



CABINET AS TRUSTEES OF BLACKWOOD MINERS INSTITUTE – 16TH JANUARY 2019

**SUBJECT: BLACKWOOD MINERS' INSTITUTE ANNUAL REPORT AND
STATEMENT OF ACCOUNTS 2017/2018**

REPORT BY: INTERIM CORPORATE DIRECTOR COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To advise Cabinet as Trustees of the Blackwood Miners' Institute of the operational activities and financial position of Blackwood Miners' Institute for the financial year ending 31st March 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 A report to Cabinet as Trustees of Blackwood Miners' Institute was considered on the 27th July 2016 advising Members of the statutory requirements relating to the charitable status of Blackwood Miners' Institute, 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.
- 2.4 The annual report and audited statement of accounts for 2017/2018 are included as an appendix to this report.
- 2.5 Cabinet as Trustees of Blackwood Miners' Institute are required to consider the accounts prior to the annual report and accounts being submitted to the Charity Commission as part of the annual return, in compliance with the requirements of the Charity Act 2011.

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, Leisure and the Arts are key elements in the Regeneration Strategy in Regenerating Communities and Raising Aspirations.
- 3.4 Increasing visitor numbers in 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 objects of the charity are set out in the Trust Deed dated 15th October 1990.
- 4.2 The purposes of the charity set out in the Trust Deed include 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 2017/2018 financial year is an appendix to this report. These accounts have been prepared in accordance with the Charities SORP (Statement of Recommended Practice – Accounting and Reporting by Charities). The Annual Report and Statement of Accounts will be submitted to the Charity Commission as part of the annual return.
- 4.7 The Annual Report for 2017/2018 provides information in relation to the Blackwood Miners' Institute Governance & Management arrangements, statement of purpose, aims and activities, public benefit, achievements & performance for the year, the extensive arts programme delivered during the year, productions and touring activities, the educational programmes delivered, community and amateur events held and audience development initiatives.
- 4.8 The Annual Report also provides detail of the pricing policies operated and a financial review in support of the detailed Statements of Accounts. As noted in the Annual Report and detailed in the Statement of Accounts, Caerphilly County Borough Council provides an annual financial subsidy to the Blackwood Miners' Institute which was £313,414 for the financial year 2017/2018 this subsidy has reduced in recent years from £365,279 in 2013/2014 despite inflationary cost pressures in relation to pay and operating costs. It is anticipated that there could be further future reductions in subsidy as part of the Council's MTFP (Medium Term Financial Plan).

- 4.9 Cabinet as Trustees of Blackwood Miners' Institute will be aware that the Councils Improving Service Programme (ISP) includes a project which aims to evaluate options to reduce the deficit at Blackwood Miners Institute, including a review of the operating model for Blackwood Miners Institute within a climate of declining public subsidy.
- 4.10 As noted in the Annual Report, in response to the ongoing reductions in Council subsidy, Blackwood Miners' Institute is working hard to increase the income from shows by changing the way it agrees profit sharing, and also by bringing in new acts to attract new audiences. Income generated from shows in 2017-18 was £302,315 which continues to increase from £249,768 in 2015/2016 and £275,119 in 2016/2017 (an increase of 21% £52.6k in two years). Bar and vending services which only operate when there are events in the building also generated combined profit of £13,449 towards the aims of the charity and to improve financial viability.
- 4.11 The Annual Report also makes reference to the Arts Council Wales Arts Portfolio Wales (APW) grant of £129,376 provided to BMI which provides additional funding for programme support – which will help with programming a full programme including offsite performances and an increased number of accessible performances – increase marketing and technical capacity, allow BMI to continue co-producing and increase participation in the arts.

5. EQUALITIES IMPLICATIONS

- 5.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified; therefore a full EIA has not been carried out

6. FINANCIAL IMPLICATIONS

- 6.1 There may be financial implications if the Trustee fails to meet the legal requirement to submit compliant accounts, and the Charity Commission may take further action in particular regarding the preparation of an annual statement of accounts and to report on the charity's finances.
- 6.2 There will be a fee payable for the independent examiners report in relation to the 2017/2018 annual report and statement of accounts of the BMI and this will be financed by the BMI revenue account.
- 6.3 Other financial implications are covered in the body of the report including the present level of Council subsidy, possible requirement to reduce the level of subsidy in future years in support of the Councils MTFP and the ongoing review of BMI as part of the Councils Improving Services Programme.

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 It is recommended that:

9.1.1 Cabinet as Trustees of Blackwood Miners' Institute consider, note and endorse the contents of the Annual Report and audited Statement of Accounts for Blackwood Miners' Institute for financial year 2017/2018.

10. REASONS FOR THE RECOMMENDATIONS

10.1.1 Consider, note and endorse the contents of the Annual Report and audited Statement of Accounts for Blackwood Miners' Institute for financial year 2017/2018.

11. STATUTORY POWER

11.1 Charities Act 2011 and Local Government Act 1972

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Consultees: Cllr Sean Morgan, Deputy Leader and Cabinet Member Economy, Infrastructure, Sustainability and Well Being and Future Generations
Mark S Williams Interim Corporate Director of Communities
Nicole Scammell Head of Corporate Finance
Marina Newth, Deputy Theatre & Arts Service Manager
Rhian Kyte, Head of Regeneration and Planning
Paul Hudson, Destination and Events Manager
Andrew Southcombe, Finance Manager Corporate Services

Appendices:

Appendix 1 Blackwood Miners' Annual Report and Statement of Accounts for the year ending 31st March 2018

Background Papers and Links to other Documents:

Report by Corporate Director of Communities -

Cabinet as Trustees of Blackwood Miners Blackwood Miners' Institute 27th July 2016 - Charitable Status of Blackwood Miners' Institute