

CYNGOR SIR POWYS COUNTY COUNCIL
PORTFOLIO HOLDER DELEGATED DECISION
by
COUNTY COUNCILLOR ALED DAVIES
(PORTFOLIO HOLDER FOR FINANCE, COUNTRYSIDE & TRANSPORT)
&
COUNTY COUNCILLOR PHYL DAVIES
(PORTFOLIO HOLDER FOR HIGHWAYS, RECYCLING & ASSETS)

28 August 2018

REPORT AUTHOR: David Powell, Acting Deputy Chief Executive

SUBJECT: Capital Expenditure Contribution: Theatr Brycheiniog

REPORT FOR: Decision

1. Summary

- 1.1. This report seeks approval for a contribution to the capital expenditure costs incurred at Theatr Brycheiniog.
- 1.2. Following discussions with the Theatr it is proposed that a contribution is made in respect of expenditure incurred on protection of the asset. This will also assist the asset going forward. The Theatr has incurred £356,752 of expenditure on the building since 1997/8 and following review of the audited accounts, the Council will make a one-off payment of £157,920 to assist with the costs incurred in maintaining the asset. This has been negotiated with the Theatr and is based on costs incurred for the financial years 2014/15, 2015/16 and 2016/17.
- 1.3. The Council and Theatr will work together to look at a sustainable solution for the building going forward as part of a joint review of the current model of provision and will seek to involve the Arts Council of Wales in the process. At the same time there will be a review of the budget going forward that will include the need to protect the asset. The review will also look at the longer term issues affecting the building given the tenant has raised concerns about the condition since their acquisition of the lease in 1997.

2. Proposal

- 2.1. The proposed payment follows discussions with the Board's representatives since late 2017 about issues facing the Theatr that have affected cashflow. The payment and proposed review not only recognizes the need to secure the Theatr's position going forward but also the importance of securing the Council's asset.
- 2.2. It is clear that the future model of the agreement covering the building will also form part of the discussion whilst noting the lease has a number of years to run. The review will also look at the most appropriate way the Theatr can discharge its responsibility as

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a tenant. The Tenant will hereinafter be required to evidence the ongoing obligation they have towards the property and compliance with the same.

3. Options Considered / Available

3.1. The options available are as follows:

3.1.1. That Powys County Council agrees to make the payment to help secure the Theatr's future.

3.1.2. That the Council considers granting a loan at commercial rates to the Theatr. This would increase financial pressure.

4. Preferred Choice and Reasons

The payment/grant (option 3.1.1.) provides security for the Theatr.

5. Impact Assessment

5.1 Is an impact assessment required? No

5.2 If yes is it attached? N/A

6. Corporate Improvement Plan

6.1 The proposal supports the Vision 2025 objective for the economy, noting that the Theatr makes a £1.5million contribution to the local economy.

7. Local Member(s)

7.1 The proposal affects the Brecon area and Councillor David Meredith (St David Within) has indicated his support for the proposal noting that he wishes historic issues affecting the building's condition to be part of the review.

7.2 Cllr Iain Mackintosh (Yscir) comments 'It is highly important that Theatr Brycheiniog continues to contribute around £1.5m to the local economy in and around Brecon. I fully support Powys County Council's help in making sure we don't lose such an important facility in our town and look forward to Theatre Brycheiniog, The Arts Council of Wales and Powys County Council joining forces to make sure a sustainable solution is achieved going forward to keep the theatre open for all visitors and tourists, the residents of Brecon and Yscir, and all surrounding areas.'

7.3 Cllr Matthew Dorrance (St. John) has indicated support for the proposal and welcomes the joint review of provision going forward.

7.4 Cllr Sarah Lewis (St Mary) states: 'The Theatr makes a significant contribution to the Brecon area and I am pleased that Powys Council can support this key facility. The Arts need to be seen as important to the Brecon area as it makes a strong economic contribution to Brecon that including the tourist sector.

8. **Other Front Line Services**

Does the recommendation impact on other services run by the Council or on behalf of the Council? No

9. **Communications**

Have Communications seen a copy of this report? Yes

10. **Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)**

10.1 Legal confirms that there is no legal obligation on the Authority to assist towards repairs/maintenance of the property, this rests with the tenant. Further, legal services will assist in ensuring compliance with the lease obligations when so advised and in line with the review identified above.

10.2 Finance state the payment contribution will be funded from the capital programme.

10.3 Corporate Property supports the proposal to help protect this important asset for the Council and the Community.

11. **Scrutiny**

Has this report been scrutinised? No

12. **Data Protection**

12.1 Not applicable.

13. **Statutory Officers**

13.1 The Section 151 Officer notes that the proposal can be funded from existing resources.

13.2 The Deputy Monitoring Officer acknowledges the legal comment and notes that Finance have considered this proposal as part of the Capital Funding Programme.

14. **Members' Interests**

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Neuadd y Sir / County Hall, Llandrindod, Powys, LD1 5LG

LEADER AND / OR PORTFOLIO HOLDER(S) - URGENT DECISION Friday, 24th August, 2018

Supplementary Information:

Capital Expenditure Contribution: Theatr Brycheiniog

The report of the Portfolio Holder for Finance, Countryside and Transport and the Portfolio Holder for Highways, Recycling and Assets was published on Tuesday 28th August 2018 and the decision notice was published on Monday 3rd September, 2018.

The Chair of the Learning, Skills and Economy Scrutiny Committee and the Chair of the Health Care and Housing Scrutiny Committee agreed not to call-in the decision on the grounds of urgency.

The Chair of the Audit Committee agreed not to call-in the decision but has called a meeting of the Audit Committee to understand the financial decision and process. As a result it was agreed by the Chair of Audit that 40% of the contribution be paid, and the Portfolio Holders will reflect on the committee's discussions following the meeting before payment of the balance.

- 14.1 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 approve the capital expenditure contribution to Theatr Brycheiniog.	To help secure the Theatr's financial position.

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

Relevant Local Member(s):	Cllr. Matthew Dorrance, Cllr. David Meredith, Cllr. Iain Mackintosh, Cllr Sarah Lewis
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Person(s) To Implement Decision:	Acting Deputy Chief Executive
Date By When Decision To Be Implemented:	

Is a review of the impact of the decision required?	Y
If yes, date of review	March 2019
Person responsible for the review	Stuart Mackintosh
Date review to be presented to Portfolio Holder/ Cabinet for information or further action	31 st March 2019

Contact Officer:	David Powell, Acting Deputy Chief Executive
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Background Papers used to prepare Report:

DELEGATED DECISION REPORT TEMPLATE VERSION 6

Public Document Pack

Leader and / or Portfolio Holder(s) - Urgent Decision



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28.08.18

For further information please contact

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NOTICE OF AN URGENT PORTFOLIO HOLDERS DELEGATED DECISION

The Portfolio Holder for Finance, Countryside and Transport, the Portfolio Holder for Highways, Recycling and Assets and the Portfolio Holder for Young People and Culture have received the following report for a decision to be taken under delegated authority. The decision will be taken on **3rd September, 2018**

As set out in Rule 7.38.1.4 of the Constitution [Call in and Urgency] the decision is an urgent one, and the urgency of the matter will need to be approved by the Head of Paid Service and / or the Monitoring Officer and / or the Chief Finance Officer and by the Chairs of The Learning Skills and Economy Scrutiny Committee, the Health Care and Housing Scrutiny Committee and the Audit Committee, prior to the decision being taken.

Therefore the Call-In process as set out in Rule 7.37 of the Constitution will not apply in relation to this decision.

1.	CAPITAL EXPENDITURE CONTRIBUTION: THEATR BRYCHEINIOG
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(Pages 3 - 6)

