

CABINET

Date of Meeting	Tuesday, 19 th June 2018
Report Subject	Theatr Clwyd Capital Project
Cabinet Member	Cabinet Member for Economic Development Cabinet Member for Education
Report Author	Chief Executive Chief Officer (Strategic Programmes)
Type of Report	Operational

EXECUTIVE SUMMARY

Cabinet has previously considered the feasibility study for Theatr Clwyd capital project. The preferred scheme consists of an estimated £30m re-development that both refurbishes the Theatre and improves the experience for the customer and members of the local community.

The funding package for the scheme was estimated as requiring £22m from Welsh Government, £5m from the Arts Council of Wales and £3m locally with £1m identified as being from the Council.

The Arts Council of Wales have allocated funding for the detailed design and development work (£1,012,179.00), and more recently a further £5m for the full capital project. The Council has allocated match funding within the capital programme funding to carry out the detailed design and development work, conditional upon reassurance from Welsh Government about their funding contributions.

This report updates Cabinet on progress with Welsh Government and based on this recommends the release of the money allocated in the capital programme for the detailed design and development work.

RECOMMENDATIONS

1	That based on the encouragement of the Arts Council for Wales and the Welsh Government the Council agrees to proceed with the detailed design and development work for the Theatr Clwyd capital project and release of the funding allocated in the capital programme to achieve this.
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REPORT DETAILS

1.00	EXPLAINING THE THEATR CLWYD CAPITAL PROJECT
1.01	<p>The Cabinet report in March agreed to enter into an appointment with Kier Group PLC as contractor for the project subject to a number of conditions being. These conditions were as follows:</p> <ul style="list-style-type: none">• Welsh Government providing more assurance on their capital funding contribution;• Progress on discussions about revenue sustainability with Welsh Government and the Arts Council of Wales (ACW).
1.02	<p>Since March Cabinet the following progress has been made:</p> <ul style="list-style-type: none">• The current Welsh Government Minister has visited the theatre and provided verbal comment about the importance of this project;• Meetings have taken place with the lead civil servants in Welsh Government and the Arts Council of Wales lead officers about both capital and revenue funding;• ACW have allocated a further £5m for the overall project in their capital programme;• A letter has been received from Welsh Government that references the letter received from the Cabinet Secretary at that time in 2017 (see Appendix A), and states the following (for a full copy of the letter see Appendix B). <p>‘The Welsh Government recognises the centrality of Theatr Clwyd to the cultural sector in North Wales, and to Wales as a whole. Lord Elis-Thomas AM, the Minister for Culture, Tourism and Sport has asked me to stress this to you, following his recent visit.....</p> <p>A capital redevelopment of this scale is a very significant undertaking. It is essential that decisions for potential Government funding are based on rigorous feasibility studies.</p> <p>Therefore, we would encourage Flintshire County Council, working closely with Arts Council of Wales to progress to the next stage of the project beyond feasibility and into design and development detail study.</p> <p>We note that the specification for the redeveloped arts complex meets an ambitious and sustainable operating model set for the Theatre for the future. We would still encourage the Theatre and the Council to critically examine the cost base of the project through options and choices on value engineering, and to creatively explore the options for commercialisation and supported borrowing, to augment the lottery funding allocation being held in reserve by the Arts Council and to avoid an over-reliance on the Welsh Government to fund the balance of the total scheme cost.</p> <p>We would also encourage you to ensure that the project addresses concerns raised during the recent consultation, for example the adequacy of the car parking arrangements.</p> <p>We would encourage the local partnership of the Theatre and Council to follow this advice with the confidence that the capital redevelopment project will be given serious consideration for national funding, with an eventual</p>

	<p>decision, to be informed by the feasibility detailed design and development work study, subject to the availability of capital funds.</p> <p>We can offer to provide professional input to the work of the Steering Group over this next stage of feasibility study work, to assist in finding solutions towards the future of this nationally significant arts venue.”</p>
1.03	This response re-affirms and goes further in terms of Welsh Government committing to in principle supporting the scheme. It also recognises that further information is needed before final confirmation of capital funding can be provided and therefore they request that the Council continues with the detailed design and development work to provide this information. This additional information plus allocation by the ACW of the full £5m marks significant progress and it is recommended meet the conditions set previously by Cabinet.
1.04	The estimated costs of detailed design and development are £1.2m and the Council’s contribution towards this, already provisionally allocated in the capital programme is £0.330m.

2.00	RESOURCE IMPLICATIONS
4.01	The commitment and expenditure of the £0.330m allocated in the capital programme to progress detailed design and development.
4.02	A project manager will be appointed to co-ordinate this more detailed next phase piece of work.

5.00	CONSULTATIONS REQUIRED / CARRIED OUT
5.01	Detailed consultations with Welsh Government and ACW as detailed in this report.

6.00	RISK MANAGEMENT
6.01	<p>Key Risks and Mitigation are:</p> <ol style="list-style-type: none"> 1. Risks of funding detailed design and development at risk and the final funding package not being put in place – the additional commitments from Welsh Government, plus ACW allocating their full £5m funding reduce this risk, plus the additional work is needed to finalise Welsh Government contributions. 2. Lack of resource to complete detailed design and development – the appointment of a project manager will ensure this can be achieved.

7.00	APPENDICES
7.01	Appendix 1 – Letter from Ken Skates, previous Cabinet Secretary Appendix 2 – Welsh Government Letter dated 6 th June 2018

8.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
8.01	Contact Officers: Ian Bancroft Telephone: 01352 704511 E-mail: ian.bancroft@flintshire.gov.uk

9.00	GLOSSARY OF TERMS
9.01	Arts Council of Wales – the sponsored Government body leading development of the arts in Wales.