

# Public Document Pack

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**Date: 20th January 2021**

Dear Sir/Madam,

A digital meeting of the **Cabinet as Trustees of Blackwood Miners Institute** will be held via Microsoft Teams on **Wednesday, 27th January, 2021 at 11.00 am** to consider the matters contained in the following agenda. You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required should you wish to do so. A simultaneous translation will be provided if requested.

This meeting will be recorded and made available to view via the Council's website, except for discussions involving confidential or exempt items. Therefore the images/audio of those individuals speaking at Planning Committee will be publicly available to all via the recording on the Council website at [www.caerphilly.gov.uk](http://www.caerphilly.gov.uk)

Due to restrictions in relation to Covid19, Planning Committee Site Visits have been suspended and this meeting will not be open to the press and general public. However interested parties may make a request to address the Committee on any item of business on this agenda by contacting the Committee Clerk at [sullie@caerphilly.gov.uk](mailto:sullie@caerphilly.gov.uk) for further details.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'CHARRY'.

**Christina HARRY**  
CHIEF EXECUTIVE

## A G E N D A

Pages

A greener place Man gwyrddach

Correspondence may be in any language or format | Gallwch ohebu mewn unrhyw iaith neu fformat



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 items of business on this 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 Sitting as Trustees of Blackwood Miners Institute held on 29th January 2020.

1 - 4

To receive and consider the following reports: -

4 Blackwood Miners' Institute Annual Report and Statement of Accounts 2019/2020.

5 - 40

**Circulation:**

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

And Appropriate Officers

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# Agenda Item 3



## CABINET SITTING AS TRUSTEES OF BLACKWOOD MINERS' INSTITUTE

### MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN ON WEDNESDAY 29TH JANUARY 2020 AT 11.20A.M.

#### PRESENT

Councillor P. Marsden – Chair

#### Councillors:

C. Cuss (Social Care and Well Being), N. George (Environment and Neighbourhood Services), C.J. Gordon (Corporate Services), Mrs B. Jones (Education and Achievement) S. Morgan (Regeneration, Transportation and Sustainability), L. Phipps (Homes, Places and Tourism) and E. Stenner (Finance, Performance and Planning).

#### Together with:

C. Harrhy (Interim Chief Executive).

#### Also in attendance:

A. Bolter (Visitor Economy and Destinations Manager), A. Dallimore (Regeneration Services Manager), M. Eedy (Finance Manager) S. Harris (Interim Head of Business Improvement Services and Acting S151 Officer), R. Tranter (Head of Legal Services and Monitoring Officer) and C. Evans (Committee Services Officer).

#### 1. APOLOGIES FOR ABSENCE

Apologies for Absence were received from M.S. Williams (Interim Corporate Director – Communities), R. Edmunds (Corporate Director – Education and Corporate Services) and D. Street (Corporate Director – Social Services and Housing).

#### 3. DECLARATIONS OF INTEREST

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

#### 4. CABINET AS TRUSTEES OF BLACKWOOD MINERS' INSTITUTE MINUTES – 10TH JULY 2019

RESOLVED that the minutes of the meeting held on 10th July 2019 (minute nos. 1 - 4) be approved and signed as a correct record.

#### **4. BLACKWOOD MINERS' INSTITUTE ANNUAL REPORT AND STATEMENT OF ACCOUNTS 2018/2019**

The report advised Cabinet as Trustees of the Blackwood Miners' Institute (BMI) of the operational activities and financial position of Blackwood Miners' Institute for the financial year ending 31st March 2019.

It was noted that 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.

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.

A report to Cabinet as Trustees of Blackwood Miners' Institute was considered on the 27th July 2016 advising Members of the statutory requirement 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.

The annual report and audited statement of accounts for 2018/2019 are included as an appendix to this report.

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 report, in compliance with the requirements of the Charity Act 2011.

Officers provided Cabinet with a detailed update of the Accounts, including savings identified in the Medium Term Financial Plan and outlined the purposes of the charity as set out in the Trust Deed, along with a detailed update on the work undertaken to achieve this. For example, it was noted that work has been undertaken to promote, improve, develop, maintain and advance public awareness and participation in, and encourage an appreciate of the art and science of, music, dance, drama, literature and the visual arts. It was noted that a full programme of entertainment has been scheduled, including Horrible Histories and Welsh Wrestling. The Box Office has now been made entirely electronic and bookings can be undertaken online, and improving communications is being considered. In addition, it was noted that a staff engagement event has been undertaken in which staff were encouraged to provide management with feedback, from which a number of ideas have been taken back for consideration.

Cabinet thanked the Officers for the report and discussion ensued.

Members noted the recent staff changes and were pleased to note the changes that have been undertaken to date, and were reassured by the enthusiasm of the lead officer, and hope staff are also on board. Officers explained that it is work in progress, but that customer focus remains paramount, as well as ensuring staff are happy, which will ultimately provide better customer experiences at the good quality entertainment planned.

Discussions took place around the workshop with staff working at each of the tourism venues, which was undertaken on 27th January 2020, which provided an opportunity to staff to provide comments and feedback for business improvement, which can be utilised as part of a strategic review of the business plan and look to improve the service provided. It was noted that some interesting ideas, comments and feedback were provided at the workshop, which will be utilised where possible.

A Cabinet Member queried the subsidy provided to BMI and whether this has been reduced. Officers explained that whilst savings have been made, the requirement to provide an inflationary

budgetary growth has resulted in the subsidy reduction being smaller than anticipated as a result of inflationary growth.

Discussions took place around the Communications Strategy for BMI, and a Member queried whether local businesses in Blackwood have been approached about advertising shows for customers, and email circulations etc. being utilised. Officers agreed that there is a requirement to improve the marketing for BMI, online marketing has been undertaken, however more is required.

A Member explained that they use the venue regularly, and whilst access is excellent at the venue, often prefers refreshments prior to the show and during intermission and a requirement for a lounge. Officers explained that a trial is being undertaken at an upcoming show in which customers can pre-order drinks on arrival, which will be delivered during intermission, and new chairs have also been ordered for the bar area.

Discussions took place around a reduction on ticket prices for Caerphilly County Borough Council Staff, in which it was felt that this introduction could increase visitors to the venue. Officers explained that this is something under consideration, however it is not possible to provide the reduction to every show, as some dictate ticket prices. Cabinet were assured though that this is something under consideration.

Following consideration and discussion, it was moved and seconded that, the recommendation 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 content of the Annual Report and audited Statement of Accounts for Blackwood Miners' Institute for financial year 2018/2019 be endorsed.

The meeting closed at 11.46am.

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CHAIR

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## **CABINET AS TRUSTEES OF BLACKWOOD MINERS INSTITUTE – 27TH JANUARY 2021**

**SUBJECT: BLACKWOOD MINERS' INSTITUTE ANNUAL REPORT AND  
STATEMENT OF ACCOUNTS 2019/2020**

**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 31<sup>st</sup> March 2020.

### **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 13<sup>th</sup> 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 27<sup>th</sup> 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 2019/2020 are included as an appendix to this report.
- 2.5 Cabinet as Trustees of Blackwood Miners' Institute (BMI) 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. RECOMMENDATIONS**

- 3.1 It is recommended that:
- 3.1.1 Cabinet as Trustees of BMI consider, note and endorse the contents of the Annual Report and audited Statement of Accounts for Blackwood Miners' Institute for financial year 2019/2020.

#### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1.1 The Council as trustee has a legal obligation to account for and report on the charity separately and in accordance of the Charities Act 2011.

#### **5. THE REPORT**

- 5.1 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 15<sup>th</sup> October 1990.
- 5.2 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.
- 5.3 Blackwood Miners' Institute was registered as a charity with the Charity Commission (registered as Blackwood Arts Centre) on 13<sup>th</sup> November 1990.
- 5.4 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.
- 5.5 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.
- 5.6 The Annual report and Statement of Accounts for Blackwood Miners' Institute for 2019/2020 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.
- 5.7 The Annual Report for 2019/2020 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.
- 5.8 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. For the financial year 2019/20, this was budgeted as £327,814 but was reduced to £269,342 due to savings in staff wages. This is compared to £305,517 for the financial year 2018/2019 and £310,088 in 2017/2018. This subsidy has gradually 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).



- 5.9 Cabinet as Trustee of Blackwood Miners' Institute will be aware that the Council's 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. Managers at BMI are working alongside other tourism venue Managers and the Transformation Team to deliver a more efficient service that continues to contribute to the wellbeing of the community, whilst reducing the subsidy from Caerphilly County Borough Council.
- 5.10 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 2019/2020 was £280,670 which does represent a small reduction on the income generated in 2018/19 of £301,697, this was partly due to the impact of Covid 19 in the latter part of March 2020 when the BMI had to close its doors and cancel all shows and productions. Income in recent years has however generally continued to increase from £249,768 in 2015/2016 and £275,119 in 2016/2017. Bar and vending services which only operate when there are events in the building also generated combined profit of £10,807 towards the aims of the charity and to improve financial viability, again a slight reduction on the profit of £13,063 in 2018/2019 primarily due to trading being affected by Covid 19.
- 5.11 The Annual Report also makes reference to the Arts Council Wales Arts Portfolio Wales (APW) grant of £129,375 provided to BMI. A small element of the grant of £9,910 was, with ACW approval, carried forward to 2020/2021 financial year to support touring productions, so the value of grant credited to the 2019/2020 accounts was £119,465. The ACW grant provides additional funding for programme support, which helps with programming a full programme including offsite performances and an increased number of accessible performances; increased marketing and technical capacity; and allows BMI to continue co-production and increased participation in the arts.
- 5.12 BMI has remained closed since 17<sup>th</sup> March 2020 as a result of the Covid-19 pandemic and there is still no clear indication of when it will be able to reopen. BMI was forced to cancel all activity since that date, which has had a considerable impact on the income generated and the arts provision for our communities. An update report prepared in October 2020 (attached as Appendix 2), provided an update on:
- The current financial position of the BMI;
  - Planned and ongoing activities; and
  - The membership review.

## **6. CONCLUSION**

- 6.1 The Blackwood Miners' Institute continues to operate within the terms of its charitable status and has, in the view of the Independent Examiner, prepared financial accounts in accordance with section 130 of the Charities Act 2011; and prepared accounts which accord with the accounting records and comply with accounting requirements of the Charities Act 2011.
- 6.2 The Institute has remained a viable financial going concern due to its success in increasing income generation, managing operating costs effectively and with financial support from Caerphilly County Borough Council.

## **7. ASSUMPTIONS**

- 7.1 It is assumed that financial pressures on local authority budgets will continue and this may well impact on the level and type of financial support the Blackwood Miners' Institute receives from the Council in future years.

- 7.2 The Institute will continue to review its operations with the aim of increasing income generation from its activities, operate efficiently to reduce expenditure wherever possible and thus ensure it can remain a financially viable charitable organisation; and account for the charity's finances in accordance with the Charity Act 2011.
- 7.3 The 2020/2021 financial year is however proving to be very difficult due to the impact of Covid 19 on the activities of BMI, with the Institute having to cease main operations for the majority of the year and therefore experiencing significant reductions in income generation from shows and performances, productions, room hire etc.

## **8. LINKS TO RELEVANT COUNCIL POLICIES**

- 8.1 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.
- 8.2 Arts Council for Wales' vision is a creative Wales where the Arts are central to the life of a nation, and for the benefit of all.
- 8.3 Culture, Leisure and the Arts are key elements in the Regeneration Strategy - A Foundation for Success which recognises the contribution they make to the: regeneration of communities; raising aspirations of residents; well-being of residents; and importantly the jobs they create in the local economy.
- 8.4 Key objectives of the Supporting Quality of Life Theme of A Foundation for Success are to:
- Improve access to culture, leisure and the arts;
  - Capitalise upon the assets of the county borough to fully exploit the county borough's tourism potential and establish the county borough as a major tourism destination within the Cardiff Capital Region and Wales; and
  - Develop a unique and complementary role for each of the Principal Towns in the County Borough to serve the wide reaching needs of residents and business.

## **9. WELL-BEING OF FUTURE GENERATIONS**

- 9.1 BMI plays an integral role in delivering the 7 objectives of the Well-Being Act. Creating a stronger and more viable venue means that BMI can continue to support the objectives in the following ways:
- A Prosperous Wales – Valuable life skills can be gained through the arts, developing confidence and employability skills. BMI is also able to provide employment, personal development and work experience opportunities.
  - A Resilient Wales – The arts provide unique teaching methods that can be used to educate audiences about the importance of protecting our natural resources.
  - A More Equal Wales – BMI is committed to providing an arts provision for all, regardless of background and circumstances, not only in access to the arts, but also featuring work by and about the full range of human existence.
  - A Healthier Wales - This can apply to mental as well as physical health, and the arts have a crucial role in developing people's wellbeing and improving mental health.
  - A Wales of Cohesive Communities – BMI is at the heart of the community in Blackwood and is a resource that the community can use to for work and recreation.
  - A Wales of Vibrant and Thriving Welsh Language – BMI supports the Welsh language by featuring Welsh language work, as well as hosting Welsh Language youth theatre and supporting staff in their ambitions to learn Welsh.
  - A Globally Responsible Wales – As with a Resilient Wales, BMI has a responsibility to use the platform of the arts to inform and educate.

- 9.2 The report is consistent with the five ways of working as defined within the sustainable development principle in the Act:

*Long term* - The report provides options to ensure the long term sustainability, viability and role of BMI in contributing to the economic prosperity of the region by providing a range of options to meet the financial challenges ahead without submitting to short term objectives that could be detrimental to the long term needs of future generations.

*Prevention*- Having identified the financial challenges that lie ahead, the report aims to provide a range of options that can be considered that address the issue of sustainability and prevent problems arising in the longer term whilst still allowing the local authority to support the creative industry through the provision of art and cultural provision.

*Integration*- The Council's well-being objectives for the period 2018-2023 support a number of national objectives and the hosting of the South East Wales Arts & Education Service is an example of how BMI is integrating to the work of the Arts & Education Service in supporting wider learning in schools in the Expressive Arts and the delivery of the new Welsh Curriculum.

*Collaboration*- There are a number of options identified in the report that provide an opportunity to engage and collaborative with external stakeholders.

*Involvement* - The Council provides opportunities for our residents to participate and represent their and their community's interest in achieving their well-being goals through participation in the 'Nights out' scheme and 'Get Creative' festival and in relation to Blackwood the bicentennial celebrations planned for 2020, which will probably be rescheduled in 2021.

The Well-being of Future Generations (Wales) Act became law in April 2015. The Act is about improving the social, economic, environmental and cultural well-being of Wales. It makes public bodies listed in the Act think more about the long term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach. It has a significant impact on all Council policies and priorities and has the potential to significantly affect the way we plan and deliver services and how we engage with individuals and communities within the Caerphilly county borough.

## **10. EQUALITIES IMPLICATIONS**

- 10.1 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

## **11. FINANCIAL IMPLICATIONS**

- 11.1 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.
- 11.2 There will be a fee payable for the independent examiner's report in relation to the 2019/2020 annual report and statement of accounts of the BMI and this will be financed by the BMI revenue account.
- 11.3 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. Also, the financial impact of Covid 19 on the BMI during the 2020/2021 financial year.

## **12. PERSONNEL IMPLICATIONS**

12.1 There are no personnel implications from this report.

## **13. CONSULTATIONS**

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

## **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 and Enterprise  
Christina HARRY, Chief Executive  
Mark S Williams Interim Corporate Director of Communities  
Stephen Harris Head of Financial Services and Section 151 Officer  
Robert Tranter, Head of Legal Services & Monitoring Officer  
Lynne Donovan, Head of People Services  
Allan Dallimore, Regeneration Services Manager  
Marina Newth, Theatre & Arts Service Manager  
Rhian Kyte, Head of Regeneration and Planning  
Antony Bolter, Visitor Economy and Visitor Destination Manager  
Andrew Southcombe, Finance Manager Corporate Services

### **Appendices:**

Appendix 1 Blackwood Miners' Annual Report and Statement of Accounts for the year ending 31<sup>st</sup> March 2020  
Appendix 2 Blackwood Miners' Update Report for Cabinet as Trustees, dated 29<sup>th</sup> October 2020

### **Background Papers:**

Report by Interim Corporate Director of Communities - Cabinet as Trustees of Blackwood Miners  
Blackwood Miners' Institute 27<sup>th</sup> July 2016 – Charitable Status of Blackwood Miners' Institute

**Appendix 1**

**BLACKWOOD ARTS CENTRE**

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

**Report and Financial Statements**

**Year ending 31 March 2020**

**Charity Number 1000905**

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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Contents	Pages
Charity Information	3
Trustee's Report	4
Accountant's Report	11
Statement of Financial Activities	13
Balance Sheet	14
Cash Flow Statement	15
Notes to the Financial Statements	16

## 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	Marina Newth
Independent Examiners	Grant Thornton UK LLP Chartered Accountants Cardiff

## TRUSTEE'S REPORT FOR THE YEAR ENDING 31 MARCH 2020

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### Introduction

On behalf of the trustees I am pleased to present our annual report together with the annual financial statement for the charity for the year ending 31 March 2020. 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 FRS 102.

Blackwood Miners' Institute continues to present a programme of professional arts and entertainment, and be a resource for community and amateur organisations to create and present their own productions. The theatre also continues to provide a wide range of opportunities for people from all sectors of the community to take part in creative activities of their choice.

During the period to the end of March 2020 Blackwood Miners' Institute continued to face challenges with arts engagement and public funding, however, we have continued to examine ourselves and adapt to the challenges presented to us. This is reflected in the evolving programme, which during this period included new commercial programming. The sector has now entered a globally challenging time, but we still strive to support our communities, and we have confidence that we can use this time to review our work and develop ways to engage with new audiences, and we have ambitions to emerge from this crisis as a more resilient organisation.

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 Deputy Leader and Cabinet Member for Regeneration, Transportation and Sustainability

on behalf of Cabinet as Trustees



## Governance and Management

Caerphilly County Borough Council is the sole corporate trustee for the charity. Implementation of the organisation's aims and objectives and the day to day administration is undertaken by the Theatre Manager (employee), and the team which is overseen by the Head of Regeneration and Planning. Caerphilly utilises the greater London Provincial Job Evaluation process, and uses the nationally negotiated pay spine referred to as the National Joint Council for Local Government Services to determine the pay and remuneration of the charity's key management personnel.

## Our Purpose and Activities

Blackwood Arts Centre, also known as Blackwood Miners' Institute, 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 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 of the theatre and a cultural programme which is supported by external grant funding from Arts Council Wales.
- Delivering a wide range of community participation opportunities, 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.

## **The Arts Programme**

BMI presented 157 live events during 2019/20, welcoming over 28,000 customers to performances. We continued to programme high quality children's performances to help children and young people examine their world. These performances included LITTLE MEERKAT'S BIG PICNIC and CRABBY, as part of the LITTLE BIG FESTIVAL OF FEELINGS, and STICK BY ME from the brilliant Red Bridge Arts.

As always we aimed to provide a variety within the programme and welcomed Mid Wales Opera to BMI for the first time with their production of MRS PEACHUM'S GUIDE TO LOVE AND MARRIAGE as part of their SmallStages programme, which reworks classic operas for smaller spaces to enable Opera

to reach deeper into the community. The smaller studio space was put together use showcasing genres of music not before seen at BMI such as INDIA ELECTRIC CO.

Amongst the regular tribute acts, BMI's commercial programming saw more diversification this year. We presented MARTIN KEMP'S BACK TO THE 80'S and BINGO LINGO, both of which were extremely popular and provided much needed secondary income. Iolo Williams returned with LIFE BEFORE THE LENS, and there was a first time visit by rugby legend Shane Williams for AN EVENING WITH SHANE WILLIAMS.

As always Rainbow Valley's annual pantomime - ALADDIN - was extremely popular with ticket sales totalling 15,383. In comparison, ALADDIN was last staged at BMI in 2013 and attracted an audience of 12,158.

## **Co-Productions and Touring**

BMI completed its 10th autumn tour co-production with Black Rat Productions in 2019; ART by Yasmina Reza. ART completed a 22 date tour across the whole of Wales and received an excellent public and critical response.

Continuing our commitment to being a Dementia Friendly venue, we commissioned local singer Lee Gilbert to put produce a series of Lunchtime Concerts specifically aimed at people living with Dementia.

## **The Educational Programme**

Blackwood Miners' continues to deliver Blackwood Youth Dance, which consists of four contemporary dance groups between the ages of 5 and 14, as well as youth drama for ages 4 to 16. We also offer an adult drama group on a Monday evening which also supports those with specific needs and learning difficulties.

The BMI Community Theatre Group goes from strength to strength catering from 5-year-olds to 14-year-olds who then have the opportunity to progress to the Caerphilly Youth Theatre as well as Caerphilly Youth Theatre's Welsh Language group.

During 2019/20 engaged with 2568 participants, and both the Community Theatre Group and Blackwood Youth Dance had the opportunity to perform to the public.

## **Community and Amateur Events**

Blackwood Youth Dance had the opportunity to perform alongside 11 other local dance schools to take part in the ever popular CCBC Community Dance Festival. Janet Stephens Theatre Dance, who is a regular tenant of BMI, also staged their end of year showcase. Both events give young people the chance to perform in a professional venue, often for the first time.

Blackwood Musical Theatre Society returned to BMI to stage their annual concert, this year featuring The Gwent Police Choir, and Markham and District Band. BMI continues to support BMTS to rehearse and support. BMI also provides the same support to Caerphilly Youth Theatre

and Theatr Ieuenctid Caerffili. In September BMI supported CYT and TIC to stage a unique, bilingual version of Company Three's BRAINSTORM.

BMI also acts as a hub for the arts, hosting and supporting CCBC's Arts Development Team and the South East Arts and Education Network.

WINGS TO FLY, the annual drug awareness project promoted by Gwent Police and Caerphilly Crime Prevention Panel, was once again performed by Caerphilly Youth Theatre to all pupils in Year 6 in the County for the 25th consecutive year.

## Financial Review

We continue to work hard to sustain and where possible increase our income generation especially during rising budget pressures. Caerphilly County Borough Council continues to support the Blackwood Arts Service with subsidy that includes covering any operating deficit in BMI's accounts, the operating deficit and level of subsidy reduced from £310,088 in 2017/2018 to £305,517 in 2018/2019 and now to £269,342 in 2019/2020. No overspend or underspend is carried over from 2019/20.

Management at BMI has worked hard to sustain ticket income through audience development, programme development and careful negotiation with the companies that are programmed. Ticket income in 2019/2020 was £280,670, reduced slightly compared to 2018/2019 ticket income of £301,697, partly due to the closure of the Institute in the latter part of March 2020 due to Covid 19 lock down. Income has however increased by 12.3% compared to 2015/2016.

It was our fourth year as part of the Arts Council's revenue funded portfolio. We received a grant of £129,375 that contributed to subsidising the artistic programme, funding our touring and co-productions, and assisting with the additional marketing and technical support that is required for our increased activity. A small element of the grant of £9,909 has, with ACW approval, been carried forward to 2020/2021 financial year to support touring productions

Secondary sources of income included bar and confectionary sales which contributed £10,807 net profit towards earned revenue. The management continues to work hard to ensure that sales on the bar and in confectionary are maximised.

Blackwood Miners' Institute has a number of rooms that are available to hire to commercial clients as well as community groups. In 2019/20 room hire contributed £42,376 to the income. This is an area that we will be trying to maximise in the future.

Overall BMI self-generated income of £328,368 was 121.9% of the Council subsidy of £269,342, which is an increase on the 115.6% in 2018/2019.

## Reserves Policy

In 2019-20, Blackwood Arts Centre (Blackwood Miners Institute) 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.

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

- Senior Citizens
- Registered Unemployed
- Children
- Students
- School Children
- ISIC 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 some 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 to attend the theatre, thus breaking down barriers associated with theatre going.

## 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 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), including Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland.

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 Charities 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 Deputy Leader and Cabinet Member for Regeneration, Transportation and Sustainability

.....

..... (Date)

## Independent examiner's report to the trustees of Blackwood Arts Centre

I report on the accounts of Blackwood Arts Centre for the year ended 31 March 2020, which are set out on pages 13 to 20.

Your attention is drawn to the fact that the charity's trustees have prepared the charity's accounts in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019, issued in October 2019) in preference to the Statement of Recommended Practice 'Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005)' issued in April 2005 which is referred to in the Charities (Accounts and Reports) Regulations 2008 but has been withdrawn. I understand that the charity's trustees have done this in order for the charity's accounts to give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

This report is made solely to the charity's trustees, as a body, in accordance with the regulations made under section 154 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011; and
- to state whether particular matters have come to my attention.

### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a comparison of the accounts with the accounting records kept by the charity. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with section 130 of the Charities Act 2011;
  - to prepare accounts which accord with the accounting records; and
  - to comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Barrie Morris CPFA  
Grant Thornton UK LLP  
6<sup>th</sup> Floor  
3 Callaghan Square  
Cardiff  
CF10 5BT

[\*\*Date\*\*]



## STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2020

### BLACKWOOD ARTS CENTRE

#### STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDING 31 MARCH 2020

		Total Funds 2018-19 £	Total Funds 2019-20 £
<b><u>Income from</u></b>			
Other trading activities	A1	55,206.24	57,164.22
Operation of theatre and arts centre	B2	788,228.45	717,175.52
<b>TOTAL INCOME</b>		<b>843,434.69</b>	<b>774,339.74</b>
<b><u>Expenditure on</u></b>			
Other trading activities	A2	42,142.52	46,356.94
Operation of theatre and arts centre	C3	792,905.35	715,944.62
Expenditure on Charitable Activities (Governance Costs)	D	8,386.82	12,038.18
<b>TOTAL EXPENDITURE</b>		<b>843,434.69</b>	<b>774,339.74</b>
<b>NET MOVEMENTS IN YEAR</b>		<b>0</b>	<b>0</b>

**BLACKWOOD ARTS CENTRE****CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020**

				Total Funds 2018-19 £	Total Funds 2019-20 £
<b>FIXED ASSETS</b>					
	Tangible assets		K	2,472,813.32	2,915,000.00
<b>CURRENT ASSETS</b>					
	Stock		H	4,280.71	4,576.82
	Debtors	ACW grant	I	0	0
		Other	I	4,774.16	5,452.52
	Total Current Assets			9,054.87	10,029.34
<b>LIABILITIES</b>					
	Creditors falling due within one year		J	-69,720.15	-61,182.95
<b>NET CURRENT LIABILITIES</b>				-60,665.28	-51,153.61
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				2,412,148.04	2,863,846.39
<b>CREDITORS FALLING DUE AFTER 1 YEAR</b>				0	0
<b>NET ASSETS</b>				2,412,148.04	2,863,846.39
<b>FUNDS OF THE CHARITY</b>					
<b>Unrestricted funds</b>					
	Designated property assets funds			2,472,813.32	2,915,000.00
	Designated stocks			4,280.71	4,576.82
	General fund			-64,945.99	-55,730.43
<b>TOTAL CHARITY FUNDS</b>				2,412,148.04	2,863,846.39

Cabinet on behalf of  
the Trustees

Signature

Date

<b>Statement of Cash flows</b>	<b>2018-19</b>	<b>2019-20</b>
	<b>£0</b>	<b>£0</b>
<b>Net Cash Provided by Operating Activities</b>	0	0
<b>Net Cash Provided by Investing Activities</b>	0	0
<b>Net Cash Provided by Financing Activities</b>	0	0
<b>Change in Cash and Cash Equivalents in the reporting period</b>	0	0
<b>Cash And Cash equivalents at the beginning of the reporting period</b>	0	0
<b>Cash And Cash equivalents at the end of the reporting period</b>	<b>0</b>	<b>0</b>

## A. INCOME FROM OTHER TRADING ACTIVITIES

**The Bar and Vending activities are only operable when charitable activities are taking place in Blackwood Arts Centre**

**SUMMARY TRADING ACCOUNTS**

			<b>2018-19</b>	<b>2019-20</b>
			<b>£</b>	<b>£</b>
Turnover	Bar	1	27,213.80	50,254.27
Cost of Sales	Bar	2	-33,272.94	-40,574.89
Net Profit/Loss			<b>-6,059.14</b>	<b>9,679.38</b>
Turnover	Vending	1	22,992.44	6,909.95
Cost of Sales	Vending	2	-8,869.58	-5,782.05
Net Profit			<b>19,122.86</b>	<b>1,127.90</b>
Total funds generated for charity			<b>13,063.72</b>	<b>10,807.28</b>
Current assets (Stock)	Bar	3	4,280.71	4,576.82
	Vending	3	0	0
			<b>4,280.71</b>	<b>4,576.82</b>
B. INCOME FROM CHARITABLE ACTIVITIES			<b>£</b>	<b>£</b>
<b>Gross Income</b>	Shows, Concerts		301,697.39	280,670.71
	Workshops		9,009.26	5,320.80
	Room Hires		42,629.05	42,376.60
	<i>Subtotal: Admission charges and programmes</i>		<b>353,335.70</b>	<b>328,368.11</b>
	Programme Support grant, Arts Council		129,375.00	119,465.27
	Subsidy from Local Authority		305,517.75	269,342.14
	Subtotal		<b>434,892.75</b>	<b>388,807.41</b>
<b>Total income from Charitable Activities</b>		2	<b>788,228.45</b>	<b>717,175.52</b>

## C. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	<b>2018-19</b>	<b>2019-20</b>
	<b>£</b>	<b>£</b>
Artists fees	278,427.95	264,178.14
Production expenses	141,690.02	125,866.77
Box Office & Front of House	43,373.72	26,829.66
Promotion and marketing	90,219.77	70,122.86
Central Premises costs	112,457.12	84,665.02
Support Costs	115,655.71	136,976.17
Education (Workshops)	11,081.06	7,306.00
	<b>792,905.35</b>	<b>715,944.62</b>

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## D. ANALYSIS OF SUPPORT COSTS

	<b>2018-19</b>	<b>2019-20</b>
	<b>£</b>	<b>£</b>
Manager Operations	21,547.26	36,152.71
Manager Governance	5,386.82	9,038.18
Deputy Manager	42,200.85	26,826.11
Duty Managers	28,288.56	42,158.98
Admin Officer	22,234.06	29,354.62
Travel	1,384.98	2,483.75
Examination Fee	3,000.00	3,000.00
	<b>124,042.53</b>	<b>149,014.35</b>

	<b>2018-19</b>	<b>2019-20</b>
	<b>£</b>	<b>£</b>
E. RELATED PARTY TRANSACTIONS		
Caerphilly County	305,517.75	269,342.14
Borough Council		
Arts Council for Wales	129,375.00	119,465.27
	<b>434,892.75</b>	<b>388,807.41</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.

	2018-19	2019-20
<b>F. ANALYSIS OF STAFF COSTS</b>		
	£	£
Salaries & wages	261,181.57	257,868.57
Social Security costs	19,754.57	20,366.98
Pension costs	50,531.10	46,751.06
	<b>331,467.24</b>	<b>324,986.61</b>
<b>G. STAFF NUMBERS</b>		
Average number of full time equivalent employees, including part-time staff, as at 31st March 2020. In addition there are casual staff employed as ushers and bar staff ONLY when the centre has concerts/performances.		
Concerts & stage performances	8.04	8.04
Governance	0.2	0.2
	<b>8.24</b>	<b>8.24</b>
<b>H. STOCKS</b>		
	£	£
Current assets (Stock)	4,280.71	4,576.82
Bar		
Vending	0	0
	<b>4,280.71</b>	<b>4,576.82</b>
<b>I. DEBTORS</b>		
	£	£
Arts Council programme grant, final payment	0	0
Other debtors	4,774.16	5,452.52
	<b>4,774.16</b>	<b>5,452.52</b>

## J. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>2018-19</b>	<b>2019-20</b>
	<b>£</b>	<b>£</b>
Salary arrears	-10,681.25	0
Arts Council clawback	0	0
Receipts in advance	-23,607.47	-47,914.15
Water bill	-900.00	-900.00
Gas bill	-670.14	-672.74
Electric bills	-743.10	-1,147.43
PRS Licences	-3,200.00	-4,500.00
Other creditors	-29,918.19	-5,946.63
Bar purchases	-0	-102.00
	<b>-69,720.15</b>	<b>-61,182.95</b>

## K. Analysis of Movement in Fixed Assets

		<b>Freehold land and Buildings 2018-19</b>	<b>Freehold land and Buildings 2019-20</b>
		<b>£</b>	<b>£</b>
Balance brought forward April		2,559,510.11	2,472,813.32
Depreciation		86,696.79	86,696.79
Net Revaluation	K	0	528,883.47
<b>Balance carried forward March</b>		<b>2,472,813.32</b>	<b>2,915,000.00</b>

**K. REVALUATION OF FIXED ASSETS**

Valuations are undertaken mainly by CCBC's Corporate Property Department.

The staff are members of the Royal Institute of Chartered Surveyors (RICS) The valuations are carried out over a five year rolling programme.

Depreciation is charged on a straight line basis over a designated useful economic life. No depreciation is charged in the year of revaluation.

**L. ACCOUNTING POLICIES APPLIED TO THESE ACCOUNTS**

The accounts for Blackwood Arts Centre are drawn up under the accounting policies of Caerphilly County Borough Council.

**i.** All incoming resources are accounted for when the charity has entitlement to the funds, certainty of receipt, and the amount is measurable.

Where income is received in advance for a performance or other specified service it is deferred until the charity is entitled to that income (Receipts in advance at year end)

**ii.** All resources expended are recognised once there is a legal or constructive obligation to make a payment to a third party.

Cost of generating funds comprise the cost of trading for the bar and vending  
Charitable activities include the costs of performances, exhibitions and other educational activities undertaken to further the purposes of the charity

Governance costs represent those costs of the strategic management of the charity and of complying with constitutional and statutory requirements, this includes the independent examination fee.

**iii.** Support costs are those costs which have not been directly allocated to an activity of the charity but nevertheless support those activities, these costs have been allocated between charitable activities and governance costs as per note D.

**iv.** Stock is included at the lower of cost and net realisable value

**v.** Employees of the charity are entitled to join the Local Government Pension Scheme, which is funded by contributions from employee and employer. This is managed in accordance with the Local Government Pension Scheme regulations.

**vi.** The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.



**On behalf of the Trustee**

**Head of Financial Services and Section 151 Officer**

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..... (Date)

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## **CABINET AS TRUSTEES OF BLACKWOOD MINERS’ INSTITUTE – 29TH OCTOBER 2020**

**SUBJECT: BLACKWOOD MINERS’ INSTITUTE – UPDATE REPORT FOR  
INFORMATION ONLY**

**REPORT BY: INTERIM CORPORATE DIRECTOR COMMUNITIES**

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

- 1.1 In January 2020, Cabinet as Trustee of Blackwood Arts Centre (Blackwood Miners’ Institute, hereafter referred to as BMI) requested a progress update report in October 2020. Therefore, this report has been prepared to provide an update of the operational activity of BMI, especially in light of Covid-19, as well as an update of the financial position.

### **2. SUMMARY**

- 2.1 As with the rest of the industry, BMI has been closed since March 17<sup>th</sup>, 2020 due to the Covid 19 pandemic with no clear indication of when it will be able to reopen. BMI was forced to cancel all activity, which has had a considerable impact on the income generated and the arts provision for our communities.
- 2.2 The report provides an update on:
- The current financial position of the BMI;
  - Planned and ongoing activities; and
  - The membership review.

### **3. RECOMMENDATIONS**

- 3.1 It is recommended that the Cabinet as Trustees consider and note the contents of this report.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 This report has been drafted as an update at the request of Cabinet.

## 5. THE REPORT

### Impact of Covid

- 5.1 Due to Covid-19, BMI has not been able to have any members of the public in the theatre since mid-March 2020. Alongside audiences for performances, this includes participants for workshops and classes, room hirers and our resident companies.
- 5.2 Staff have also been asked to work from home except for the technical team who have safely managed to complete the annual maintenance, and a number of improvement projects, including resurfacing the stage and replacing the working lights in the auditorium. Officers are currently exploring opportunities to enhance the WIFI for public and staff use, and for use by visiting companies. In the short term, this will allow the BMI to live stream from the building, either in order to create our own content or as a space for hire for other companies looking to stream content.
- 5.3 During the crisis several staff have been redeployed to other departments in CCBC including the Buddy Scheme, Track and Trace, Free School Meals and helped to assist with the Foodbanks. During October, some staff have been made available to support colleagues in other Regeneration & Planning teams where there have been significant increases in workload, notably in the delivery of Covid-related business grants.
- 5.4 In total, 21 events in the Summer Season were cancelled, including the annual CCBC Dance Showcase. 15 of the events have been re-scheduled and customers have had the option to move their ticket, receive a refund, or donate the price of their ticket to BMI.
- 5.5 Initially CCBC released a statement to say that BMI would be closed until June 2020, however, this has been amended to say until further notice, with events in the Autumn Season are now being rescheduled. The 2020 pantomime has been cancelled.
- 5.6 It is likely and assumed that BMI will not be able to reopen to the public until April 2021 at the earliest. BMI is not unusual in its position. Staff have kept in close contact with colleagues in other arts venues, and all venues are facing closure until Spring 2021 at the earliest. The general feeling is that it is not financially viable to reopen with social distancing in place. However, BMI is in a stronger position than many independent theatres who are facing cash flow issues and staff redundancies.

### Financial Impact of Covid

- 5.7 Table 1 compares the current Income and expenditure forecasts for 2020-21 with the original budget forecast at the start of the financial year. The final column indicates the difference between these two forecasts and the final row shows the impact on the Council's contribution required to balance the budget, i.e., the subsidy.

Table 1: BMI Expenditure Forecast for 2021

	<b>1/4/20 forecast</b>	<b>1/10/20 forecast</b>	<b>Difference</b>
Income	480,526	144,119	336,407
Expenditure	783,373	417,940	365,433
<b>Net CCBC Subsidy</b>	<b>302,847</b>	<b>273,821</b>	<b>29,026</b>

- 5.8 As a result of the closure, BMI is estimated to return a reduction in income, but the saving in terms of expenditure is greater. Therefore, the forecast subsidy required from CCBC is some £29,026 less than originally forecast. The revised forecast includes an Arts Council for Wales grant of £89,707, a Welsh Government income grant of £26,508 and a Business Rate Grant of £25,000.

### **Reacting to Covid and Moving Forward**

- 5.9 During closure, artistic activity has thus far focused on a digital provision. BMI ran a successful Sunday Sessions series showcasing local bands and artists on YouTube and Facebook, as well as partnering with The Winding House to produce a series of videos about the history of Caerphilly. In addition, BMI presented the first CCBC Digital Dance Showcase during the week of the 26<sup>th</sup> August 2020. 13 dance groups uploaded videos tagged with #GetCaerphillyDancing, 4 of whom had not engaged with the Dance Showcase before. The videos received a collective 38,083 views.
- 5.10 BMI is now focusing on developing audiences; re-engaging with existing audiences and developing relationship with audiences who have previously been disengaged. There are several projects planned to enable this as follows:
- Community survey project in partnership with the Audience Agency. The survey focuses on members of the immediate community who are not engaged with BMI and the reasons for that.
  - Llaw/Hand – A Creu Cymru grant that enables BMI to engage a Creative Consultant to develop a community art project.
  - History Project – There is Heritage Lottery money available to run projects that engage communities with buildings. BMI aims to run a project to gather the human history of the 'Stute, which will be presented in a creative way at a later date. The project will enable BMI to start a dialogue with members of the community.
  - Valleys Voices – A project in response to Black Lives Matter that gives a voice to Black, Asian and Minority Ethnic (BAME) people living in the valleys.
  - Audience Communication – Harnessing all aspects of the new website and ticketing system to enable regular communication with our audience, and gather feedback.
  - Panto doorstep craft pack – BMI has partnered up with Head4Arts to create craft packs that asks the recipients to create their own panto. Approximately 300 packs will be distributed through the Parent Network.
  - 12 Days of Christmas – A digital project in the lead up to Christmas featuring seasonal posts and videos.

### **Trustees**

- 5.11 Following the Cabinet as Trustee meeting on the 10<sup>th</sup> July 2019, it was agreed that new trustees would be appointed under the existing trust. It has subsequently been established by CCBC Legal officers that this decision was not legally sound. Therefore, it would be more advisable to establish an Advisory Board that have no legal obligations but would meet to give advice and advocate for BMI.
- 5.12 Work is ongoing to identify potential candidates to act as advisers, but no appointments have been made to date.

## Adding Value

- 5.13 The Community Regeneration Team have been regular tenants of the Markham Room on the first floor of BMI since December 2019. Improvements in security and IT were made to the space to accommodate the team, and the move and transition went well. During lockdown the team have also been working from home, but BMI management are in close communication with the team with updates about the building.
- 5.14 The upper bar area had a total refurbishment in February 2020, to change the whole structure and size of the bar and increase the space available. This has resulted in a more efficient service. It is anticipated that the improvements will have a positive impact on our ability to generate secondary spend income.

## Business Planning

- 5.15 As part of the Transformation Agenda, BMI's Manager together with the other venue managers have been working with the Transformation Manager to deliver the Council's central message; *social heart and commercial head*. The Managers have met to discuss and develop the Mission and Values for the Visitor Economy Team and to determine how staff across all venues can deliver on these values.
- 5.16 Managers are also developing a training plan to build on the skills levels for all officers. This staff development has a strong commercial and customer focus, designed to improve the customer experience and support the achievement of business objectives.
- 5.17 A review of BMI's Business Plan has also taken place and this will be continually reviewed and updated in order to focus on strategic and operational objectives.

## Conclusion

- 5.18 BMI remains in a precarious position due to Covid-19. However, the lockdown is being used to remain engaged with our audiences and to explore innovative ways to engage with new audiences in readiness for re-opening.

## 6. ASSUMPTIONS

- 6.1 It is assumed that theatres will remain closed until Spring 2021 at the earliest.
- 6.2 It is assumed that beyond the Covid crisis financial pressures on local authority budgets will continue, which will require an ongoing focus on reducing the subsidy that BMI receives from the Council. Therefore, the need for BMI to evolve to increase audiences and operational efficiency remains a high priority.

## 7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 The report links directly to the themes of A Foundation for Success – Regeneration Strategy 2018-2023.
- Supporting People – Working to educate through the arts and addressing inequalities in our communities.

- Supporting Business – Providing training and employment opportunities, as well as contributing to the High Street economy.
- Supporting quality of Life – Enriching the lives and wellbeing of our communities through the arts.
- Connecting People and Places – Connecting people of our communities with the 'Stute, and other venues throughout the county borough and beyond through cultural partnerships.

## 7.2 Corporate Plan 2018-2023.

Despite restrictions BMI aims to remain a creative hub and find ways of enriching the lives of the community, as well as support the Arts Development Team. BMI will also use the months ahead to explore ways in which to become more resilient so that it can be a resource for the community and partners for many years to come in order to support several Corporate Plan Objectives:

Objective 1: Improve education opportunities for all.

Objective 2: Enabling employment.

Objective 5: Creating a county borough that supports a healthy lifestyle in accordance with the sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015.

Objective 6: Support citizens to remain independent and improve their well-being.

## 8. WELL-BEING OF FUTURE GENERATIONS

8.1 BMI plays an integral role in delivering the 7 objectives of the Well-Being Act. Creating a stronger and more viable venue means that BMI can continue to support the objectives in the following ways:

- A Prosperous Wales – Valuable life skills can be gained through the arts, developing confidence and employability skills. BMI is also able to provide employment, personal development and work experience opportunities.
- A Resilient Wales – The arts provide unique teaching methods that can be used to educate audiences about the importance of protecting our natural resources.
- A More Equal Wales – BMI is committed to providing an arts provision for all, regardless of background and circumstances, not only in access to the arts, but also featuring work by and about the full range of human existence.
- A Healthier Wales - This can apply to mental as well as physical health, and the arts have a crucial role in developing people's wellbeing and improving mental health.
- A Wales of Cohesive Communities – BMI is at the heart of the community in Blackwood and is a resource that the community can use to for work and recreation.
- A Wales of Vibrant and Thriving Welsh Language – BMI supports the Welsh language by featuring Welsh language work, as well as hosting Welsh Language youth theatre and supporting staff in their ambitions to learn Welsh.
- A Globally Responsible Wales – As with a Resilient Wales, BMI has a responsibility to use the platform of the arts to inform and educate.

- 8.2 The report is consistent with the five ways of working as defined within the sustainable development principle in the Act:

*Long term* - The report provides options to ensure the long term sustainability, viability and role of BMI in contributing to the economic prosperity of the region by providing a range of options to meet the financial challenges ahead without submitting to short term objectives that could be detrimental to the long term needs of future generations.

*Prevention*- Having identified the financial challenges that lie ahead, the report aims to provide a range of options that can be considered that address the issue of sustainability and prevent problems arising in the longer term whilst still allowing the local authority to support the creative industry through the provision of art and cultural provision.

*Integration*- The Council's well-being objectives for the period 2018-2023 support a number of national objectives and the hosting of the South East Wales Arts & Education Service is an example of how BMI is integrating to the work of the Arts & Education Service in supporting wider learning in schools in the Expressive Arts and the delivery of the new Welsh Curriculum.

*Collaboration*- There are a number of options identified in the report that provide an opportunity to engage and collaborative with external stakeholders.

*Involvement* - The Council provides opportunities for our residents to participate and represent their and their community's interest in achieving their well-being goals through participation in the 'Nights out' scheme and 'Get Creative' festival and in relation to Blackwood the bicentennial celebrations planned for 2020, which will probably be rescheduled in 2021.

The Well-being of Future Generations (Wales) Act became law in April 2015. The Act is about improving the social, economic, environmental and cultural well-being of Wales. It makes public bodies listed in the Act think more about the long term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach. It has a significant impact on all Council policies and priorities and has the potential to significantly affect the way we plan and deliver services and how we engage with individuals and communities within the Caerphilly county borough.

## **9. EQUALITIES IMPLICATIONS**

- 9.1 Through exploring new ways of working, BMI is striving for increased equality of provision.
- 9.2 Through surveying our community BMI can understand the challenges that face our community and can react and adapt to ensure equality throughout the service.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The forecast for BMI in 2020-21 is currently a £29,000 underspend due to a combined £141,000 in grant awards.



- 10.2 The proposed activity laid out in this report will be primarily funded by external funding.
- 10.3 The proposed activity is designed to keep existing audiences engaged and develop new audiences, which will increase income when the building is allowed to reopen.
- 10.4 The Annual Report and Statement of Accounts for 2019/20 will be reported to the Trustees in January 2021 before submission to the Charity Commission.

## **11. PERSONNEL IMPLICATIONS**

- 11.1 During the main lockdown period, staff were asked to work from home, except for the technical team who have safely managed to complete the annual maintenance, and a number of improvement projects. During the past two months, a small number of staff who are not able to work from home have been allowed to work at the venue for short periods, whilst observing social distancing requirements.
- 11.2 Also during lockdown, a number of staff were redeployed to other departments in CCBC including the Buddy Scheme, Track and Trace, Free School Meals and Foodbanks. During October, staff have been made available to support colleagues in other Regeneration & Planning teams where there have been significant increases in workload, notably in the delivery of Covid-related business grants.

## **12. CONSULTATIONS**

- 12.1 Only one comment has been received from the consultees (from Mike Eedy, who checked and amended the grant figures in paragraph 5.8).

## **13. STATUTORY POWER**

- 13.1 Charities Act 2011, Local Government Act 1972 and the Trustees Act 1925.

## **14. URGENCY (CABINET ITEMS ONLY)**

- 14.1 There are no decisions to be taken in respect of this report as it is for information only. A full end of year report will be presented to Cabinet in January 2021.

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