



Joint Report of the Cabinet Members for Culture and Equalities and Corporate Service & Performance

Cabinet – 20 October 2022

Proposed Renewed/Extended Lease of the Dylan Thomas Theatre

Purpose:	To approve the Grant of a New Lease of the Building known as the Dylan Thomas Theatre (Gloucester Place, Maritime Quarter, Swansea SA1 1TY) to the Swansea Little Theatre
Policy Framework:	Community Asset Transfer Policy 2021 Well-being of Future Generation Act & Swansea Council Well-being Plan. Financial Procedure Rules Land Transaction Procedure Rules
Consultation:	Legal, Finance, Property and Access to Services.
Recommendation(s):	It is recommended that Cabinet: <ol style="list-style-type: none">1. Approves the proposal to extend and secure the tenure of the Swansea Little Theatre by award of a 125 year lease to support the proposed use of the venue by awarding at a peppercorn rent.2. Grants delegated authority to the Head of Property Services to negotiate and settle the terms of the proposed lease and authorise the Chief Legal Officer to finalise the legal documentation.
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1. Introduction

- 1.1 Swansea Little Theatre has successfully operated and occupied the Dylan Thomas Theatre since 1979.

- 1.2 Their current lease, which was for a term of 25 years from June 2005, expires in June 2030. The lack of certainty beyond this date limits their ability to secure investment for the building.
- 1.3 It is proposed that a new 125 Year lease at a peppercorn rent is granted, in line with the Councils Community Asset transfer Policy. The other existing lease terms will remain the same with the tenant being responsible for the full repair of the property.

2. Background

- 2.1 The Dylan Thomas Theatre is operated as a community venue, since 1979, by the Little Theatre Co.; Their current lease enables them to deliver the objectives of the organisation which contribute to the wider objectives for the council and the city as a creative and cultural destination to visit, stay and enjoy
- 2.2 The Company operate the venue as an independent concern, which contributes to the cultural infrastructure of the waterfront district, supporting community theatre in an accessible and welcoming environment. With consistent support from volunteers, amateur and professional practitioners, it attracts circa 15,000 visitors per annum to school, community, professional use and business hires. These include Theatr na n'Og, to whom the Theatre plays host for three months of the year, allowing over 6000 school children to experience interactive theatre.
- 2.3 The scale of the auditorium, with 150 seats plus disabled viewing, lends itself well to diverse programming for young talent and touring productions, as well as new work in development, small scale cabaret and comedy, jazz and film.
- 2.4 The premises and programming have stood the test of time, having been managed this way since 1979, with little or no subsidy from the Council, save for specific partnership events such as the recent Jazz Festival. Drawing on the passions of local contributors, volunteers and theatre co's, all maintenance and costs have been covered through income generation and grants available to the third sector. For example, they have recently upgraded the theatrical lighting and sound with a substantial grant from Cory Environmental Trust and are now considered to have one the best lighting of any theatre in the country, with a full LED rig and the latest control desks.
- 2.5 A further grant from Cory Environmental for a completely new-sprung stage floor, has made this space ideal for dance as well as theatrical performance and hires which take place across the venue, utilising all space available including the volunteer run bar/ Foyer area.
- 2.6 Through the company's investments, the building is now fully accessible with ramps, lowered bar and box office, disabled toilets and baby changing

facilities. The stage is ramped and fully accessible, with disabled toilets and shower backstage.

- 2.7 The Co. are also committed to the principal of continual environmental improvement and ensuring impacts are low.
- 2.8 Historically, the venue is associated with Dylan Thomas, who spent time with the Little Theatre in the 1930s. Panels which tell this story, from the book 'Dylan the Actor' by Heather Holt, and 'Swansea's Dylan' a glimpse of the places and people that affected and influenced the writing of young Dylan are also on display. It shares its footprint with the Swansea Museum Tramshed; and Swansea Artist Studios on the upper floors; and fronts Dylan Thomas Square – adjacent to the Waterfront museum and the new Copr Bae cultural destination. It offers something uniquely 'Swansea' to this quarter, which is a mix of new and historic infrastructure, and provides much needed community facilities and support for the wider cultural sector. This will be complemented by the growth of events in the area, and the plans to relaunch the Amphitheatre as a space for live music.
- 2.9 Overall, the operation and use of the theatre provides a sustainable and inclusive addition to the cultural landscape and contributes to the Council's policies for wellbeing and community action, as well as our commitment to delivering the Wellbeing of Future Generations. It is a good example of how asset transfer in this way can produce deeply rooted benefits for our communities and secure access to and viability of historic areas, at little or no cost to the Council directly.
- 2.10 Further, the arrangements do not compromise other more commercially suited uses of this site, which may be the case for 'new' proposals should the Little Theatre be obliged to relocate and/ or other tenants need to find alternative premises, which would also require financial support. The offer is complementary to the aspiration for this area as a leisure and cultural destination and the self managed delivery is not at risk from the longer lease, as could be the case for a new 'purpose'.

3. Property Implications / Financial Implications

- 3.1 The current lease terms allows for the Tenant to pay a Market rent for the property, which may be argued to be up to the value of £12,000 per annum.
- 3.2 Due to the contribution of the Co. to the wider community, cultural offer and self sustaining management securing investment, they have to date been granted a concessionary rent. This has varied in line with the Council's concessionary rent policy at the time; which most recently set this at £1,200 per annum. Under the recommendations of this report the Council will lose this income by way of demonstrating its full support for the benefits as described above and opportunity to secure further investment and enjoyment of cultural assets in this part of the city.

- 3.3 The General Disposal Consent (Wales) Order 2003 allows a range of public bodies to transfer the ownership and management of land and buildings to local communities at 'less than best consideration' where it is the intention to promote social, economic or environmental well-being. The proposed disposal is in accordance with the Councils Community Asset Transfer Policy (CAT Policy) and falls within the scope of the General Disposal Consent (Wales) Order 2003. This disposal also meets the objectives of the Well-Being of Future Generations (Wales) Act 2015 and the Council's policy commitments of creating a Healthier Swansea.
- 3.4 The Head of Property Services is satisfied that the disposal is in accordance with the CAT Policy in that it will create a mutual benefit to both the Council and the community by promoting social, economic or environmental wellbeing and support the aims and priorities of the Council. Community Asset Transfer is an established mechanism used to enable the community ownership and management of public owned land and buildings. The ultimate aim of Community Asset Transfer is community empowerment, that is, to ensure that land and buildings are retained or transformed for public benefit through community asset ownership or management.
- 3.5 In order to comply with the Council's Land Transaction Procedure Rules this report needs to include prescribed information, It is confirmed in the paragraphs above that this disposal is in accordance with the CAT Policy and meets the requirements of the General Disposal Consent (Wales) Order. If this disposal is not approved then the benefits as outlined in paragraph 2.3 will not be achieved. There is no commercial advantage acquired by the tenant as a result of this disposal as the proposed tenant is not a commercial enterprise. The proposal is to lease the Land for a term of 125 years on a full repairing and insuring lease at a peppercorn rent.
- 3.6 The above mentioned terms are non-negotiable so cabinet approval is sought for these terms and to then authorise the Head of Property Services to negotiate and settle the other detailed terms of the proposed lease (and thereafter any required Deeds of Variation) and to instruct the Chief Legal Officer to finalise the legal documentation.

4. Integrated Assessment Implications (IIA)

- 4.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.

- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

4.2 The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

4.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

4.4 An IIA Screening Form (Appendix A) has been completed with the agreed outcome that a full IIA report was not required:

- Swansea Little Theatre will continue to occupy, improve and enhance the facility provision from the Theatre, and a long lease at a peppercorn rent will enable them to further develop opportunities for the local community.
- There will be no change in provision or opportunity available at present, as the Theatre will remain accessible to the public as it is currently.

4.5 The IIA process also provides evidence that the initiative complies with Welsh Language Standards: specifically, that we have considered how to maximise any benefits and minimise any adverse effects on:

- opportunities for people to use the Welsh language
- treating the Welsh language no less favourably than English.

5. Financial Implications

5.1 The proposed letting will be at a peppercorn rent and will generally be at less than best value. However, given the nature of the proposed disposals the amount of undervalue will be low generally ranging from a few hundred to a few thousand pounds.

5.2 Agreement of a long term lease to the Little Theatre Company would preclude the Authority from the possibility of the future sale and capital receipts from this site.

- 5.3 There will be no additional long term revenue or capital financial commitment required by the Authority for this building, as this will continue be the responsibility by the tenant from the date of the lease.

6. Legal Implications

- 6.1 Section 123 of the Local Government Act 1972 and the Council's Land Transaction Procedure Rules set out in the constitution apply to this disposal. Under s123 LGA 1972 a local authority has the power to dispose of land held by it in any manner it wishes provided that the local authority achieves the best consideration that can reasonably be obtained except where the disposal is for a short tenancy (less than 7 years) or the local authority has the consent of the Welsh Ministers. Under the Council's constitution the responsibility of determining in what manner the land will be disposed of in order to obtain best consideration lies with the Head of Property Services.

Under the General Disposal Consent (Wales) Order 2003 the Welsh Ministers have issued a general consent for disposals of land under s123 for less than best consideration. This allows a local authority to dispose of land for less than best consideration if it considers that the disposal will contribute to the promotion or improvement of the economic, social or environmental well-being of its area and the extent of the undervalue is no more than £2m. The General Disposal Consent (Wales) Order allows a range of public bodies to transfer the ownership and management of land and buildings to local communities at 'less than best consideration' where it is the intention to promote social, economic or environmental well-being. Paragraphs 3.3 and 3.4 above confirm that this proposed disposal is at an undervalue in accordance with the Council's Community Asset Transfer Policy, the objectives of which clearly meet the criteria for the application of the General Disposal Consent (Wales) Order 2003.

- 6.2 The property has not been advertised on the open market. The Council's constitution specifies that if there has been no marketing of the Land or only one person has indicated an interest to purchase there can be no such disposal of land except where it is determined by the Head of Property Services or his nominee is satisfied that the disposal would be in accordance with the applicable statutory requirements. In considering this, the Head of Property Services may have regard to the following matters (among others) (a) the robustness of the valuation evidence (b) the likely market for the Land now and in the future given its relevant physical, legal or other characteristics, (c) the potential for the Land to be transferred to and used by a community council or Third Sector/Community Group in accordance with the CAT Policy, (d) responses (if any) received by the Council following reasonable marketing of the Land and (e) whether the disposal would achieve a corporate objective or contribute to the promotion or improvement of the economic, social or environmental wellbeing of people or communities in its area (taking into account all considerations including subsidy controls).

- 6.3 As stated in paragraphs 3.3 and 3.4 above, the Head of Property Services is satisfied that the disposal is in accordance with the CAT Policy and assists the Council in meeting several statutory and policy objections, therefore satisfying the criteria in (c) and (e) above.
- 6.4 The lease documentation will contain all the relevant provisions to protect the Council's interest.

Background Papers:

None

Appendices:

Appendix A - IIA Screening