



Ein cyf/Our ref ATISN 11880

2 March 2018

Dear ,

Request for Information – ATISN 11880

I wrote to you on 11 January and 2 February regarding your request for information. You asked:

1. In which film/television studios, production facilities, or other similar facilities in Wales does the Welsh Government hold any legal or equitable interest (please include properties held by the Official Receiver or Trustee in Bankruptcy)
2. If these properties are occupied by (sub) tenants or licensees, how much does each tenant/licensee pay to the Welsh Government.
3. In all the above cases, do any of the tenants/licensees benefit, or have they benefited, from periods previously where they have not been required to pay rent to the Welsh Government.
4. Please provide details of the five longest consecutive periods of time for which the Welsh Government has not required the tenants/licensees to pay rent; the periods of time, the start and end dates, the names of the tenants/licensees and the properties involved.
5. In any such arrangements, what steps were incorporated into each relevant agreement to recover a sum equivalent to that rent which would have been due but for the rent-free period, in the event of the agreement concluding at the break clause point or before.



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MEWN POBL | **IN PEOPLE**

E&T FoI
Welsh Government
Treforest - QED Centre
Main Avenue
Treforest Industrial Estate
Pontypridd
CF37 5YR

RhyddidGwyb.EconomiaThrafnidiaeth@llyw.cymru
FOI.EconomyandTransport@gov.wales
www.gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

6. In the case of loans made by the Welsh Government (as opposed to grants) to production companies and any companies connected to those production companies through common directors or any other means, for use towards film/TV production or acquisition of an interest in property at which such productions could be developed, what security has the Welsh Government taken to safeguard those loans. Please list.

The questions above were tabled by Suzy Davies AM as Written Assembly Questions on 8 January. The Cabinet Secretary for Economy and Transport answered the questions on 18 January 2018 as <http://record.assembly.wales/OrderPaper/WrittenQuestions/15-01-2018/>. He stated his officials were considering the extent to which it may be possible to disclose further details that are considered to be commercially sensitive and have written to seek the views of the tenants as appropriate and that any further details that can be appropriately released would be published on the internet in due course.

I can confirm that we hold information caught by your request. For your first question, I can advise that Welsh Ministers have freehold or long leasehold interest in the following film/television studios and production facilities:

1. Pinewood Studios at Wentloog, Cardiff
2. Wolf Studios Wales, Trident Buildings, Cardiff
3. BBC Drama Village, Roath Basin, Cardiff
4. Elba Works at Jersey Marine, Neath Port Talbot,
5. GloWorks, Heol Porth Teigr, Cardiff

Having consulted with each of the affected parties, I have concluded that information in respect of the studio management agreement and the former lease for Pinewood Studios at Wentloog, Cardiff, plus the terms of the leases for Wolf Studios Wales, Trident Buildings and Cardiff GloWorks, Heol Porth Teigr, Cardiff is considered exempt from disclosure under Section 43 of the Freedom of Information Act 2000, prejudice to commercial interests. Full reasoning is provided at Annex A to this letter.

The remaining information held is as follows:

Licensees at Pinewood Studio Wales

In respect of Pinewood Studios at Wentloog, Cardiff, the Welsh Government holds the following licences which were negotiated by Pinewood, and which the Welsh Government has inherited as part of its new agreement with Pinewood. There are no rent free periods or break clauses in these agreements. Details of the current licences are as follows:

Unit no	Licensee	Annual Licence Fee
E001	Access Bookings Limited	£6,600
E002	Shadow Scaffolding Limited	£4,800
E003	Mediacom 24-7 Limited	£1,200
E101	Facilities by ADF	£3,750
E103	4Wood TV and Film Limited	£3,540
E105	Arri Rental Services UK Limited	£3,600
E106	Precision Cargo Services Limited	£1,800
E107	SGIL CYMRU CYF	£3,000
W001	Real SFX Limited	£2,400
W003	Creative Media Skills Limited	£1,500

W004	Lubas Medical Limited	£1,583
W005	Lockett TV and Film Security Ltd	£1,200
W008	Marigold Costumes Limited	£9,000
W009	Alpha Grip (Cardiff) Limited	£12,000
W010	Procam Take 2 Holdings Limited	£3,000
W011	Movietch Camera Rentals Limited	£5,600
W102	Oh So Small Productions Limited	£3,000
W105	SGIL CYMRU CYF	£14,800
W106	Lubas Medical Limited	£8,717
W107	Lubas Medical Limited	£7,695
Pt Car Park	Facilities by ADF	£3,600

BBC Drama Village

In respect of the BBC Drama Village, Roath Basin, Cardiff, the tenant is the British Broadcasting Corporation, the term of the lease is 20 years from 24 June 2011. The rent payable is £1,350,000 per annum with the benefit of a rent free period from 24 June 2011 to 18 August 2011. The rent commenced from 19 August 2011. The lease has a break clause with the first break date being 23 June 2021 subject to a penalty of 2 x annual rent and a second Break Date from 23 June 2026 subject to rent penalty of 1 x annual rent.

Elba Works

In respect of the former Elba Works at Jersey Marine, Neath Port Talbot, the tenant is Roy Thomas Bay Studios. The Elba Works was acquired to support film/TV production in the adjoining Bay Studios. The Elba works is let on market terms. The rent is £75,000 per annum plus VAT. A further payment of £1,173.71 a month plus VAT is payable for works funded by the Welsh Government and building insurance costs are recovered. The first year of the lease term was rent free, in accordance with market terms for a lease of this length (10 years). The rent free period for Elba Works was one year from 21 January 2016.

No steps were incorporated to recover a sum equivalent to that rent due in the event of the agreement concluding at the break clause point or before. There is no break clause (landlords or tenants).

No loans were given to the tenant in respect of Elba Works. £200,000 plus VAT was invested in the property by way of a Landlord's Contribution to the Tenant to undertake agreed works and this is recoverable by way of an "additional rent" on a monthly basis. The security is held in the value of the works undertaken at this Welsh Government owned property. However, this was not a loan.

GloWorks, Cardiff

The lease of Rooms 1.01, 1.04 and 1.05 is to Milk Visual Effects Limited for a term of 5 years from May 2015. The rent payable is £9,954 p.a. Half rent was payable for the first 6 months of the lease. There is no break clause. The lease of Room 1.02 to Milk Visual Effects Limited is for a term of 3 yrs 11 months from July 2016. The rent payable is £4,725 p.a with a rent free period of 3 months. There is no break clause. The lease of Room 1.03 is to Hartswood Films Limited from February 2015. Rent payable is £5,512.50. Half rent was payable for the first 6 months of the term. There is no break clause.

Each of the above occupiers has an agreement with the landlord (Welsh Government) on a basis which an independent commercial property agent has confirmed as representing commercial rent. Where a rent free period has been provided to a tenant it is subject to terms and conditions which are considered commercial by an independent commercial property agent. This is apart from the licences at Pinewood Studios at Wentloog, Cardiff, which were negotiated commercially by Pinewood and inherited by the Welsh Government as part of the new agreement.

If you are dissatisfied with the Welsh Government's handling of your request, you can ask for an internal review within 40 working days of the date of this response. Requests for an internal review should be addressed to the Welsh Government's Freedom of Information Officer at: Information Rights Unit, Welsh Government, Cathays Park, Cardiff, CF10 3NQ or FreedomOfInformationOfficer@wales.gsi.gov.uk. Please remember to quote the ATISN reference number above.

You also have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF. However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

Yours sincerely

ATISN 11880 – Application for Exemption

Section 43 (2) – Commercial Interests

Decisions relating to non-disclosure have been taken with due consideration of the exemptions identified under Section 43(2) of the Freedom of Information Act 2000 (FOIA). This states that information is exempt information if its disclosure under this Act would, or would be likely to prejudice the commercial interests of any person (including the public authority holding it).

Section 43 is a qualified (public interest tested) exemption. This means that in order to engage it, I must show that the public interest in withholding the information is greater than the public interest in releasing it. I have therefore given consideration to the effects of disclosure of the information to the world at large as the information is made available to anybody and everybody, not just the requestor. As such, when considering your request I have considered the wider effects of disclosure rather than any personal interest you may have in being provided with the information.

Disclosure of the studio management agreement and the former lease, for Pinewood Studios at Wentloog, Cardiff, are considered commercially confidential. The management agreement contains the commercial terms upon which Pinewood Studios Group agrees to offer studio management services to its customers on behalf of the Welsh Government. These terms are commercially sensitive to Pinewood. The occupiers of Wolf Studios Wales, Trident Buildings, and Cardiff GloWorks, Heol Porth Teigr, Cardiff consider the terms of the leases they hold with the Welsh Government to be commercially sensitive information and the disclosure of this information would be damaging to their businesses.

Public Interest Test

I recognise the general public interest in openness and transparency and that releasing the information would help the public gain a better understanding of the decisions made by Government. It is also recognised that there is a public interest in how public money is to be, or has been, used to ensure that Government gets the best value from the public purse.

Given the commercial nature of the information contained in the documents described above, I do not believe it is in the public interest to disclose into the public domain live commercial terms which are relied upon by each of the companies to undertake their daily business. I am aware that as a general rule, the sensitivity of information is likely to reduce over time, so that the age of information, or timing of the request may be relevant in determining whether to apply the exemption, or where the public interest may lie. In this case, however, it is very much current information.

In conclusion, I believe the public interest is satisfied by the amount of information being disclosed in response to this request for information. I also believe that the balance of the public interest falls in favour of withholding the details of the agreements held for Pinewood Studios at Wentloog, Cardiff, Wolf Studios Wales, Trident Buildings, and Cardiff GloWorks, Heol Porth Teigr, Cardiff.