

Empire Theatre Community Arts Centre — Project Group

Report and Recommendation: Delivering the Project

Prepared for: Halstead Town Council — for the meeting of 14 September 2026

Prepared by: The Project Group

Purpose: To recommend a clear way forward that keeps this project on track, and to explain how the practical challenges along the way will be worked through, particularly in the light of recent communications from the Empire Theatre Trust.

In this report, "the Council" means Halstead Town Council; "the Trust" means the Empire Theatre Trust; "BDC" means Braintree District Council; and "S106" means Section 106 developer contributions.

Recommendation

It is recommended that the Town Council:

- **Re-affirms its commitment** to extending the Empire Theatre to provide additional community and arts spaces, removing the existing temporary buildings, replacing them with modern, accessible facilities and refurbishing the existing toilets and entrance space.
- **Notes the outcome of discussions** held on 3 September 2026 between the Trust's Executive Team, Project Group representatives and the Town Clerk (Section 6), and asks the Project Group to reflect these, where possible, in further planning and delivery.
- **Approves the establishment of a Community Interest Company (CIC)**, wholly owned by the Council as sole shareholder, to take over from the Project Group (whose application for charitable status was unsuccessful) and to manage delivery of the project. The CIC would have a board of up to 10 directors: a maximum of 20% appointed by the Council, with the remaining 80% experienced, independent experts recruited specifically to help deliver the project on time and within budget (Section 4).
- **Seeks legal advice** on the establishment of the planned CIC subject to relevant financial approval
- **Notes the Community Arts Centre business case** and the submission of the planning application and business case to BDC, keeping the project on track towards delivery (Section 8).
- **Asks the new CIC to lead a search for funding** from a range of sources suited to the project, rather than relying on any single funding stream (Section 5).
- **Commits to continue working closely and in good faith with the Trust** as the project develops, recognising the value of its experience, its volunteers and the ideas it has put forward, while also recognising that the Community Arts Centre will take a hybrid form, serving the wider community and not the arts alone (Section 6). This recognises the operating model currently in use which will require adaptation to support the continued front of house expertise currently in operation.

1. Why we recommend this approach

This project already has a great deal going for it: a strong, well-supported concept; positive public consultation from within and beyond the Town; and detailed design work completed. The practical

questions raised along the way — about funding, governance and how the finished building will be run — are real and worth taking seriously, but they are the kind of questions any ambitious community project has to work through, not reasons to stop.

The recommended approach keeps the project moving, strengthens delivery by bringing in further experienced people to help run it well, and keeps the door firmly open to continued partnership with the Trust and with the other groups the Council can work alongside.

2. The project so far

The story of the project to date, in brief:

- **Origins.** The idea of a community centre in Butler Road dates back some 15 years. In 2024, the Council began work on plans to extend the Empire Theatre, Butler Road, to create a community arts centre. The early cost estimate was around £1.7 million; as the scheme and cost information developed, this was revised to £3.4 million.
- **Concept and consultation.** A concept for the new centre was developed and put out for public consultation, and it received strong support from those who responded. The concept extends the facilities to provide more community provision of all kinds, reflecting the Town's rising population and residents' growing expectations, both within and outside Halstead.
- **Support.** The project has attracted support from a wide range of people and organisations:
 - Patrons: Malcolm Root and Sam Swainsbury.
 - Community supporters: Stane Street Players, Braintree Foodbank, Friends of Holy Trinity Church, Little Pickles Nursery, Halstead & District Photographic Society, CozFest members, and families supporting children's activities.
 - Arts and theatre supporters: The Theatres Trust; Kit Harington (actor and producer); Rosie Leslie (actor); Owen Calvert-Lyons (Artistic Director, Theatre Royal); Amy Cudden (actor, director and producer, Colchester); Lucy Cudden (actor and producer, Colchester); and others.
- **The Project Group.** A Project Group was set up to manage the project, working alongside the Trust, which operates the Theatre under a lease from the Council. The Trust contributed an early wish list of activities it felt could be offered, which helped shape the scheme and gave the Project Group — and, it is believed, the Council — confidence that the Trust had the vision and capability to help deliver a community space that met modern-day needs.
- **Design.** The Council funded the surveys needed to inform the design. Physical surveys were carried out, architect's plans were produced and these were consulted on. Members of the Trust Board met the Project Group at an early stage and attended two consultations on the designs.
- **Pre-application advice.** A request for pre-application advice was submitted to BDC on 16 October 2025, and positive "in-principle" support was received from officers on 27 November 2025.
- **Charitable status and the CIC.** After a long wait, the Project Group's application for charitable status was unsuccessful, as the Charity Commission felt the Group did not have a charitable purpose. The Group is now preparing to register a CIC, subject to the Council's approval (Section 4).

- **Arts Council.** An Expression of Interest for grant funding was submitted to the Arts Council in August 2026. It was not successful on this occasion, but this is not the end of the funding story (Section 5).
- **Section 106 funding.** S106 developer contributions of approximately £485,000, set aside for a community building in the area, remain available to help fund the scheme, provided works start on site by April 2027 and an application is successful.
- **Business case.** The project business case has been extensively revised since an earlier submission to BDC. It has since been reviewed by an independent adviser, formerly a National Lottery Award Advisor and Chief Executive of the Nationwide Foundation. Her view was that, with the additional work on the figures (requested twice from the Trust) and some further work the Project Group has identified on expected growth, the business case would be suitable for submission with a positive recommendation for approval.
- **Ready for submission.** The further revised planning application and the supporting business case for the S106 funding bid are now close to being ready for submission to BDC, following Council approval (Section 8).

Tenure. *The Council owns the building outright. The Empire Theatre is run day to day by the Trust under a lease from the Council. This report recommends keeping that operating relationship in place, while strengthening how the project itself is delivered (Section 4).*

3. Where things stand today

On 24 August 2026, the Trust's Executive Team wrote to the Chair of the Project Group setting out, in detail, a number of concerns about the current proposal, covering funding, governance, running costs and the practical impact of a bigger, busier building on its volunteers. The Trust also put forward its own ideas for a smaller-scale programme of improvements, focused on refurbishing the existing Theatre and making better use of the space behind it. This was the first detailed statement of the Trust's position in almost two years of Project Group activity. The correspondence and the Trust's papers are summarised in Appendices A to E.

The Project Group welcomes this input. Although it arrived late in the process, the Trust's experience of running the Theatre successfully over many years is exactly the kind of insight this project needs. Many of its ideas — better backstage facilities, improved accessibility, and new community and rehearsal space — sit comfortably alongside the current scheme rather than against it, and most of the suggestions made by the Trust at a dedicated design meeting in August 2026 with the architect have already been incorporated in the final drawings.

Where the Trust and the current proposal differ is mainly on scale, on funding structure, and on who is responsible for what once the building is finished. Sections 4 to 7 set out how the Project Group proposes to address exactly those points; a number of the issues the Trust has raised have, in fact, already been discussed, resolved or built into the plans.

Time is a key constraint. The planning application was originally due on 30 August 2026. BDC is aware of the position and is awaiting the S106 funding bid, supported by the revised business case. The current position of the Trust is a significant risk to the project and potential S106 funding.

4. Strengthening delivery: a Community Interest Company

It is recommended that the Project Group is established as a Community Interest Company (CIC), a not-for-profit structure well suited to a project of this kind. The table below sets out how it would work.

Feature	Proposed arrangement
Legal form	A Community Interest Company (CIC), limited by shares.
Shareholder	Halstead Town Council — the sole shareholder, giving the Council ultimate ownership and control of the company at all times.
Board size	Up to 10 directors.
Council-appointed directors	Up to 2 directors (20% of the board), appointed by and accountable to the Council.
Independent expert directors	Up to 8 directors (80% of the board), recruited for relevant experience — for example construction and project management, finance, charity or theatre governance, fundraising and venue operations — to bring the specialist capacity needed to deliver the project well.
Role of the CIC	To take forward the detailed design, funding and delivery of the project on the Council's behalf, reporting back to the Council as sole shareholder.
What does not change	The Council remains the freeholder throughout. Once the project is complete, the Trust is invited to continue operating the Theatre Day to day, with a wider remit, under a clear revised lease and operating agreement.

This structure keeps ultimate control of the project firmly with the Council, while giving the project a board with real, hands-on experience in the areas that matter most: construction, finance, governance, planning and operations. This type of model was chosen by the Council from the outset to ensure there is the capacity to deliver the project on time, rather than leaving delivery solely to existing volunteers, Councillors or officers alongside their other responsibilities.

5. Funding the project

The Arts Council application was not successful this year. That is a setback, not a dead end. Plans already exist to consider a basket of funding sources, the new CIC will be tasked with developing and leading a broader funding strategy, drawing on a range of sources appropriate to a project of this kind. These may include grant-making trusts and foundations, other public and lottery-funded programmes, sponsorship and local fundraising, alongside the potential S106 contributions of approximately £485,000 already earmarked for the area.

Diversifying funding in this way reduces the project's reliance on any single decision and gives the CIC's board the flexibility to pursue whichever combination of sources offers the best chance of success. The S106 contributions are subject to a deadline for starting work on site (April 2027); this can be met by beginning site preparation, including the removal of the redundant petrol tanks, while the wider funding package is assembled. Further staged works may need to be included as part of the development.

6. Working with the Empire Theatre Trust

The Trust's ongoing involvement matters. Its volunteers, knowledge and goodwill are a real asset to this project, and the recommendation in this report is designed to keep working with the Trust, not around it.

6.1 Meeting with the Trust's Executive Team, 3 September 2026

Following the Trust's correspondence, the Project Group met the Trust's Executive Team on 3 September, together with the Town Clerk. The Chair of the Project Group outlined the background and history of the early plans to build a community centre in Butler Road and explained that the Council had concluded it was in the best interests of the Town to develop property it already owns to meet needs for community provision that have changed since the original concept some 15 years ago. The Council's view is that the project would:

- protect the earmarked S106 funds of approximately £485,000 from being returned to developers;
- provide modern upgrades and extensions to the Empire Theatre, expanding the range of activities that can be offered;
- create a destination that helps to encourage the regeneration of an area of the Town that currently appears neglected;
- signal bold investment in the wider town, encouraging further investment and helping to retain local businesses; and
- serve the planned growth in Halstead's population — projected to increase by around 50% — from within the Town, rather than residents travelling elsewhere.

The Project Group also noted that consultation on the project had been publicly available throughout, and that the Trust had been linked to the project through three direct contacts as well as the public consultation opportunities.

The Trust's Executive Team relayed its concerns, as set out in Appendices A to E, together with its proposals to refurbish the Theatre. Following discussion, the Trust agreed to consider its position and to advise on next steps from its point of view. All present were reminded of the urgency of the situation, given the planning and S106 deadlines and the reputational considerations for both the Council and the Trust.

6.2 What the Project Group and the CIC will do

Arising from these discussions, the Project Group — and the CIC once established — will:

- **Bring the right expertise to the table.** The CIC board will include financial, governance and operational expertise that speaks directly to the Trust's concerns, both within its membership and in its discussions with the Trust.
- **Put the operating relationship in writing.** If the Trust wishes to participate, a clear, written operating agreement for the Trust will be prepared, subject to Council approval, covering responsibilities, costs and support during and after construction. The CIC will also seek advice for the Council on the best way to amend the current lease to reflect the changes to the building and its operation.
- **Continue to reflect the Trust's ideas in the design.** The detailed design already reflects most of the suggestions the Trust made at the design meeting with the architect. The further ideas in the Trust's August papers — on backstage facilities, accessibility and the use of the rear

accommodation — will be considered alongside the current scheme. It should be noted that the project was never intended to refurbish the whole interior of the building, which remains the Trust's maintenance responsibility, and that these ideas were received in late August 2026, so there has not yet been time to consider them in full.

- **Keep the current scheme moving at pace.** The project will continue to remove the outdated, unwelcoming temporary buildings, improve access, and provide a more inclusive entrance, café and bar area. New and repurposed spaces will be made available for community use over more hours, following successful models elsewhere.
- **Use the wider offer as a catalyst.** The proposal is designed to offer community spaces for a wider range of activities than the Empire currently provides. This broader offer is expected to generate greater interest from potential funders in supporting further, wider refurbishment, without losing the unique character and history of the existing building.
- **Detailed Consultation on use.** Consultation on the detail will continue with groups, about the new, modern, accessible and welcoming space and how it will be used; how it can offer a platform for new groups and activities; and how funding can be secured from a range of grant sources, supported by partnership working between the Trust, the Council and other bodies.
- **Work through the risk register together.** The Project Group will work with the Trust on its risk register (Appendix E), supporting the Trust on matters relevant to its own future operation as well as matters directly within the Project Group's remit. The issues relating to the working relationship and the Trust's security of tenure can, and will, be resolved through joint discussion between the Trust and the CIC, subject to Council agreement.
- **Support the Trust on volunteers.** A recurring theme in the risk register, and in informal feedback, is the impact of the project on volunteers. These concerns are understandable and, in the Project Group's view, resolvable: the proposals are modelled on successful ventures elsewhere that combine volunteer-led provision with paid staff where required. External consultancy may be a helpful way to assist the Trust in managing these concerns, and it may be possible to identify funding to enable this. The National Council for Voluntary Organisations has been approached by the Project Group since the meeting to determine if there is suitable consultancy advice to support the transition to a new working model.
- **Remain available and open.** The Project Group will continue to make clear its willingness to support the Trust, answering questions and helping it develop its operational model. It welcomes the opportunity to work with the Trust on these and other specific issues, without delaying the planned construction. Communication with the Trust and the wider community will stay open, constructive and factual as the project progresses, as it has throughout.

7. Other approaches considered

Before settling on this recommendation, other approaches were considered: pausing the planning submission until every concern is fully resolved; adopting the Trust's smaller-scale alternative in full instead of the current scheme; and examining whether the Council could change who operates the Theatre altogether.

None of these is recommended. Pausing would put the funding and planning deadlines at risk for little guaranteed benefit. Adopting the alternative in full would mean setting aside years of consultation and design work already completed. Changing the operator would risk losing the very experience and volunteer goodwill this project depends on, without resolving most of the underlying questions, which

concern the scheme itself rather than who runs it. The recommended approach — proceed and strengthen delivery through the new CIC — offers the best combination of pace, ambition and partnership.

8. Next steps and timeline

When	What
14 September 2026	Town Council considers and approves the recommendations in this report, including the business case and the establishment of the CIC.
By 18 September 2026	Subject to Council approval, the planning application and business case are submitted to BDC.
Autumn 2026	CIC registered; independent expert directors recruited; broader funding strategy developed (Section 5); operating agreement and lease amendments prepared with the Trust for Council approval (Section 6).
Ongoing	Continued dialogue with the Trust on its risk register, design suggestions and volunteer support (Section 6).
By April 2027	Works commence on site, beginning with site preparation, to secure the S106 contributions.

9. Conclusion

This project has come a long way: a strong concept, real public support and detailed plans ready to go. The questions raised at this late stage are answerable, and this report sets out a clear, practical way to answer them — a stronger delivery structure, a broader funding strategy and a strengthened, continued partnership with the Trust. This will keep the project moving towards a new go to place as a community arts centre for Halstead that extends its offer beyond arts and culture into a safe, welcoming space for all.

It clearly sets out that the project should proceed with the only other option being to cancel the project with the consequent risks outlined.

Appendices

The correspondence and documents below are reproduced or summarised for brevity. The full evidence behind this report remains available to Members on request.

Appendix A — Reply to the Empire Theatre Trust Executive Team, 26 August 2026

From: Project Group

To: Empire Theatre Trust — Executive Team

Date: 26 August 2026

Thank you for your email, which I received while away for a few days. I think it's fair to say it comes as a surprise, and at a difficult stage — we are about to submit the planning application and business case to BDC by 30th August. It's clear from your email that the Executive Team cannot support the proposal in its current form.

The plans in this form have been the subject of extensive public consultation, and support has been strong enough that the Town Council agreed to proceed with the project. The Empire Trust's own aspiration list, provided during that early consultation, was itself one of the things that supported the decision to move forward.

We have been clear throughout that the plans are intended to improve and expand the site, providing additional community space. We have also been clear that day-to-day management of the building would remain, as now, within the Empire Trust's existing leasehold arrangements. This is not to say that the Town Council would leave you to pick up the pieces and walk away once the building is complete — the Council intends to support the Trust through the transition, not hand over a finished building and step back. There is also a view that by building this extension it could be a catalyst that enables future potential for grant funding for refurbishment of the Theatre.

Given your email, I believe this now represents a significant risk to the project, and one that will also affect our efforts to secure the grant funding already earmarked for a community building on Butler Road. The Arts Council has not accepted our application to this year's grant stream; other funding routes are being explored.

I will need to report this email to the Town Council and the planning group as a risk to the project. Before I do that, however, I would welcome a meeting with you and your colleagues, together with a colleague from the planning group and the Town Clerk, to understand the concerns in more detail and discuss how they might be addressed. Ideally this would need to happen before 4th September, so a report can be prepared ahead of the Town Council meeting on 14th September.

I hope we can work through this together, and I look forward to hearing from you.

Appendix B — Empire Theatre Trust Executive Team: covering note, 27 August 2026

From: Empire Theatre Trust — Executive Team

To: Project Group

Date: 27 August 2026 (date as received; documents themselves dated 24 August 2026)

Following recent discussions, the Executive Team has prepared two documents for consideration. The first document sets out our concerns regarding the proposed development and is accompanied by a risk matrix identifying the principal governance, operational, financial and sustainability risks that we believe require careful consideration before any further commitment is made.

The second document focuses on what the Empire Theatre actually needs to ensure its long-term sustainability and continued service to the community. It outlines how investment in the existing Theatre and redevelopment of the rear accommodation could significantly enhance provision for

community groups, education, rehearsal space, training activities and wider community use, whilst remaining aligned with the Theatre's core purpose.

As part of this work, we have considered matters such as accessibility, inclusion, community benefit, long-term sustainability, future equipment requirements and the changing needs of our users. The document demonstrates that there are opportunities to increase community provision and deliver wider social value through a more proportionate development of the existing site.

Whilst we remain fully supportive of securing funding to improve the Theatre and its facilities, the Executive Team has significant concerns regarding the scale, complexity and long-term implications of the current proposal. In particular, we have concerns about the governance arrangements, future operational responsibilities, financial exposure and the potential liabilities that may ultimately fall upon the Trust.

For these reasons, we do not believe the proposal is one that can be supported in its current form.

We would instead welcome further discussion around a more focused development that meets community needs whilst remaining realistic, sustainable and manageable for a volunteer-led charitable organisation.

Appendix C — Position Paper summary: "Strategic Review of Community Arts Centre Expansion Proposal" (Executive Team and Trustee Position Paper, 24 August 2026)

Condensed from the full document supplied. The paper is structured around five themes: (1) funding and property risks, including Arts Council eligibility, the existing lease's break provisions, and asset ownership, control and handover; (2) governance and operational sustainability risks, including the shift from a volunteer-led to a paid-staffing model and the resulting HR, payroll, pension and insurance obligations; (3) a comparison with other community venue models (South Mill Arts, Earls Colne Recreation Club), flagged by the Trust as not yet independently verified; (4) financial sustainability, including café viability and affordability; and (5) parking, access and residential impact. Its conclusion is that many of the intended benefits could be achieved through a more proportionate refurbishment and rear-site redevelopment, and it asks for a fully costed operating model before any commitment.

Appendix D — "What Theatre Needs" summary: alternative investment proposal (24 August 2026)

Condensed from the full document supplied. The paper is structured across 13 sections covering strategic objective, theatre and cinema technology, auditorium seating, stage and production infrastructure, accessibility and inclusion, front-of-house comfort, an expanded bar and social area, backstage and volunteer facilities, energy efficiency and building fabric, community and educational space in the rear accommodation, community impact and social value, financial sustainability, and a concluding case for a proportionate, phased programme.

Appendix E — Consolidated Risk Register summary (24 August 2026)

The Trust's register merges two earlier workbooks into 20 risks: 14 rated Critical (score 20–25) and 6 rated High (score 12–19), assessed on a standard 5×5 likelihood × impact matrix. The ten highest-scoring risks are set out below; the full 20-risk register, including cause and context, potential consequence and suggested mitigation for every item, is available in the source workbook.

ID	Category	Risk	Rating (score)
MR03	Asset ownership, control & handover	Ownership, control and handover responsibilities for the completed asset are not sufficiently clear.	Critical (25)

ID	Category	Risk	Rating (score)
MR05	Financial sustainability & operating model	The expanded facility may create operating and lifecycle costs beyond the Trust's sustainable capacity.	Critical (25)
MR06	Café / hospitality viability	A permanent daily café or bar may not generate sufficient income.	Critical (25)
MR08	Volunteer retention & community ethos	The scale and staffing model may duplicate, displace or overwhelm existing volunteer roles.	Critical (25)
MR09	Key person dependency	The Trust is materially dependent on the Treasurer, Chair and Secretary for finance, leadership, governance, legal and compliance support.	Critical (25)
MR10	Workforce, HR & management	A larger paid workforce would create employment obligations and management demands that are not yet resourced.	Critical (25)
MR11	Leadership & governance capacity	The Executive Team and Trustees may not have capacity to absorb the enlarged governance and employer workload.	Critical (25)
MR01	Funding & eligibility	Grant eligibility or conditions may not align with the proposed new or expanded facility.	Critical (20)
MR02	Property & lease	Existing lease terms and break provisions may not provide sufficient long-term security for major capital investment.	Critical (20)
MR04	Procurement, cost & value for money	The project cost and value for money have not been adequately demonstrated.	Critical (20)

The register's own caveat: "This is a strategic working draft and does not replace formal legal, property, funding, tax, employment, insurance, licensing, procurement, health and safety or other specialist advice."