

# Pecyn Dogfennau Cyhoeddus

Penallta House,  
Tredomen Park,  
Ystrad Mynach,  
Hengoed CF82 7PG

Tŷ Penallta,  
Parc Tredomen,  
Ystrad Mynach,  
Hengoed CF82 7PG



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Am unrhyw ymholiad yn ymwneud â'r agenda hwn cysylltwch â Charlotte Evans  
(Rhif Ffôn: 01443 864210 E-bost: [evansca1@caerphilly.gov.uk](mailto:evansca1@caerphilly.gov.uk))

**Dyddiad: Dydd Mercher, 20 Gorffennaf 2016**

Annwyl Syr/Fadam,

Bydd cyfarfod **Cabinet fel Ymddiriedolwyr Sefydliad y Glowyr Coed Duon** yn cael ei gynnal yn **Ystafell Sirhywi, Tŷ Penallta, Tredomen, Ystrad Mynach** ar **Dydd Mercher, 27ain Gorffennaf, 2016** am **2.30 pm**. (neu'n syth ar ôl yr Cabinet) i ystyried materion a gynhwysir yn yr agenda canlynol.

Yr eiddoch yn gywir,

**Chris Burns**  
PRIF WEITHREDWR DROS DRO

## A G E N D A

Tudalennau

- 1 I dderbyn ymddiheuriadau am absenoldeb
- 2 Datganiadau o Ddiddordeb.

Atgoffi'r Cyngorwyr a Swyddogion o'u cyfrifoldeb personol i ddatgan unrhyw fuddiannau personol a/neu niweidiol mewn perthynas ag unrhyw eitem o fusnes ar yr agenda hwn yn unol â Deddf Llywodraeth Leol 2000, Cyfansoddiad y Cyngor a'r Cod Ymddygiad ar gyfer Cyngorwyr a Swyddogion..

I dderbyn ac ystyried yr adroddiad(au) canlynol: -

- 3 Statws Elusenol Sefydliad Glowyr Coed Duon

1 - 32

A greener place Man gwyrddach



**Cylchrediad:**

Cynghorwyr

Mrs C. Forehead, N. George, D.T. Hardacre, D. Havard, K. James, Mrs B. A. Jones, D.V. Poole,  
K.V. Reynolds, D.T. Williams a R. Woodyatt,

A Swyddogion Priodol.



## **CABINET AS TRUSTEES OF BLACKWOOD MINERS INSTITUTE - 27TH JULY 2016**

**SUBJECT: CHARITABLE STATUS OF BLACKWOOD MINERS' INSTITUTE**

**REPORT BY: CORPORATE DIRECTOR COMMUNITIES**

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### **1. PURPOSE OF REPORT**

- 1.1 To advise Members of the statutory requirements relating to the charitable status of Blackwood Miners' Institute.
- 1.2 To seek approval to implement new measures to ensure compliance with charity law in relation to the submission of the accounts.
- 1.3 To consider and set out recommendations regarding the ongoing management of the Blackwood Miners' Institute and the council's responsibilities as Trustee.

### **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 Charity Commission has recently indicated that the Council as sole trustee is not accounting and reporting on the charity separately in accordance with the requirements of the Charity Act 2011.
- 2.4 New measures are required in order to clarify the local authority's relationship to the charity and in order to satisfy to the Charity Commission that council is fulfilling its responsibility in accordance to charity law.

### **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 of 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 under the Regenerating Communities and Raising Aspirations theme.
- 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 objects of the charity are set out in the Trust Deed dated 15th October 1990, an extract of which is attached to this report at Appendix 1.
- 4.2 The objectives 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 The current emphasis of the charity is to be the leading theatre within the South East Valleys, creating and presenting the highest quality professional and community arts, creating enriching, cultural experiences for a diverse range of audiences and participants.
- 4.4 Blackwood Miners' Institute was registered as a charity with the Charity Commission (registered as Blackwood Arts Centre) on 13<sup>th</sup> November 1990.
- 4.5 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.
- 4.6 The Council as 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.
- 4.7 As part of its regulatory role the Charity Commission regularly review accounts submitted to them each year. The purpose of this is to assess whether the accounts were of an acceptable quality. The Charity Commission has recently indicated that the accounts submitted for Blackwood Miners' Institute for the years ended 31/03/12, 31/03/13, and 31/03/14 were non-compliant with the format required under the Charities Statement of Recommended Practice (SORP) 2005.
- 4.8 The Charity Commission has advised that the local authority must now take action to submit annual returns which are compliant with the Charities SORP. This will involve preparing and filing accounts in accordance with the applicable SORP. The SORP to follow will depend upon the charity's financial year i.e. 2015/16. They contain a balance sheet, a statement of financial activities and explanatory notes. Charities with gross income of more than £25,000 in their financial year are required to have their accounts independently examined or audited. In addition a Trustee's annual report must be submitted, including a review of the significant or main activities undertaken by the charity to further its charitable purposes for the public benefit.

- 4.9 The Charity Commission also advises that the local authority must take action to ensure that it fulfils its responsibility in accordance with charity law. Members should be aware of the following principles of charity law, relating to local authority authorities as sole trustees:
- 4.9.1 “A Charity is an organisation established exclusively for purposes which are capable of being charitable and which are for the public benefit.”
- 4.9.2 “For a body to be a charity it must be independent, i.e. it must exist and operate solely for charitable purposes, not as a means of carrying out the policies or directions of the local authority.”
- 4.9.3 “Where the local authority is a trustee of a charity, it is the corporate body, acting in accordance with its usual procedures, which is ‘the trustee’. While ongoing management may be delegated to officers, responsibility for decision making and oversight rests with the councillors.”
- 4.9.4 “The management of the charity should be kept separate, as far as possible, from the business of the local authority. Depending on the size and circumstances of the charity, it may make sense for a committee of councillors to be allocated this task.”
- 4.9.5 “Equally, the finances of the trust must be kept separate from those of the Council.”
- 4.10 With regards to latter point of the finances being separate from those of the Council, it is recommended that as Blackwood Miners’ Institutes’ finances are already channelled through discrete cost centres, that it is deemed that the finances are, as far as possible, accounted for separately, within the current limitations of being managed by the local authority. It is necessary to prepare the annual statement of accounts and to report on the charity’s finances to the Charity Commission in a format which complies with the SORP. This includes getting the accounts independently examined or audited and submitting a Trustee’s report which outlines a review of the charitable activities undertaken.
- 4.11 With regard to the submission of the accounts, in order to satisfy the requirements of the Charity Commission, Cabinet as Trustee is asked to consider delegating the preparation and submission of the annual statements of accounts in a format which complies with the SORP to the Head of Corporate Finance. This will include arranging for the accounts to be independently examined or audited. (A draft example Trustee report and accounts, which are subject to independent examination, can be found in Appendix 2).
- 4.12 In order to comply with the SORP, it is proposed to submit the accounts for the latest year, 2015/16, for the year 2014/15 and all future accounts in the new format.
- 4.13 In relation to the management of the BMI, the Trust Deed provides for the “delegation of powers of management to be conducted within the Council’s general management guidelines as laid down by the Local Government Act 1972 or to those matters contained within the Council’s standing orders which shall exist from time to time provided that all proceedings of such a Committee are reported in due course to the Council”. In this regard the Council’s practice of dealing with matters of Trust is for Cabinet to meet in its separate capacity as Trustee.
- 4.14 In addition the Trust Deed provides for the appointment of a clerk and the employment of staff for the proper administration of the charity. The day to day operations of the BMI are managed by the Theatre and Arts Service Manager and associated staff employed by the Council. The Theatre Manager currently reports to the Interim Head of Regeneration through the Destination and Events Manager.
- 4.15 In order for the charity to be fully managed as a separate entity to the local authority, any strategic issues relating to the management of the BMI rests with Cabinet as Trustee, this includes overseeing the decision-making, scrutiny and management of the charity and to ensure that the charity delivers the charitable outcomes for the public benefit for which it has

been set up. In the longer term Cabinet as Trustee may wish to consider taking a greater involvement in the Charity with forward planning and decision making being considered forming part of future regular reports detailing the charity's activities.

## **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. It should be noted that Blackwood Miners' Institute benefits from its charitable status (for example receiving the full discretionary relief on non-domestic rates).
- 6.2 The core budget subsidy which has been paid by the Council to the Charity has been reducing over three of the past four years and it is anticipated that this trend will continue. The budget subsidy in 2013/2014 was £365,279; in 2014/2015 it was £306,196; in 2015/2016 it was £296,449 and in 2016/2017 it is £302,768. BMI have achieved a year on year reduction of over 17%.
- 6.3 Cabinet as Trustee is advised that a list of draft savings proposals for the MTFP agreed by Cabinet on the 14th October 2015 included a plan to "Evaluate options to reduce the deficit at Blackwood Miners Institute - A review of the operating model for Blackwood Miners Institute will be undertaken". This is, however, not a matter for consideration under this report but will be subject to a further report on the findings and recommendations of the Improving Service Programme (ISP 5) which will be presented to the Trustee upon completion.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 There are no personnel implications associated with this report.

## **8. CONSULTATIONS**

- 8.1 Comments from the consultees are included within the report.

## **9. RECOMMENDATIONS**

- 9.1 It is recommended that:
- 9.1.1 The Cabinet continues to act as Trustee.
  - 9.1.2 Note the day to day management of the BMI operates under the Theatre Manager, overseen by the Interim Head of Regeneration with the proposal that periodic reports are presented to Cabinet as Trustee.
  - 9.1.3 Endorse the proposal that the preparation and submission of the annual statements of accounts and the report on the BMI's finances to the Charity Commission in a format which complies with SORP (including independent examination or audit of the accounts) be delegated to the Head of Corporate Finance.

- 9.1.4 Meetings with the Cabinet as Trustee will be arranged to discuss the strategic management of the BMI which will include consideration of the outcomes of the Business Improvement Project as outlined in paragraph 6.3 of 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.

- 11.2 Local Government Act 1972.

Author: Paul Hudson, Destination and Events Manager  
Consultees: Cllr Ken James, Cabinet Member for Regeneration, Planning & Sustainable Development  
Christina HARRY, Corporate Director Communities  
Sharon Casey, Theatre & Arts Service Manager  
Dave Whetter, Interim Head of Regeneration  
Steve Harris, Interim Head of Corporate Finance  
Michael Eedy, Finance Manager  
Veronica Simmonds, Finance Technician  
David Thomas, Senior Policy Officer (Equalities & Welsh Language)  
Lisa Lane, Corporate Solicitor  
Richard Crane, Senior Solicitor

Appendices:  
Appendix 1 Blackwood Miners' Institute Trust Deed (dated 15th October 1990)  
Appendix 2 An example of the Trustee's annual report and statement of accounts

Gadewir y dudalen hon yn wag yn fwriadol

Dated 15<sup>th</sup> October 1990

THE TRUSTEES TO THE BLACKWOOD MINERS' INSTITUTE AND LIBRARY

To

ISLWYN BOROUGH COUNCIL

C O N V E Y A N C E

Of the Blackwood Miners' Institute and library

High Street

Blackwood

In the County of Gwent

This Conveyance and Trust Deed is made the day of October 1990 between CAMPBELL BENNET of 8 Bloomfield Road Blackwood in the County of Gwent PAUL LEONARD BROWN of "Graigwen" Albion Terrace Blackwood aforesaid DAVID GILES JONES of 13 Garfield Road Blackwood aforesaid JOHN ROBERT ELSTONE of 4 Bridge Street Blackwood aforesaid JOHN ROBERT ELSTONE of 4 Bridge Street Blackwood aforesaid and DAVID COLIN WILLIAMS of 28 High Street Pengam Blackwood aforesaid (hereinafter called "the Trustees") of the one part and ISLWYN BOROUGH COUNCIL Civic Centre Pontllanfraith Blackwood in the said County of Gwent (hereinafter called "the Council") of the other part

Whereas

(1) By a Conveyance (hereinafter called "the first Conveyance") dated the 12<sup>th</sup> May 1930 and made between the Right Honourable Courtenay Charles Evan Viscount Tredegar of the first part Sir George Ferdinand Forestier-Walker Henry Edzell Morgan Lindsay and the Honourable Frederick George Morgan of the second part and the several persons named in the schedule therein contained being the Trustees at the date thereof of the Blackwood Miners' Welfare Institute and Library (hereinafter called "the Charity") of the other part and by a Conveyance (hereinafter called "the Second Conveyance") dated 19<sup>th</sup> December 1950 and made between the Tredegar Industrial and Provident Society Limited of the date thereof of the said Charity of the other part the property hereinafter described was conveyed to the Trustees of the Charity upon Charitable Trusts therein contained

(2) The Trustees are the Trustees of the Blackwood Miners Welfare Institute and Library which is registered as a Friendly Society

(3) By an Order made by the Charity Commission for England and Wales on the day of 1990 the trustees were authorised to dispose of the property

NOW THIS DEED WITNESSETH as follows

(1) In consideration of the sum of £25,000 paid by the council to the Trustees (the receipt whereof the Trustees hereby acknowledge) the Trustees as Trustees hereby convey unto the Council FIRST ALL THAT piece or parcel of land situate at High Street Blackwood in the County of Gwent (formerly Monmouth) TOGETHER with the hall library and Institute erected thereon which said premises are more particularly delineated on the plan annexed to the First Conveyance subject to the exceptions reservations covenants and conditions contained or referred to therein and SECONDLY ALL THAT piece or parcel of land containing measurement 377 square yards or thereabouts and situate on the east side of Pentwyn Road Blackwood aforesaid TOGETHER with the erections and buildings standing thereon all which said premises are more particularly delineated on the plan annexed to the Second Conveyance subject to the exceptions contained or referred to therein TO HOLD the same except and reserved as was excepted and reserved unto the Council in fee simple

(2) The Council will hold the said property upon the Charitable Trusts set out in the Schedule hereto

(3) The Council (with the object of affording to the Trustees a full indemnity in respect of any breach of any of the Covenants and Conditions contained in the Conveyance dated 12<sup>th</sup> May 1930 but not further or otherwise) hereby covenants with the Trustees that the Council and the persons deriving title under it will at all times hereafter perform and observe the said Covenants and Conditions and keep the Trustees and their estate and effects indemnified against all actions claims and demands

and liability in respect thereof so far as the same affect the property hereby conveyed and area still subsisting and capable of being enforced

(4) It is hereby certified that the transaction hereby effected does not form part of a larger transaction or of a series of transactions in respect of which the amount or value of the aggregate amount or value of the consideration exceeds £30,000

IN WITNESS whereof the Trustees hereto have signed this instrument as their Deed in the presence of the persons mentioned below and the Council has hereunto affixed in Common Seal the day and year first before Written

## THE SCHEDULE

### (Objects of Charitable Trust)

#### (1) Definitions and Interpretation

In the Deed the following expressions shall have the following meaning –

1.1 “The Charity” means the Charity established by Clause (3) of this Schedule

1.2 “The Trustees” means the Council of the Borough of Islwyn (hereinafter called “the Council”)

1.3 Unless the Context otherwise requires the singular includes the plural and the masculine includes the feminine and vice-versa

1.4 Clause Headings are for reference only and shall not be taken into consideration on their interpretation

#### (2) Recital

The Council have paid the sum of £25,000 to the Trustees of the Blackwood Miners Welfare Institute and Library who have conveyed to the Council the property known as the Blackwood Miners Welfare Institute and Library to be held by the Council on the Charitable Trusts declared by this Deed.

#### (3) Name of Charity

The Charity established by this Deed shall be called the “Blackwood Arts Centre” and shall be held upon the trusts hereinafter started for the benefit of the inhabitants of the District of Islwyn and the surrounding Districts (hereinafter called “the Area of Benefit”)

#### (4) Objects of Charity

The objects of the Charity are to promote any charitable purpose and in particular (but without prejudice to the generality of the foregoing) the following:-

(a) Music

To Promote improve develop maintain advance public awareness participation and encouragement in an appreciation of the art and science of music in all its aspects by presentation of public concerts performances and recitals and by such other ways as the Charity shall determine from time to time

(b) Dance

To promote improve develop maintain and advance public awareness participation and encouragement in an appreciation of the art and science of dance in all its aspects by presentation of public performances of any kind and by such other ways as the Charity shall determine from time to time

(c) Art

To Promote improve develop maintain advance public awareness participation and encouragement in an appreciation of Art in all its forms including sculpture photography film and cinematography by presentations of public exhibitions whether temporary or permanent and by all such other ways the Charity shall determine from time to time

(d) Drama and Literature

To promote improve develop maintain and advance public awareness participation and encouragement in an appreciation of drama and literature in all aspects by presentation of public performances recitals readings and by such other ways and means as the Charity shall determine from time to time.

(e) Unemployment

To promote the education and training of persons who through their social and economic circumstances are in need and unable to gain employment and in particular to promote and support schemes where such people may receive training for employment

(f) Drug and Alcohol Abuse

To preserve and safeguard the health of all persons and in particular of young persons who are in danger of becoming

Addicted to our dependent upon illegal drugs of any description alcohol solvents other additional substances

(g) Youth Training Through Leisure

To educate and assist young persons through their leisure time activities so to develop their physical mental and spiritual capacities that they may grow to full maturity as individuals and members of Society and that their conditions of life may be improved and in furtherance of that object to provide a Centre for meetings lectures classes and other forms of leisure time occupation for the benefit of young persons

(h) Pre-school Play Group

To provide for and to advance the education of children below the compulsory school age by providing safe and satisfactory group play in which parents have the right to take part. Encourage other charitable activities through which parents may help the children and furthering the aims of this function by providing accommodation equipment and engage staff raise money to pay for the groups activities make such payments as may be necessary fix and collect the fees payable on respect of children attending groups run by the Charity. Control the admission of children to the groups and if appropriate, require parents or guardians to withdraw them.

(i) Local Amenities Society

(1) To educate the public in their geography history and natural history and architecture of the Area of Benefit

(2) To secure the preservation protection development and improvement of feature of historical public interest in the Area of Benefit

In furtherance of the said objects but not otherwise the Charity may –

(1) Bring together in conference meetings seminars discussion groups representatives of voluntary organisations government departments statutory authorities and individuals

(2) Arrange provide for or joining in arranging and providing for the holding of exhibitions meetings lectures classes seminars and training courses and other leisure time activities to the furtherance of the objects

(3) Collect and disseminate information on all matters affecting the said objects and exchange such information with other bodies having similar objects whether in the country or overseas

(4) Produce to be written printed published issues and circulated either gratuitously or otherwise paper books periodicals pamphlets or other documents or films or recorded tapes as shall further the said objects

(5) Purchase take on lease or in exchange hire or otherwise acquire any property and any right and privileges necessary for the promotion of the said objects and construct maintain and alter any buildings or erections necessary for work of the Charity

(6) Make regulations for any property which may be so acquired

(7) Subject to such consents as may be required by law sell let mortgage dispose of or unrent to account all or any of the property or assets of the Charity

(8) Raise funds and invite and receive contributions from any person or persons whatsoever by way of subscriptions or otherwise provided that the Charity shall not undertake any permanent trading activities in raising funds for its primary charitable objects

(9) Receive money on deposit or loan and to borrow or raise in such a manner as the Charity may think fit subject to such consent being required by law

(10) Invest the monies of the Charity not immediately required for the said objects in or upon such investments securities or property as may be thought fit subject nevertheless to such conditions as may be for the time being imposed or required by law

(11) Do all such other lawful things as are necessary for the attainment of said objects

(12) Promote civic pride in the Area of Benefit to promote research into subjects directly connected with the objects of the Society and to publish the results of such research. To act as a co-ordinating body and to co-ordinate with the local authorities Committees and all other statutory authorities voluntary organisations charities and persons having aims similar to those of the Charity.

(13) To promote or assist in promoting activities of a charitable nature throughout the Area of Benefit

(14) To publish papers reports and other literature

(15) To hold meetings lectures and exhibitions.

(16) To educate public opinion and to give advice and information.

(17) To raise funds and invite and receive contributions from any person or persons whatsoever by way of subscription donation and otherwise; provided that Charity shall not undertake any permanent trading activities in raising funds for its primary purpose.

#### POWER OF TRUSTEES

In furtherance of the above object but not further or otherwise the Council shall have the following powers –

##### (1) Appointment of Clerk

To appoint a Clerk, some fit person as such reasonable salary and on such reasonable terms as to notice otherwise as the Council shall think fit.

##### (2) Employment of Staff and Specialist personnel

To employ such persons not being a Trustee or Trustees to perform such duties as the Council shall consider necessary for the proper administration of the Charity at such reasonable salaries and on such reasonable terms as to notice and otherwise as the Council think fit and to provide for the payment of such pensions and superannuations for such persons as may be reasonable and necessary.

##### (3) General Appointment

To employ or engage Actors Dancers Musicians Producers Lecturers Authors Teachers Artists Composers as well as any other persons whom the Council consider necessary to employ or engage for the furtherance of said objects such persons to be employed or engaged on such salaries contracts commission fees or such other terms as the Council think fit

##### (4) Delegation of Powers

To delegate to a Committee of the Council powers of management to be conducted within the Council's general management guidelines as laid down in the Local Government Act 1972 or to those matters contained in the Council's standing orders which shall exist from time to time provided that all proceedings of such a Committee are reported in due course to the Council.

(5) Borrowing

Subject to such consent as are required by law to borrow money whether or not on the security of the Blackwood Arts Centre or any part thereof with power to charge or mortgage or to secure finance in any other way with the repayment of monies so borrowed.

(6) Fund Raising

To raise funds by appealing for or inviting contributions whether periodical or otherwise from any persons by way of donation covenant grant loan legacy or subscription and to accept donations on any special trusts in connection with the Charity provided that the Council shall not undertake any permanent trading activity in raising funds for the objects of the Charity.

(7) Acquisition of Property

To purchase take on lease or in exchange hire or otherwise acquire any property for use for the purpose of the Charity.

(8) Disposal of Property

Subject to such consent as may be required by law to sell mortgage let or exchange any property or funds belonging to the Charity.

(9) Investment

To invest on trust the money in the purchase of or at interest on the security of such stocks shares funds securities and other investments of whatever nature and wherever situated as the Council in their absolute discretion think fit to the intent that the Council shall have the same full and unrestricted power in investing and transposing investments as if they were beneficially entitled.

(10) Administrative Regulations

To make regulations from time to time for the administration of the Charity and for the management and conduct of the Charity's business including the summoning and chairmanship of meetings the number of Members of a Committee required to constitute a quorum the deposit of money at a proper bank and custody of Deeds Securities and Documents.

(11) Accounts

The Council shall keep a Minute Book and proper book of account and shall prepare consecutive statements of account consisting of any income and expenditure account relating to the period of not more than 12 months and the balance sheet relating to such period.

(12) Banking

The Council shall maintain such banking accounts in the name of the Charity as exists from time to time for the Council and every sum received on account of the Charity shall be paid to the Credit of such accounts all cheques and orders for the payment of money from any such account to be signed in accordance with the Council's existing standing orders thereto

(13) Amendment

The Council may amend any of the provisions in the Deed except those in clause 5 (14) for this Clause by any Deed or Deed supplemental to this Deed provided that no amendments shall be made which will cause the Charity to cease to be a Charity at law.

(14) Failure of Trusts

In the event of the failure of the Trusts if this Deed, any assets remaining after the satisfaction of the debts and liabilities of this particular Charity shall be given to such other Charitable Institution or Institutions having objects similar to those of the Charity as the Council shall decide.

# **BLACKWOOD ARTS CENTRE**

**(Also known as Blackwood Miners' Institute)**

**Report and Financial Statements  
Year ending 31 March 2015**

**Charity Number 1000905**

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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## CHARITY AND ADMINISTRATIVE INFORMATION

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<b>Name of Charity</b>	<b>Blackwood Arts Centre</b>
Working Name	Blackwood Miners' Institute
Charity Registration Number	1000905
Registered Office And Business Address	Blackwood Miners' Institute High Street Blackwood NP12 1BB
Trustee	Caerphilly County Borough Council Penallta House, Tredomen Park, Ystrad Mynach, Hengoed CF82 7PG
Theatre Manager	Sharon Casey
Independent Examiners	<i>{To Be Inserted}</i>

## TRUSTEE'S REPORT FOR THE YEAR ENDING 31 MARCH 2015

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### Introduction

On behalf of the trustee I am pleased to present our annual report together with the annual financial statement for the charity for the year ending 31 March 2015. The financial statements comply with the Charities Act 2011, the Objects of The Charitable Trust, and the statement of recommended practice – accounting and reporting by Charities (SORP 2005).

Culture and the arts are important elements of vibrant and viable communities. They provide people with opportunities to learn, to relax, to innovate, to exercise, and to enjoy themselves. They are vital in creating a sense of community, in attracting new people and families, and in providing jobs and opportunities for enterprise. They also encourage people to look at their locality in a different way, raise aspirations and improve the life experiences of local people. They also have the potential for engaging children and young people, releasing creativity and innovation, and creating positive role models for communities.

Our goal is to be the focal point of the arts and creativity in Caerphilly County Borough and Blackwood in particular, to create more opportunities for more people, individually and as communities, to attend and participate in the arts. We have much to be proud of, and despite the most challenging time for both the arts and arts funding, we continue to make a great impact, continually demonstrating that the arts can contribute significantly to the health and wellbeing of citizens, and help the regeneration of towns and communities.

In 2014 we saw the completion of the last phase of our major refurbishment programme, with the improved facilities already having a positive impact, and a significant increase in community usage was seen during this year.

We also saw a record number of attendances for our live events programme over the year, with 12,500 visitors attending our pantomime over the Christmas period alone. Our focus on programming exciting and high quality events for children, young people and families continues to develop, demonstrating that we are a leading venue in this field.

I would like to thank our audiences and participants for your continued support and engagement, to our staff for their continued hard work and dedication, and to our partners and funders for their confidence and recognition of a quality arts programme.

{Leader or Cabinet Member for Regeneration & Planning}

## **Governance and Management**

Caerphilly County Borough Council is the sole corporate trustee for the charity. Implementation of the organisations aims and objectives and the day to day administration is undertaken by the Theatre Manger (employee), and their team which is overseen by the Head of Regeneration and Planning.

## **Our purpose and activities**

Blackwood Arts Centre, also known as Blackwood Miners' Institute, was formerly a miners' welfare institute paid for by the salaries of local miners, was refurbished as a community arts and entertainment venue in the early 1990's thanks to funding from the Welsh Office and Islwyn Borough Council. Today, Blackwood Miners' Institute (BMI) is a vibrant and professional theatre venue and registered charity, and one of the busiest in the South Wales Valleys. We present a programme of high quality professional, community and amateur art and entertainment for a wide range of audiences. We also provide a wide range of opportunities for people from all sectors of the community to take part in creative activities of their choice.

The purposes of the charity are set out in the building's binding objects in the charitable trust deed (October 1990). These are 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.
- Promote, through appropriate activities, the education and training, mental and spiritual capacities of people who are unemployed, young people and pre-school children.
- Educate the public in the geography, history and architecture of the area and sets out the 'Stute's responsibility in safeguarding against drug and alcohol abuse.

Our current mission is to:

To be the leading theatre within the South East Valleys, creating and presenting the highest quality professional and community arts, creating enriching, cultural experiences for a diverse range of audiences and participants.

Our current aims are:

- To contribute to the economic, cultural, and social regeneration of the region, and to help make Caerphilly County Borough a better place to live, visit, and work.
- To promote the arts in a positive and accessible way, to create a relaxed, friendly and welcoming atmosphere where audiences and participants can feel comfortable in attending the arts, and will want to attend more regularly.
- To ensure equality of provision by providing a diverse range of arts activity for a wide range of audiences and participants, ensuring that everybody has easy access to arts and culture.

- To work collaboratively and in partnership to ensure value for money and to find sustainable ways to improve the level of service offered to members of our local communities.

The strategies employed to achieve the charity's aims include

- Presenting and producing a range of arts and entertainment events including drama, dance, comedy, and live music.
- Programming a balance of professional and amateur events; populist and commercial work which underpins the viability the theatre and a cultural programme which is mostly supported by grant funding from Arts Council Wales.
- Delivering a wide range of community workshops and classes, with a particular focus on children and young people, to provide opportunities for them to take part in the activity of their choice.

## **Public Benefit**

In shaping our aims and planning our activities for the year, we considered the Charity Commission's guidance on public benefit, including guidance on public benefit and fee charging. The Objects of the charity define the area of benefit as the inhabitants of the District of Islwyn and the surrounding districts (now Caerphilly County Borough).

The theatre relies on subsidy from Caerphilly County Borough Council and the income from fees and charges to cover its operating costs. In setting the level of fees and charges and concessions, we give careful consideration to the accessibility of the theatre to those on low incomes. We recognise that local and regional engagement with the arts is low; and the region has higher than average levels of deprivation. Our programme is carefully considered to ensure that everything is programmed with our community and audiences in mind.

## **Achievements and Performance**

The Professional Live Programme included many highlights including ADVENTURES IN THE SKIN TRADE by Theatr Iolo as part of the Dylan Thomas Centenary, PITS AND PERVERTS by Sole Purpose Productions and UNITED WE STAND by Townsend Productions – both in conjunction with the anniversary of the Miners' Strikes, Welsh productions THE ROYAL BED by Theatr Pena and GRAV by The Torch Theatre Company. Dance highlights included Ballet Cymru's BEAUTY AND THE BEAST and the FIRST TIME MACHINE by Run Ragged Productions, both aimed at families and included a workshop for young people as part of their outreach.

Cwmni Martyn Geraint toured his WELSH IS MAGIC show for Key stage 1 Welsh learners, into infant and primary schools for a week to coincide with the Urdd Eisteddfod and Saint David's Day. Other professional productions programmed for school children and young people included THE

GRUFFALO, PENBLWYDD POENUS PETE by Theatr Iolo, THE EXPERIMENTRIX by Science Made Simple, and the TIDDLY PROM.

We also programmed Library Live, a series of free professional performances programmed into library sites with a view to promoting shows as part of BMI's outreach, and to develop audiences in areas where BMI's marketing penetration was not particularly high.

We also launched the new Gallery Space at BMI, allowing us to support the visual arts for the first time. Monthly exhibitions a mix of amateur and professional work, highlights included David Barnes' Valleys photographic exhibition, and a Holocaust memorial exhibition, which included an exhibition of drawings, sculpture and poetry by pupils of Newbridge Comprehensive and Lewis School.

We presented 189 live performances, and sold 30,558 tickets, which was up 20% on the previous year.

## **The Educational Programme**

We continued to directly deliver regular weekly workshops and classes for a wide range of participants, including youth drama for ages 5 to 14, youth dance for ages 4 to 16, weekly tea dances aimed at older people, and parent and toddler dance classes. We also hosted the Caerphilly Youth Theatre's weekly rehearsals, as well as hosting local ballet schools and ballroom dancing schools.

We held 331 workshops, with 3,366 participants engaged.

## **Community and Amateur Events**

Our focus is on supporting community and amateur arts organisations, and providing opportunities for them to meet, rehearse and perform in a professional but comfortable environment.

Community events in the year included a weeklong run of OLIVER by Blackwood Musical Theatre Society, STARLIGHT EXPRESS by students at the Performing Arts Course at Coleg Gwent, and musical concerts by Caerphilly Children's Choir, Cefn Hengoed Ladies Choir, Markham Band, Mynyddislwyn Male Choir, and Risca Male Choir.

The annual Community Dance Festival in July gave thousands of people to opportunity to showcase their dance skills on a professional stage, including the CCSA Got To Dance Finals arranged by Sport Caerphilly, Janet Stephens Theatre Dance Showcase which ran for four performances, and the Caerphilly Community Dance Showcase which this year increased from two nights to three nights due to demand.

We were also pleased to host Caerphilly Youth Theatre's annual production, this year they chose the popular musical LITTLE SHOP OF HORRORS which was well attended and had great audience feedback. We also hosted a production to mark the WW1 centenary called YESTERDAY NEVER RETURNS, a partnership between Lewis School, Chainworks Productions and Caerphilly Arts Development.

Wings to Fly, the annual drug awareness project was performed by Caerphilly Youth Theatre to all pupils in year 6 in the County, and a public evening performance was programmed in addition to the schools performances, as we celebrated 20 years since the play was commissioned.

## **Audience Development**

This year we joined a national access scheme, Hynt, which aims to work with theatres and arts centres in Wales to make sure there is a consistent offer available for visitors with impairment or specific access requirement, and their Carers or Personal Assistants.

We also ensured Family Friendly training for our marketing, box office and front of house staff, to support the aims of becoming a leading venue that programmes high quality events and warmly welcomes families.

## **Financial Review**

In a climate of increasing budget pressures, Caerphilly County Borough Council is continuing to support the work of the Arts Centre by providing a subsidy that covers any operating deficit in the Centre's accounts. As a result, our Financial Accounts show a nil net movement for 2014-15 as we are not expected to carry any overspend into 2015-16.

The charity underwent a staffing restructure in 2014 to ensure that it was fit-for-purpose and viable in the medium term, and in doing so identified efficiency savings through job and resource realignment. This staffing restructure, and the resulting redundancy payments, resulted in a further call on Caerphilly County Borough's support for an additional £23,000 as a short term measure. This had been flagged up earlier in the financial year and was expected by the Trustee. However, the charity's continued efforts to generate more income from customers, and reduce costs, as the subsidy from Caerphilly County Borough Council has been reduced by £10,000 for 2015-16. In the current financial climate the charity expects that reductions in subsidy will continue for the foreseeable future.

The Council has also shown its commitment to the Centre's continuing development by providing approximately £1.2m in capital funding over the last four years to maintain the structural integrity of the building, expand the opportunities for community use and improve the experience for all our customers. This means that the Charity is in possession of an asset now valued at over £2.5m, as shown in our Balance Sheet.

The management at Blackwood Mines' Institute have been 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 from shows, £198,956 in 14-15, was supported by a grant of £32,372 from the Arts Council Wales.

The Bar is only operated when there are events in the building and in 2014-15 generated a profit of just under £15,000 towards the aims of the charity. This area of the building has benefitted from

capital investment in the final phase of the refurbishment, which makes it more attractive to visitors and also more cost effective to run.

The management are also working pro-actively with workshop providers to improve and maintain the viability of classes, to ensure that offer to the community is in line with the aims of the Trust.

## **Reserves Policy**

In 2014-15, Blackwood Arts Centre did not have a reserves policy, as any operational deficit is covered by the subsidy from Caerphilly County Borough.

## **Our Pricing Policy**

In setting our pricing policy we attempt to promote the arts in a positive and accessible way, and ensure equality of provision by providing a diverse range of arts activity for a wide range of audiences and participants. We aim to keep ticket prices as low as possible to ensure that everybody has easy access to arts and culture. This is balanced against the need to maximise income to ensure the charity's viability, where earned income makes up approximately 45% of the charity's turnover.

The average ticket yield in 2014/15 was £8.39.

We offer concession prices on most of our live performances. Concessions are offered to the following:

- Senior Citizens
- Registered Unemployed
- Children
- Students
- ICIS card holders
- Disabled People (with their Companions or Personal Assistants attending for free if required, under the Hynt Scheme)

Family discounts are also offered on all of our family productions.

We also offer workshop / ticket offers with any outreach work associated with incoming productions, so that young people attending a workshop receive a ticket for the performance, as an incentive is there to attend the theatre, thus breaking down barriers associated with theatre going

## **Plans for the Future**

In 2015/16 our plans are to:

- Apply to Arts Council Wales as part of its Investment Review to become revenue funded organisation.

- Support Velvet Coalmine to grow and develop in its second year, and supporting Blackwood Documentary Film Festival launch its first event.
- Launch a new performing arts school, with a summer school and regular weekly workshops, to increase the opportunities for young people to attend affordable and high quality classes in all disciplines of the performing arts.
- Implement new branding & website & ticketing system
- Programme more accessible performances and increase the number of BSL / audio described / captioned / relaxed performances.

## **Risk management**

The Charity has reviewed the major risks to the organisation and has systems and procedures in place to manage these risks. The charity analyses, manages and monitors risk in the following way:

1. Identify risk
2. Assess what the impact risk would have on activity, outcome or objective
3. Score the risk according to likelihood and severity
4. Identify controls that need to be in place to avoid or minimise impact
5. Quarterly review of risk, assessing progress made and revising score if necessary

## **Trustee responsibilities**

The charity's trustee is responsible for preparing a trustee's annual report and financial statement in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**On behalf of the Trustee**

{Leader or Cabinet Member for Regeneration & Planning}

.....

..... (Date)

## INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDING 31 MARCH 2015

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*{Insert Independent Examiner's Report}*

## STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2015

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### **BLACKWOOD ARTS CENTRE**

#### STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDING 31 MARCH 2015

		<b>Total Funds 2014-15 £</b>
<u>Incoming Resources</u>		
Activities for generating funds	A1	44,179.42
Operation of theatre and arts centre	B2	619,618.40
<b>TOTAL INCOMING RESOURCES</b>		<b>663,797.82</b>
<u>Resources expended</u>		
Activities for generating funds	A2	29,241.14
Operation of theatre and arts centre	C3	625,558.18
Governance costs	D4	8,998.50
<b>TOTAL RESOURCES EXPENDED</b>		<b>663,797.82</b>
NET MOVEMENTS IN YEAR		0.00

## **BLACKWOOD ARTS CENTRE**

### **CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2015**

		£
<i>FIXED ASSETS</i>		
Tangible assets		<b>2,729,000.00</b>
<i>CURRENT ASSETS</i>		
Stock	H	2,535.71
Debtors	I	2,500.00
	ACW prog grant	
	Income	6,125.29
Total Current Assets		<b>11,161.00</b>
<i>LIABILITIES</i>		
Creditors falling due within one year	J	<b>-44,802.50</b>
<i>NET CURRENT ASSETS</i>		
		<b>-33,641.50</b>
<i>TOTAL ASSETS LESS CURRENT LIABILITIES</i>		
		<b>2,695,358.50</b>
<i>CREDITORS FALLING DUE AFTER 1 YEAR</i>		
		<b>0.00</b>
<hr/>		
<b>NET ASSETS</b>		<b>2,695,358.50</b>
<hr/>		
<i>FUNDS OF THE CHARITY</i>		
Unrestricted funds		
Designated property assets funds		2,729,000.00
Designated stocks		2,535.71
General fund		<b>-36,177.21</b>
<hr/>		
<b>TOTAL CHARITY FUNDS</b>		<b>2,695,358.50</b>
<hr/>		

### **NOTES TO THE ACCOUNTS**

<b>A. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS</b>				
The Bar and Vending activities are only operable when charitable activities are taking place in Blackwood Arts Centre				
<b>SUMMARY TRADING ACCOUNTS</b>				<b>2014-15</b>
				<b>£</b>
<b>Turnover</b>	Bar	1		21,749.31
<b>Cost of sales</b>	Bar	2		-18,114.90
<b>Net Profit</b>	Bar			<b>3,634.41</b>
<b>Turnover</b>	Vending	1		22,430.11
<b>Cost of sales</b>	Vending	2		-11,126.24
<b>Net Profit</b>	Vending			<b>11,303.87</b>
<b>Total funds generated for charity</b>				<b>14,938.28</b>
<b>Current assets (Stock)</b>	Bar	3		1,729.01
	Vending	3		806.70
				<b>2,535.71</b>
<b>B. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES</b>				
				<b>£</b>
Gross Income	Shows, Concerts			198,956.92
	Workshops			9,655.80
	Room Hires			46,593.76
<i>Subtotal: Admission charges and programmes</i>				<b>255,206.48</b>
Programme Support grant, Arts Council				34,567.50
Subsidy from Local Authority				329,844.42
				<b>364,411.92</b>
<b>Total income from Charitable Activities</b>			2	<b>619,618.40</b>
<b>C. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES</b>				
			Performances	Education
			<b>£</b>	<b>£</b>
Artistes fees			168,214.95	
Production expenses			87,985.80	
Workshops				10,841.00
Box Office & Front of House			56,144.90	
Promotion and marketing			62,721.30	
Central premises costs			111,915.76	
Support Costs			127,734.47	
			3	<b>10,841.00</b>
				<b>614,717.18</b>

<b>D. ANALYSIS OF GOVERNANCE &amp; SUPPORT COSTS</b>				
		Operations	Governance	
	£	£	£	
Manager	44,989.56	35,991.06	8,998.50	80/20 split
Deputy Manager	35,839.67	35,839.67		
Duty Managers	30,911.49	30,911.49		
Admin Officer	22,666.17	22,666.17		
Travel	2,326.08	2,326.08		
	<b>136,732.97</b>	<b>127,734.47</b>	<b>8,998.50</b>	

<b>E. RELATED PARTY TRANSACTIONS</b>				
		£		
Caerphilly County Borough Council		329,844.42		
Arts Council for Wales		34,567.50		
		<b>364,411.92</b>		

All the above funding was received to enable the charity to carry out its charitable objectives and have been included in the financial statements under incoming resources from charitable activities

<b>F. ANALYSIS OF STAFF COSTS</b>				
	£			
Salaries & wages	256,946.92			
Social Security costs	15,478.61			
Pension costs	44,775.20			
Redundancy costs	18,755.34			
	<b>335,956.07</b>			

<b>G. STAFF NUMBERS</b>				
Average number of full time equivalent employees, including part-time staff, as at 31st March 2015. In addition there are casual staff employed as ushers and bar staff ONLY when the centre has concerts/performances.				
Concerts & stage performances	8.04			
Governance	0.20			
	<b>8.24</b>			

In year 1.46 FTE posts were made redundant as part of an on-going restructure to maintain the charity's long term viability

<b>H. STOCKS</b>		
		£
<b>Current assets (Stock)</b>	Bar	1,729.01
	Vending	806.70
		<b>2,535.71</b>

<b>I. DEBTORS</b>		
		<b>£</b>
Arts Council programme grant, final payment		2,500.00
Wings to Fly late income		572.00
Other debtors		5,037.29
Orchard Pretty Vicious late income		516.00
		<b>8,625.29</b>
<b>J. CREDITOR AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
		<b>£</b>
Salary arrears		-1,815.12
Arts Council Connect grant in advance		-9,900.00
Receipts in advance		-5,071.66
Water bill		-827.00
Gas bill		-652.00
PRS Licences		-3,678.05
Other creditors		-22,738.67
Neath Music		-120.00
		<b>-44,802.50</b>

**On behalf of the Trustee**

**Head of Corporate Finance**

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..... (Date)

Gadewir y dudalen hon yn wag yn fwriadol