

**COFNOD O BENDERFYNIAD WEDI'I DDIRPRWYO GAN SWYDDOG
RECORD OF DELEGATED OFFICER DECISION**

Penderfyniad Allweddol | Key Decision ✓

PWNC | SUBJECT:

RCT Together – Community Asset Transfer of the Muni Arts Centre to Awen Cultural Trust (Registered Charity and Private Limited Company by guarantee without share capital)

DIBEN YR ADRODDIAD | PURPOSE OF THE REPORT:

To approve the leasehold transfer of the Muni Arts Centre to Awen Cultural Trust by way of a 30 year lease.

In accordance with the Council's Scheme of Delegation, this report has been prepared to accompany the intended officer's decision of the Director of Corporate Estates and the Director of Public Health, Protection and Communities Services as described below.

PENDERFYNIAD WEDI'I DDIRPRWYO | DELEGATED DECISION:

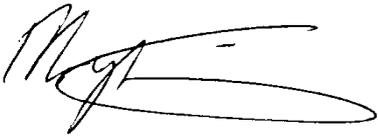
To approve the leasehold transfer of the Muni Arts Centre to Awen Cultural Trust (Registered Charity and Private Limited Company by guarantee without share capital) by way of a 30 year lease as set out in paragraph 5 of the accompanying officer report, subject to the conditions in Phases 1 and 2 being met (as detailed in the officer report).

 Llofnod y Prif Swyddog Chief Officer Signature	Paul Mee Enw (priflythrennau) Name (Print Name)	22.12.20 Dyddiad Date
 Llofnod y Prif Swyddog Chief Officer Signature	Dave Powell Enw (priflythrennau) Name (Print Name)	22.12.20 Dyddiad Date

Mae'r penderfyniad yn cael ei wneud yn unol ag Adran 15 o Ddeddf Llywodraeth Leol 2000 (Swyddogaethau'r Corff Gweithredol) ac yn y cylch gorchwyl sy wedi'i nodi yn Adran 5 o Ran 3 o Gyfansoddiad y Cyngor.

The decision is taken in accordance with Section 15 of the Local Government Act, 2000 (Executive Functions) and in the terms set out in Section 5 of Part 3 of the Council's Constitution.

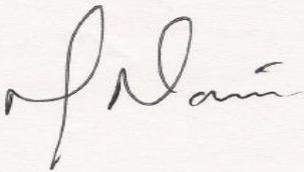
YMGYNGHORI | CONSULTATION



22.12.20

**LLOFNOD YR AELOD YMGYNGHOROL O'R CABINET
CONSULTEE CABINET MEMBER SIGNATURE**

DYDDIAD | DATE



22.12.20

**LLOFNOD YR AELOD YMGYNGHOROL O'R CABINET
CONSULTEE CABINET MEMBER SIGNATURE**

DYDDIAD | DATE

**LLOFNOD SWYDDOG YMGYNGHOROL
CONSULTEE OFFICER SIGNATURE**

DYDDIAD | DATE

RHEOLAU'R WEITHDREFN GALW-I-MEWN | CALL IN PROCEDURE RULES.

A YW'R PENDERFYNIAD YN UN BRYD A HEB FOD YN DESTUN PROSES GALW-I-MEWN GAN Y PWYLLGOR TROSOLWG A CHRAFFU?:
IS THE DECISION DEEMED URGENT AND NOT SUBJECT TO CALL-IN BY THE OVERVIEW AND SCRUTINY COMMITTEE:

YDY | YES NAC YDY | NO

Rheswm dros fod yn fater brys | Reason for Urgency:

.....

Os yw'n cael ei ystyried yn fater brys - llofnod y Llywydd, y Dirprwy Lywydd neu Bennaeth y Gwasanaeth Cyflogedig yn cadarnhau cytundeb fod y penderfyniad arfaethedig yn rhesymol yn yr holl amgylchiadau iddo gael ei drin fel mater brys, yn unol â rheol gweithdrefn trosolwg a chraffu 17.2:

If deemed urgent - signature of Presiding Member or Deputy Presiding Member or Head of Paid Service confirming agreement that the proposed decision is reasonable in all the circumstances for it being treated as a matter of urgency, in accordance with the overview and scrutiny procedure rule 17.2:

.....
(Llywydd | Presiding Member)

.....
(Dyddiad | Date)

DS - Os yw hwn yn benderfyniad sy'n cael ei ail-ystyried yna does dim modd galw'r penderfyniad i mewn a bydd y penderfyniad yn dod i rym o'r dyddiad mae'r penderfyniad wedi'i lofnodi.

NB - If this is a reconsidered decision then the decision Cannot be Called In and the decision will take effect from the date the decision is signed.

AT DDEFNYDD Y SWYDDFA YN UNIG | FOR OFFICE USE ONLY

DYDDIADAU CYHOEDDI A GWEITHREDU | PUBLICATION & IMPLEMENTATION DATES

CYHOEDDI | PUBLICATION

Cyhoeddi ar Wefan y Cyngor | Publication on the Councils Website:- _____ 22.12.20 _____

DYDDIAD | DATE

GWEITHREDU'R PENDERFYNIAD | IMPLEMENTATION OF THE DECISION

Nodwch: Fydd y penderfyniad hwn ddim yn dod i rym nac yn cael ei weithredu'n llawn nes cyn pen 3 diwrnod gwaith ar ôl ei gyhoeddi. Nod hyn yw ei alluogi i gael ei "Alw i Mewn" yn unol â Rheol 17.1, Rheolau Gweithdrefn Trosolwg a Chraffu.

Note: This decision will not come into force and may not be implemented until the expiry of 3 clear working days after its publication to enable it to be the subject to the Call-In Procedure in Rule 17.1 of the Overview and Scrutiny Procedure Rules.

Yn amodol ar y drefn "Galw i Mewn", caiff y penderfyniad ei roi ar waith ar / Subject to Call In implementation date will be

06.01.21

DYDDIAD / DATE

WEDI'I GYMERADWYO I'W GYHOEDDI: ✓ | APPROVED FOR PUBLICATION :✓

Rhagor o wybodaeth | Further Information:

Cyfadran Directorate:	Public Health, Protection & Community Services
Enw'r Person Cyswllt Contact Name:	Debra Hanney
Swydd Designation:	Senior Community Development Officer
Rhif Ffôn Telephone Number:	01443 425637

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

KEY DELEGATED DECISION

**REPORT TO ACCOMPANY A DECISION OF THE DIRECTOR OF CORPORATE
ESTATES AND THE DIRECTOR OF PUBLIC HEALTH, PROTECTION AND
COMMUNITY SERVICES**

15th DECEMBER 2020

**RCT TOGETHER – COMMUNITY ASSET TRANSFER OF THE MUNI ARTS CENTRE
TO AWEN CULTURAL TRUST (REGISTERED CHARITY AND PRIVATE COMPANY
LIMITED BY GUARANTEE).**

Author: Debra Hanney, Senior Community Development Officer – 01443 425637

1. PURPOSE OF THE REPORT

- 1.1 To seek approval of a leasehold transfer of the Muni Arts Centre to Awen Cultural Trust (Registered Charity and Private Company Limited by Guarantee) by way of a 30 year lease together with an accompanying Partnership Agreement which will, inter alia, set out the detail of how Awen Cultural Trust must operate the facility; financial provisions and protocols; what services must be provided together with its obligations and responsibilities thereunder.
- 1.2 In accordance with the Council's Scheme of Delegation, this report has been prepared to accompany the intended Officer decision of the Director of Corporate Estates and the Director of Public Health, Protection and Community Services.

2. RECOMMENDATIONS

It is recommended:

- 2.1 To approve the grant of a lease for a term of 30 years of the Muni Arts Centre to Awen Cultural Trust (Registered Charity and Private Company Limited by Guarantee) as set out in paragraph 5, subject to the conditions in Phases 1 and 2 being met:

2.1.1 Phase 1 – Pre- Interim Works

- Prior to an award being made for capital funding from the Welsh Governments "Targeted Regional Investment" Fund for a grant of up to £250,000, the Council will require Awen Cultural Trust to enter into an "**Agreement to Lease**" as a prerequisite partnership commitment. This funding award will enable essential interim maintenance and refurbishment works to be carried out to enable the building to become operationally fit for purpose as a Cultural Arts Venue.

- In addition, approval for the Council to provide capital match funding of circa £250,000 towards the WG Targeted Regional Investment Fund application will be required.

2.1.2 **Phase 2 – Post Interim Works**

- When the refurbishment work is completed satisfactorily, then approval for a 30 year leasehold transfer of the Muni Arts Centre to Awen Cultural Trust will be granted along with an accompanying Partnership Agreement laying out joint obligations for both parties to deliver on agreed objectives and priorities for the sustainable operation of the venue.
- On completion of the lease, Awen Cultural Trust will be expected to re-commence service delivery and programming commitments at its earliest convenience and in line with WG Covid 19 Advice and Guidance.
- The Council will retain financial responsibility for any costs associated with the repair and maintenance of the external structural fabric of the building and external areas. Awen Cultural Trust will have repair and maintenance responsibilities for the internal structures and systems only.
- The Council to provide an annual revenue funding contribution during the first 5 years of the re-development of the building to enable Awen Cultural Trust to re-build audience levels and confidence, develop a balanced commercial and community programme of events and activities. This will enable Awen to mitigate against the unknown future impact of Covid 19 on potential audience levels. To be reviewed before end of Year 5.

2.1.3 **Phase 3 – Post Major Renovation Works**

- The long term lease will enable Awen Cultural Trust to apply for significant levels of capital funding to achieve their ambitious and innovative proposals for the full re-development of the building. There will be an expectation that funding is applied for and secured within the first 5 years of the Muni's re-development phase to enable the preferred major scheme of capital works to be carried out. Consultation activities are currently being carried out to inform this key phase of the Muni's ambitious re-development which aims to expose the original Gothic architecture, improve the buildings environmental sustainability and eliminate the heritage deficit and make it an easier building to maintain and strengthen its viability and sustainability.
- Should Awen Cultural Trust be successful in securing the estimated £4-5m capital development funding and once all works have been completed, they will be required to take on full repair and maintenance responsibilities for the both external and internal structures and systems at the Muni Arts Centre.

2.2 Subject to 2.1 above, to agree that the Agreement for Lease/Lease be underpinned by a legally binding Partnership Agreement which will, inter alia, set out the detail of how Awen Cultural Trust must operate the Muni Arts Centre during the duration of the Agreement for Lease/Lease; relevant financial provisions and protocols; what

services must be provided together with its obligations and responsibilities thereunder; and

- 2.3 Subject to 2.1 and 2.2 above, agree that the final terms of the Agreement for Lease, Lease and Partnership Agreement be negotiated and agreed by the Director of Corporate Estates and Director of Public Health, Protection and Community Services in consultation with the Director of Legal Services and Head of Legal and Strategic Property.

3. REASONS FOR RECOMMENDATIONS

- 3.1 It is recommended that the Director of Corporate Estates and the Director of Public Health, Protection and Community Services agrees to a 30 year lease on the Muni Arts Centre with Awen Cultural Trust. The building has remained vacant and unused since the previous occupier vacated the building in December 2019. The building is at risk of dilapidation and vandalism. This proposal is the most cost effective option for bringing back in to use this much valued community asset.
- 3.2 Pontypridd is highlighted as a key investment hub within the Capital City Region. We have a unique opportunity to harness this asset alongside well established facilities to develop a cultural quarter that will not only serve the local community but the wider communities across RCT and South East Wales.
- 3.3 Awen Cultural Trust are a well-established charity with a much valued reputation and experience of successfully managing a range of cultural arts venues and community assets in the South Wales Valleys. They are keen to work in partnership with the Council and share our aims, values and ambition for the future sustainability of the Muni Arts Centre. A long term lease will enable them to apply for significant levels of capital funding to bring back into use this much loved and respected community asset and ensure its long term sustainability as a strategic cultural arts venue.

4. BACKGROUND

- 4.1 The Council's RCT Together Approach for progressing Community Asset Transfers was agreed by Cabinet at its meeting on 30th October 2014. This approach will see the Council working with communities and partner agencies to sustain delivery of services that the Council may no longer be able to deliver on its own.
- 4.2 Applications are considered from non-profit distributing voluntary and community groups or companies for activities, services and facilities that benefit residents within Rhondda Cynon Taf.
- 4.3 At the Council meeting on 19th May 2016, it was agreed that applications for the asset transfer could now be dealt with under the Council's Delegated Decision framework. High Level Asset Transfers will need to be reported to Cabinet if Officers and the appropriate Cabinet Member feel that this is required.
- 4.4 A review of RCT Together has recently been undertaken and approved by Cabinet at its meeting on 21st November 2018 to ensure any future Community Asset

Transfers that are progressed, align with the Council's Community Hub development programme and can deliver the Council's strategic service requirements. Each Hub will support a neighbourhood network of preventative community services and activities that will support people living in our communities to improve their independence, resilience, health and well-being.

5. OVERVIEW OF AWEN CULTURAL TRUST AND THEIR PROPOSAL

5.1 Awen Cultural Trust (ACT) are both a registered charity and an incorporated company limited by guarantee who first registered in 2015. They are a fairly unique organisation in Wales with a focus purely on cultural activity. They have a wealth of experience of developing venues within the South Wales Valleys and in working with local authorities who value the role of arts and culture in social and economic regeneration. Their purpose is to "make people people's lives better" and they aim to do this by providing quality cultural opportunities that engage people of all ages and allow them to be inspired, feel better and have fun.

5.2 Their work has four main themes;

- Aim to support social and economic regeneration and do what we can to tackle poverty and improve wellbeing;
- Aim to create better life chances, inspire learning, nurture talent and promote independence;
- Aim to be a healthy and sustainable business;
- Aim to meet customer needs and create memorable and positive experiences for all.

5.3 Awen Cultural Trust are very much guided by their values which underpins both their current work ethos and how they embrace future opportunities and meet new challenges. Their values are based on the following approaches:

- **CREATIVE:** We will look at fresh, creative ways to continually improve what we do and how we do it. We will champion innovation and be responsive to the changing world around us;
- **COLLABORATIVE:** We will be pro-active in developing positive relationships internally and externally with colleagues, stakeholders and partners;
- **EMPOWERING:** We will empower people to achieve their potential and make good things happen;
- **FAIR:** We will strive to be fair in all our dealings and respect one another and the communities we serve.

5.4 Whilst still a fairly new Charity, Awen Cultural Trust have demonstrated they have the experience and expertise of operating theatre and entertainment venues in the Bridgend and Neath Porth Talbot authority areas to date. They deliver a range of cultural and arts facilities and furthermore, support the development of the creative industries and wellbeing through a range of programmes. Their experience of arts venue programming, facility management and sales aim to deliver a commercially robust and viable future for the Muni.

- 5.5 Awen currently have over 18 properties in their portfolio which they have responsibility for and this evidences their ability to manage venues of all sizes, attract substantial annual visitor numbers (100,000's) to the local areas in which these buildings are located. They employ significant levels of full time and casual staff and have demonstrated the ability to lever in significant capital funding to ensure these attractions are fit for the 21st Century, all of which contributes £millions to the local economy. Some of their cultural venues and include;
- Grade II listed Grand Pavilion in Porthcawl;
 - Maesteg Town Hall;
 - Bryngarw House & Country Park;
 - Blaengarw Workmen's Hall;
 - Theatres & Arts Centres;
 - Libraries;
 - Community Centres;
 - Arts development and youth theatre;
 - Two programmes for adults with learning disabilities.
- 5.6 Awen Cultural Trust have developed a strong, innovative and dependable brand and reputation and are committed to ensuring they have a strong governance structure in place to ensure they meet their aim of achieving Healthy and Sustainable businesses.
- 5.7 Their current governance arrangements involves a Board of Trustees supported by two subcommittees in Audit & Finance and People and Organisational Development respectively. The Board delegates the day to day running of the organisation to an Executive Leadership Team via the Chief Executive through a formal and comprehensive scheme of delegations.
- 5.8 Awen continuously seeks to improve its governance and refers to the Code of Good Governance as a standard for good practice. Awen conforms to the FRS102 reporting standards and the trustees carry out their fiduciary duties with the support of the Head of Finance and a regular assurance process of quarterly accounts, treasury management reports and in depth scrutiny by the Audit & Finance Committee. Awen are also advised and supported by key external partners including external auditors, VAT Consultants and Legal representation.
- 5.9 In response to the impact of Covid 19, Awen has had to make changes to its original staffing proposal for the Muni. Since the time of submission Awen has also been identified as a preferred bidder for a second theatre in South-East Wales. They will now manage the increasing costs of the pandemic impact by spreading some of the direct staffing cost over two venues. The posts of Venue & Development Manager and Events & Facilities Manager will be shared across the two sites. This brings an obvious financial efficiency but also provides benefit in terms of sector specific experience into the Muni. In addition, for the first two years the staffing structure will be supported by a caretaking/cleaning role to be recruited locally and a range of casual roles which again will create local opportunities. Lower event levels in the first two years has seen Awen revise their approach to technical support by moving to free-lance event-by-event engagement with day to day operational support coming from Awen's current technical team. This, along with the event specific

approach, has seen a shift in staffing cost from permanently contracted staff to casual staffing. This model, in the short-term at least, also mitigates against the risk of carrying high cost in the face of potential national or local lockdown situations.

- 5.10 Awen recognise that the Muni is a venue of **regional significance** and their aim is to reinforce its prominence and status on the venues circuit in Wales by securing product that once again ensures it has its place within the venue ecology of South East Wales. Awen will work with colleagues at RCT Strategic Arts and Culture Team to ensure that, whilst independent of the Council operated venues in the north of the County Borough, the Muni programme will need to complement the programme offer at the Park & Dare and Coliseum.
- 5.11 Awen Cultural Trust are a charitable organisation who only consider opportunities which clearly fit with their values, ambitions and charitable objectives. The Muni Arts Centre falls into this category. Whilst they recognise the pressure to re-open the building as quickly as possible, they recognise the building is in no fit state to be operational as it requires significant maintenance work and the interior aesthetic has become tired and dated. To mitigate against both financial and reputable risk, Awen and the Council have agreed on a minimum scheme of capital works for which the Council will submit a capital funding application (pending).
- 5.12 In meeting the Council's requirement that the venue should be fully utilised for community benefit as well as being commercially viable, Awen propose to achieve this by:
- Creating a cultural destination of choice by finding a niche in the wider ecology of city region venues;
 - Be well maintained and commercially viable to support community affordability;
 - Working collaboratively in creating dedicated children and young people's participatory opportunities;
 - Generating new activity over time through the creation of a second performance space in the café/bar area;
 - Creating better meetings spaces to support and host employability programmes;
 - Promoting volunteering through multiple roles and opportunities;
 - Transferring management of the whole building to a charity dedicated and experienced in managing and developing cultural buildings and activity;
 - Directing a step-change against recent levels in visits to the Muni and the town centre – supporting retail and the local economy;
 - Improving the performance space to support an array of local voluntary organisations to thrive.
- 5.13 Awen's research suggests that there is a gap in the market for the programming of live original music and the support of new music. It is noticeable that several live music venues have closed within the city region of late which has impacted on new music in particular. There is without doubt an opportunity to work with promoters to position the Muni Arts Centre as music-ready venue for established and up-and-coming artists. Music audiences are also travelling audiences. This has the added value of supporting Rhondda Cynon Taf's visitor economy. Awen's experience and resources in this field will be utilised to support the current programming capacity at Muni Arts Centre to achieve a reputation for music.

- 5.14 Awen's approach is to develop an audience development plan and programming strategy in consultation with the local community and key stakeholders. Based on their initial research, they feel that a programme focussed on high quality live music, stand-up comedy and theatre would provide a successful platform on which to build. The café-bar area also provides them with the opportunity to present smaller showcases for young and emerging artists. They hope to work closely with Council's SONIG Youth Music Industry programme's Young Promoters Network and the Forte Music Project, as well as the Welsh Government's Pyst to develop this scene and provide space and opportunity for local talent.
- 5.15 Awen are also keen to develop regular, high quality stand-up comedy programming. They have extensive experience in this area and would look to replicate that success at The Muni by presenting regular comedy club evenings as well as high-profile, big-name acts. Their proposal will also look to include a professional pantomime at the Muni and are open to discussion with RCT Venues as to touring their annual product. They have a proven track record of developing and growing pantomime audiences and delivering a high-quality product.
- 5.16 Their proposal also focusses on increasing accessibility within the venue including installation of a "Changing Place". Programming of the main auditorium and the café/bar will provide more accessible opportunities. Subject to funding support, Awen will want to deliver more opportunities to break down barriers to participation and increase access to performances. Awen has experience of this through the programming of "relaxed" performances where the theatre environment is specifically adapted to accommodate audience members with an Autistic Spectrum Disorder. Their ambition is to also introduce British Sign Language and audio described performances to improve access to the mainstream programme.
- 5.17 Awen will develop a digital marketing strategy to promote the Muni as a cultural destination and focus on the proud history and rich cultural heritage of Pontypridd. This will create an exciting offer when viewed with the other developments already progressing (e.g.) Pontypridd YMCA, Regional Transport Hub. They will ensure their offer complements what is going on across the town. Awen also want to develop the Muni as a digital venue, exploring use of new technologies for cashless payments using smart ticketing arrangements, use systems for monitoring and evaluating audience satisfaction and to support their financial projections as well as a dynamic bilingual website. These technologies will also support Covid secure spaces.
- 5.18 Awen also place great emphasis on knowing and understanding their customers as a way of developing and strengthening their audience. The key to achieving this for the Muni will be to ensure that there is consistency in programming in terms of frequency and quality so that audiences know what to expect and can begin to form habits. They aim to create regular series of smaller studio events such as monthly comedy nights, weekly acoustic sessions, Saturday morning events for children which complement the major touring events and promoted gigs. Close working with RCT Venues will also support them through anti-clash arrangements.

5.19 Awen Cultural Trust is a Welsh organisation and as such promotes the use of the Welsh language through its activities and services and they encourage Welsh speakers to use more Welsh in their everyday lives. They also encourage members of the public to communicate with Awen in their preferred language. They treat the English and Welsh languages on the basis of equality so far as is both appropriate in the circumstances and is reasonably practical. Arrangements to satisfy Welsh Language Standards will be set out and agreed in the accompanying Partnership Agreement.

6. REVIEW OF AWEN CULTURAL TRUST BUSINESS PLAN

6.1 At a meeting of the RCT Together Community Asset and Service Transfer Panel held on 12th November 2020, an assessment of the Group's business plan was undertaken. The following is a summary of the panel's assessment and recommendations.

6.2 The original business case submitted by Awen was developed using their understanding and grounded experiences of venue management and operation. They understand RCT Council's desire to work with partners that are resilient and have a realistic business plan and are committed to retaining the Muni as a cultural venue for the people and town of Pontypridd and surrounding areas. Their interest in the Muni comes from an understanding of the culture and social heritage of the valleys. As a registered charity, they wish to operate the Muni not necessarily for commercial gain but because they feel it should be given a chance to once again be a venue that the people of Pontypridd can be proud of. They are conscious they will need to carefully strike a balance between commercial and community affordability of the venue.

6.3 In the current uncertain economic climate brought about due to the uncertainties surrounding Covid 19, Awen Cultural Trust are proactive in ensuring any risks are identified early so they can prepare, manage and mitigate against any negative impacts. Awen are also realistic and understand the challenges in re-developing this venue after a significant period of inactivity which and during a pandemic when audience confidence to return venues are likely to be low currently.

6.4 The Council has recognised it will need to work in partnership with Awen to enable both parties to lever in funding and commit shared resources to enable the venue to be re-opened in the interim period as a stepped approach to re-developing audience levels and trust. The building requires capital investment to make it fit for functional use. The Council will shortly be submitting a funding application to the Welsh Government's "Targeted Regeneration Investment" Programme and is proposing to contribute a capital match in the region of £250,000.

6.5 Awen have been clear that maintaining affordable community provision has a commercial consequence. Added to that, the Muni has suffered a significant period of service inactivity and lost customer base and along with the impact of Covid 19 on potential reduced audience levels will impact business viability even further. The Council is aware that without appropriate revenue support during the re-development phase, the Muni will neither be viable or sustainable. In order to ensure the Muni has a sustainable future and is an accessible community asset, the

Council and Awen Cultural Trust have developed a proposal which is not free from risk but which is underpinned by shared partnership principles and values that sets out to meet the Council's outcomes of maintaining the venue's community roots as well as ensuring it has future commercial viability. The Council's Strategic and Cultural Arts Team have worked closely with Awen to revise existing income assumptions for room hire income, secondary spend levels and cost of sales and have projected the likely revenue funding that will be needed to enable the balance of community and commercial programmes to sit alongside each other. See Section 9.5 for a detailed breakdown of the revenue funding required over the next five years.

- 6.6 Awen is an established and credible organisation with a positive and successful track record of managing and developing similar venues. They have good solid governance arrangements in place and the Council is confident that they will be able to identify future risks early and in discussion with the Council ensure these risks can be mitigated against with appropriate measures. Within the accompanying Partnership Agreement, there will be mechanisms to ensure regular joint monitoring and review meetings are held. Awen to enable an open book accounting methodology and financial oversight for RCT Finance officers and mechanisms for RCT Cultural Arts Team to working in partnership with Awen to develop a complimentary Programming Diary, which minimises any duplication or programming clashes.
- 6.7 It cannot go without mention that Covid 19 has left an indelible mark on the people and communities of RCT over the past 9 months. Society has changed and it is unlikely there will be a quick return to how things were before. The Muni Arts Centre is still very much in the centre of Awen's revival plans. They are confident the sector will recover over the medium-term once coronavirus is deemed low risk and operating restrictions are lifted. They believe there are signs of an eagerness to return to 'normality' and some indications show a likely demand for the return of events and productions amongst certain demographic groupings. Any optimism should be kept in check however by the risks associated with economic recession, behavioural change amongst audiences and the impact the pandemic may have had on some elements of the market.
- 6.8 In summary, the proposals presented by Awen better reflect the impact of COVID-19 on the prospects of the Muni into the medium term while at the same time looking to mitigate the risks of a return to trading restrictions once the venue is fully open. Their financial proposals did not however have contingency built into them that would cover all eventualities in the event of potential reduced audience levels or enforced restrictions/service closures of the scale previously experienced over the past ten months. Doing so would lead to an unaffordable solution for the Council. Instead the approach we are proposing is to share any future risk and accommodate such principles within the attached partnership agreement. A commitment by RCTCBC to invest an agreed annual revenue contribution/management fee is required for the re-development phase of the Muni (5 years) and to ensure the balance of commercial and community programmes can be delivered in the current economic climate. This will reduce the financial and reputational risk for Awen in running a Cultural Art Venue like the Muni during a national pandemic.

- 6.9 Alongside this work, Awen have engaged Purcell Architects who are currently carrying out a number of community consultation activities in order to shortlist a range of ambitious and innovative design proposals which will increase accessibility and functionality for the venue and if funded, could potentially see the Muni Arts Centre uncover its original Gothic architectural features and a return to its former glory. Awen's aim is to secure the funding for this ambitious package over the next 2-3 years dependant on the funding climate in light of Covid.

7. EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 An Equality Impact Assessment is not required for this decision as the building has been vacant and unused since the previous occupier vacated the building in January 2019. Awen Cultural Trust proposal and current consultation activities will ensure services at the centre reflect the identified cultural and heritage needs of residents in RCT and services and activities will be available to all sections of the population.

8. CONSULTATION

- 8.1 Awen Cultural Trust and their architects Purcell are currently working with the Councils Consultation Team, to undertake a range of virtual "Social Value Consultation" activities with community members and partners during December 2020 in order to inform a number of costed design appraisal options. It is anticipated the final report on consultation feedback and RIBA 1 design options will be available at the end of January 2021. The brief to Purcell Architects has been to:

- Expose and feature the fantastic Gothic architecture for which the building is recognised and listed;
- Create a customer experience that is unique and different;
- Retain and enhance facilities that meet community needs;
- Consider night-time economic impact;
- Improve environmental sustainability;
- Eliminate the heritage deficit and make it an easier building to maintain.

- 8.2 Awen will also be looking to develop a comprehensive communications plan in the first year of operation to engage with user groups, customers, funders, media and RCT Regeneration and Cultural Arts Service Team to help plan, inform, promote and feedback on its events, products and services.

9. FINANCIAL IMPLICATION(S)

- 9.1 RCT Council will provide capital match funding in the region of £250,000 towards the funding package to support the WG Targeted Regional Investment Fund application of £250,000.
- 9.2 In order to support both the initial re-development of the building and re-build audience confidence and attendance, the Council will provide a 5 year Rent Free Period with a review of any future Market Rent after Year 5.
- 9.3 The Council will retain financial responsibility for any costs associated with the external structural fabric of the building and Awen Cultural Trust will have repair and

maintenance responsibilities for the internal structures and systems up to the point when the major capital funding is secured for the main renovation works. After this point, Awen will have full repair and maintenance responsibilities for the whole building and will this be reflected in the lease terms accordingly.

- 9.4 The Council will continue to insure the building and this will be recharged to the tenant at £2057 per annum.
- 9.5 The Council to contribute an annual revenue contribution as follows to enable the Covid safe operation of the facility and support the re-development of the venue and the customer base until it becomes a viable service. To be reviewed during Year 5;

RCT Revenue Support Required

RCT Revenue Contribution	Year 1	Year 2	Year 3	Year 4	Year 5
Best Case	£160,000	£140,000	£120,000	£120,000	£120,000
Worse Case	£170,000	£170,000	£165,000	£155,000	£150,000

10. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 10.1 Under Section 123 of the Local Government Act 1972, Councils can dispose of land and buildings providing that best consideration is achieved.
- 10.2 The Lease arrangements will be underpinned by a legally binding Partnership Agreement to be entered into between the Council and Awen which will, inter alia, set out the detail of how Awen Cultural Trust must operate the facility; financial provisions and protocols; what services must be provided together with its obligations and responsibilities thereunder.

11. LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

- 11.1 Rhondda Cynon Taf County Borough Council is committed to driving the regeneration of its town centres, including Pontypridd as the principal town centre in the area. Pontypridd is a great location for investment and business growth and is playing an increasingly pivotal role in the Cardiff Capital Region. It is a focus and hub for socio economic activity and connectivity creating further opportunities for investment, employment and growth. This provides a positive environment where the Council and partners, investors and funders can be confident that together the development and delivery of regeneration in Pontypridd will result in successful outcomes.
- 11.2 Pontypridd is already benefitting from significant investment including the redevelopment of the former Taff Vale site and the YMCA; the ongoing development and restoration of Ynysangharad War Memorial Park and the newly established ADDO Creative’s co-working space. The Muni Arts Centre is identified as a

strategically important project in the Pontypridd Masterplan and the redevelopment of the Centre will complement the existing and planned cultural provision within the town.

- 11.2 The proposal will support the Council's Corporate Plan, "The Way Ahead" (2016-2020), priorities of;
- **Building a strong economy** – the Muni will be a vibrant presence in the heart of Pontypridd, providing a boost to the daytime and evening economy and supporting local businesses;
 - **Promoting independence and positive lives for everyone** – the Muni will offer a range of opportunities for people to enjoy performances, to participate and volunteer;
 - **Creating neighbourhoods where people are proud to live and work** – the Muni will become again a symbol of the creativity and resilience of Pontypridd, a venue where people join together to celebrate a unique cultural heritage.
- 11.3 Awen's vision is to create a venue that supports a vibrant cultural life in Pontypridd that will support the case for investment and growth. It is widely recognised that arts and culture produce a unique combination of social, wellbeing and economic benefits, which major towns and cities across the world are increasingly encouraging. A successful Muni can help grow the local economy, generate a unique sense of community and **help build a sustainable county borough**. Awen recognise that the Muni has over 300,000 residents aged over 15yrs who live within a 15 minute drive time which strengthens their belief in that the Muni can cement the place of Pontypridd as a key economic and social strategic hub.
- 11.4 The creation of new staffing positions and a number of volunteering roles will directly meet the Council's economic objectives and also contribute to **helping people and communities help themselves**. Indirectly, Awen anticipate that by year five of their proposal the Muni would be contributing around £2M to the local economy through its role as a destination, its part in supporting people into work and its contribution in making Pontypridd a better place to live and work.
- 11.5 Along with 44 public bodies across Wales, the Council is subject to the statutory requirements of the Well-being of Future Generations (Wales) Act 2015, which sets a common vision for the long-term well-being of people and communities through seven national well-being goals and provides a framework for public services to work differently through five sustainable development principles. The principles include thinking about the long-term impact of our actions, seeking to prevent issues from occurring in the first place or from worsening, involving people and communities in decisions made that affect them, working together with other organisations and integrating our work to understand the knock-on effects of what we do.
- 11.6 The Council is approaching this principle in different ways and has launched RCT Together as a means of engaging and involving residents in how services are best sustained in communities:

“The Council’s vision is to develop a new relationship with residents that enable them to be independent and resilient and to take on greater responsibility for their local communities. This is not about the Council shifting its responsibility – it is about recognising that residents want to be more involved in what happens in their community”.

- 11.7 The ‘RCT Together’ approach, now aligning with the Council’s developing Community Hub and Neighbourhood Network approach will further strengthen the involvement of local residents and community groups in determining the best use of its assets to enable the community to strengthen its resilience and wellbeing.

12. CONCLUSION

- 12.1 It is clear from the recent stakeholder consultation events that the Muni Arts Centre is still held as a much valued community asset and there are high expectations in how quickly this venue can be safely re-opened. By working in partnership with Awen Cultural Trust, we believe their passion and expertise in managing other similar, larger cultural arts venues and their ability and previous success in leveraging in significant capital funding to restore historical buildings is the only sensible option to ensure this building has a future. The proposal is very much focussed on both partners contributing shared resources and expertise as without it officers would question both the long term viability and sustainability of this venture.
- 12.2 Therefore, Officers are recommending that the proposed 30 year lease, (subject to Phase 1 and 2 conditions being met) and an accompanying Partnership Agreement be approved with the final terms of both documents to be negotiated and agreed by the Director of Corporate Estates and Director of Public Health, Protection and Community Services in consultation with the Director of Legal Services and Head of Legal and Strategic Property.

Other Information:-

Relevant Scrutiny Committee

- Public Service Delivery, Communities and Prosperity Scrutiny Committee



LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

**REPORT TO ACCOMPANY A DECISION OF THE DIRECTOR OF CORPORATE
ESTATES AND THE DIRECTOR OF PUBLIC HEALTH, PROTECTION AND
COMMUNITY SERVICES.**

15th DECEMBER 2020

**RCT TOGETHER - COMMUNITY ASSET TRANSFER OF THE MUNI ARTS CENTRE
TO AWEN CULTURAL TRUST (REGISTERED CHARITY AND PRIVATE COMPANY
LIMITED BY GUARANTEE)**

Background Papers:

- Medium term Planning Service Change Proposals – Phase 2 – Cabinet 14th May 2014
- Providing Opportunities for Others to Operate Services and Assets; Cabinet – 30th October 2014
- RCT Together Process – Update on Progress; Cabinet Council 19th May 2016
- RCT Together – Review of the Community Asset Transfer Process; Cabinet – 21st November 2018

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