

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

30th June 2020

**Mr Andrew Thomas
Director of Education, Leisure and Lifelong Learning**

Matter for: Decision

Wards Affected: Pontardawe, Alltwen, Rhos, Trebanos.

Pontardawe Arts Centre Cinema Project.

1. Purpose of the Report

The purpose of this report is to seek approval for the the allocation of an additional £600k for the development of a 70 seat new build external cinema and ancillary accommodation at Pontardawe Arts Centre.

2. Executive Summary

Cabinet previously resolved on the 20th November 2019, the allocation of £500k towards the construction of a 70 seat Cinema at Pontardawe Arts Centre. This was based on the estimated cost provided by consultants engaged by the Arts Council for Wales to develop and design the proposal.

The budget price provided by the appointed project lead for the scheme is now in excess of the original estimate and a further £600k investment is required from the Council for the project to progress.

3. Background

In 2019 the Arts Council for Wales (ACW) in partnership with this Council appointed a consultancy “De Matos Ryan” to carry out a resilience study relating to Pontardawe Arts Centre. The emphasis of the study, was to identify potential income generation opportunities to reduce the Council’s

annual subsidy. The report proposed the construction of a new 70 seater cinema at a cost of circa £600k.

A purpose-built cinema would enable Pontardawe Arts Centre to screen first week releases on a continual basis. Given that 30% of a film's audience view the film within the first three days of release this is essential if audiences are to be maximised.

This cinema proposal was supported by a second consultant appointed by the Arts Council for Wales (Richard Newton) who reviewed the operation of the Pontardawe Arts Centre and prepared a business plan based on a 70 seat cinema, showing first release films.

Initially, it was anticipated the cinema project would cost £600k and the Arts Council for Wales would fund 50% and this Council would be required to make a capital contribution of circa £300k.

At a meeting of Cabinet on the 20th November 2019, delegated authority was granted to the Head of Transformation and Head of Property and Regeneration to approve the appointment of a multi-disciplinary consultancy team to progress detailed designs and cost for the cinema and associated improvements

Cabinet also approved up to £500k funds being made available in the capital budget in 2020/21 to support the above scheme.

Childs Sulzmann were subsequently appointed as project lead for the development, and have now provided alternative designs and budget costs for the cinema and associated improvements, including ancillary accommodation and internal refurbished ground floor proposals. The budget estimated cost for the preferred option is £1,317,076, with a further sum of £100K being marked as contingency amounts to achieve cost certainty.

4. Financial Impact

The Richard Newton Consulting business plan concluded the new cinema would have a positive impact on the arts centre's subsidy of approximately £70k to £110k per annum. To put this into prospective, the budgeted subsidy for the Arts Centre for 2020/21 was £180,444 and for 2021/22 it's £185,848.

In terms of the debt charges the additional capital cost of £600k will equate to an annual revenue cost of £45k for 15 years. The additional £45k will be funded from within the existing debt charges budget.

6. Integrated Impact Assessment

A first stage impact assessment has been undertaken and is appended as (Appendix 3) to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016.

The first stage assessment has indicated that a more in-depth assessment is not required.

7. Valleys Communities Impacts

There will be a positive impact if the development is progressed. The cinema will meet the councils wellbeing objectives 1,2, and 3 by enhancing the offer for families and citizens within the Swansea valley, with the provision of additional recreational facilities

8. Workforce Impacts

There are no workforce impacts associated with this report.

9. Legal Impacts

There are no legal impacts associated with this report

10. Risk Management

Without the Cinema development, the subsidy reduction for Pontardawe Arts Centre will be difficult to achieve.

11. Consultation

Whilst there is no requirement under the Constitution for external consultation on this item, there was an extensive public consultation exercise completed as part of the Richard Newton consultancy. The result of the consultation was resounding support for the new cinema.

12. Recommendations

It is recommended that, giving due regard to the Integrated Impact Assessment that an additional allocation £600k for the development of the 70 seater cinema, ancillary accommodation and internal refurbished ground floor proposals at Pontardawe Arts Centre be approved.

13. Reasons for Proposed Decision

The proposal will enhance the current offer at Pontardawe Arts Centre, increasing income resulting in a reduced subsidy.

13. Implementation of Decision

The decision is proposed for implementation after the three day call in period.

14. Appendices

Appendix 1 Plan of Proposed Development.

15. List Background Papers of

None.

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