

Surrey Heath Borough Council
Executive
16 April 2024

Camberley Theatre Future Options

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| Portfolio Holder: | Cllr John Skipper, Leisure & Culture |
| Strategic Director/Head of Service | Nick Steevens, Strategic Director – Environment & Community |
| Report Author: | Nick Steevens, Strategic Director – Environment & Community Darren Burgess, Technical Services Manager |
| Key Decision: | Yes |
| Portfolio Holder signed off the report: | 4 April 2024 |
| Wards Affected: | All |

Summary and purpose

The presence of reinforced autoclaved aerated concrete (RAAC) in Camberley Theatre has prompted further detailed inspection. Whilst the theatre is currently considered as safe by the specialist surveyor, the presence and condition of the RAAC necessitates urgent decisions to be made around its future. This report sets out the proposed actions to rectify the condition of the RAAC at Camberley theatre and ensure the continuity of an arts & cultural offering within Surrey Heath.

Recommendation

The Executive is asked to RESOLVE that:

- (i) subject to approval by Full Council of the budget, the remediation works as set out in the report are conducted; and
- (ii) the delivery of the project, including minor changes to the project plan or expenditure within the budget, be delegated to the Strategic Director for Environment & Community in consultation with the Portfolio Holder for Leisure & Culture and the Strategic Director for Finance and Customer Services.

The Executive is advised to RECOMMEND to Full Council that a budget not exceeding the amount stated in the exempt Annex 1 to the agenda report be agreed for the RAAC remediation works at Camberley Theatre.

1. Background and Supporting Information

- 1.1 Camberley Theatre opened as the Camberley Civic Hall on 1 October 1966 by the then Lord Lieutenant of Surrey, Rt Hon. Anthony FitzClarence, the 7th Earl of Munster. Following a £1.3m refurbishment in November 1995, it was rebranded as Artslink. In December 2001, the venue was rebranded again, adopting its current name. A second refurbishment, involving the rebuilding of the frontage, was completed in December 2021.
- 1.2 The theatre provides a variety of shows and has hosted Lenny Henry, The Dubliners, Barbara Dickson, Julian Lloyd Webber, Des O'Connor, T'Pau, Michael McIntyre, Rick Wakeman, John Bishop, Paul Young, Harry Hill, Craig Charles, The Chuckle Brothers, Jenny Agutter and Micheala Strachan are just a selection of artists to have appeared at Camberley over the years.
- 1.3 Programming for the venue flexes to suit demand and in doing so provides a diverse range of shows. 2023 has seen an increase of 180% in local arts groups performances along with maintaining high levels of performances for tributes music acts (48% of ticket sales).
- 1.4 The theatre expenditure for 2022/23 was £1.28m with an income of £1.15m this resulted in the lowest ever annual contribution from the Council of £130k. Compared to the previous year, this is a reduction of £136k, with 2021/22 seeing a contribution of £266k. The average subsidy for the last three years is £200k which is high due to the large level of subsidy in 2021/22 as the tail end of the pandemic impacted on customers returning to theatres nationally. Further work has also been conducted during the 2023/24 by the Venue Manager which would have reduced the level of contribution further, however the final amount is anticipated to be in the region of £160k due to the RAAC investigatory works which needed to be completed and £40k in additional staffing costs due to legislative changes affecting the cost of employing casual workers as part of the pantomime.
- 1.5 Average attendance across all performances in 2023/24 was 77% which is an increase of 14% on the 63% occupancy from the previous year. The approach taken by the theatre team to reduce ticketed events from 242 in 2022/23 to 180 in 2023/24 and focussing on higher-demand events has resulted in a much higher occupancy per performance, increasing profitability for each event and reducing the level of subsidy. Total attendees in 2023/24 were 49,245, which was a 2.5% change year on year.
- 1.6 The broader impact of the theatre is its ability to stimulate the wider economy, it is not merely an entertainment venue; it is an economic engine. In attracting audiences, it channels spending into local businesses - from restaurants to parking, and occasionally hotels, thus bolstering economic vitality. National studies show that every pound spent in the theatre results in £1.60 expenditure in the locality. Based on this figure during 2022/23 the theatre generated £1.62m being spent in Camberley Town Centre. This relates to footfall on the high street increasing in conjunction with performances at the theatre.

- 1.7 The theatre is a significant job creator, providing employment not only for SHBC staff, artists and performers but also for an array of professionals. The theatres core team is made up of 8 permanent staff working a mix of full and part time roles (it equates to a little over 7 FTE) and a pool of 31 casual staff who are employed as needed to support the needs of the theatre show, event and hire programme. All members of the team live locally to Camberley.
- 1.8 The location of the theatre on Knoll Road whilst prominent and well served by the adjacent car park is largely detached from the town centre. The wider theatre building also incorporates the Ian Goodchild Centre which is a community facility owned by Surrey Heath which is currently leased to Surrey Choices, Voluntary Support North Surrey and Surrey Ambulance Service.
- 1.9 In order to ensure the ongoing viability of the theatre and reduce the level of subsidy, the Portfolio Holder and officers intend to develop a Cultural Committee to widen engagement with a view to broadening the cultural mix and increasing attendance. As part of a redeployment plan devised should the theatre temporarily close, theatre staff will be assigned with the development of the Cultural Committee and implementation of it's action plans.

2. Reinforced Autoclaved Aerated Concrete

- 2.1 Reinforced Autoclaved Aerated Concrete (RAAC) is a form of lightweight concrete used in construction in many buildings between the 1950s and 1990s. RAAC is highly aerated with different material properties to conventional concrete. It is mainly found in roofs which span large areas such as halls or other open spaces due to its lightweight composition. Its presence has been confirmed in a range of public sector properties including schools, theatres and hospitals across the United Kingdom.
- 2.2 Due to its aerated composition, RAAC is weaker than conventional concrete and more susceptible to structural failure, particularly when exposed to moisture, with the air pockets permitting water to enter the material and cause decay, rust and weaken the steel reinforcement within. Additionally, some RAAC has been known to fail due to the steel reinforcement not reaching the ends of the planks, providing structural weakness where the planks rest on end bearings.
- 2.3 In September 2023 the Council's Technical Services Manager undertook an audit of 171 buildings within the Council's ownership to determine whether RAAC was present. The audits were conducted due to media attention around the presence of RAAC in schools and the risk associated with its failure. RAAC was identified in Camberley theatre in several locations as shown in the plan in Annex 2 including the bar, main stairwell, plant room, dance studio, stage, and changing rooms. Following the identification of RAAC the Technical Services Manager instructed Gurney Consulting Engineers, a company with specialist knowledge of RAAC, to undertake further detailed surveys to properly identify, assess and advise on the

mitigation of any risks associated with its presence.

- 2.4 Whilst extensive investigatory works have already been conducted, access to some areas of RAAC has been limited due to plasterboard ceilings located beneath. To better understand the extent of the works required the theatre will close for a period of three weeks from the 15th April 2024 onwards to allow removal of suspended ceilings throughout the bar area, stairwell, first floor corridor and part of the office, together with asbestos removal in the dance studio and associated areas. This investigatory work will provide a comprehensive picture of the level of remediation required.
- 2.5 Following thorough assessment of the accessible areas of RAAC a constraint imposed by our engineers, requires us to have the stage area re-assessed by April to determine whether there has been any deterioration. Failure to do so will result in the loss of our engineers' support for continuing to operate. In the event of any indication of further deterioration in the ceiling structure to the stage or substantial damage to any area which is undergoing further detailed investigation, there is a potential for the structural engineers to recommend closure on the grounds of safety.
- 2.6 As part of the options appraisal, consideration was given to alternative approaches that may either reduce remediation costs, extend the serviceable lifespan of the theatre or extract greater benefit from the disruption that such works will entail. To that end, different scenarios were considered, which included:
 1. Closure and demolition
 2. RAAC remediation only, followed by maintenance as dictated by condition.
 3. RAAC removed and building substantially refurbished.
 4. RAAC removed and building substantially refurbished incorporating carbon reduction measures.
- 2.7 During the review of these options the positive and negative impacts of each were considered. It is acknowledged that the loss of a cultural venue within Camberley would detrimentally affect the prosperity of the town centre. The permanent closure of Camberley Theatre would also impact on existing tenants within the IGC who would need to be displaced to alternative suitable new locations. Alternative options were discounted either due to cost, negative impact or deliverability. The officer recommendation is that the remediation of the RAAC is undertaken as soon as practicable to ensure that, once completed, the theatre can reopen. This provides the least short-term cost whilst sustaining the cultural, social and economic benefit of the venue. This option does not preclude the decarbonisation of the theatre at a later stage and allows the council to consider whether the nature and scale of the current theatre meets the arts & cultural requirements of Surrey Heath for the decades ahead, or whether a new cultural venue would also fit better within the town masterplan. This option of retaining the current theatre, whilst determining in a timely manner the potential for a new cultural venue, provides the highest degree of alignment with the objectives set out in the

Council Strategy around:

- Protecting our Environment and the drive to Net Zero
- Optimise use of Council Property Assets
- Support Vibrant Villages & Local Centres

3. Remediation of the RAAC

- 3.1 Subject to the outcome of the technical survey of the stage roof and bar ceiling, which may advise ongoing inspections only, without rectification works the Council could be required to immediately and permanently close the theatre on the grounds of safety. The make-safe option of repairing any identified defects within the RAAC, whilst considered as a standstill approach, ensures that the theatre can reopen as it resolves the immediate safety issue.
- 3.2 Work as recommended by our engineers would be undertaken to reinforce and/or locally replace RAAC components to remove the risk that they pose. This would involve significant works in most areas of the building, disrupting associated finishes and mechanical and electrical services. Once completed, the building would be safe to use again however would require periodic inspections for the rest of its' operational life to ensure that the remaining RAAC does not deteriorate.
- 3.3 Except where directly impacted by the remedial works, maintenance of the rest of the building would continue as needed based on the age and condition of individual components. Although the continuing presence of RAAC would accelerate the need for replacement work for roof coverings beyond what might be typically expected, as roof leaks would be directly detrimental to its' condition.
- 3.4 The principal advantage of this approach is that, whilst still considerable, it minimises initial expenditure and, relative to the other scenarios, also minimises disruption to the theatre's operation.
- 3.5 At present, there is a significant area of RAAC throughout the bar which will be properly exposed in mid-April 2024. Whilst the RAAC has been partially inspected through access panels introduced into the ceiling below, the full exposure and inspection of this area was to ensure minimal disruption to the theatre programme. It is expected that the RAAC in this location will be in a similar condition to those areas that have been assessed and likely subject to the same time constraint in terms of the need to take action.
- 3.6 Annex 1 sets out the current level of expenditure for the investigatory works, committed spend to complete those investigations and cost estimates for the making safe of the RAAC. Investigatory works have cost in the region of £26,000 to date with the exposure of the remaining RAAC and final investigatory works estimated to cost in the region of £69,000. In relation to the RAAC remediation, a worst-case scenario has been assumed when presenting developing for the condition of the RAAC or extent of the work

required. The current estimate for rectification is £407,000 which is considered as the worst-case scenario based on all areas of RAAC requiring extensive remediation. Further costs have been incorporated to account for project management and project support for the entirety of the project. Concerted effort will be made to minimise costs associated with the project at every juncture.

- 3.7 The full extent of remedial works has not yet been determined and as an estimate, it is envisaged that remedial work will take approximately 3 months to complete, preceded by design and procurement work which is estimated to take 3-4 months from approval. The theatre is expected to be closed for the whole three-month duration as a minimum. It should also be noted that if the detailed inspection of the RAAC determines that removal is a more appropriate option, this will be conducted either in part or entirely, ideally within the same timescales.
- 3.8 Should the outcome of the technical survey confirm the theatre can continue to trade, the remedial works will be scheduled for the summer of 2024 when the impact on the theatre programme and regular hires would be at its lowest. This limits the financial losses to the council and increases the likelihood of regular hires returning swiftly after the theatre reopens. In the event that the advice is to close, every effort will be made to bring forward the remediation works to accelerate the reopening of the facility.
- 3.9 The loss of income and staffing costs associated the closure of the theatre are shown in Annex 1. Taken as an average, each month the theatre is closed will cost approximately £88,000 in lost income and staffing overheads. To mitigate these losses the closure of the theatre for the investigatory works and the proposed remediation will take place during the quietest periods for Camberley Theatre. Additionally all existing hires and performances impacted by the proposed closures are being rescheduled for dates when the theatre is expected to reopen. Whilst there is a risk associated with delays in reopening impacting on those scheduled dates, rescheduling in this manner is intended to ensure the least financial impact possible.
- 3.10 As the RAAC does not impact directly on some peripheral areas of the theatre such as the conference room and function room, kitchen and toilets, officers are determining how these could remain operational for regular hires with access through the IGC. Subject to the phasing of repair works, this would result in the continued income from these spaces.
- 3.11 Whilst there is no direct impact to tenants within the IGC, the sharing of services such as electricity, heating and water between the IGC and theatre will require careful planning and close communication to maintain continuity and limit disturbance.
- 3.12 It should also be noted that other than decorative works to reinstate finishes affected by the remediation works, this option brings no visible improvement to the facility. Due to the age of the theatre ongoing investment in critical infrastructure such as the heating & ventilation system as well as cosmetic improvements will inevitably be required and will need to be budgeted for

with planned preventative maintenance in place to mitigate any risks of catastrophic failure of critical infrastructure.

3.13 Quite critically for the Council, this option does not meet with the Council Strategy commitment to be Net-Zero by 2030. However, the opportunity to convert the theatre into carbon-neutral cultural facility can be conducted at a later stage with further works scheduled in phases to limit the impact on performances and hires.

3.13.1 A staff redeployment plan has been developed which utilises all existing permanent staff into roles which either still relate to the theatre such as project delivery, pantomime, cultural outreach and distributed arts offerings, promotion and development of the structure of the newly-proposed cultural committee or other corporate projects.

4. Reasons for Recommendation

4.1 The total loss of the Camberley Theatre is likely to have a significant, detrimental impact on the economic prosperity of the town centre and the wider economy of the borough. A consultant has been appointed to undertake an impact assessment of the theatre which will determine the economic, cultural and social benefits that the theatre provides to Surrey Heath. This work is being conducted at pace and is likely to provide its initial findings in early April. Should the findings be available prior to the date of the Executive meeting, the report will be circulated as an addendum or verbal update to this report.

4.2 The retention of the theatre is critical to sustaining the economic, cultural and social benefit that the theatre creates. It is intended to conduct a timely assessment of the current and future arts & cultural requirements of the borough which will help inform the work of the proposed cultural committee.

4.3 During any sustained closure of the theatre, consideration will be given to providing an alternative venue for some or all of the theatre's current offering, similar to the previous Squish! offering which was located in the Square shopping centre. Events previously scheduled for the 3-week closure have been rescheduled to minimise losses and retain our relationship with regular hirers.

4.4 An alternative to creating a temporary single venue would be to replicate some of the theatre's activities in alternative spaces in the borough and providing greater culture in the community through initiatives such as Shakespear in the Park. These approaches have recently been adopted by councils such as Reigate & Banstead Borough Council following the closure of the Harlequin Theatre in Redhill. The council delivered the 2023 pantomime in a big-top theatre, have created a physical presence in the Belfry Shopping Centre, and expanding an outreach theatre programme (The Harlequin Outdoors) during the summer of 2024.

5. Proposal and Alternative Options

5.1 A summary of the options considered is set out in Annex 3. Whilst a full refurbishment of the theatre could be considered the most appropriate option as it would ensure the long-term future of the theatre, the remediation of the RAAC is considered to be the most cost-effective means of allowing the theatre to remain open and limits the duration for which the theatre is closed, whilst the long term cultural needs and pathway are developed .

5.1.1 At this stage limited work has been undertaken to explore the option of a complete multi-purpose new-build venue as the scale and nature of any future facility have not been determined. The Council owns substantial areas of land in the town centre on which a new venue could be built. However, constructing a new venue on locations such as the London Road block would impede any future development options for the site. Consideration of incorporating a theatre complex into other assets already owned by the council could be considered, however the pressing need is to ensure the theatre remains operational in the short-term whilst medium term options are evaluated.

6. Contribution to the Council's Five Year Strategy

6.1 The decision to remediate the RAAC and carry out a wider review of the council's assets provides the highest degree of alignment with the objectives set out in the Council Strategy around:

6.1.1 Protecting our Environment and the drive to Net Zero

6.1.2 Optimise use of Council Property Assets

6.1.3 Support Vibrant Villages & Local Centres

7. Resource Implications

7.1 Whilst the remediation of the RAAC comes at a lower cost to alternative options, there remains a substantial cost associated with the officer recommendation. Opportunities for funding which will mitigate the level of capital expenditure required are being explored for the initial works and to cover the cost of performances being held in alternative venues whilst the theatre is closed.

7.2 A staff redeployment proposal has been developed to ensure staff can be utilised for other areas of work, either to work on this project or other corporate priorities. To ensure the delivery of the project on time and within budget, project management costs have been incorporated into the project budget.

7.3 The closure of the theatre during the remediation of the RAAC will result in the council incurring staffing and other costs as shown in Annex 1. To mitigate losses of income, hires and performances previously booked for dates when the remediation works are being proposed are being rescheduled for later dates. The condensing of hires and performances is considered to be deliverable and will reduce the loss of custom and income as far as reasonably practicable.

7.4 The economic impact assessment of the wider benefit of the theatre looks to identify the cultural, economic and social impact of the theatre upon Camberley and Surrey Heath as a borough. This will assist in determining the direct, indirect & induced economic impacts of retaining or closing the theatre and will help inform any decisions which need to be made.

8. Section 151 Officer Comments:

8.1 Capital budgets can only be increased or added in-year by a Council decision. The cost of remediation works, including contingency, is considered as capital expenditure. It is likely that these costs will increase the capital financing requirement in-year.

8.2 The costs of the staff are already budgeted for in the annual budget for 2024/25 and should therefore be considered as 'sunk' costs. Wherever possible, staff should be redeployed within the Council to provide wider support to Council services.

8.3 Loss of income will need to be monitored against budgets and reported in the quarterly budget management reports.

8.4 Use of contingency should be carefully considered and any use should only be with the authority of the Strategic Director for Environment and Community in consultation with the Strategic Director Finance and Customer Services (or nominated deputies).

8.5 Longer term, the Council will need to consider the future provision of theatrical and entertainment services within the Borough before any major investment decisions are taken.

9. Legal and Governance Issues

9.1 The recommendation to delegate authority to progress the project, as detailed in this report, requires, and comprises of, the delegation of a key decision given the expenditure will be over £100,000. Making such a key decision is an Executive function under the Council's Constitution. Paragraph 7.4 of the Council's Contract Standing Orders confirms as follows.

"The award of any contract which is a key decision is also an Executive function. Strategic Directors and Heads of Service are authorised to award contracts that are not key decisions."

9.2 Section 101 of the Local Government Act 1972 and section 15 of the Local Government Act 2000 set out the framework of delegation. They provide that an Executive can arrange for the discharge of functions through a committee, sub-committee or officer of the Council.

10. Monitoring Officer Comments:

10.1 No further matters arising.

11. Other Considerations and Impacts

Environment and Climate Change

- 11.1 There is not considered to be any immediate environmental or climate change benefit from the remediation of the RAAC at Camberley Theatre. However, future alterations to the theatre will have full regard to Surrey Heath's commitment to achieving the ambitious net-zero carbon emission target by 2030 through the decarbonisation of the facility.

Equalities and Human Rights

- 11.2 There is not considered to be any equalities or human rights impact in relation to this proposal.

Risk Management

- 11.3 A project group formed from key officers across the Council has been formed to mitigate any risks associated with this project. The project will adhere to the recently introduced project management principles which includes robust risk management. Project management resource, specialist technical assessment costs and contingency costs have been included within the budget modelling.

Community Engagement and Communications

- 11.4 The Council will engage closely with hirers of the Theatre to ensure that they are kept informed about the nature and timescales of works being undertaken to keep any disruption to timetabling of hires and performances to a minimum. The Council will communicate with customers of the Theatre to ensure they are kept up to date with the commencement for remediation works and the timetable for reopening via its mailing list, website and social media posts.

Annexes

Annex 1 – Full Cost Projections (exempt)

Annex 2 – Floor Plans

Annex 3 – Options Appraisal

Background Papers

None