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For all enquiries relating to this agenda please contact Charlotte Evans
(Tel: 01443 864210 Email: evansca1@caerphilly.gov.uk)

Date: 12th July 2017

Dear Sir/Madam,

A meeting of the **Cabinet as Trustees of Blackwood Miners Institute** will be held in the **Sirhowy Room, Penallta House, Tredomen, Ystrad Mynach** on **Wednesday, 19th July, 2017** at **2.30 pm** (or immediately following Cabinet, whichever is later) to consider the matters contained in the following agenda.

Yours faithfully,

A handwritten signature in blue ink that reads 'Chris Burns'.

Chris Burns
INTERIM CHIEF EXECUTIVE

AGENDA

	Pages
1 To receive apologies for absence.	
2 Declarations of Interest.	

Councillors and Officers are reminded of their personal responsibility to declare any personal and/or prejudicial interest(s) in respect of any item of business on the agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

To approve and sign the following minutes: -

- 3 Cabinet as Trustees of Blackwood Miners' Institute held on 18th January 2017.

1 - 2

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To receive and consider the following report:-

4 Blackwood Miners' Institute Progress Report and Update on 2017/2018 Budget.

3 - 8

Circulation:

Councillors C.J. Cuss, N. George, C.J. Gordon, Mrs B. A. Jones, P.A. Marsden, S. Morgan, L. Phipps, D.V. Poole and Mrs E. Stenner,

And Appropriate Officers.



CABINET AS TRUSTEES OF BLACKWOOD MINERS INSTITUTE

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN
ON WEDNESDAY 18TH JANUARY 2017 AT 3.30 P.M.**

PRESENT:

Councillor K. V. Reynolds – Chair

Councillors:

C. Forehead (Human Resources and Governance/Business Manager), D. Havard (Education and Lifelong Learning), K. James (Regeneration, Planning and Sustainable Development), B. Jones (Corporate Services), D.V. Poole (Housing), T. Williams (Highways, Transportation and Engineering) and R. Woodyatt (Social Services).

Together with:

C. Burns (Interim Chief Executive), C. Harrhy (Corporate Director Communities), N. Scammell (Acting Director of Corporate Services & S151) and D. Street (Corporate Director – Social Services)

Also in Attendance:

D. Whetter (Interim Head of Regeneration), S. Casey (General Manager – Blackwood Miners Institute) and C. Evans (Committee Services Officer).

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillors N. George and D.T. Hardacre

2. DECLARATIONS OF INTEREST

There were no declarations received at the beginning or during the course of the meeting.

3. CABINET AS TRUSTEES OF BLACKWOOD MINERS INSTITUTE – 27TH JULY 2016

RESOLVED that the minutes of the meeting held on 27th July 2016 (minute nos. 1 - 3) be approved and signed as a correct record.

4. **BLACKWOOD MINERS INSTITUTE ANNUAL REPORT AND STATEMENT OF ACCOUNTS 2014/2015 AND 2015/2016**

The report provided Cabinet as Trustees of Blackwood Miners' Institute with an update on the operational activities and financial position of Blackwood Miners' Institute for the financial years ending 31st March 2015 and 31st March 2016.

Cabinet noted that Blackwood Miners' Institute was conveyed as a charitable trust to Islwyn Borough Council (and subsequently Caerphilly County Borough Council), and was registered as a charity in November 1990. As the sole corporate trustee, the Local Authority has a legal duty to operate the charity in accordance with the governing document and to account for the charity's finances, in accordance with the Charity Act 2011.

At the last meeting of the Cabinet as Trustees of Blackwood Miners' Institute on the 27th July 2016, the statutory requirements relating to the charitable status of Blackwood Miner's Institute were outlined, including a set of recommendations to ensure compliance with charity law in relation to the submission of annual reports and financial statements, the ongoing management of the Blackwood Miners' Institute and the Council's and Cabinet's responsibilities as Trustees.

The report provided Cabinet with a detailed annual report and the audited statement of accounts for the 2014/2015 and 2015/2016 financial years and sought the consideration and approval of the accounts and annual report, prior to their submission to the Charity Commissioner, in compliance with the requirements of the Charity Act 2011.

Members were pleased to note that Caerphilly County Borough Council provides an annual financial subsidy to the Blackwood Miners' Institute which has been reducing in recent years from £365,279 in 2013/2014, to £3299,844 in 2014/2015 and £295,030 in 2015/2016. In response to the ongoing reductions in subsidy, Blackwood Miner's Institute has demonstrated effective ways of increasing income, such as changing the way it agrees profit sharing from shows, bringing new acts and audiences to the Institute and a 25% increase in the income generated from shows.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers report the contents of the Annual Report and audited Statement of Accounts for Blackwood Miners' Institute for financial years 2014/2015 and 2015/2016 be noted and endorsed.

The meeting closed at 3.42pm

CHAIR



CABINET AS TRUSTEES OF BLACKWOOD MINERS INSTITUTE – 19TH JULY 2017

**SUBJECT: BLACKWOOD MINERS' INSTITUTE PROGRESS REPORT AND
UPDATE ON 2017/2018 BUDGET**

REPORT BY: CORPORATE DIRECTOR COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To inform Cabinet as Trustees of the Blackwood Miners' Institute on progress of the operational activities and budget provision for the financial year ahead 2017/2018.

2. SUMMARY

- 2.1 Blackwood Miners' Institute was conveyed as a charitable trust to Islwyn Borough Council, (and subsequently to Caerphilly County Borough Council), and was registered as a charity on 13th November 1990.
- 2.2 The local authority, acting as sole corporate trustee has a legal duty to operate the charity in accordance with the governing document, and has a legal obligation to account for the charity's finances in accordance with the Charity Act 2011.
- 2.3 The annual report and statement of accounts for the year ended 31 March 2016 were presented in a report to Cabinet as Trustees of Blackwood Miners' Institute on January 18th 2017.
- 2.4 The purpose of this report is to update the Cabinet as Trustees of Blackwood Miners Institute on the budget provision for the financial year 2017/2018 and to update on operational activities currently under way and planned for the current financial period.

3. LINKS TO STRATEGY

- 3.1 The purpose of this report is to act as Trustee of the Blackwood Miners' Institute and in that capacity to consider all matters in connection with the management, use and development of the Institute in accordance with the provisions of the Trust Deed.
- 3.2 Arts Council for Wales' vision is a creative Wales where the Arts are central to the life of a nation.
- 3.3 Culture and Arts are key elements in the Council's Regeneration Strategy in Regenerating Communities and Raising Aspirations.
- 3.4 Increasing visitor numbers to the County Borough is an objective in the Council's Single Integrated Plan's vision for a Prosperous Caerphilly.

4. THE REPORT

- 4.1 Blackwood Miners' Institute was conveyed as a charitable trust to Islwyn Borough Council, and (subsequently to Caerphilly County Borough Council) in 1990. The objectives of the charity are set out in the Trust Deed dated 15th October 1990.
- 4.2 The purpose of the charity is set out in the Trust Deed and includes the following:
- To promote, improve, develop, maintain and advance public awareness and participation in, and encourage an appreciation of the art and science of, music, dance, drama, literature and the visual arts.
 - To promote, through appropriate activities, the education and training, mental and spiritual capacities of people who are unemployed, young people and pre-school children.
 - To educate the public in the geography, history and architecture of the area and sets out the Institute's responsibility in safeguarding against drug and alcohol abuse.
- 4.3 Blackwood Miners' Institute was registered as a charity with the Charity Commission (registered as Blackwood Arts Centre) on 13th November 1990.
- 4.4 Local authorities are empowered by Section 139 of the Local Government Act 1972 to receive and hold gifts on charitable trusts. The local authority is currently the sole corporate trustee for this charity.
- 4.5 The Council as sole trustee has a legal duty to operate the charity in accordance with the charity's Trust Deed and strictly in furtherance of its stated objects. The Council as trustee also has a legal obligation to account for and report on the charity separately and in accordance of the Charities Act 2011. All charities must produce annual statements of accounts under charity law.
- 4.6 The Annual report and Statement of Accounts for Blackwood Miners' Institute for 2014/2015 and 2015/2016 financial years were appended to the report that was approved by Cabinet as Trustees on 18 January 2017.
- 4.7 Caerphilly County Borough Council provides annual financial subsidy to the Blackwood Miners' Institute as revenue budget, which has been reducing in recent years from £365,279 in 2013/2014 to £313,415 for the forthcoming year 2017/2018. The gross operating cost budget of the BMI is £745,208 and the Authority's current revenue budget subsidy represents 42% of the running costs after taking into account self-generated income of £431,794 from admissions, room hire, trading accounts and grant income. Blackwood Miners Institute employs 8.4 Full Time Equivalent staff with an employee budget of £332,902. An abbreviated breakdown of income and expenditure for 2017/2018 is provided in Appendix 1
- 4.8 As part of the Council's ongoing Medium Term Financial Plan (MTFP) there is pressure to continue to reduce the annual subsidy that the Authority provides and staff are working towards identifying how this can be achieved. Whilst the MTFP is not a matter for consideration by Cabinet as Trustee a further report on the findings will be presented to the Trustee in due course.
- 4.9 The Arts Council of Wales included Blackwood Miners' Institute as part of its Portfolio of Revenue Funded Organisations in 2016/2017, providing an annual grant of £129,375 to allow the development of an artistic programme in areas of challenge such as 'drama, dance and non-commercial music' and to support local artist opportunities through co-production work.
- 4.10 The Arts Council of Wales monitor their Portfolio clients and they have identified potential reductions in local authority support as a risk. The Arts Council of Wales have recognised that arts and cultural venues face a challenging environment in the future and they have engaged a number of freelance consultants to work on their behalf to support their Portfolio clients through a 'Resilience' programme.

- 4.11 Staff at Blackwood Miners' Institute are continuing to work hard to increase income by attracting new audiences and increasing seating occupancy that can attract secondary spend on bar and confectionary sales.

Year	BMI attendance	BMI Net Budget	Average Cost Per Visitor Subsidy	Year on Year Reduction in Subsidy Per Visitor
2013/2014	25,021	£365,279	£14.60	
2014/2015	30,558	£306,196	£10.02	-£4.58
2015/2016	31,545	£296,449	£9.40	-£0.62
2016/2017	33,209	£302,768	£9.12	-£0.28

The objective for 2017/2018 is to continue to increase BMI's overall attendance and in doing so further reduce the average visitor subsidy against the current annual net budget of £313,415.

For example, increasing BMI's overall attendance to 35,000 in 2017/2018 could reduce the cost per visitor subsidy by £0.17 to £8.95 per visitor. It is estimated that for every additional 1000 increase in overall attendance the cost per visitor subsidy would reduce by approximately £0.25 per visitor.

- 4.12 The annual programme staged at Blackwood Miners' Institute consists of approximately 200 shows and events. Over the financial year 2016/2017 a total of 33,209 people attended shows over the course of the programme, a 5% increase over the previous year (31,545). Some of the shows planned for 2017/2018 include:

- Annual Pantomime - Jack and the Beanstalk
- The Mountain Top
- Not About Heroes
- Tiddly Prom
- Project Oggbot
- Shakespeare School's festival.
- One Man Two Guvnors - Touring co-production that will be touring across Wales
- CCBC Dance Showcase again supporting Head 4 Arts with their community project

Outside of the main 'programme', Blackwood Miners' Institute is also a venue for a number of other activities including the hosting of workshops as part of the Welsh International Film Documentary Festival, hosting rehearsals for the Caerphilly County Youth Theatre, staging the Community Dance showcase and supporting a number of community performances by groups such as Blackwood Musical Theatre Society, Caerphilly Male Voice Choir, Cefn Hengoed Ladies Choir, Markham Band, Mynyddislwyn Male Choir and Risca Male Voice Choir.

5. EQUALITIES IMPLICATIONS

- 5.1 This report is for information purposes, so the Council's EqIA process does not need to be applied.

6. FINANCIAL IMPLICATIONS

- 6.1 The current level of financial subsidy provision from the Council has been set in line with the agreed Council provision for wage and consumer inflation. The ongoing MTFP will identify further savings targets for Blackwood Miners Institute and as part of the ongoing review of BMI as part of the Councils Improving Services Programme and the findings and recommendations will be presented to Cabinet as Trustee upon completion.

7. PERSONNEL IMPLICATIONS

7.1 There are no personnel implications from this report.

8. CONSULTATIONS

8.1 The comments from consultees have been included in this report.

9. RECOMMENDATIONS

9.1 That Cabinet as Trustees of Blackwood Miners' Institute note the information set out in the report.

10. REASONS FOR THE RECOMMENDATIONS

10.1 In order for the local authority to account and report on the charity in accordance with the requirements of the Charity Act 2011.

11. STATUTORY POWER

11.1 Charities Act 2011 and Local Government Act 1972.

Author: Paul Hudson, Destination & Events Manager
Consultees: Cllr S Morgan, Cabinet Member – Economy, Infrastructure, Sustainability and Wellbeing and Future Generations Champion
Christina Harry, Corporate Director Communities
Dave Whetter, Interim Head of Regeneration
Steve Harris, Interim Head of Corporate Finance
Lisa Lane, Corporate Solicitor
Marina Newth, Deputy Theatre Manager
Mike Eedy, Finance Manager
Veronica Simmonds, Finance Technician

Appendices:
Appendix 1 Blackwood Miners' Institute 2017/2018 Budget Summary

Budget 2017-2018

<u>Total Employee Related</u>	£ 332,902
<u>Premises Related Expenses</u>	
Water	£ 1,341
Electricity	£ 10,027
Gas	£ 4,172
CCTV	£ 1,120
Refuse collection	£ 4,033
Cleaning Contract	£ 28,916
Window Cleaning Contract	£ 152
Premises Cleaning (Rentals)	£ 3,442
Cleaning Materials	£ 700
Insurance (Recharge)	£ 1,881
	£ -
Total Premises Expenses	£ 55,784
<u>Transport Related Expenses</u>	
Car Allowances / Mileage	£ 1,200
Total Transport Related	£ 1,200
<u>Supplies & Services</u>	
Equipment/Furniture/Materials	£ 2,500
Technical Budget	£ 2,500
Computer Costs - Databox & Software	£ 2,174
Clothing / Uniforms	£ 495
General Office Expenses	£ 416
Printing	£ 1,514
Telephones (Inc alarm lines)	£ 4,572
Postage	£ 5,893
Advertising & Promotions	£ 39,598
Licenses	£ 6,096
Courses	£ 508
Beverages	£ 8,250
Other Provisions	£ 1,219
Vending Supplies	£ 9,658
Fees - Tutor Costs	£ 19,900
Membership fees	£ 610
Touring Show	£ 80,000
Audit Fee	£ 1,250
Performance costs	£ 168,170
Total Supplies & Services	£ 355,323

Income

Arts Council Grant	-£129,375
Touring income	-£24,000
Course Fees	-£8,000
Hire of Premises & Other	-£33,000
Bar and vending	-£40,300
Shows	-£197,119
Total Income	<hr/> -£431,794 <hr/>

Net Expenditure **£313,415**