

Portfolio Holder for Regeneration and Planning

Meeting Venue

Meeting date
Thursday, 8 September 2016

Meeting time

For further information please contact
Stephen Boyd

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01597 826374



County Hall
Llandrindod Wells
Powys
LD1 5LG

2 September 2016

AGENDA

1.	THE PAVILION LLANDRINDOD WELLS
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CYNGOR SIR POWYS COUNTY COUNCIL**PORTFOLIO HOLDER REPORT for**

**County Councillor Rosemarie Harris,
Portfolio Holder for Property, Buildings and Housing**

and

**County Councillor Avril York,
Portfolio Holder for Regeneration and Planning**

REPORT AUTHOR: David Micah, Commercial Property Manager

SUBJECT: The Pavilion, Llandrindod Wells

REPORT FOR: Decision

1.0 Summary and Proposal

1.1 This report is submitted for Portfolio Holders' consideration of a request made by Grand Pavilion Events, a Community Interest Company (CIC) which occupies the Grand Pavilion in Llandrindod Wells that the Lease term, only granted following Cabinet's decision in January of this year, be extended from 30 years to 99 years.

1.2 The extension is requested in order for the Tenant to be eligible to apply for Grant Funding from the Big Lottery CAT2 scheme, which requires all applicants to have either acquired the freehold of their property, or a long lease of 99 years.

2.0 Background

2.1 Please find attached at Appendix 1 a copy of the Cabinet report dated 26 January which sets out the background to the current position, whereby Grand Pavilion Events was granted a 30 year lease of the property. Also attached is a copy of the recorded Minutes of that meeting, with the relevant minute being item 14.

2.2 Grand Pavilion Events opened its doors to the public on 18th March 2016, under a temporary licence whilst the lease terms are finalised, with an evening of Welsh Language Opera, having been closed some 9 months previously by the Council due to unsustainable losses. The group continues to develop a programme of events for this year and is seemingly being well supported by the Community. A new website has been

developed where information about the property and its events can be viewed – www.pavilionmidwales.co.uk.

- 2.3 The request for the term of the lease to be extended from 30 years to 99 years is made to enable the CIC to apply for a new Grant funding opportunity, which has been created by the Big Lottery Fund. Applications from Community Interest Companies with less than 99 year leases will not be considered.

3.0 One Powys Plan

- 3.1 Supporting the applicant's request for a longer term lease should help to secure the future of the Pavilion as a venue for community involvement, integration and the arts. It is an old building, dating from around 1910 and as such, although in good condition, will need regular maintenance during the lease period. A well maintained and presented property can only be beneficial to the applicant in attracting both performers and audiences – which in turn will help to generate a successful enterprise. Ultimately, investment in the building to improve and maintain its constructional fabric and facilities should benefit the Council in the longer term.

- 3.2 The risk to the Council of agreeing to this proposal is limited to the timeframe in which it could regain control of its asset: under the current lease, the Council will regain possession in 30 years, although it is probably true that if the operation is still successful after 30 years, a new lease would be sought. However, the current draft lease provides protection for the Council's residual interest, as per the earlier Cabinet decision, and any variation agreed now will still incorporate those safeguards.

4.0 Options considered/available

- 4.1 **Option 1:** Grant the CIC the additional term requested, thereby increasing the length of the lease from 30 to 99 years, with all other terms of the lease reflecting Cabinet's earlier decision. However, an additional clause will be required within the lease, to the effect that the applicant indemnifies the Council from the early repayment of any funding awarded as a consequence of this, or any other, grant application scheme. Accepting this option will enable the applicant to seek grant funding from the Big Lottery CAT2 scheme.
- 4.2 **Option 2:** Reject the request from the applicant to extend the term of the lease and deny them the opportunity to attract considerable (£300,000 - £1,150,000) grant funding. Whilst this is an option, it will be seen as an unhelpful decision by the CIC, who is keen to make the overall project a success.

5.0 Preferred Choice

- 5.1 The preferred option is Option 1. This will ensure the CIC will have the best opportunity to progress their proposals to re-establish the Pavilion as a key local venue for the performing arts and a community centre, and to build upon their existing successes this year.

6.0 Sustainability and Environmental Issues/Equalities/Crime and Disorder/Welsh Language/Other Policies, etc

- 6.1 The proposal in this report has no effects on the above policies, which were dealt with in the previous Cabinet report.

7.0 Local Members

- 7.1 The Local Member for the Pavilion is Cllr Keith Tampin. He has been notified of the proposed changes to the lease term and supports the request to extend the lease.
- 7.2 Cllr Gary Price and Cllr Tom Turner have also been advised, as the other local members for Llandrindod Wells.

8.0 Support Services (Legal, Finance, Corporate Property, HR, ICT, BPU)

8.1 Property

Natasha Morgan – Professional Lead – I support the proposal which will allow the tenant to secure grant funding to improve the property which will ultimately benefit the council.

8.2 Legal

Nigel Vaughan - Professional Lead - Legal has no comment to make on the preferred option in this report save that the legal services will offer help and assistance where and when required.

8.3 Finance

The Capital and Financial Planning Accountant supports the change to a 99 year lease. The lease will now qualify as a finance lease in the Statement of Accounts. The building asset will be removed from the asset register as a disposal.

Marie James - The Finance Business Partner Place notes the contents of the report, the extension of the lease has no impact on the revenue budget of the Regeneration, Property and Commissioning Service.

8.4 Regeneration

Liz Trow - I am happy to support this proposal, due to the size of the building Big Lottery Grant is probably one of the few options open to them.

9.0 Corporate Communications:

John Evans – Communications Manager commented “No proactive communications action required at this stage.”

10.0 Statutory Officers

11.1 The Strategic Director Resources (S151 Officer) - The comments made by Finance are noted and also that the lease extension will enable funding bids to be taken forward

11.2 The Monitoring Officer notes the proposals set out and comment from legal Services and has nothing further to add.

12.0 Members’ Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
To agree to the request of Grand Pavilion Events CIC to extend the lease from an initial term of 30 to 99 years	To enable Grand Pavilion Events CIC to apply to the Big Lottery CAT2 scheme (and other bodies) for grant funding.
That an additional safeguard be added to the lease requiring Grand Pavilion Events CIC to indemnify the Council against any claims for reimbursement of grant funds should the lease granted be surrendered in conflict with any grant repayment conditions.	To protect the Council from any claims for grant repayment should the lease be surrendered against any grant conditions imposed should such grants be awarded to the CIC.

Relevant Policy (ies):	Corporate Asset Policy		
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	Cllr Keith Tampin, Cllr Garry Price, Cllr Tom Turner
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Person(s) To Implement Decision:	David Micah
Date By When Decision To Be Implemented:	Immediately

Contact Officer Name:	Tel:	Fax:	Email:
David Micah	01597 826054	-	david.micah@powys.gov.uk

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CYNGOR SIR POWYS COUNTY COUNCIL

**CABINET EXECUTIVE
26th January 2016**

REPORT AUTHOR: County Council Avril York, Portfolio Holder for
Regeneration and Planning and County Councillor
Darren Mayor, Portfolio Holder for Property, Buildings
and Housing

SUBJECT: The Pavilion, Llandrindod Wells

REPORT FOR: Decision

1.0 Summary and Proposal

- 1.1 Powys County Council proposes to transfer The Pavilion, by leasehold Community Asset Transfer, to Grand Pavilion Events Ltd - a Community Interest Company) supported by LW & Area Chamber of Trade & Tourism. The group proposes to reopen the Pavilion and to operate it for the benefit of the local community with various events (to include live theatre, dances, displays, exhibitions, room hire, cinema, indoor markets), office space hire, and the letting of the undercroft.
- 1.2 The group has completed an Expression of Interest form and has met the criteria for a Community Asset Transfer (CAT) from Powys County Council to a Third-Sector Organisation which are:
- To encourage people to take part in economic and community life
 - To develop capacity in and connections between public, private, voluntary and community sectors in order to support economic and social development
 - To safeguard buildings for community use
- 1.3 Although newly established, the group is well supported and to a lesser extent populated by the Llandrindod Wells Chamber of Trade & Tourism, itself a long-standing organisation, which understands the local need and demand which can be met from the Pavilion.
- 1.4 The group has requested that all contents of the Pavilion – equipment, fixtures and fittings – last used in its operation are included in the lease.
- 1.5 In order to give its proposals a greater chance of success, the applicant has also requested the inclusion of the car park to the front of the property, on which they propose to introduce a private parking order. This part of the site is currently vested in Outdoor Recreation, and the Service

Manager has confirmed that with the pending transfers of the Indoor Bowling Greens, and Tennis Courts to the present operators, he will no longer wish to retain the car park and would support its inclusion in the lease to the operator of the Pavilion. We do not currently charge for parking on this site and so there is no loss of income.

1.6

The applicant has stated it has provisionally agreed with the Church that use of the car park for Sunday Services, weddings and funerals will not be subject to charges.

2.0 Background

2.1 Powys County Council closed the Pavilion to the public on 30 June 2015, following Cabinet approval on 27 January 2015 due to the building operating at a loss, which was seen as unsustainable in the current economic climate. Part of the decision included the marketing of the building – for six months as a rental opportunity or CAT, followed by sale if by the end of July no new operator had been found.

2.2 In accordance with that decision, a local and national marketing campaign was undertaken, which had a very low response rate. Only one community-based request for an Asset Transfer was received, this being withdrawn before the deadline for receipts of interest. Less than 10 commercial enquiries were received, and only one of those showed continued interest after the information pack had been provided. That party regrettably withdrew having visited the site on a number of occasions – citing issues surrounding parking at the site, given the other significant users of the car park and the impact that would have on his own proposals.

2.3 The then Portfolio Holder Cllr S Hayes chaired a review meeting with officers and local members at which it was agreed to proceed to enter the property in auction with a national auctioneer. However, before the auction date a new Expression of Interest was received from the current applicants and although outside the initial timeframe for such interest, it was agreed this should be considered.

2.4 With the EOI being supported, the group was asked to submit its Business Case. Although there are elements which concerned officers in that document and subsequent appendices, the collective view was that the Business Case was strong enough to recommend a Transfer be supported.

2.5 It is proposed that a Business Lease will be granted – on full repairing terms (including insurance) - for 30 years, at a nominal rental of £50 per annum, and will include appropriate safeguards to protect the Council's retained interest in the building. The right to a new lease at the end of the term will be excluded. Initially, the Lease will allow either party to terminate the Lease at any time during the first three years should the venture not prove successful. During this time, the Tenant will also have to provide twice yearly accounts to the Council and audited accounts on an

annual basis throughout the lease period; this will give the County Council the assurances it needs to be satisfied that the venture is operating successfully, but if not the Council will be able to exercise its right to break the Lease. A copy of the agreed Heads of Terms is attached at Appendix 1.

2.6

Although the applicants have requested that the rental of £50 should be set for the duration of the lease, it is proposed that rent reviews should be included at five year intervals in line with the Index of Retail Prices or similar, in order that the rent keeps pace with inflation.

2.7

Any lease will also include normal forfeiture clauses which may be relied upon by the Landlord beyond the first three years, covering issues such as non-payment of rent, not keeping the building in repair and so on.

3.0 One Powys Plan

3.1 The proposed transfer would retain the property for community use and serve the wider area interests regarding arts provision, community use, and economic regeneration. It is anticipated the proposed transfer of the Pavilion to the applicants will ensure the long term viability and sustainability of this locally important building whilst still retaining the freehold title.

3.2 The risk to the Council of accepting this proposal is minimal: it is proposed that the Lease will be granted with the Tenant taking over full repair and maintenance liabilities, along with all running costs. The transfer is at less than market value as are most CATs. The rental offered is only £50 per annum, against an independently assessed (District Valuer Services) rental value of £12,500 per annum. DVS also provided market value advice should the property be sold on the open market, giving a valuation of £125,000 on this basis. Therefore, it can be seen that whilst granting a lease to the applicant does not generate real income for the Council (and a marketing campaign confirmed very low demand for such premises), there is neither a significant loss in terms of capital receipts if this proposal is accepted, as the current opinion of Market Value is low, and the Landlord will still retain the freehold of the property.

4.0 Options considered/available

4.1 **Option 1:** Accept the Expression of Interest from the applicants and issue instructions to the Head of Legal Services to complete the CAT Lease at the earliest opportunity with appropriate safeguards included in any Lease, as outlined above. Delays in gaining approval for the proposal and in completing any lease will make things very difficult for the applicants as they need to have events programmed at an early stage in order to give them the greatest chance of making a success of it.

4.2 **Option 2:** Reject the Expression of Interest and try to sell the premises.

Whilst a real option for Cabinet to consider, the applicant has expended a considerable amount of time and effort in preparing its submission, and has worked with officers and other organisations to provide as much information as possible. The group is also working with the Strathpeffer organisation in Scotland, which operates and runs a similar venue there. If the application is rejected and the property has to be marketed for sale, there is also the real possibility that it will remain on the market for some time or even fail to attract any buyers, especially given the marketing responses to the nationally advertised leasehold/ freehold opportunity.

5.0 Preferred Choice

5.1 The preferred option is Option 1. The applicants will be given the opportunity to re-establish the Pavilion as a key local venue for the performing arts and a community centre, as well as hosting other events as outlined in paragraph 1.1 above. If successful, the Pavilion will once again become a community asset managed by a community organisation with little risk to the Council, but helping to bring long term social and economic benefits to Llandrindod Wells and the surrounding area.

5.2 Rejecting the application at this stage is likely to cause a significant backlash from the applicants and the local community, who may well see the rejection as confirmation of the social media commentary evident around the time of the building's closure that the Council has interest only in obtaining a capital receipt for this site.

6.0 Sustainability and Environmental Issues/Equalities/Crime and Disorder/Welsh Language/Other Policies, etc

6.1 The preferred option is considered to be the best option to sustain the future of the Pavilion and its existing use as a community asset. The proposal has no adverse effects in relation to crime/Welsh language etc, and in fact the applicants argue that their proposals will enhance the Welsh Language by working with companies such as Opra Cymru, who have already shown interest in using the venue should the application be approved.

7.0 Local Members

7.1 The Local Member for the Pavilion is Cllr Keith Tampin. He and Cllr Gary Price, and Cllr Tom Turner have all offered their support to the applicants as part of their social-media conducted consultations regarding their efforts to reopen the Pavilion.

7.2 Cllr Tampin has also provided the following commentary for this report:- Option 1 is the best long-term solution for the Pavilion and the Town. I am pleased to see the three year termination clause and the provision for the Council to audit the accounts and I wish Grand Pavilion Events Limited every success.

8.0 Support Services (Legal, Finance, Corporate Property, HR, ICT, BPU)

8.1 Property

Natasha Morgan – Professional Lead - My Officers and I are very supportive of this proposal (provided appropriate safeguards are put in place) and think that it is the only current option to ensure that the Pavilion is put back into use as a cultural centre which will in turn help regenerate Llandrindod. I am concerned, from the indications we have had from the national marketing campaign, that we would be unlikely to find a buyer for this property should we offer it for sale.

8.2 Legal

The Professional Lead supports the option recommended in this report and will lend legal assistance as required

8.3 Finance – The Capital and Financial Planning Accountant does not support the lease of the building for 30 years without some provision for rent reviews on at least a 5 year cycle. The rent should also have a provision to increase by the rate of inflation (suggest CPI at January which is available in mid-February) to at least ensure the £50 is worth £50 during the term of the lease.

The Finance Business Partner Place notes the contents of the report, there is a profit target remaining against the Pavilion of £21,870 which will reduce to £12,670 if the rates can be saved as part of this transfer.

8.4 Regeneration – Liz Trow: I am pleased to see that they [the applicants] have expanded the groups and activities shown on the business case, covering sporting events exhibitions and targeting and younger audience with potential ‘gigs’, which in themselves should not conflict with other venues in the area, which was one of the causes for concern.

It is also positive that they have consulted with potential users, and the general impression is that it is the size of the Pavilion that is the bonus. They have also engaged with other users on the site, Indoor Bowls, Church and the Tennis Club, but however I don’t know how realistic it would be to charge for the car park but it would indeed be an extra revenue.

It is however very heavily dependent on volunteers and I would hope to see that volunteer base expand, especially in the first year, although they have acknowledged that the Technicians would have to be paid, but they have identified those they can use. I would also like to see them engage with the Wyeside, to ensure there is not displacement of current provision.

In my opinion that the finances are still unclear, but I am happier with the proposed use of the Pavilion and support their request for CAT.

8.5 Leisure and Recreation Services Manager: I support the proposal which I note will transfer management liability for the open area to the front of the Pavilion (which currently sits within my Service area) to the applicants.

8.6 Traffic and Travel Manager: It is noted that the transferee plans to introduce parking control on the car park surrounding the Pavilion, this will ensure the car park is not utilised for free all day parking and consequently I support the proposal.

9.0 Corporate Communications:

The report is of considerable public interest and requires proactive news release and use of social media to publicise the recommendation and decision

10.0 Statutory Officers

11.1 The Strategic Director Resources (S151 Officer) notes the comments made by Finance.

11.2 The Solicitor to the Council (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report.

12.0 Members' Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation
<p>1. To transfer the Pavilion, Llandrindod Wells, including the car parking area to the front of the property, to Grand Pavilion Events Ltd under a 30 year lease, with suitable safeguards in place to protect the Council's freehold interest in accordance with paragraph 2.5 of the report.</p>	<p>To enable Grand Pavilion Events Ltd the opportunity to re-establish the Pavilion as a key community venue for Llandrindod Wells and the surrounding district and retain this locally important building for the economic and regeneration benefits it will bring to the area.</p>
<p>2. That the nominal £50 per annum rental proposed by</p>	<p>In order to ensure that the rental received from the Community</p>

the Applicants be approved, subject to rent reviews at five year intervals throughout the term, in line with the Index of Retail Prices or similar to be agreed.	Organisation maintains the real value of £50 throughout the lease period.
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Relevant Policy (ies):	Corporate Asset Policy		
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	Cllr Keith Tampin, Cllr Garry Price, Cllr Tom Turner
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Person(s) To Implement Decision:	David Micah
Date By When Decision To Be Implemented:	Immediately

Contact Officer Name:	Tel:	Fax:	Email:
David Micah	01597 826054	-	david.micah@powys.gov.uk

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Grand Pavilion, Llandrindod Wells

Draft Heads of Terms

- Landlord:** Powys County Council
- Landlord's Solicitor:** Head of Legal Services, County Hall, Llandrindod Wells
- Tenant:** **Grand Pavilion Events Ltd**
- Tenant's Solicitor:** **To be advised**
- Tenure:** 30 year lease.
- Extent of Property:** The Property includes all structural parts of the Pavilion and comprises all of the area shown edged in red on the attached plan.
- Boundary Responsibility:** Legal to advise from deeds.
- User Restriction:** The current use of the property falls into Use Class D2 – Assembly and Leisure. Change of use planning permission will be required for any use which does not fall within this category. The Tenant will also need to seek the permission of the Landlord as owner for any change of use – whether in receipt of planning permission or not.
- Rent:** **£50 per annum.**
- Rent Reviews:** The rent will be reviewed every five years, and the reviewed rent will reflect changes in the Consumer Prices Index as produced by the Office of National Statistics using information published in the January immediately preceding the rent review date.
- Submission of Accounts:** For the first three year of the Term, the Tenant will provide half-yearly accounts to the Council, and at each anniversary of the Lease (or as soon as practicably possible thereafter) provide full audited accounts to demonstrate the viability and sustainability of the business venture. For the remainder of the Lease, the Tenant will provide audited accounts on an annual basis.
- Repairs:** The Tenant will be responsible for all repairs to the Property during the Lease period, and will keep the Property in repair throughout the term.
- Break Clause:** The Tenant will have the ability to determine the lease at each rent review, on giving the Landlord not less than 12 months' notice in writing, subject

to appropriate assurances and indemnities being provided by the Tenant in respect of any Grant funding received in relation to the use and / or upkeep of the Building.

In addition, during the first three years of the Term, both Landlord and Tenant will have the right to terminate the Lease on six months' notice, in the case of the Landlord only to be given where, in the Landlord's reasonable opinion, it is evident from the Tenant's half-yearly accounts that the venture is making unsustainable losses.

Insurance:

The Tenant will insure the Property at an appropriate level to at least cover the full reinstatement of the Property, and will provide a copy of the Insurance certificate to the Landlord on each anniversary of the renewal date.

The Tenant will also ensure that it carries adequate Employer's Liability Insurance, Public Liability Insurance, and Contents Insurance, and will provide copies of the relevant certificates to the Landlord at each anniversary of the renewal date.

Legislative requirements:

The Landlord will ensure that the Property fully complies with all relevant statutory and other legislation at the point of handover, at which time the Tenant will become responsible for ensuring that the Property continues to comply with such legislation during the term of the Lease, whether that legislation is already in force or enacted in the future, including the periodical testing of its own Portable Electrical Appliances. For the avoidance of doubt, this will include such items as Fixed Electrical Testing, annual boiler servicing, Legionella Testing, Fire Alarm and Extinguisher servicing and so on. The Landlord will require evidence that testing is kept up to date, and all required remedial works undertaken promptly.

Assignment and Subletting:

The Tenant will not assign the Property. Subletting may be permitted, subject to the formal approval of the Landlord being granted, which shall not be unreasonably withheld.

Reservations:

The Landlord reserves the right to enter the Property at any time on the giving of five working days' notice for the purpose of ensuring that the Tenant is complying with the terms of its lease. Where it is evident the Tenant is not complying with its obligations, the Landlord reserves the further right to undertake whatever works remain necessary 28 days after first serving a Notice to

Remedy on the Tenant, and to charge the Tenant the full costs associated with those works. The Landlord also reserves the right to enter the demised premises at any time in the event of emergency.

The Landlord also reserves the right for the adjacent Church to be granted free use of the Car Park for Sunday Services, weddings and funerals.

Security of Tenure: The Lease will be excluded from the provisions of ss 23 – 28 of the Landlord & Tenant Act 1954 Part II.

End of Lease: The Tenant will be required to surrender the freehold of the Property to the Landlord subject to all terms of the Lease having been complied with at that time.

D G Micah MRICS
Commercial Property Manager
January 2016

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**MINUTES OF A MEETING OF THE CABINET HELD AT COUNCIL CHAMBER -
COUNTY HALL, LLANDRINDOD WELLS, POWYS ON TUESDAY, 26 JANUARY
2016**

PRESENT

County Councillor W B Thomas (Chair)

County Councillors J H Brunt, S M Hayes, E A Jones, W T Jones, D Mayor,
W J T Powell and P C Pritchard

In attendance

County Councillors AW Davies, MJ Dorrance, H Lewis, JG Morris, GD Price and KF
Tampin.

1.	APOLOGIES	C11- 2016
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Apologies for absence were received from County Councillors RG Brown and DJ Mayor and from County Councillor SC Davies leader of the Labour group and County Councillor DR Jones, Chair of the People Scrutiny Committee.

2.	MINUTES	C12- 2016
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The Leader was authorised to sign the minutes of the meeting held on 5th January 2016 as a correct record.

3.	DECLARATIONS OF INTEREST	C13- 2016
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County Councillor WJT Powell declared a personal non prejudicial interest in items C14 – 2016 Llanbister CP School and C15 – 2016 Llanfihangel Rhydithon CP School as an LEA appointed governor of the named receiving school. County Councillor JH Brunt declared a personal non prejudicial interest in C14 – 2016 Llanbister CP School as an LEA appointed governor. He advised that he would be acting as a local member in respect of this report.

4.	LLANBISTER CP SCHOOL	C14- 2016
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Cabinet considered the recommendation of the Schools Organisation Review Panel (SORP) that formal consultation begin on the closure of Llanbister CP School. The SORP had found that Llanbister CP School had met several of the criteria under the School Transformation Policy in terms of standards, pupil numbers, capacity, building condition and finance. The SORP's view was that despite a projected increase in pupil numbers at the school, this would not address the authority's concerns in relation to educational standards and quality of provision at Llanbister CP School and therefore it had recommended the closure of the school from 31st December 2016.

County Councillor John Brunt spoke as the local member and he read out a report that had been given to him by members of the community which alleged

environmental and health concerns at Crossgates School due to exposure to benzene because it was sited next to a filling station. Councillor Brunt argued that Llanbister needed to be retained in the short term at least.

The Cabinet was advised that these allegations would be checked. Cabinet members asked about the capacity of Crossgates school and were advised that there were places for 210 pupils in 7 classrooms with a further 28 places in a mobile classroom currently used as used for a nursery class. Cabinet were reminded that there was a consultation underway on proposals to raise the admission age and end nursery provision. There were currently 140 pupils at Crossgates projected to rise to 150 in January 2020, and 33 in Llanbister, projected to rise to 55 in January 2020. Cabinet also noted that Crossgates was the named receiving school if Llanfihangel Rhydithon and Nantmel schools closed.

The Portfolio Holder and officers answered questions from the Cabinet and political group leaders including questions submitted by County Councillor Aled Davies concerning the costs and savings resulting from the closure of Beguildy primary school. The Portfolio Holder agreed to let Councillor Davies have an answer to his question on whether provision had been made for safe parking at the receiving school which was a commitment made at the time of the decision to close Beguildy school.

Cabinet asked for details of the average journey for children and of the furthest journey. The average one way journey for Llanbister pupils attending Crossgates would be 7.7 miles. Officers would let members have details of the longest journey. Officers were also asked to check whether any pupils had moved to Llanbister school as a result of the closure of Beguildy school. The Portfolio Holder for Education confirmed that all of these points would be addressed during the consultation.

RESOLVED	Reason for Decision:
<p>1. To receive the SORP's draft recommendation in respect of Llanbister CP School.</p> <p>2. To approve the commencement of formal consultation with stakeholders in accordance with the School Organisation Code on the closure of Llanbister CP School, with Crossgates CP School to be named as the receiving school.</p>	<p>To ensure future sustainability of primary education.</p>

5.	LLANFIHANGEL RHYDITHON CP SCHOOL	C15- 2016
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Cabinet considered the recommendation of the Schools Organisation Review Panel (SORP) that formal consultation begin on the closure of Llanfihangel Rhydithon CP School. SORP had carried out a detailed review and had found that Llanfihangel Rhydithon CP School had met the several of the criteria under the School Transformation Policy in terms of pupil numbers, capacity and building condition. The school’s governing body preferred option was retention of primary provision in Dolau, either through federation with another school or through merging with another school to form one school with a new name. However, the SORP’s view was that these options would not address the issues listed above, particularly in relation to pupil numbers and, therefore, it had recommended the closure of the school from 31st December 2016.

County Councillor Hywel Lewis spoke as the local Member and he referred to the support the school had from the community and noted that no parents had moved their children out of the school. He queried the capacity of Crossgates School to accommodate additional pupils and he referred to documentation that said the capacity of Crossgates was 185. Councillor Lewis said that there was a danger the Council was cutting too many school places. He argued for amalgamation with Llanelwedd Church in Wales School as the school was currently successfully co-operating with Llanelwedd.

Cabinet noted that there was a consultation underway on proposals to raise the age of admissions which would affect the capacity at Crossgates if the mobile classroom was no longer used for the nursery class. Cabinet asked for the issue of capacity to be clarified in the consultation. The Portfolio Holder also noted some disparity in the projected pupil numbers that needed to be clarified during the consultation. He confirmed that educational standards was not an issue at the school.

County Councillor Aled Davies speaking as leader of the Conservative group argued that a change in admissions policy should not be factored into the calculations on capacity until a decision had been taken.

County Councillor John Morris speaking as leader of the Liberal Democrats group noted that the Council had received the worst settlement in Wales. He felt that the Welsh Government were taking an anti-rural approach which in turn was affecting the funding of rural schools.

RESOLVED	Reason for Decision:
<p>1. To receive the SORP’s draft recommendation in respect of Llanfihangel Rhydithon CP School.</p> <p>2. To approve the commencement of formal consultation with stakeholders in accordance with the School Organisation Code on the closure of Llanfihangel</p>	<p>To ensure future sustainability of primary education.</p>

Rhydithon CP School, with Crossgates CP School to be named as the receiving school.	
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County Councillor Brunt abstained.

6.	FORMAL CONSULTATION TO CLOSE TALGARTH AND BRONLLYS COMMUNITY PRIMARY SCHOOLS	C16- 2016
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Cabinet considered proposals to begin formal consultation to close Talgarth and Bronllys Community Primary Schools and to approve an option agreement to acquire the freehold of land to construct a new school at a site in Talgarth. Members welcomed the progress towards the establishment of a new school.

RESOLVED	Reason for Decision:
<ol style="list-style-type: none"> To commence formal consultation with stakeholders, in accordance with the Welsh Government's School Organisation Code, to close Talgarth CP School and Bronllys CP School, and to open a new 120 pupil School in Talgarth. That Cabinet formally approves an Option Agreement to acquire the freehold of the land which is in private ownership to construct the new school at a site in Talgarth. 	<p>To provide a sustainable model of education within the Gwernyfed Primaries Catchment Area</p>

7.	WELSHPOOL PRIMARY SCHOOLS TRANSFORMATION PROJECT	C17- 2016
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Cabinet considered the recommendations of the SORP on the configuration of primary education in Welshpool proposing the creation of a new 420 place English-medium Church in Wales Primary School and a new 120 place Welsh-medium Community Primary School. County Councillor Phil Pritchard speaking as a Welshpool member said that the scheme enjoyed the support of all the local members, school governing bodies, Welshpool Town Council and residents of the town and he paid tribute to officers in the Schools Service. The Portfolio Holder for Education noted receipt of a letter of support from the Chair of Governors of Ardwyn Nursery and Infants School.

RESOLVED	Reason for Decision:
<ol style="list-style-type: none"> That Cabinet receives the SORP's draft recommendation in respect of Ardwyn Infant and Nursery School; Gungrog CiW Infant 	<p>To provide a sustainable model of</p>

<p>School; Oldford Infant and Nursery School and Ysgol Maesydre;</p> <p>2. That Cabinet approves the commencement of formal consultation in accordance with the School Organisation Code;</p> <p>3. That Cabinet approves the submission to Welsh Government of the Strategic Outline Case for funding:</p> <ul style="list-style-type: none"> - a new 420 place English-medium Church in Wales Primary School; and - a new 120 place Welsh-medium Community Primary School. 	<p>both English Medium and Welsh Medium primary education on Welshpool town.</p>
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8.	FINANCIAL OVERVIEW AND FORECAST AS AT 30 NOVEMBER 2015	C18- 2016
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Cabinet considered the budget monitoring report for the period up to 30th November 2015. The Portfolio Holder for Finance advised that there had been little change since the last report as few savings had been profiled for the third quarter, but that there had been a very useful meeting of Cabinet and Management Team when Portfolio Holders had been challenged on the savings still to be achieved. He reported that it was likely that the budget for 2015/16 would fall just short of being balanced. He also advised that £265,000 of savings left over from the previous financial year should be delivered by the time of the next report. In response to a question about the use of reserves the Portfolio Holder advised that the draw on reserves would not be as great as reported as services met their savings targets.

<p>RESOLVED</p> <p>That:</p> <ul style="list-style-type: none"> a. the contents of this report are noted by Cabinet; and b. Cabinet supports appropriate action by services to curtail or reduce the reported forecasted service deficits. c. It to be noted that there are Capital virements as set out in paragraph 5.3. 	<p>Reason for Decision:</p> <p>To monitor the Council's financial performance and ensure that spending remains within approved limits and that the 3% minimum general fund reserve is maintained.</p>
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9.	HOUSING REVENUE ACCOUNT RENT AND RELATED CHARGES INCREASE FOR 2016/17	C19- 2016
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Cabinet considered the level of rents for 2016/17 for Council houses and garages. Powys rents were within the target rent band set by Welsh Government and supported the investment in the Council's housing stock under the Welsh Housing Quality Standard. Cabinet also noted the proposed introduction of service charges which tenants had been consulted on.

RESOLVED	Reason for Decision:
<ol style="list-style-type: none"> 1. The rent increase for HRA accommodation is agreed at 1.4% for 2016/17. 2. The new Service Charge regime is agreed for 2016/17 3. The HRA garage rent is agreed at 1.4% plus £0.50 weekly for 2016/17. 4. The lease charge for garage plots is increased to £100 per annum from 2016/17. 	To maintain a viable Housing Service and Business Plan and remain compliant with legislation (part 4 Housing Act 2014)

10.	DECC/2015/0012 - GARREG LWYD WIND FARM CONNECTION	C20- 2016
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The Council had been consulted on a S37 application to establish an overhead electricity line connection to Garreg Lwyd Wind Farm. The local member, County Councillor Brunt, and Beguildy Community Council had submitted comments and Cabinet asked that these be taken into account by DECC. Councillor Brunt advised that he intended to ask for community benefits and highway improvements and for the line to be undergrounded.

RESOLVED	Reason for Decision:
That no objections be raised in respect of DECC/2015/0012-Garreg Lwyd overhead electricity connection but that DECC be asked to take into account the views submitted by County Councillor Brunt and Beguildy Community Council.	In order to comply with the Electricity Act 1989 consultation process.

11.	RISK MANAGEMENT POLICY, STRATEGY AND METHODOLOGY	C21- 2016
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Cabinet considered a revised Risk Management Policy, Strategy and Methodology. The Leader stressed the importance of this key corporate policy and it was agreed to put an item on the agenda for Cabinet / Management Team for a discussion on the Cabinet's approach to risk.

RESOLVED	Reason for Decision:
To approve the revised Risk Management Policy, Strategy & Methodology set out in Appendix A to the report.	As part of its arrangements for good Corporate Governance it is necessary for the Council to have a clear statement of its overall policy in relation to managing risks in the delivery of services and also to have a formal strategy outlining how it will identify and control those risks.

12.	COUNCIL'S RESPONSE TO THE GREEN GROWTH WALES INVESTMENT SUPPORT CONSULTATION	C22- 2016
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Cabinet considered a response to the Welsh Government consultation on Green Growth Wales.

RESOLVED	Reason for Decision:
That the response in Appendix A to the report be submitted to Welsh Government	To ensure that the council's views are considered.

13.	WELSH LANGUAGE STANDARDS	C23- 2016
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Cabinet considered a response to a compliance notice issued by the Welsh Language Commissioner which contained a list of 166 standards to be implemented, most from 30 March 2016, with the remainder from 30 September 2016 and 30 September 2018.

Whilst the Council could comply with most of the standards, Cabinet was advised that it needed to challenge 4 standards to request more time for implementation and 3 standards on the grounds that they were not felt to be reasonable and proportionate. It was estimated that they could add an additional £150,000 p.a. to the Council's costs. Cabinet was advised that a number of Welsh authorities had challenged the standards and that the WLGA had arranged a meeting with the Welsh Language Commissioner which the Council would be represented at.

The Leader confirmed his support for the Welsh language.

RESOLVED	Reason for Decision:
To seek to comply with and implement the majority of the Standards, but request more time for the implementation of some standards and to challenge the other Standards that we do not consider to be reasonable and proportionate for us to achieve, as outlined in the report.	To comply with the Welsh Language (Wales) Measure 2011, and to continue to support the development of the Welsh language within Powys

14.	THE PAVILION, LLANDRINDOD WELLS	C24- 2016
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Cabinet considered a proposal to transfer the Pavilion in Llandrindod Wells to Grand Pavilion Events Ltd under a 30 year lease. It was acknowledged that there was a risk to the Council, but these risks had to be balanced against the benefit to the community and safeguards had been built in including a 6 monthly inspection regime.

RESOLVED	Reason for Decision
<p>1. To transfer the Pavilion, Llandrindod Wells, including the car parking area to the front of the property, to Grand Pavilion Events Ltd under a 30 year lease, with suitable safeguards in place to protect the Council's freehold interest in accordance with paragraph 2.5 of the report.</p>	<p>To enable Grand Pavilion Events Ltd the opportunity to re-establish the Pavilion as a key community venue for Llandrindod Wells and the surrounding district and retain this locally important building for the economic and regeneration benefits it will bring to the area.</p>
<p>2. That the nominal £50 per annum rental proposed by the Applicants be approved, subject to rent reviews at five year intervals throughout the term, in line with the Index of Retail Prices or similar to be agreed.</p>	<p>In order to ensure that the rental received from the Community Organisation maintains the real value of £50 throughout the lease period.</p>

15.	DELEGATED DECISIONS TAKEN SINCE THE LAST MEETING	C25- 2016
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Cabinet received details of delegated decisions taken by Portfolio Holders since the last meeting.

16.	FORWARD WORK PROGRAMME	C26- 2016
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Cabinet received the forward work programme. The Leader asked Portfolio Holders to keep the programme updated.

17.	CORRESPONDENCE	C27- 2016
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There were no items of correspondence reported.