Guildford Borough Council		
Report title: The Electric Theatre: Options appraisal and next steps		
Report to: Executive		
Date: 25 June 2026		
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Wards affected: Castle **Ward councillors informed:** Cllrs Geoff Davis, Richard Mills OBE, Maddy Redpath		
Exempt from publication: No		
Key Decision: No	**If a Key Decision, date registered on Forward Plan:** n/a	
Report cleared for publication by:		
Finance	Falil Onikoyi	02 June 2026
Legal	Michael Elford	02 June 2026
Governance	Angela Watson	5 June 2026
Human Resources	Clare Garcia	4 June 2026
Equalities	Ali Holman	28/5/26
Strategic Director	Jo Knight	4th June 2026

Democratic Services	Carrie Anderson	09 June 2026
Executive Portfolio Holder final consultation		03 June 2026

1. Executive Summary

1.1 At its meeting on 26 February 2026, the Executive, in recognising the importance of The Electric Theatre to Guildford, resolved to continue to progress a programme of work to determine its future, with the next step being the commissioning of independent expert advice to appraise options and review the viability of different operating models.

1.2 An options appraisal, undertaken by our independent expert, Blue Horizon Ventures (BHV), accompanies this report and marks the conclusion of the first phase of work identified.

1.3 Blue Horizon's report confirms that:

- Based on condition surveys, the internal and external fabric of The Electric Theatre is fundamentally sound. Some remedial, compliance, and recertification work is required, alongside investment to improve standards of user experience.
- A hybrid cultural operating model, combining community use with strong commercial programming, has been identified as being the most effective option.
- Governance will need to balance the division of risk and subsidy, to ensure the optimum operating model.
- All hybrid operating models are likely to require some level of subsidy; however, a balance would need to be struck between financial support and the Council's strategic objectives.
- Further market testing is required to establish if a hybrid/ cultural model is feasible.
- Commercial/ alternative use options should be explored alongside the hybrid model, to test Best Value.

1.4 As a result, it is recommended that market testing and engagement is undertaken to establish the best operating model for The Electric Theatre, and how the balance between

community/ cultural aspirations and financial/ strategic objectives may be delivered. Commercial/ alternative uses would also be considered as part of this exercise as well as further information gathering to support the market testing exercise followed by a comprehensive procurement process.

1.5 These actions align with our Corporate Strategy priorities of being an *inclusive borough* and a *resilient and well-managed council*, as well as supporting delivery of our Best Value duty.

2 Recommendations:

2.1 That the Executive resolves to:

- **Note the information shared in the accompanying 'Electric Theatre Options Appraisal' report from independent experts Blue Horizon Ventures.**
- **Agree that the hybrid/ cultural operating model is the most appropriate operating model for The Electric Theatre.**
- **Authorise the Joint Strategic Director of Finance and Resources to undertake a compliant procurement process for a new operator of The Electric Theatre.**
- **Agree a supplementary estimate of £50,000 for an industry expert to support the procurement process for a new operator for The Electric Theatre.**

3. Reason(s) for recommendation:

2.1 To update the Executive on progress made to date in relation to The Electric Theatre.

2.2 Consistent with the Council's Best Value Duty, to establish the feasibility and viability of potential operating models for the theatre, including its use as a cultural and community arts venue, alongside alternative commercial options.

2.3 To enable the timely progression of this work in a structured and transparent way, with regard to stakeholder interest and the need to maintain confidence in the process.

2.4 To progress with the procurement of a new operator for The Electric Theatre.

4. Next steps

2.1 As per BHV's options appraisal to:

- Undertake an Expression of Interest (EOI) exercise across two pathways: (i) cultural, theatre, or hybrid operating models (including community uses) and (ii) commercial or alternative uses.
- Undertake further due diligence and information gathering to support the EOI approach.
- Develop the delivery framework and any potential route to market, bearing in mind Best Value responsibilities.

2.2 In addition;

- Continue with asset related remedial work based on the condition surveys that have been undertaken, led by colleagues in the Assets and Property team. It is anticipated that there is sufficient budget in the capital programme for 2026/27 to meet these costs.
- Carry out a procurement process for a new operator for The Electric Theatre.

5. Exemption from publication

2.1 None of this report is exempt from publication.

6. Background and Proposal

2.1 Since February, several of the workstreams identified have been progressed. These include completion of internal and external condition surveys, clearance of the building, and the securing of the site to prevent deterioration and vandalism.

2.2 Condition surveys on the external and internal fabric of the building have been received and priority works identified, subject to decisions on the future operating model.

2.3 In parallel, BHV were appointed to undertake an options appraisal, as the first phase of work agreed by the Executive, to assess the viability of retaining the theatre as a community-focused arts venue.

2.4 Capital funding of £275,000 was secured as part of the 2026/27 budget, (agreed by Full Council in February 2026). This budget allocation will, if required in support of the chosen delivery model, fund remedial and compliance works, enabling the council to address key issues identified through the condition surveys. It is anticipated that this budget is sufficient to bring the building up to the necessary compliance standards.

2.5 The options appraisal prepared by BHV, and which accompanies this report, provides an assessment of potential operating and delivery models for The Electric Theatre. It considers how these models might perform against the council's strategic objectives, including cultural and community value, financial sustainability, risk, and Best Value duty.

2.6 The appraisal identifies a range of potential uses and operating approaches, supported by technical, commercial, and market analysis.

2.7 The work of BHV, supported by the outcomes of earlier stakeholder engagement, has identified that there is no single solution for the theatre's future. Any viable approach must respond to a number of key considerations, including:

- The need for a flexible, multi-purpose venue capable of supporting a varied programme;
- The requirement to complement the wider cultural offer within Guildford;
- The importance of diversified income streams, including hires, partnerships, and hospitality activity; and,
- The need to balance cultural ambition with financial sustainability and delivery.

2.8 In this context, the opportunity presented by The Electric Theatre is not solely the reopening of a vacant building, but instead, the need to determine:

- Whether a viable and sustainable cultural model can be achieved;
- How community aspirations can be aligned with financial constraints;

- The level of capital investment required; and,
- The appropriate allocation of risk and governance responsibilities, apportioned to the council and operator.

2.9 The external condition survey concludes that the building is fundamentally sound and viable but does require ongoing maintenance and some immediate interventions. Similarly, the internal survey identifies that, while functional, the venue requires targeted investment to meet modern standards of safety, efficiency, and user experience.

2.10 Key technical infrastructure in the theatre shows underinvestment. As a result, targeted works are required to address compliance, recommissioning, and operational issues, alongside improvements to customer facing areas.

2.11 An asset management strategy will be critical to set out the full extent of the long term liabilities that could be retained by the council, and the ongoing financial support required to secure a sustainable operating model.

2.12 BHV have appraised a range of potential operating models for the theatre, which have highlighted the importance of balancing the factors highlighted above. Crucially, however, BHV have identified that the theatre could have a viable future, though this is dependent on the adoption of an appropriate operating model and a clear alignment between cultural ambition, financial sustainability, and the council's strategic priorities.

2.13 Stakeholder engagement to date indicates a clear preference for retaining the theatre as a cultural asset. In achieving this outcome, BHV's appraisal concludes that there is no single optimal model. Potential options therefore involve balancing competing priorities: control versus independence; community access versus commercial focus; risk retention versus transfer; and financial return versus cultural mission, alongside decisions about the level of ongoing council support.

2.14 The preferred approach will depend on the council's appetite for risk, level of investment, and the balance it wishes to strike between cultural and community outcomes and financial certainty.

2.15 BHV recommend that a hybrid cultural model is progressed to the next stage through an Expression of Interest process, while also testing alternative commercial uses to ensure that Best Value can be demonstrated.

2.16 It is unlikely that the hybrid models explored for The Electric Theatre will eliminate financial support, however they should establish a position where this is balanced with the council's strategic objectives.

2.17 In line with the approach agreed by the Executive in February, BHV have completed Phase 1 of the work through the enclosed options appraisal. Subject to Executive approval, Phase 2 will involve market engagement to test the deliverability of the identified models, including commercial/ alternative uses, followed by a compliant procurement process to seek a new operator.

3 Links to our Strategic Priorities

3.1 One of the council's strategic priorities is for Guildford to be *a more inclusive borough*. Included within this is an aspiration to bring partners and stakeholders together so that we can deliver the best outcomes for residents. The engagement approach we have adopted about the future of The Electric Theatre has been informed by this ambition.

3.2 In determining next steps for The Electric Theatre, the council will be balancing the varied aspirations and priorities expressed by residents and stakeholders through the survey and round table, together with the need to ensure Best Value to ensure we are *a resilient and well-managed council*.

3.3 Sustainability will be considered in any future procurement process, and operator agreement (if relevant), to support the corporate priority of *a sustainable borough*.

4 Opportunities for Collaboration and Local Government Reorganisation implications

4.1 The Surrey (Structural Changes) Order 2026 ("the Order") came into effect on 10 March 2026. The Order places certain duties on the council with effect from 10 March 2026 through to Vesting Day on 1 April 2027. Following the making of the

Order, the Secretary of State for Housing, Communities and Local Government issued guidance to the council advising that it should now, amongst other things, be exercising its functions to further the purposes of the Order.

4.2 For the purposes of this report, this means that the Committee needs to be satisfied that the activities to be approved are necessary and proportionate for ensuring continued service delivery up to (and beyond) the transfer of its functions to West Surrey Council. Officers are satisfied this is the case as The Electric Theatre remains a council asset with ongoing financial and other liabilities.

5 Consultation

5.1 Engagement to date has included drop-in sessions, a resident's survey, and a round table event. Details, including the findings from the survey and the report from the round table event, were included in the report to the Executive on 26 February 2026.

5.2 Further engagement and consultation will be undertaken as necessary, in particular through the market testing and engagement exercise, if supported by the Executive.

5.3 Ongoing communication is being managed by our Communications Team, including newsletters and regular updates on the webpages Shaping the future of The Electric Theatre - Guildford Borough Council.

6 Key Risks

6.1 Whilst establishing the future of The Electric Theatre, it will remain vacant and unused. The council will bear any costs associated with the vacant property, including rates, utilities, security, and essential maintenance.

6.2 Public confidence may be undermined if transparency, openness, and genuine engagement are not maintained in this process. Expectations have been raised around continued involvement and ongoing communication. We will ensure timely communication, and relevant updates, are shared with residents and stakeholders. This will include open communication about the challenges, constraints, and decision-

making processes involved, to help maintain stakeholder confidence.

6.3 There is a risk that, following market engagement, it proves unviable to pursue the future of The Electric Theatre as a community focussed cultural venue. Alternative/ commercial uses may prove more sustainable for its future, either through a lease or freehold disposal. From a stakeholder perspective this may lead to feelings of frustration that a beloved venue may be lost. However, in going through this process with an independent expert providing clear evidence to establish if a sustainable and viable operating model is possible, demonstrates our commitment to exploring The Electric Theatre's future transparently.

6.4 Local Government Reorganisation (LGR) presents a risk of delay and uncertainty. There may be a requirement for the shadow West Surrey Council to consent to any future decision to be taken, depending on whether it falls within the thresholds set out in the S24 Direction.

7 Options

7.1 There are two options for the Executive to consider:

7.2 Option 1 (not recommended): in noting the report from BHV, do nothing, leaving The Electric Theatre vacant and unused.

7.3 Option 2 (recommended): in noting the report from BHV, support the market testing of a cultural/ community approach with a hybrid operating model for the theatre, alongside exploring commercial/ alternative uses, followed by a compliant procurement process to find a new operator.

8 Issues for consideration

8.1 Financial implications

- Whilst the previous report to Executive confirmed engagement of an independent expert to undertake Phases 1 and 2 of this work, budget provision had only been identified for Phase 1. It is estimated that approximately £50,000 from reserves (by way of a supplementary estimate) will be required to fund the Phase 2 market engagement exercise and procurement.

- Capital funding of £275,000 was approved as part of the 2026/27 budget process to support remedial, compliance, and recommissioning works. Based on condition surveys completed to date, this allocation is expected to be sufficient to address priority works, although future requirements may be identified as proposals are developed and these will need to be approved by the appropriate process as and when they develop.
- It should also be noted that whilst vacant, The Electric Theatre continues to generate holding costs, including business rates, utilities, insurance, security, and essential maintenance which will need to be taken into account.
- The options appraisal indicates that any cultural or hybrid operating model is likely to require some level of ongoing financial support. The extent of this support will depend on the operating model selected, the allocation of responsibilities between the council and any future operator, and the ability to generate commercial income.
- The proposed market engagement exercise will provide greater certainty regarding future capital requirements, operating costs, income potential, risk allocation and long-term financial sustainability. Any future recommendations will be supported by a detailed financial appraisal.

8.2 Legal implications

- The council's Legal team have been informally engaged in the work on The Electric Theatre. Further legal advice will be sought as necessary to ensure all actions and decisions are robust and legally compliant.

8.3 Human Resources and Equality and Diversity Considerations

- There are no immediate HR implications arising directly from this report, as the theatre is currently closed and there are no staff in place. The future operation of The Electric Theatre is likely to be delivered through an external operator and any future workforce considerations that may arise will be considered with HR advice, if required.

- This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

8.4 Climate Change / Sustainability Implications

- Bringing back The Electric Theatre into full and proper use will increase the utility/ energy consumption and costs which would become the responsibility of any future operator.

9 Overview & Scrutiny Comments

9.1 Not applicable.

10 Suggested issues for Overview & Scrutiny

10.1 None.

11 List of Appendices

11.1 Appendix 1: Blue Horizon Ventures – Electric Theatre Options Appraisal

11.2 Appendix 2: Blue Horizon Ventures – Governance Models (Detailed Review)

11.3 Appendix 3 : Blue Horizon Ventures – Comparable Venues

12 List of Background papers

12.1 Executive report dated 26 February 2026: Agenda for Executive on Thursday, 26th February, 2026, 6.00 pm - Guildford Borough Council