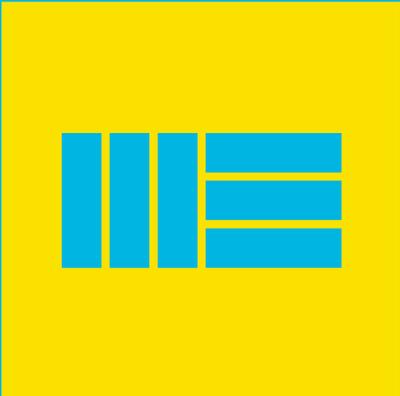


MILLFIELD THEATRE

MARKETING & BEST CONSIDERATION REPORT

15 JANUARY 2024



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1. INTRODUCTION AND DESCRIPTION

INTRODUCTION

The Millfield Theatre site and its associated buildings provide a valuable community use. It is currently occupied by Platinum Performing Arts which runs a performing arts school but also supports the operation of the theatre for both production but also meetings and various other uses.

Montagu Evans has prior knowledge of the site having carried out an exercise during 2022 to review the site and its occupation in the context of the Council's financial constraints, assessing the costs and the opportunities for value extraction.

In September 2023, we were instructed to carry out a marketing exercise to test options for the site and understand what represented an appropriate market rent. As our previous work indicated, the challenge with theatres is the cost of operation meaning that few are able to carry a rent obligation. Those that have been marketed tend to be disposed of for redevelopment (which is challenging in this location) or to well-funded church organisations. Both outcomes tend to lead to a materially reduced or entirely removed theatre provision locally.

This report outlines the marketing exercise that was conducted, the responses received, and an assessment of the bids in the context of the Council's objective for the site to remain in community use and for any disposal to be via a leasehold arrangement.

DESCRIPTION

The Millfield Arts Centre ("Millfield" or the "Millfield Complex") comprises both the Millfield Theatre and Millfield House, as well as an ancillary workshop and storage building. The Millfield House is Grade II listed and includes the following uses:

- A community Library
- Office leased to Platinum Performing Arts
- Over 50s forum and space hire used mainly by Platinum and local arts groups

Millfield Theatre contains a 368-seat auditorium, bar, and backstage spaces. This premises was built in 1988. The Property hosts several music tribute acts, pantomimes, comedy clubs, and children's shows.

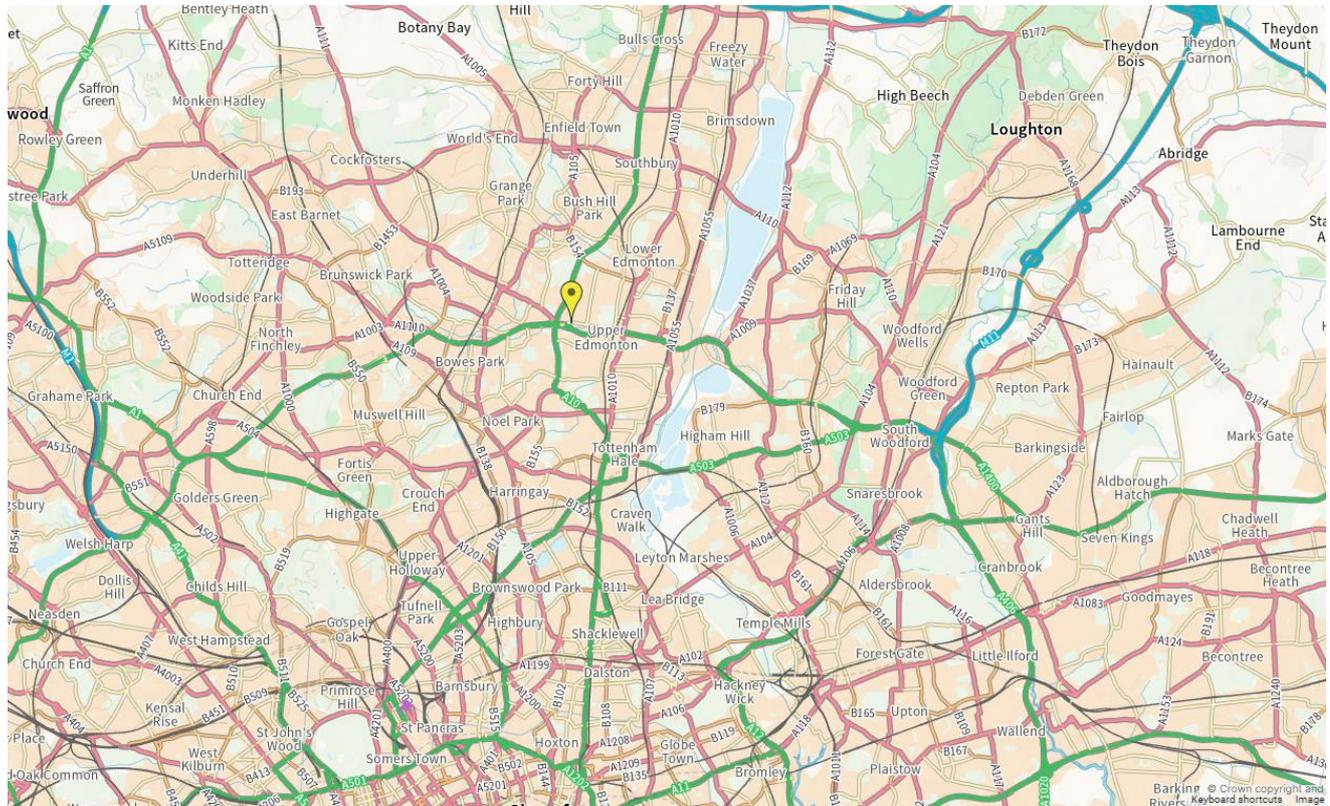
The Millfield Complex is to be leased for a 'community use' meaning that it is not available to parties wishing to redevelop the site or purchase the freehold. The total demised area includes Block A, B, C, and D.

LOCATION

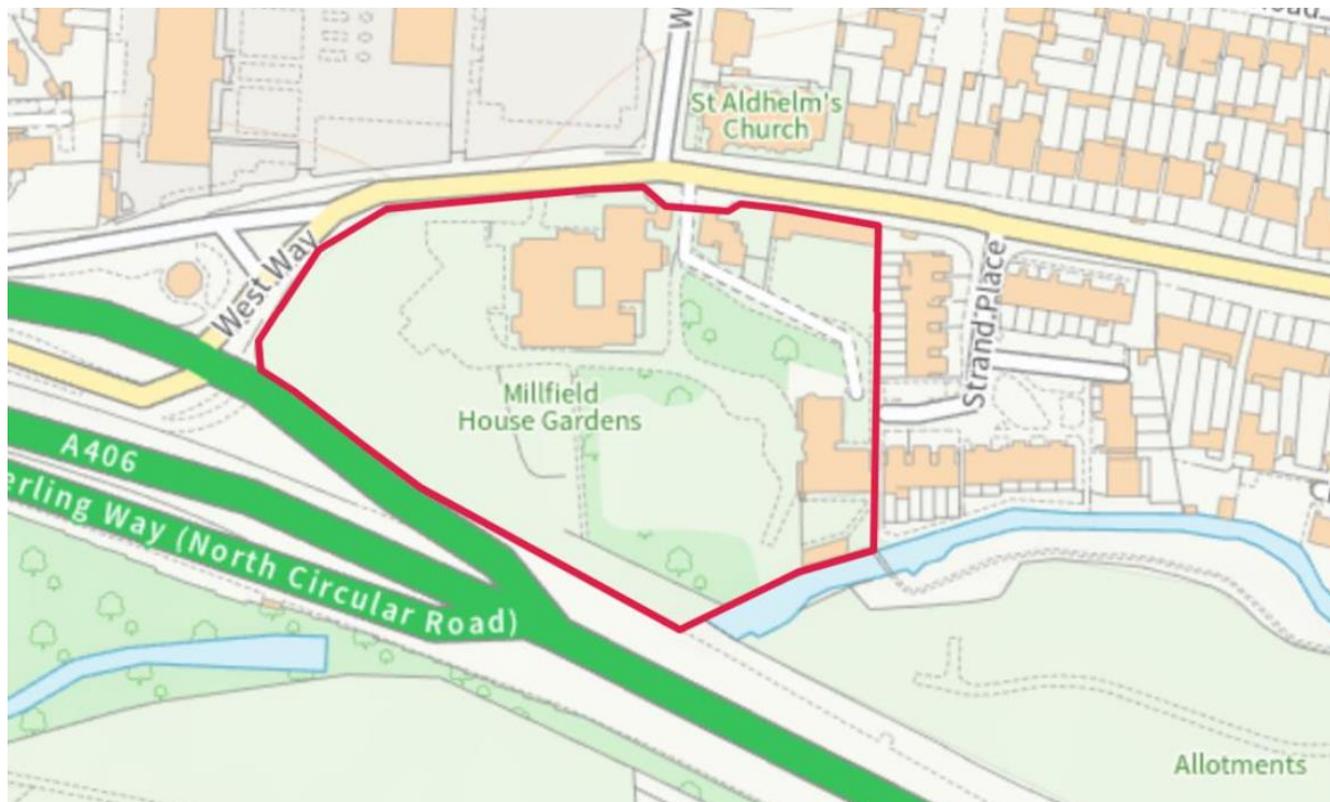
The Property is located on Silver Street in Edmonton, North London, within the Borough of Enfield. The complex is situated within close proximity to the Great Cambridge Junction, where the A406 intersects the A10.

To the north of the site lies Aylward Academy, a mixed secondary school and sixth form. To the south lies Pymmes Brook and the A406. Silver Street Overground station lies c. 1km to the east, providing efficient services into London Liverpool Street. The surrounding area is otherwise residential in nature. Appendix 1 includes images of the site.

Location of the Millfield Complex, OS Map:



Site Plan:



2. MARKETING APPROACH

MARKETING

A brochure was created to showcase the best imagery and features that the Millfield Complex has to offer, notably the unique nature of the whole complex. In terms of marketing the site, in order to capture the widest and most diverse base of potential tenants, we uploaded the property onto the Montagu Evans website as well as the LB Enfield website. In addition, the particulars were uploaded onto Agents Society and LoopNet, both of which are portals for commercial property opportunities that captures a wide spread of interest.

Following the marketing campaign, we were able to shortlist the interest by requesting that parties provide us with their plan for their intended usage of the site should they occupy it. Those that did not meet the specific community usage values that were agreed objectives of the Council were disregarded, leaving the most viable parties left to commence with viewings.

The brochure included a scoring matrix in relation to the suitability of community use that would be achieved through any respective party's future occupation. In summary this comprised:

- 40% weight to rental offer
- 20% weight to business plan and financial standing
- 20% weight to experience and provision of cultural uses in Enfield
- 20% weight to plans for the library provision and cultural/community provision

Brochure details, including the scoring matrix can be found in Appendix 2.

INTEREST

Following marketing the property, we received a significant level of interest from varied parties. Those that engaged with the viewing process on the 24th November 2023 are listed as follows:

Name	Contact Details	Entity Name
Hasan Kartal	kartalhasan76@hotmail.com 07437707864	Saray Events Wedding venue operator
Paul Obaweki (Surveyor at Glanix Properties who is representing client)	Glanix Properties: hello@glanix.co.uk 07886254928	Winners Chapel International (Middlesex)
Jay Sharma (Surveyor)	jay.sharma@holintl.com 07956554449	The House of Levi (registered charity)

Cemal Sazdili	cemo67@hotmail.co.uk 07447948950	Gala Enterprise Ltd – Hazal Catering
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Platinum Performing Arts did not formally view given that they have been in occupation since 2008, but did engage with and support the process to enable other parties to view.

Name	Contact	Entity Name
Nina Lewis & Roy Hart	nina@platinumperformingarts.co.uk roy@platinumperformingarts.co.uk	Platinum Performing Arts

The parties were invited to submit their formal offers by no later than 4pm on Friday 1st December 2023.

3. ASSESSMENT OF OFFERS RECEIVED

Following marketing the property and conducting viewings with interested parties, we received four formal offers in writing. All offers received showed interest in occupying the entire property. From engagement with the shortlisted parties and the viewings, it was expected that five offers would be received. In the event, Jay Sharma, representing registered charity, The House of Levi, declined to bid.

Please see below a summary of submissions:

PLATINUM PERFORMING ARTS: ROY HART AND NINA LEWIS-HART

Platinum Performing Arts (PPA) presented the following offer:

- 30-year lease period
- Full repairing and insuring lease
- For years 1-10, a peppercorn rent
- Reviews at 10 years, 20 years, and 25 years.

PPA are offering to take a lease of 30 years, with reviews in years 10, 20 and 25. The first years 1-10, PPA propose a peppercorn rent, which they believe will total c. £600,000 worth of savings to the Council. Whereas we have not been provided with the Council's own accounts that might support this figure, our previous commission was provided with a figure of £345,000 per annum as an average subsidy that the Council is currently putting into the running of the theatre.

PPA is proposing that the lease be an effective full repairing and insuring lease of the whole site. This has the potential to significantly reduce the Council's liabilities and obligations at the site and, we understand, also has the benefit of enabling PPA to seek funding from donors and charitable partners that it is less able to under the current arrangements.

PPA proposes an open book approach to running of the site which will enable the Council to review progress as a going concern. The intent is for there to be a formal review of the operation at the tenth anniversary of the term which will serve to establish whether there is potential to generate and income surplus that could be put to rent. The precise mechanism for this needs to be resolved, but further reviews on the twentieth and twenty-fifth anniversaries provide the Council with both oversight of the operational performance and further opportunities to generate a rental income.

The site will be maintained as cultural and community asset in accordance with the Council's objective.

An extensive proposal was received which was well-considered, researched and produced, including provision of the latest income and expenditure accounts and balance sheet. The proposal illustrated how the Council's objectives in its scoring mechanism would be met, notwithstanding the rental offer was low. It is noted that the last two years of filed accounts show current assets between £200,000 and £358,000.

SARAY EVENT LTD: HASAN KARTAL

Hasan Kartal of Saray Events submitted the following offer:

- 30-year lease period
- £150,000 per annum
- 6 months' rent-free period

During the 6 months' rent free timeframe, Hasan indicates his intention to update/renovate the property to a high standard so that he can accommodate future wedding guests at the Millfield Centre. Hasan has 3-4 years of experience operating Saray Events and is wishing to expand his geographical spread of events spaces. He intends to use the Millfield Complex for meetings, dancing/music events, weddings alongside birthday celebrations, and charity events.

The bidder has a reasonably well established venue in Waltham Cross, called Palace Banqueting (<https://palacebanqueting.co.uk>). However, the proposal was for a company of which Mr Kartal is director, Saray Event Ltd which, according to Companies House, appears dormant and with very little share capital. In addition, the proposal did not address any of the objectives required for scoring save for the rental offer. This raises concerns about the proposing entity.

GALA ENTERPRISE/HAZAL CATERING: CEMAL SAZDILI

Cemal Sazdili of Gala Enterprise Ltd – Hazal Catering – presented the following:

- 20 year lease period
- £10 per square foot, equating to c. £335,360 per annum
- No mention of any rent-free period

Gala Enterprise Limited - Hazel Catering, has been in the events industry for 25 years and has established itself within the Enfield community, working with ethnic minorities including Turkish, Kurdish, African, Somalian, Afghan, Iranian, Greek, and other minority ethnic backgrounds. They are confident in their ability to transform The Millfield Complex into a thriving community hub and events space, with the addition of a toy library to complement the existing library. The company are responsible for c. 250 weddings/venues per annum.

In terms of renovation, Cemal's intention is to turn the theatre space into a hall and carry out internal works on the space and workshop. They wish to work closely with Enfield Council during this process.

Gala Enterprise appears to be a micro company with company assets of between £52,000 and £61,000 over the most recent years of filed accounts. It is the only company that Mr Sazdili is a director of.

STREAMS OF JOY LONDON: PAUL OBAWEKI

On behalf of his client Streams of Joy London Limited, Paul submitted the following offer:

- 30 year lease period
- £250,000 per annum
- 1 month rent in advance.
- 3 months deposit.
- 3 months rent free.

Paul states that Streams of Joy London Limited will use "the facility for several community services". However they did not provide any details as to how they will fulfil this. Furthermore, the potential tenant proposes no changes will be made to the library, so that it will continue to be used for community use.

From our initial due diligence we note that Streams of Joy London Limited is a newly incorporated company and as such has no filing history. In addition, the sole director of that company also has two further directorships of newly

created companies, again with no filing history and very limited published data. This risks presenting compliance problems to both Montagu Evans and the Council.

The offer was very brief and very informal, providing very limited useful data and making it very difficult to score in the context of the objectives set by the Council.

4. RECOMMENDATION

OVERVIEW

Overall, market interest in the site was positive. The bids received suggested that there is appetite for taking on large spaces from various enterprises. The majority of offers accorded with the 30 year lease term that the Council was prepared to offer. There was a clear bifurcation in offers between those which leaned heavily on the rental offer and one which responded to the Council's wider objectives of seeking a suitably experienced and qualified community user. Similarly, there was a material difference in the quality of responses, with only one offer responding with a clear plan and

Working with the Council to assess the responses, the offers from Streams of Joy, Gala Enterprise, and Hasan Kartal were felt to fall short of the required outcomes due to:

- Lack of supporting evidence over how they would fulfil the community benefit criteria as set out by the Council.
- Lack of clarity over how they were going to make use of all buildings on site.
- Questionable community intentions, leading Montagu Evans to believe that some parties were enquiring solely on the basis for their own commercial gain, with little regard for the local community.
- Limited transparency on capacity to meet the stated financial commitments proposed.

The Platinum Performing Arts (PPA) offer was the weakest in financial terms, albeit the rationale for the position was clear. The offer was very well researched and constructed and offered the opportunity for rent to be paid in the future subject to an established trading period. The offer was also very strong on delivering the community-led objectives of the Council.

RECOMMENDATION

On balance the offer that best accords with the Council's objectives is that from Platinum Performing Arts. Although it is the lowest financial offer, in our opinion, it also represents the lowest risk. This is particularly important in the context of the buildings being aged and the Council seeking to defray its liabilities. In addition, it retains the community uses as required and PPA is a known quantity insofar as they know the demands of the community and of the building. In addition, the potential for them to access external funding is positive and may help with future capital plans at the property. The provision for reviews at the tenth, twentieth and twenty fifth may provide scope for the Council to derive an income in the future, whilst also providing transparency over the operations on the site.

Whereas the other offers received were financially higher, the lack of due diligence from the parties and the associated risk from the sources of finance raises some concerns, particularly in the context of both the lack of community offering and the proposals from some to close the theatre, which illustrates a potential over-optimism in relation to the change of use.

Overall, we are satisfied that, in the circumstances and in the context of the clear objectives set by the Council, that the proposal from Platinum Performing Arts represents best consideration.

KEVIN WHITE
PARTNER
DDI: 020 7866 8690
Mobile: 07961 356 159
Email: kevin.white@montagu-evans.co.uk

WILL FENNEL
SENIOR SURVEYOR
DDI: 020 7074 2605
Mobile: 07818 538 230
Email: will.fennell@montagu-evans.co.uk

APPENDICES

APPENDIX 1: GALLERY



APPENDIX 2: BROCHURE

TO LET
33,536 SQ FT

**33,536 SQ FT THEATRE AND
GRADE II* LISTED HOUSE
COMPLEX, ON A SELF
CONTAINED PLOT IN ENFIELD**

**SILVER STREET,
LONDON, N18 1PJ**



SILVER STREET, LONDON | N18 1PJ

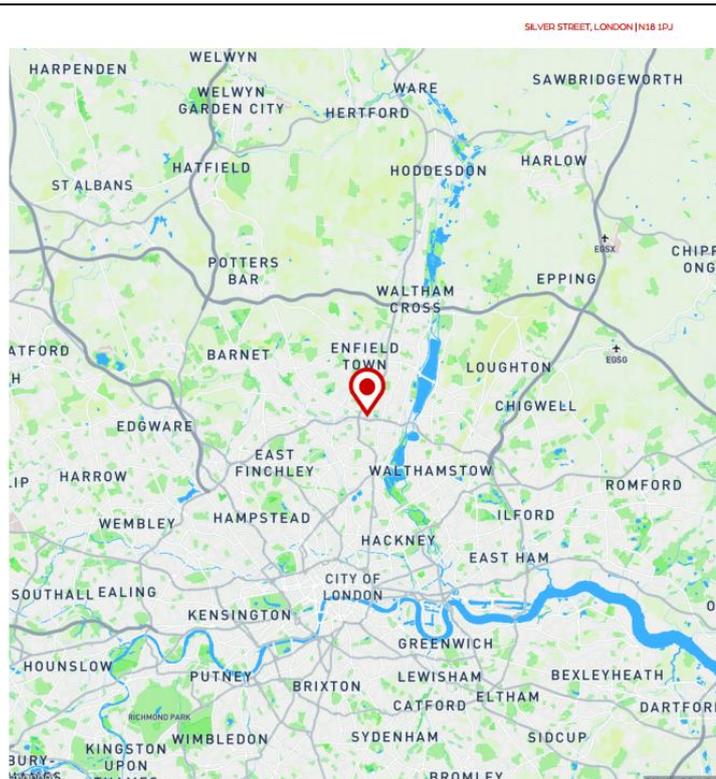
OPPORTUNITY SUMMARY

- Bids Deadline of 4pm, Friday 1st December
- Immediate connectivity to the A406
- Leasehold available up to 30 years term certain
- To be leased for a Retained Community & Culture Use
- Close proximity to Overground, National Rail and London Bus Services
- EPCC



LOCATION

The Property is located within the town of Edmonton in North London. More specifically, the Property is situated on Silver Street and close to the junction of West Way. To the north of the site lies Aylward Academy, a mixed secondary school and sixth form. To the south lies Pymmes Brook and the A406. To the west of the site lies a public highway and east, private residential accommodation. The property is served by a multitude of local busses (34, 102, 144, 456 and W6). Silver Street Overground station is 1.10km to the east of the Site, which provides regular services to London Liverpool Street and Cheshunt.



DESCRIPTION

The Millfield Arts Centre ("Millfield" or the "Millfield Complex") comprises both the Millfield Theatre and Millfield House, as well as ancillary workshops. The Grade II* listed Millfield House, includes the following uses;

- A community library*
- Office leased to Platinum Arts Academy
- Performance arts school
- Over 50s Forum and space hire (including art room with working kiln) used chiefly by Platinum and local community arts groups.

Millfield Theatre, built in 1988 houses a 368 seat auditorium, bar and backstage spaces.

The property hosts a number of music tribute acts and original performers, pantomime, comedy, wrestling, children's shows, popular and arts theatre. The property is to be leased for a 'community & cultural use' and is not available for redevelopment or freehold disposal. There is a small, on site library which must be retained throughout the leasehold term.

The demised area includes Block A, Block B, Block C and Block D, plans for which can be found appended to this brochure.

The demised area shall include Blocks A-D, but not the connecting parkland.

*the perspective bidder is to indicate how they will look to improve and promote access to the community library, including its location within the complex.



FURTHER INFORMATION

TERMS

Access to park land to be maintained, albeit shall not be included in the demised area.

Bidders will need to know that their names and a high level bid summary will be published as part of consultation if a change of use is proposed.

Bids should detail how the evaluation criteria will be met – making reference to the scoring guidance, which is summarised below (full matrix available upon request);

- Rental offer (40%)
- Proposal, Business Plan & Financial Standing (20%)
- Experience in proposed use and providing cultural/community services within Enfield (20%)
- Cultural/community proposal and improved library accessibility proposal (20%)
- If consultation is required, it won't directly feed into the scoring but the consultation feedback will be considered whilst bids are scored.

If a change of use is not proposed, then the following evaluation weighting will be applied: (ie consultation not required)

- Rental offer (40%)
- Proposal, Business Plan & Financial Standing (20%)
- Experience in proposed use including providing cultural/community focused services within Enfield (20%)
- Cultural/community proposal and improved library accessibility proposal (20%)

OFFERS INVITED ON THE FOLLOWING BASIS:

Full repairing and insuring lease for a term of up to 30 years term certain, with 5 year development breaks there after.

Lease to include the entire estate (not including Caretaker's House).

Obligation for Leaseholder to operate a small community library in situ.

Bidders to note that there are 4 maintenance staff on the site that may be subject to TUPE.



ACCOMMODATION

The accommodation comprises the following areas:

NAME	SQ FT	SQ M	AVAILABILITY
Building - Millfield Theatre and House	33,365	3,099.71	Available
TOTAL	33,365	3,099.71	

TENURE

New Lease

VIEWINGS

Please contact Montagu Evans to arrange access.

DATA ROOM

All relevant documentation is available upon request

ENQUIRIES

For further information please contact:



WILL FENNELL

M: 07818 538230

E: will.fennell@montagu-evans.co.uk

JUSTIN PARKER

M: 07721 822 003

E: justin.parker@montagu-evans.co.uk

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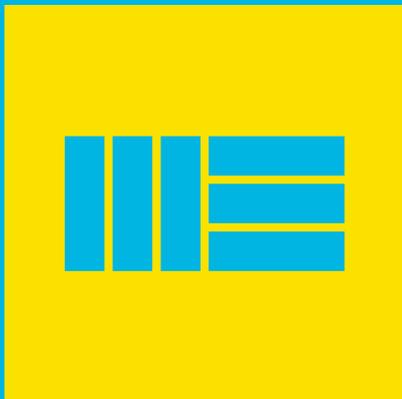
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MONTAGU EVANS

70 ST MARY AXE

LONDON

EC3A 8BE



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WE REQUEST THAT THESE BE TREATED AS CONFIDENTIAL.