

**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**

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**REPORT FOR: Decision**

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**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 18<sup>th</sup> 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](http://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

## **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.

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
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.

<b>Relevant Policy (ies):</b>	Corporate Asset Policy		
<b>Within Policy:</b>	<b>Y</b>	<b>Within Budget:</b>	<b>Y</b>

<b>Relevant Local Member(s):</b>	Cllr Keith Tampin, Cllr Garry Price, Cllr Tom Turner
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<b>Person(s) To Implement Decision:</b>	<b>David Micah</b>
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<b>Date By When Decision To Be Implemented:</b>	<b>Immediately</b>
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Contact Officer Name:	Tel:	Fax:	Email:
David Micah	01597 826054	-	david.micah@powys.gov.uk