

<b>Board/Committee:</b>	Policy & Organisation Board
<b>Date of meeting:</b>	29 <sup>th</sup> November 2023
<b>Title:</b>	Criterion Theatre
<b>Author:</b>	Economic Development & Regeneration Manager
<b>Status:</b>	For Decision

## **Purpose**

This report is to provide an update the Board and to request approval from the Policy & Organisation Board for the release of capital expenditure to complete the work required to develop a Business Case.

## **Recommendation**

That the Board:

1. Note the progress of the project.
2. Approve the release of the capital expenditure required to continue the development of the Business Case.
3. Delegate's approval to the Chief Executive Officer, in consultation with the Deputy Chief Executive Officer and the Leader of the Council, to appoint the selected Business Development Consultant to undertake this work.

## **1.0 Background**

**1.1** At the Policy and Organisation Board on the 28th September 2022, the Board approved/granted

- i) The purchase of the freehold of the Criterion in the sum agreed of £600,000 plus SDLT and legal fees, and
- ii) The grant of delegated authority to the Chief Executive and Borough Solicitor and Monitoring Officer to complete the transaction, and
- iii) Instruct the Chief Executive and Assistant Chief Executive to progress a Business Case and development feasibility, and
- iv) Grant delegated authority to the Chief Executive and Assistant Chief Executive to commence capital expenditure on identified urgent maintenance works necessary to maintain the exit value of the building, but only to commence refurbishment works once a financially sustainable Business Case for the use of the facility has

been developed.

## **Report**

### **2.0 Progress update**

**2.1** The project team have been continuing to develop the Business Case for the Criterion Theatre, exploring different operating models and performance options that most suit the building and the community needs.

**2.2** A community consultation took place from 24<sup>th</sup> May – 18<sup>th</sup> June 2023 as an information gathering exercise to help inform the business case. A total of 1,149 residents responded to the survey. Almost three quarters (73 per cent) said they were very or quite likely to visit once the building was back in use. A majority of residents in all age groups said they were likely to attend events and activities.

**2.3** More recently and as part of the Business Case research, the project team have visited similar venues in Hampshire and Dorset including The Regent in Christchurch and The Tivoli in Wimborne. Visits have been extremely informative and demonstrated successful operating models in buildings similar in size and delivery opportunities as the Criterion Theatre.

**2.4** A further consultation is planned, reaching out to local businesses and groups to find out more about what uses they would like to see operating from the reopened building. This will help to shape the activities and entertainment that the venue could offer, and to ensure it meets the needs of Gosport residents.

**2.5** Hampshire Cultural Trust are proposing a local history project planned to begin in Spring 2024 which will be a great opportunity for residents to share their stories and photographs of the Criterion's history. During this project residents will have another informal opportunity to share their views and ideas on the Criterion restoration and its future uses.

### **3.0 Business Case development**

**3.1** Further development of the Business Case is required to progress internal & external funding options and operating models for the Criterion Theatre that will determine optimum return.

**3.2** Work on the Business Case, to date, has identified different operating models that offer a variation of expenditure and return. Further

development of the Business Case is required to bring together the research, operating models and financial case to support future recommendations. The development of a robust business case is critical to the success of attracting investment and a bed rock for future decision making.

**3.3** Expenditure of the further sum of £35,000 from the capital budget to appoint a consultant, will allow progression to a complete Business Case. For clarity, this sum is from the existing capital budget.

#### **4.0 Conclusion**

**4.1** The recommendation to approve further spending of £35,000 to appoint a consultant and continue to develop the Business Case is based on competitive quotes from business development consultants.

**4.2** Continuing the Business Case development will inform a further report that will pull together the project progress, research, community consultation and explore potential operating models to support future decision making.

<b>Financial Services comments:</b>	Funding is available within the Criterion Building- Acquisitions & Refurbishment scheme which is included within the approved capital programme
<b>Legal Services comments:</b>	Contained within the report
<b>Equality and Diversity:</b>	An IIA should be undertaken in conjunction with the development of any business plan where any part or all of the building is being designated for community use so that it is developed as an accessible and inclusive community venue for all to enjoy.
<b>Climate Change implications:</b>	N/A
<b>Crime and Disorder:</b>	N/A
<b>Service Improvement Plan</b>	

<b>implications:</b>	The Council will require the use and expertise of the Surveying Team and Legal Services at Portsmouth City Council to manage the development process. In addition, expert advice will be required from specialist theatre consultants, Arts Council and Hampshire Cultural Trust to build up the business case and submit funding applications.
<b>Corporate Plan:</b>	<p>The recommendation supports the Corporate Plan in the following ways:</p> <ol style="list-style-type: none"> <li>1. Breathing new life into Gosport's high street, town centre and waterfront</li> <li>2. Growing our economy, encouraging investment in Gosport, and creating jobs, opportunities and affordable homes for local people</li> <li>3. Making sure Gosport has great facilities for arts, play, sports and leisure, enriching communities and helping people live healthy and happy lives</li> </ol>
<b>Risk Assessment:</b>	The extent to whether the capital investment would be able to yield full financial payback remains uncertain until a full development feasibility and ongoing operational business plan is completed. Further risks are economic driven, including the current rate of rising inflation, current market uncertainty and difficulty of borrowing.
<b>Background Papers:</b>	Policy & Organisation Board report 28 <sup>th</sup> September 2022.
<b>Appendices:</b>	
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