

Meeting: [Cabinet & Council](#) **Date:** [26 November 2024/5 December 2024](#)

Wards affected: [Roundham with Hyde](#)

Report Title: [Paignton Picture House](#)

When does the decision need to be implemented? [Cabinet November 2024/ Council December](#)

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1. Purpose of Report

1.1 This report sets out the required action by Cabinet and Council to form a tripartite partnership between Torbay Council, Arts Council England and Paignton Picture House Trust to deliver the full restoration of Paignton Picture House as part of the regeneration of Paignton Town Centre.

2. Reason for Proposal and its benefits

2.1 The 2015 Paignton Town Centre Masterplan set out the framework for re-development and regeneration of Paignton Town Centre as follows:

- is safe and welcoming to residents, visitors and people who work in Paignton;
- is a source of pride and enjoyment to the local population;
- is easy to move around and understand;
- is a successful economic 'engine' for the town and the wider area;
- is planned with a high regard to environmental issues, such as flood risk, and sustainability;
- helps to move the local economy towards higher value,
- higher skill employment and a longer tourism season; includes a balanced and vibrant residential community; maintains strong ties to its heritage; and offers tourism, leisure and retail attractions that enable Paignton, and Torbay, to compete as a 21st century resort of distinction.

- 2.2 Paignton Picture House Trust (PPHT) wrote to the Council – Letter dated 14th October 2024, (See Appendix 1) requesting the council:
- i. Underwrite the funding shortfall on the capital project to enable the full funding package for the works to be unlocked, in particular the DCMA/Arts Council England - Cultural Development Fund.
 - ii. Torbay Council take on the capital cost risk of the project.
- 2.3 In response the Council wrote back to PPHT 21/10/24 confirming that in principle the Council was willing to take on the requested roles and responsibilities and the actions needed to fulfil them, subject to a formal decision being made in Cabinet and Council. In the letter the Council set out its requirements to ensure transparency and a clear audit trail given that the Council's own financial resources might be required to be deployed in taking on 2.2 i & ii above. These requirements are stated in Section 3 below.
- 2.4 The proposals ensure that the project is developed in order to contribute towards meeting the objectives of the Paignton Town Centre Masterplan.

3. Recommendation(s) / Proposed Decision

- 3.1 That, subject to Council approval of recommendation 3.2 below, Cabinet is recommended to approve:
- (i) The Council enters into the tripartite agreement with Arts Council England and Paignton Picture House Trust, in accordance with the draft agreement as set out at Appendix 2 and subject to (vi) below.
 - (ii) The Council acts as the accountable body for the Delivery Partnership.
 - (iii) The Council indemnifies Paignton Picture House Trust that the project will be delivered with reasonable skill and care and provides a clear and agreed mechanism for Paignton Picture House Trust to have oversight of any decision the Council makes in executing the project including the right to dispute decisions through a defined escalation process of adjudication and arbitration.
 - (iv) The Council requires a charge to be made on the freehold title of the Paignton Picture House under the same terms as that required by Art Council England but for a period of 20 years.
 - (v) The formalisation of the Delivery Partnership by the creation of a Project Delivery Board with Terms of Reference negotiated with PPHT and Arts Council England that reflects the delivery requirements of (i, ii, iii).

The Project Governance Structure under the Project Delivery Board to include:

- a) Ensure the council has oversight of all expenditure associated with the project where the Councils underwriting risk is exposed.

- b) That the council has the ultimate authority to approve, review and reject payments to all Contractors, suppliers and the Trust, necessary to deliver the project.
- (vi) That the actions necessary to facilitate the agreements in (i, ii, iii, iv, v) through negotiation with PPHT and Arts Council, and the wider supply chain, are delegated to the Director of Regeneration, in consultation with the Cabinet Member for Place Development and Economic Growth, the Director of Finance and the Monitoring Officer, and signed/in consultation with the Councils Statutory Officers as the nature of each agreement or action requires by the Council's Constitution.

3.2 That Cabinet recommend to Council the following:

- (i) That an additional £900,000 be allocated from the Future High Street Fund to delivery of the Paignton Picture House project.
- (iii) That the Council underwrites the delivery of the project up to a maximum of £1.6m, to be funded from unsupported borrowing, if required. The Council will limit the financial liability through robust cost oversight of the project and seek to secure any other applicable funding sources.

Appendices

Appendix 1 – Letter from Paignton Picture House Trust 14/10/24

Appendix 2 – Draft Tri-Partite Agreement (Deed of Covenant)

Appendix 3 – Summary of Current Financial Status of the Project, Income, Expenditure and Commitments

Background Documents

Paignton Town Centre Masterplan

Supporting Information

1. Introduction

- 1.1 The freehold of the building was acquired by Paignton Picture House Trust in 2015 with the intent to regenerate the site and put it back into operation as a film and arts centre. The surrounding area has seen falling property values in immediate and adjacent areas that have been recorded since 2008
- 1.2 Change is required to reuse the buildings to provide a catalytic regeneration to the centre part of Paignton along with Station Square & Crossways redevelopment.

2. Options under consideration

- 2.1 The option to do nothing was discounted due to the risk that the grant funding already secured is time limited and without it the building would remain unrestored and continue to listed on Historic England's, Heritage at Risk Register.
- 2.2 The option for the Council to grant fund only and has been discounted as Arts Council England require evidence that the whole scheme is funded including the currently pledged but unsecured funding contributions.
- 2.3 The preferred option to underwrite the costs of the scheme and for the council to take the Capital Cost Risk is considered to be the best option that will give security to all funders that the scheme will be delivered as required by the Listing Building Consent. This option will also ensure that £5m of external grant funding is secured for the Project and the regeneration of Paignton Town Centre.

3. Financial Implications

- 3.1 The Finance Team have reviewed the financial viability appraisal submitted to Capital and Growth Board in November. The maximum underwriting, as recommended in this report, is for up to £1.6m of unsupported borrowing over a 25 year period. Should this be fully required, using a borrowing rate of 5.72%, the annual revenue cost to the Council would be circa £120k.
- 3.2 Paignton Picture House Trust have undertaken to pursue the existing pledged but not secured funding contributions in addition to working with Torbay Council and Arts Council

England to secure additional funding to avoid the need for Torbay Council to use internal unsecured borrowing to fund the project.

4. Legal Implications

- 4.1 That the Council indemnifies PPHT that the project will be delivered with reasonable skill and care and provides a clear and agreed mechanism for PPHT to have oversight of any decision the Council makes in executing the project including the right to dispute decisions through a defined escalation process of adjudication and arbitration.

5. Engagement and Consultation

- 5.1 Consultation was undertaken in 2015 as part of the process of the adoption of the Paignton Town Centre Masterplan.

6. Procurement Implications

- 6.1 The Council will undertake the roles of Contract Administrator (CA) and Project Manager (PM) for the project.
- 6.2 The mechanisms for appointments above will be agreed with PPHT and the supply chain.

7. Protecting our naturally inspiring Bay and tackling Climate Change

- 7.1 The restoration will improve the thermal performance of the building and introduce modern energy efficient M&E equipment into the building.

8. Associated Risks

- 8.1 If the project fails, the Arts Council of England can claw back the grant funding with the Council being liable for the failure and therefore having to repay the money. The Arts Council can also activate its charge against the property.
- 8.2 To mitigate the risk, the Council will fully comply with the terms of the funding agreement and maintain open and transparent dialogue with the Arts Council. The Council will amend

its contract/agreement with the PPHT to take into consideration the additional money being provided to deliver the project.

- 8.3 There is a risk that the maximum underwriting ceiling of £1.6m provided by the Council will not be sufficient to deliver the project through to completion. To mitigate this risk the Council will work closely with PPHT to secure further funding streams whilst maintaining strong project management and governance throughout the project delivery.

9. Equality Impact Assessment

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
Age	<p>18 per cent of Torbay residents are under 18 years old.</p> <p>55 per cent of Torbay residents are aged between 18 to 64 years old.</p> <p>27 per cent of Torbay residents are aged 65 and older.</p>	<p>A cinema is a positive addition to the arts offer available in Paignton. The cinema needs to have a varied an offering to attract different age groups. This is important as research by the Social Research Behaviour Group at UCLA has found that children from poorer socioeconomic backgrounds tend to engage less in arts and culture outside of school compared to children of more advantaged backgrounds.</p> <p>They also found that older people are less likely to participate in arts activities compared to younger people but are more likely to engage frequently in cultural activities.</p>	<p>Explore with partners how to make the Picture House as accessible as possible for different age groups.</p>	<p>Pride in Place</p>
Carers	<p>At the time of the 2021 census there were 14,900 unpaid carers in Torbay. 5,185 of these provided 50 hours or more of care.</p>	<p>Access to the arts and culture has a positive impact on individuals health and wellbeing. As we know that carers are more likely to experience poor mental health, ensuring equitable access is key.</p>	<p>Explore with partners how to make the Picture House as accessible as possible for people who are carers.</p>	<p>Pride in Place</p>

Disability	In the 2021 Census, 23.8% of Torbay residents answered that their day-to-day activities were limited a little or a lot by a physical or mental health condition or illness.	People with disabilities are less likely to access arts and culture when compared to the wider population. Ensuring that the Picture House is accessible is key. Any building works must be inclusive and incorporate for example, lifts, accessible toilets, inclusive lighting etc. Designs need to incorporate the needs of people with physical disabilities as well as those experiencing neurodivergence.	Explore with partners how to make the Picture House as accessible as possible for people with disabilities as well as those experiencing neurodivergence. It is also important that the project maximises the positive impacts that arts and culture can have for mental wellbeing.	Pride in Place
Gender reassignment	In the 2021 Census, 0.4% of Torbay's community answered that their gender identity was not the same as their sex registered at birth. This proportion is similar to the Southwest and is lower than England.	Evidence on participation in the arts broken down by gender identity is limited, however no adverse impacts are anticipated. Toilet provision needs to be considered so that any toilets are inclusive and balance the needs of trans individuals alongside other building users.	Explore with partners how to make the Picture House as accessible as possible for trans individuals.	Pride in Place
Marriage and civil partnership	Of those Torbay residents aged 16 and over at the time of 2021 Census, 44.2% of people were married or in a registered civil partnership.	No adverse impacts are anticipated.	Not applicable	Pride in Place
Pregnancy and maternity	Over the period 2010 to 2021, the rate of live births (as a proportion of females aged 15 to 44) has been slightly but significantly higher in Torbay (average of 63.7 per 1,000) than England (60.2) and the South West (58.4). There has been a notable fall in the	No adverse impacts are anticipated.	Not applicable	Pride in Place

	numbers of live births since the middle of the last decade across all geographical areas.			
Race	In the 2021 Census, 96.1% of Torbay residents described their ethnicity as white. This is a higher proportion than the South West and England. Black, Asian and minority ethnic individuals are more likely to live in areas of Torbay classified as being amongst the 20% most deprived areas in England.	People from ethnically minoritised backgrounds are less likely to engage in arts and cultural activities compared to people from white backgrounds. It is important to remember that people from ethnically minoritised backgrounds are more likely to experience financial hardship when compared to the wider population. This could be a contributory factor to lower levels of participation in the arts.	Explore with partners how to make the Picture House as accessible as possible for ethnically minoritised backgrounds. Exploring diverse programming is key to ensuring engagement from people from different backgrounds and ensuring that the benefits from arts and culture are maximised.	Pride in Place
Religion and belief	64.8% of Torbay residents who stated that they have a religion in the 2021 census.	Evidence on participation in the arts broken down by religion and belief is limited. However, it is widely understood that the arts provide an important opportunity to break down stereotypes and foster inclusion.	Exploring diverse programming is key to ensuring engagement from people from different backgrounds and ensuring that the benefits from arts and culture are maximised.	Pride in Place
Sex	51.3% of Torbay's population are female and 48.7% are male	Males are less likely to participate than females.	Exploring diverse programming with partners is important to ensure engagement and ensure that the benefits from arts and culture are maximised.	Pride in Place

Sexual orientation	In the 2021 Census, 3.4% of those in Torbay aged over 16 identified their sexuality as either Lesbian, Gay, Bisexual or, used another term to describe their sexual orientation.	Evidence on participation in the arts broken down by sexual orientation is limited. However, it is widely understood that the arts provide an important opportunity to break down stereotypes and foster inclusion.	Exploring diverse programming with partners is important to ensure engagement from the LGBT+ community and ensure that the benefits from arts and culture are maximised.	Pride in Place
Armed Forces Community	In 2021, 3.8% of residents in England reported that they had previously served in the UK armed forces. In Torbay, 5.9 per cent of the population have previously served in the UK armed forces.	Evidence on participation in the arts for this group is limited; however no adverse impacts are anticipated.	Not applicable	Pride in Place
Additional considerations				
Socio-economic impacts (Including impacts on child poverty and deprivation)		Recent research by the Social Research Behaviour Group at UCLA highlighted how those living in the 10% most affluent areas were 21% more likely to engage in the arts than those living in areas of medium deprivation, and twice as likely to engage in cultural activities. Conversely, people living in the 10% most deprived areas were 17% less likely to engage in the arts and 64% less likely to engage in cultural activities than people living in areas of medium deprivation.	Explore with partners how to make the Picture House as accessible as possible to those from more deprived areas.	Pride in Place
Public Health impacts (Including impacts on		Access to arts and culture is known to have a positive impact on people's	Explore with partners how to make the Picture	Pride in Place

the general health of the population of Torbay)		mental wellbeing. Recent research by the Social Research Behaviour Group at UCLA highlighted how people from more deprived neighbourhoods appear to enjoy more of the positive health effects when they engage in arts and culture.	House as accessible as possible to those from more deprived areas.	
Human Rights impacts		No adverse impacts on human rights are anticipated.	Not applicable	Not applicable
Child Friendly	Torbay Council is a Child Friendly Council, and all staff and Councillors are Corporate Parents and have a responsibility towards cared for and care experienced children and young people.	Ensuring that children have access to arts and culture is important. People caring for children are less likely to engage with arts and culture.	Explore how the Picture House will have an offering to attract different age groups which includes children.	Pride in Place

10. Cumulative Council Impact

10.1 None

11. Cumulative Community Impacts

11.1 Positive in bringing an existing building back into operation