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For all enquiries relating to this agenda please contact Joanne Thomas
(Tel: 07714 600912 Email: thomaj8@caerphilly.gov.uk)

Date: 11th January 2024

To Whom It May Concern,

A multi-locational meeting of the **Cabinet as Trustees of Blackwood Miners Institute** will be held in Penallta House and via Microsoft Teams on **Wednesday, 17th January, 2024 at 3.00 pm** (or immediately following the meeting of Cabinet) to consider the matters contained in the following agenda. Members of the Public or Press may attend in person or at Penallta House or may view the meeting live via the following link: <https://civico.net/caerphilly>. 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 on request.

This meeting will be live streamed and a recording made available to view via the Council's website, except for discussions involving confidential or exempt items. Therefore the images/audio of those individuals present and/or speaking at Cabinet will be publicly available to all via the recording on the Council website at www.caerphilly.gov.uk

Yours faithfully,

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

Christina Harrhy
CHIEF EXECUTIVE

A G E N D A

Pages

- 1 To receive apologies for absence.

A greener place Man gwyrdach



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 As Trustees of Blackwood Miners Institute held on 28th June 2023. | 1 - 2 |
| 4 | Blackwood Miners' Institute Annual Report and Statement Of Accounts - Year Ending 31 March 2023. | 3 - 30 |

Circulation:

Councillors C. Andrews, S. Cook, E. Forehead, N. George, P. Leonard, C. Morgan, S. Morgan, J. Pritchard and E. Stenner

And Appropriate Officers

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Those individuals that attend committee meetings to speak/give evidence will be named in the minutes of that meeting, sometimes this will include their place of employment or business and opinions expressed. Minutes of Meetings including details of speakers will be publicly available to all via the Council website at www.caerphilly.gov.uk. except for discussions involving confidential or exempt items.

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Agenda Item 3



CABINET AS TRUSTEES OF BLACKWOOD MINERS' INSTITUTE

MINUTES OF THE MULTI-LOCATIONAL MEETING HELD AT PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON WEDNESDAY, 28TH JUNE 2023 AT 1.30PM

PRESENT:

Councillor S. Morgan – Chair

Councillors:

C. Andrews (Cabinet Member for Education and Communities), N. George (Cabinet Member for Corporate Services and Property, Highways), J. Pritchard (Cabinet Member for Prosperity, Regeneration and Climate Change), S. Cook (Cabinet Member for Housing), E. Forehead (Cabinet Member for Social Care), C. Morgan (Cabinet Member for Waste, Leisure and Green Spaces) and E. Stenner (Cabinet Member for Finance and Performance).

Together with:

C. Harrhy (Chief Executive), R. Edmunds (Corporate Director Education and Corporate Services), D. Street (Corporate Director Social Services and Housing) and M.S. Williams (Corporate Director Economy and Environment).

Also in Attendance:

R. Tranter (Head of Legal Services and Monitoring Officer), E. Tong (Theatre and Arts Services Manager), E. Sullivan (Senior Committee Services Officer)

RECORDING AND VOTING ARRANGEMENTS

The Leader reminded those present that the meeting was being live streamed, and a recording would be made available to view via the Council's website, except for discussions involving confidential or exempt items. [Click Here To View](#).

1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor P. Leonard (Cabinet Member for Planning and Public Protection).

2. DECLARATIONS OF INTEREST

There were no declarations of interest received.

3. CABINET AS TRUSTEES OF BLACKWOOD MINERS' INSTITUTE HELD ON 25TH JANUARY 2023

RESOLVED that the minutes of the meeting held on 25th January 2023 be approved as a correct record.

4. BLACKWOOD MINERS' INSTITUTE UPDATE REPORT

Consideration was given to the report which provided Cabinet as Trustees with a progress report on the artistic and operational activity at Blackwood Miners' Institute (BMI).

Cabinet noted that Blackwood Miner's Institute had delivered 3 successful seasons with attendance figures higher than initially projected, and this was a good indication that the venue was recovering strongly after the pandemic. The BMI continued to deliver high quality performances, projects and support to artists and companies which saw the Autumn 2022 season deliver 35 different shows and the Spring 2023 season run 25 scheduled performances to date.

Clarification was sought on school collaborations and the Theatre and Arts Services Manager confirmed that this was the second year that the venue was working with Heolddu School, and they would be working with them on another project soon. The BMI were actively working to rebuild relationships with schools and colleges and reference was made to the Summer School Showcase project as an example of collaboration. The Officer also updated Cabinet on how the BMI was working with children not in education, employment or training to provide them with opportunity to perform, which was truly inspiring.

Cabinet was pleased to note increases in ticket sales and queried if this saw the beginning of the BMI's road to becoming subsidy free. The Officer confirmed that the venue was definitely on the right path and outlined the work being done by the BMI's new Marketing Officer to map weaknesses and address them, identifying different audience groups and using all media platforms, not just social media to highlight events and reach as many people in as many ways as possible.

Clarification was sought on the impact of increased operating costs, and possible energy efficiencies. The Officer confirmed that energy costs had increased, and this was an area of concern, however the BMI was working towards Green Dragon certification and would be looking to improve efficiency wherever possible. This included looking at programming and co-productions so that performances can be delivered in a sustainable way.

Cabinet felt incredibly encouraged by the update and the tremendous work being undertaken by the BMI Team and formally placed on record their thanks to all those involved.

RESOLVED that subject to the reasons contained in the Officer's Report:

The content of the report be noted, considered and endorsed.

The meeting closed at 14:08.

Approved and signed as a correct record subject to any corrections made at the next meeting.

CHAIR



CABINET AS TRUSTEES OF BLACKWOOD MINERS' INSTITUTE – 17TH JANUARY 2024

**SUBJECT: BLACKWOOD MINERS' INSTITUTE ANNUAL REPORT AND
STATEMENT OF ACCOUNTS - YEAR ENDING 31 MARCH
2023**

**REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND
ENVIRONMENT**

1. PURPOSE OF REPORT

1.1 To advise Cabinet as Trustees of the operational activities and financial position of Blackwood Miners' Institute for the financial year ending 31st March 2023.

2. SUMMARY

2.1 Blackwood Miners' Institute was conveyed as a charitable trust to Islwyn Borough Council, (and subsequently to Caerphilly County Borough Council), and was registered as a charity on 13th November 1990.

2.2 The local authority, acting as sole corporate trustee has a legal duty to operate the charity in accordance with the governing document, and has a legal obligation to account for the charity's finances in accordance with the Charity Act 2011.

2.3 A report to Cabinet as Trustees of Blackwood Miners' Institute was considered on the 27th of July 2016 advising Members of the statutory requirements relating to the charitable status of Blackwood Miners' Institute. The report included 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 2022/23 are included as an appendix to this report.

2.5 Cabinet as Trustees of Blackwood Miners' Institute is 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. This must be completed by the end of January 2024. Audit Wales have raised a matter of concern in their Independent Examiners report to the 2022-23 Financial Statements. The matter of concern relates to the treatment of the Cash and

Cash Equivalent figures reported in the balance sheet and further details are provided in paragraphs 8.4 and 8.5.

- 2.6 Blackwood Miners' Institute (BMI) delivered 3 successful seasons of work in 2022/23. The average audience capacity for Spring 2022 was 70%. In Autumn 2022, the average capacity increased to 82%. These figures are higher than projected and an encouraging sign that BMI is recovering strongly after the pandemic. BMI exceeded its income generation target for ticket sales by £52,000.
- 2.7 In line with previous discussion, an Advisory Group of 13 individuals with a broad range of knowledge, skills, and expertise has been appointed. It is proposed that a representative from the Advisory Group will feedback to the Cabinet as Trustees periodically. The Advisory Group meet quarterly to address issues and share ideas.

3. RECOMMENDATIONS

- 3.1 It is recommended that Cabinet as Trustees consider, note, and endorse the contents of the Annual Report and audited Statement of Accounts for Blackwood Miners' Institute for the financial year 2022/23.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 The Cabinet as Trustees have a legal obligation to account for and report on the Charity separately and in accordance with the Charities Act 2011.

5. THE REPORT

- 5.1 The BMI 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.
- 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 set out the Institute's responsibility in safeguarding against drug and alcohol abuse.

It is worth noting that the Charitable Objectives need reviewing and updating. This update will be presented at the next Trustee meeting and requires prior approval from the Charity Commission.

- 5.3 The BMI was registered as a charity with the Charity Commission (registered as Blackwood Arts Centre) on 13th 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 with 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 2022/23 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 2022/2023 provides information in relation to the BMI's Governance & Management arrangements, statement of purpose, aims and activities and public benefit.
- 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 Blackwood Miners' Institute. For the financial year 2022/23, the level of subsidy was **£339,557.87**. The subsidy figure does not include costs related to Arts Development. The subsidy is higher than 2021/22 due to increased activity after the pandemic restrictions lifted. It is anticipated that there will be further reductions in subsidy as part of the Council's Medium Term Financial Plan.
- 5.9 Cabinet as Trustees will be aware that the Council's Transformation and Commercial Strategies require officers to evaluate options to reduce the deficit at BMI and to make it more commercially viable with a reduced public subsidy. Managers at BMI continue to work alongside other tourism venue Managers and the Transformation Team to deliver a more efficient and sustainable commercial service that contributes to the wellbeing of the community, whilst reducing the subsidy from Caerphilly County Borough Council.
- 5.10 BMI applied for £10,000 from the SPF Programme Board to undertake a feasibility study. This funding was awarded on 23/11/23 and a brief will be published to identify and employ a consultant to carry out the study. The aim of this feasibility study is to examine BMI's existing business model and consider alternative models that could improve service delivery and reduce risk.

The consultation will ensure that:

- BMI is managed in a more cost effective and sustainable way moving forward,
- Service delivery is streamlined and improved,
- Risks are identified and mitigation measures are put in place,
- BMI can continue to deliver a varied programme of performances, entertainment, and participation activity to increase peoples' wellbeing and improve mental health.
- The venue is safeguarded for the future,
- Future activity and delivery is based on need and is developed alongside our community.

A review of the current business model would identify BMI's strengths and weaknesses and examine other structures that could work better for BMI and the Council. This work would support the Council's commercialisation brief and ensure

that BMI's offering is good value for money and it delivers a high-quality service which creates a lasting impact.

- 5.11 The Annual Report also refers to the Arts Council Wales (ACW) Arts Portfolio Wales (APW) grant of **£131,300** provided to Blackwood Miners' Institute. With ACW's approval, £18,000 was carried forward from the 2021/22 financial year to support the Arts Programme and artist development.
- 5.12 The ACW grant provides additional funding for the Arts Programme, which helps to maintain a diverse and varied offer including offsite performances, family friendly shows and accessible performances ensuring that people can access the arts who would not otherwise be able to. It also increases BMI's marketing and technical capacity; and allows BMI to continue co-production and artist development. This increases BMI's excellent reputation and status as a leading arts centre in Wales.
- 5.13 BMI applied for ongoing ACW investment from April 2024. The application was successful, and the organisation has been given a provisional offer of **£130,798** per year until 31st March 2027. The final offer will be confirmed in January 2024.
- 5.14 Following the Theatre and Arts Service Manager's work with Richard Tynen (fundraising consultant), an expression of interest will be submitted to the Heritage Lottery fund for a project celebrating 100 years of BMI in 2025. If the expression of interest is successful, a full application will be submitted in early 2024.

Staffing changes

- 5.15 Our new Front of House Assistants started in November 2023 and are settling in well.
- 5.16 There are no other vacancies at BMI currently.

Advisory Group

- 5.17 The Advisory Group meet quarterly to address issues and share ideas. The last meeting took place in November 2023 and focused on accessibility. These discussions will help ensure the building is more accessible in future.
- 5.18 The next meeting will take place on 7th February 2024.

CONCLUSION

- 5.19 BMI continues to operate within the terms of its charitable status and in the view of the Independent Examiner financial accounts have been prepared in accordance with section 130 of the Charities Act 2011, subject to the matter of concern raised in his report as outlined below in the Financial Implications Section.

6. ASSUMPTIONS

- 6.1 It is assumed that financial pressure as a result of the pandemic, Brexit, the wars in Ukraine, Israel and Palestine, and the cost-of-living crisis will continue to impact on audiences and participants' disposable income and local authority budgets. Therefore, BMI will need to focus on increasing income generation and reducing running costs wherever possible.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 This report is for **Information Only**, so a completed IIA is not required.

8. FINANCIAL IMPLICATIONS

8.1 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.

8.2 There will be a fee payable for the independent examiner's report in relation to the 2022/23 annual report and statement of accounts of the BMI and this will be financed by the BMI revenue account.

8.3 Other financial implications are covered in the body of the report including the present level of Council subsidy, the requirement to reduce the level of subsidy and increase income in future years in support of the Council's MTFP and the ongoing review of BMI as part of the Council's Transformation Programme.

8.4 Audit Wales have raised a matter of concern in their Independent Examiner's report to the 2022/23 Financial Statements. This matter of concern was also raised in 2020/21 and 2021/22 and relates to the treatment of the Cash and Cash Equivalents figures reported in the balance sheet. This is an accounting disclosure adjustment and has no impact upon the cash position of either the Arts Centre or Caerphilly County Borough Council.

8.5 The Arts Centre accounts are hosted by Caerphilly County Borough Council and the Centre uses the Authority's bank account to manage its daily cashflows. Caerphilly fully subsidises the Arts Centre by funding any cash deficit arising from its annual operating activities. As the Arts Centre is fully integrated into Caerphilly County Borough Council's financial systems and uses the Authority's bank account for daily cash flows, it is not currently possible to separate out the cash position from the Authority's. The Cash and Cash Equivalents figures in the Art Centre balance sheet have therefore been reported as zero for the current and preceding financial year. It was planned to review the position in the 2022/23 financial year but due to staffing capacity and other pressures this was not completed.

9. PERSONNEL IMPLICATIONS

9.1 The personnel implications are included in this report.

10. CONSULTATIONS

10.1 The comments from consultees are included in this report.

11. STATUTORY POWER

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

Author: Eloise Tong, Theatre and Arts Service Manager, tonge@caerphilly.gov.uk

Consultees: Dave Street Deputy Chief Executive – streed@caerphilly.gov.uk
Mark S Williams, Corporate Director for Economy and Environment - willims@caerphilly.gov.uk
Cllr Jamie Pritchard, Cabinet Member for Prosperity, Regeneration and Climate Change - jamespritchard@caerphilly.gov.uk
Stephen Harris, Head of Financial Services and S151 Officer – harrisr@caerphilly.gov.uk
Rob Tranter, Head of Legal Services and Monitoring Officer – trantrj@caerphilly.gov.uk
Lynne Donovan, Head of People Services – donoval@caerphilly.gov.uk
Dave Roberts, Interim Finance Manager – roberda@caerphilly.gov.uk
Rhian Kyte, Head of Regeneration and Planning – kyter@caerphilly.gov.uk
Allan Dallimore, Regeneration Services Manager – dallia@caerphilly.gov.uk
Antony Bolter, Visitor, Economy and Destinations Manager – boltea@caerphilly.gov.uk

Appendices:

Appendix 1 Blackwood Miners' Annual Report and Statement of Accounts for the year ending 31st March 2023

BLACKWOOD ARTS CENTRE

(Also known as Blackwood Miners' Institute)

Report and Financial Statements

Year ending 31 March 2023

Charity Number 1000905

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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CHARITY AND ADMINISTRATIVE INFORMATION

Name of Charity	Blackwood Arts Centre
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	Eloise Tong
Independent Examiners	Wales Audit Office

TRUSTEE REPORT FOR THE YEAR ENDING 31 MARCH 2023

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 2023. 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's ambition is to present a high quality and engaging programme of professional arts and entertainment and be a resource for community and amateur organisations to develop and present their own productions. The theatre provides a wide range of opportunities for people from all sectors of the community to take part in creative activities of their choice.

During the 2022-23 financial year, we have taken the opportunity to look at ourselves as an organisation and identify where improvements can be made to make ourselves a more resilient and relevant organisation. The reopening of theatres has afforded some light at the end of the tunnel; however, the sector is still in a precarious position with audience trends and behaviour impossible to predict in a post-lockdown world.

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

Leader of the Council

on behalf of Cabinet as Trustee.

17th January 2024

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 operations is undertaken by the Theatre and Arts Service 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.

Blackwood Miners' Institute appointed an independent Advisory Group in October 2022 who have skills and expertise in:

- Welsh language (including Welsh learners)
- The arts and an understanding of the arts sector in Wales
- Working with under-represented communities and/or community-based projects
- Inclusion and accessibility
- The climate emergency and/or reducing environmental impact
- Fundraising and income generation
- Financial management
- Business development and growth
- Marketing and sales

The Advisory Group feed into all aspects of Blackwood Miners' Institute's programme, operations, and business dealings. They hold no legal position within the governance of Blackwood Miners' Institute but act in an advisory capacity. The Advisory Group will support the charity to become more sustainable and have a positive impact on our operations and commercial performance.

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 then Welsh Office and Islwyn Borough Council. Today, Blackwood Miners' Institute is one of the most vibrant arts venues in South Wales. We create and present high quality professional and community arts for a diverse range of audiences and participants.

We want everyone to have access to arts and culture regardless of their circumstances and we work hard to create a balanced and affordable programme designed to inspire, educate, and entertain.

We host a variety of events and participatory activities spanning drama, dance, family shows, live music, opera, comedy and entertainment, ensuring there's something for everyone. 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 Institute's responsibility in safeguarding against drug and alcohol abuse.

Our current mission is:

To deliver exceptional arts and culture that entertains, educates, and enriches lives inspired by and in collaboration with the people of Blackwood and Caerphilly County Borough.

To promote positive health and wellbeing through pioneering participatory activities that are accessible to all.

Vision

Providing inspiration and extraordinary experiences for our audiences.

Values

Bringing the community together, being open and inclusive to all

Maintaining positive relationships and working collaboratively

Inspiring creativity, freedom of expression and passion

Our current aims are:

- To provide high quality, accessible arts and entertainment for the people of Blackwood and Caerphilly County Borough.
- To improve the mental and physical health of our local community by delivering arts projects that address the key challenges people are facing with a specific focus on those who have a low level of engagement with arts and culture.
- To promote the Welsh language and support the development of Welsh language performances and arts projects.
- To minimise our environmental impact and advocate for a zero-carbon arts industry in Wales.
- To nurture talent, support the development of new work and champion artists/companies from South Wales on a national level.
- To become a more ethical and resilient organisation who can respond positively to change.

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 and others.
- 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 creative 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 charging fees. 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 ticket sales and admission charges to cover its operating costs. In setting our ticket prices and other fees, we strive to ensure Blackwood Miners' Institute remains accessible 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 local community and audiences in mind.

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 for 2022/23 financial year was £339,557.87. No overspend or underspend is carried over from 2022/23.

It was our seventh year as part of the Arts Council's revenue funded portfolio. We received a grant of £136,876 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. With Arts Council Wales approval £81,262 was carried over from 2021/22 to support co-productions and commissions. A further £18,000 of the grant has, with ACW approval, been carried forward to 2023/2024 financial year to support co-productions and commissions.

Blackwood Miners' Institute has a number of rooms that are available to hire to commercial clients as well as community groups. In 2021-22 room hire contributed £22,277.85, in 2022-23 this has reduced slightly to £15,662.74. This is an area that we will be trying to maximise in the future.

Reserves Policy

In 2022-23, 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
- 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

Leader of the Council

17th January 2024

Independent examiner's report to the trustee of Blackwood Arts Centre

I report on the accounts of Blackwood Arts Centre for the year ended 31 March 2023, which are set out on the following pages.

Responsibilities and basis of report

As the charity's trustee, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act). You are satisfied that the accounts are not required to be audited by charity law and have chosen instead to have an independent examination.

I report in respect of my examination of your charity's accounts as carried out under section 145 of the Act; In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit go beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair' view, and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement – matter of concern identified.

I have completed my examination. For the last two financial years, I raised a matter of concern in my report because I had been unable to obtain sufficient appropriate evidence to support the 'Cash and cash equivalent' balances within the 'Balance Sheet' as at 31 March 2020, 31 March 2021 and 31 March 2022. The matter has not been resolved for 2022-23 and I therefore have the same concern regarding the 'Cash and cash equivalent' balances within the 'Balance Sheet' as at 31 March 2022 and 31 March 2023. In the absence of evidence, the Blackwood Arts Centre has continued to record nil financial balances as at those dates; and to record nil transactional-balances in the Statement of Cash and Cash Equivalents. The Blackwood Arts Centre has therefore not met the requirements of section 130 of the Charities Act 2011. The Blackwood Arts Centre explains its position on this matter, and its intended actions for 2023-24, at Note I on pages 18-19.

I confirm that no other matters have come to my attention that give me cause to believe that in any material respect:

- Accounting records were not kept as required by section 130 of the Act; or
- The accounts do not accord with those records; or

· The accounts do not comply with the applicable requirements concerning the form and content set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination: or

· The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

Adrian Crompton
Auditor General for Wales
1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ
19 January 2024

STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2023

BLACKWOOD ARTS CENTRE

STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDING 31 MARCH 2023

			Total Funds 2021-22 £	Total Funds 2022-23 £
<u>Incoming Resources</u>				
	Activities for generating funds	A1	20,192.82	56,093.23
	Operation of theatre and arts centre	B2	590,627.37	875,227.95
TOTAL INCOMING RESOURCES			610,820.19	931,321.18
<u>Resources expended</u>				
	Activities for generating funds	A2	17,960.04	59,029.47
	Operation of theatre and arts centre	C3	583,600.04	858,950.74
	Governance costs	D4	9,260.11	13,340.97
TOTAL RESOURCES EXPENDED			610,820.19	931,321.18
NET MOVEMENTS IN YEAR			0.00	0.00

BLACKWOOD ARTS CENTRE**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023**

		2021-22	2022-23
		£	£
<i>FIXED ASSETS</i>			
	Tangible assets	L 2,964,505.64	2,845,567.90
<i>CURRENT ASSETS</i>			
	Stock	H 3,772.54	5,469.53
	Cash & Cash Equivalents	I 0.00	0.00
	Debtors	J 0.00	0.00
		J ACW prog grant	0.00
		J Income	2,434.96
	Total Current Assets	6,207.50	12,907.84
<i>LIABILITIES</i>			
	Creditors falling due within one year	K -119,175.92	-89,209.07
<i>NET CURRENT ASSETS</i>		-112,968.42	-76,301.23
<i>TOTAL ASSETS LESS CURRENT LIABILITIES</i>		2,851,537.22	2,769,266.67
<i>CREDITORS FALLING DUE AFTER 1 YEAR</i>		0.00	0.00
NET ASSETS		2,851,537.22	2,769,266.67
<i>FUNDS OF THE CHARITY</i>			
Unrestricted funds			
	Designated property assets funds	2,964,505.64	2,845,567.90
	Designated stocks	3,772.54	5,469.53
	General fund	-116,740.96	-81,770.76
TOTAL CHARITY FUNDS		2,851,537.22	2,769,266.67

Cabinet on behalf of the Trustee

Signature

Date 17th January 2024

	2021-22	2022-23
Statement of Cash and Cash Equivalents	£	£
Net Cash Provided by Operating Activities	0	0
Net Cash Provided by Investing Activities	0	0
Net Cash Provided by Financing Activities	0	0
	<hr/>	<hr/>
Change in Cash and Cash Equivalents in the reporting period	0	0
Cash and Cash equivalents at the beginning of the reporting period	0	0
	<hr/>	<hr/>
Cash and Cash equivalents at the end of the reporting period	0	0

A. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

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

SUMMARY TRADING ACCOUNTS

			2021-22	2022-23
			£	£
Turnover	Bar	1	5,709.65	40,206.27
Cost of sales	Bar	2	<u>(12,278.32)</u>	<u>(47,727.51)</u>
Net Profit	Bar		<u>(6,568.67)</u>	<u>(7,521.24)</u>
Turnover	Vending	1	14,483.17	15,886.96
Cost of sales	Vending	2	<u>(5,681.72)</u>	<u>(11,301.96)</u>
Net Profit	Vending		<u>8,801.45</u>	<u>4,585.00</u>
Total funds generated for charity			<u>2,232.78</u>	<u>(2,936.24)</u>
Current assets (Stock)	Bar	3	3,128.87	4,919.20
	Vending	3	<u>643.67</u>	<u>550.33</u>
			<u>3,772.54</u>	<u>5,469.53</u>

B. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

			£	£
Gross Income	Shows, Concerts		186,719.72	318,362.34
	Workshops		3,540.70	1,507.00
	Room Hires		<u>22,277.85</u>	<u>15,662.74</u>
	<i>Subtotal: Admission charges and programmes</i>		212,538.27	335,532.08
	Programme Support grant, Arts Council		112,798.00	200,138.00
	Covid Grant Funding Inc NNDR		0.00	0.00
	Subsidy from Local Authority		<u>265,291.10</u>	<u>339,557.87</u>
			378,089.10	539,695.87
Total income from Charitable Activities			590,627.37	875,227.95

C. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

		Performances & Education £	Performances & Education £
Artistes fees	Performances	206,118.69	337,108.63
Production expenses	Performances	87,589.92	114,022.35
Workshops	Education	992.25	5,877.75
Box Office & Front of House	Performances	51,721.20	56,869.58
Promotion and marketing	Performances	22,972.62	96,065.56
Central premises costs	Performances	86,529.45	100,612.45
Support Costs	Performances	127,675.91	148,394.42
	3	583,600.04	858,950.74

D. ANALYSIS OF GOVERNANCE & SUPPORT COSTS

		£	£
Manager Operations		25,040.43	41,063.87
Manager Governance	4	6,260.11	10,265.97
Deputy Manager		36,120.25	28,300.30
Duty Managers		37,559.02	41,941.87
Admin Officer		28,828.90	31,743.96
Travel&Training		127.31	5,344.42
Audit Fee	4	3,000.00	3,075.00
		136,936.02	161,735.39

E. RELATED PARTY TRANSACTIONS

	£	£
Caerphilly County Borough Council	265,291.10	339,557.87
Welsh Government	0.00	0.00
Arts Council for Wales	112,798.00	200,138.00
	378,089.10	539,695.87

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.

F. ANALYSIS OF STAFF COSTS

	2021-2022	2022-2023
	£	£
Salaries & wages	205,610.32	283,156.04
Social Security costs	16,257.51	25,085.24
Pension costs	40,211.04	56,975.55
	<u>262,078.87</u>	<u>365,216.83</u>

G. STAFF NUMBERS

Average number of full time equivalent employees, including part-time staff,
as at 31st March 2023. In addition there are casual staff employed as ushers and bar staff
ONLY when the centre has concerts/performances.

Concerts & stage performances	7.88	7.88
Governance	0.20	0.20
	<u>8.08</u>	<u>8.08</u>

H. STOCKS

Current assets (Stock)

	£	£
Bar	3,128.87	4,919.20
Vending	643.67	550.33
	<u>3,772.54</u>	<u>5,469.53</u>

I. Cash and Cash Equivalents

The Arts Centre accounts are hosted by Caerphilly County Borough Council and the Centre uses the Authority's bank account to manage its daily cashflows. Caerphilly fully subsidises the Arts Centre by funding any cash deficit arising from its annual operating activities.

As the Arts Centre is fully integrated into Caerphilly County Borough Council's financial systems and uses the Authority's bank account for daily cash flows, it isn't currently possible to separate out the cash position from the Authority's. The Cash and Cash Equivalents figures in the Art Centre balance sheet, and the transactional balances in the Statement of Cash and Cash Equivalents, have therefore been reported as zero for the current and preceding financial year.

It is the intention to review the position in the current financial year and separate the Arts Centre management accounts from those of Caerphilly County Borough Council to provide full disclosure of the Art Centre cashflows.

J. DEBTORS

	£	£
Arts Council programme grant, final payment		
Other debtors	2,434.96	7,438.31
	<u>2,434.96</u>	<u>7,438.31</u>

K. CREDITOR AMOUNTS FALLING DUE WITHIN ONE YEAR

	£	£
Salary arrears	(3,762.78)	(4,281.47)
Receipts in advance	(98,604.34)	(57,932.69)
PAT Testing	(479.55)	0.00
Building Maintenance	(12.23)	0.00
Water bill	0.00	(500.00)
Gas bill	(635.78)	(1,099.44)
Electric bills	(1,672.20)	(1,386.08)
Postage	(333.97)	(98.00)
Audit Fees	0.00	(3,075.00)
Artistes Fees	0.00	(5,470.03)
Other creditors	(13,675.07)	(15,366.36)
	<u>(119,175.92)</u>	<u>(89,209.07)</u>

	2021-22	2022-23
	£	£
Balance brought forward April	3,092,000.00	2,964,505.64
Depreciation	(127,494.36)	(118,937.74)
Net Revaluation	0.00	0.00
Balance carried forward March	<u>2,964,505.64</u>	<u>2,845,567.90</u>

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M. 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.

N. 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.

Head of Financial Services and Section 151 Officer

On behalf of the Trustee

17th January 2024