov.elmbridge.gov.uk/documents/s37116/Refurbishment%20of%20Weybridge%20Hall%20Church%20Street%20Weybridge%20KT13%20DX.pdf>

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