

REPORT TO BE CONSIDERED IF THE CHAIRMAN AGREES IT IS URGENT

Putting the Community First

BARNET
LONDON BOROUGH

AGENDA ITEM: 17

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Meeting	Cabinet Resources Committee
Date	10 November 2005
Subject	The Bull Theatre, 68 High Street, Barnet, EN5 5SJ
Report of	Cabinet Member for Resources
Summary	To report an administrative error in the tender invitation and to seek approval for the property to be re-marketed for either freehold or leasehold disposal.

Officer Contributors	Rob Colville, Principal Valuer, Property Services & Valuation
Status (public or exempt)	Public (with a separate exempt section)
Wards affected	High Barnet
Enclosures	None
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	The existing marketing campaign has been stopped as a result of an administrative error. Authority must be received to re-commence the disposal process so as to minimise the impact of the need to re-market upon expected timescales for delivery of a capital receipt.

Contact for further information: Rob Colville, Principal Valuer, Property Services & Valuation.

Tel: 0208 359 7363

1. RECOMMENDATIONS

- 1.1 That the current marketing campaign be terminated as a result of an administrative error.**
- 1.2 That prior to re-marketing a full planning brief be supplied by the Head of Planning, clarifying the use class categorisation of the site and investigating the statutory requirement to consult with the Theatre's Trust for any change of use, and that the Property Services & Valuation Department be instructed to conduct a full strategic review of the property interests held in the vicinity of the Bull Theatre.**
- 1.3 the appropriate chief officer be invited to re-market the disposal of the Bull Theatre on either a freehold or leasehold basis by way of informal tender in accordance with the Constitution, inviting interested parties to submit scheme proposals and financial offers with the results being reported to a future meeting of this committee for further consideration.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee – 28th July 2004 – resolved that the freehold or long leasehold sale of the Bull Theatre be approved in principle, and that the appropriate chief officer be instructed to offer the site for sale by non-binding tender in accordance with the procedures set out in the Constitution, reporting the outcome to a future meeting of the committee for further consideration.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Corporate Plan commits the Council to plan and manage land use and development in Barnet to enhance the quality of life and provide tangible benefits for the community. The proposals in this report will result in the achievement of a capital receipt, which could be used to assist in funding the capital programme.

4. RISK MANAGEMENT ISSUES

- 4.1 The re-marketing of the Bull Theatre is likely to delay the analysis of tender submissions and will subsequently impact upon the timing of the decision-making process. This will cause the Susi Earnshaw Theatre School, the current tenant at will pending the grant of the new short-term lease, further uncertainty and may delay any long-term plans for their future educational service provision.
- 4.2 The Council is in receipt of 9 tenders as a result of the first marketing process. It is possible that those tenders submitted for the re-marketing of the property may not realise any bids of equivalent value to those already submitted, and as such may result in the loss of a capital receipt.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 There are no ICT or staffing issues.
- 5.2 The financial implications are set out in the exempt report.
- 5.3 The property issues are set out below.

6. LEGAL ISSUES

- 6.1 As contained in the report.

7. CONSTITUTIONAL POWERS

- 7.1 Constitution – Council Procedure Rules – Financial Standing Orders & Rules for Disposal of Land and Real Property
- 7.2 Constitution – Part 3 - Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources Committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

8. BACKGROUND INFORMATION

- 8.1 In accordance with the decision of the Committee on 28th July 2004, the property was widely marketed, inviting interested parties to submit tender offers and scheme proposals for the site, together with a financial offer for either the freehold or long leasehold acquisition of the premises.
- 8.2 The purpose of inviting tenders to purchase either the freehold or leasehold interest in the site was to give community and similar groups, which could not normally compete with developers on price, an opportunity of putting in leasehold bids which, whilst delivering a lower capital sum to the Council, would leave the latent value of the site with the Council for future realisation.
- 8.3 By the closing date 9 submissions had been received.
- 8.4 Following the tender closing date officers were in receipt of correspondence from members of the public which highlighted what was felt to be misleading information within the planning information contained within both the tender document and the marketing brochure. The queries concerned the accuracy of the stated 'D2' planning use class, as specified by the Town & Country Planning (Use Classes) (Amendment) Order 2005, and claimed that the Bull Theatre should be classified as 'sui generis' on the basis that the property was previously used as a theatre.
- 8.5 Advice from the Planning Department states that because the site is used for a number of uses including a theatre school, a theatre and 9 studios to the rear, it is difficult to attribute the site with any one specific use class. However, theatre use is excluded from the D2 use class, and as such, the information previously included within the marketing campaign was deemed to be potentially misleading to tenderers.
- 8.6 Planning advice suggests that the site be categorised within the 'sui generis' planning use class on the basis that it does not fall within any other classification. Any change of use of the premises would require planning permission and any application would be assessed against the provisions of the Unitary Development Plan.
- 8.7 The Property Services & Valuation Department holds on file a record of all parties who previously expressed an interest in receiving information concerning the disposal of the Bull Theatre. All parties will be advised of the need to re-tender the property and will be given an opportunity to submit a bid for the site.

9. LIST OF BACKGROUND PAPERS

- 9.1 None.

Legal: RB
BT: CM