

REPORT TO CABINET
20 November 2018

FUNDING REDUCTION TO CULTURAL VENUES

Report Submitted by: Rachel Jowitt, Chief Officer, Neighbourhoods, Planning and Public Protection

Report Written by: Cath Thomas, Assistant Chief Officer, Economy and Environment

1. Area Affected

1.1 County Borough wide.

2. Purpose of Report

2.1 To propose that Members approve a reduction in annual funding support to:

- The Congress Theatre
- Llantarnam Grange Arts Centre
- Blaenavon Workmen's Hall

3. Key Messages

3.1 It is proposed to reduce core funding to The Congress Theatre, Llantarnam Grange Arts Centre and Blaenavon Workmen's Hall in measured steps over the next three years, starting in the financial year 2019/20. There will be a decrease in funding each financial year determined on a case by case basis.

3.2 By reducing the funding in smaller increments over a longer period of time this will allow these venues the time to adapt and make any of the necessary changes needed to acclimatise to the reduction in funding.

3.3 The total saving from the 2019/20 budget in relation to the above cultural venues will be £12,000.

4. Background

4.1 The Congress Theatre receives core funding from the Council on an annual basis in order to deliver professional theatre provision with facilities for community use, as well as providing facilities for the use of the Torfaen Youth Theatre Company. The Theatre's annual funding in 2018/9 was £61,000. Additional costs totalling approx. £6k were also incurred by Torfaen Council to cover leaseholder obligations (*Torfaen Council leases the theatre building from CBRE Developments and sublets the building to the Congress Theatre Board*).

4.2 Llantarnam Grange Arts Centre receives core funding from the Council on an annual basis in order to deliver a county-wide arts education programme for young people and provide a visual arts gallery for residents and visitors to the area. The Art Centre's annual funding in 2018/9 was £18,000. (*Torfaen Council incurs no other costs relating to this venue and the building and its*

maintenance are the responsibility of the Trust.)

- 4.3 Blaenavon Workmen’s Hall tenants benefit from financial support from the Council to operate a cultural facility in the north of the borough, offering theatre programming, cinema provision and an accredited Museum for local people and visitors to enjoy. Funding support is by way of ‘waived’ rent and utilities and duty of care costs, as agreed by an earlier cabinet report (17th June 2015). Costs currently run to approximately £28,000. *(Torfaen Council owns the Workmen’s Hall and retains an obligation to maintain the fabric of the building).*

5. Issues and Findings

- 5.1 The financial challenges facing the authority of needing to save c.£25million over the next four years, has resulted in every area of local authority operations being examined for budget savings.
- 5.2 In 2018/19 the Council’s Cabinet decided to focus savings from the areas of Arts and Tourism, this has included all cultural venues supported by the Council. In consultation with the cultural venues named in this report, a budgetary saving of £42,000 has been identified; to be delivered in measured steps over the next four years.
- 5.3 The Executive Member has met with all 3 cultural bodies to understand their business and to understand the challenges and opportunities they face. Officers have worked with the venues over the last few months to agree a funding reduction package that will enable both the Authority to meet budgetary requirements and the various Trusts and Boards to manage the repercussions of funding reductions over a period of time.
- 5.4 Torfaen Council has always been, and will continue to be, supportive of the borough’s cultural organisations. It will continue to offer, where and when appropriate, the support of officers to help the organisation deliver any necessary changes towards a sustainable future.

6. Financial Implications

- 6.1 The Council’s core funding to the cultural venues named above will be reduced in measured steps over the next four years, starting in the financial year 2019/20. This will reduce the annual funding from Torfaen Council to the following:

6.2

		The Congress Theatre	Llantarnam Grange Arts Centre	Blaenavon Workmen’s Hall	
Current	2018/19	£61,000	£18,000	£28,000	
Yr 1 grant value	2019/20	£56,000	£16,000	£23,000	<i>£5k cut from cinema /cleaning contribution</i>
Yr 2 grant value	2020/21	£51,000	£14,000	£19,000	<i>Remaining 6k cut from cleaning contribution & £3k invoiced to tenants</i>

					<i>towards bills</i>
Yr 3 grant value	2021/22	£46,000	£12,000	£16,000	<i>40% contribution from tenants towards bills</i>
Yr 4 grant value	2022/23	£41,000	£10,000	£14,000	<i>50% contribution from tenants towards bills</i>

6.3 The above will deliver a budgetary saving in the first year of £12,000, providing the Council with a total saving over 4 years of £42,000.

6.4 It should be noted that the funding (grant) for Blaenavon Workmen's Hall is received through Torfaen Council paying for their building operating costs. The proposed budget reductions therefore from 2019/20 onwards will be recovered by Torfaen Council issuing invoices for those operating costs from the Tenants of the Workmen's Hall for the sums outlined in table at paragraph 6.2.

7. Consultation

7.1 Consultation has taken place with the following:-

- Leader of the Council
- Executive Member for Business, Tourism, Leisure, Culture
- Chief Officer, Neighborhood Services
- Assistant Chief Officer, Economy and Environment
- Group Leader, Economy Enterprise & Renewal
- Cultural venue representatives

8. Well-being Assessment

8.1 See Appendix 1.

9. Risks

9.1 The venues affected by cuts may not be able to source additional funding to bridge the funding shortfall, which may lead to staff redundancies, reduction in opening hours, changes to its public offer and worst case, closure. Torfaen Council officers will continue to work with venues to support them in sourcing funding, become more sustainable and managing the repercussions of funding shortfalls.

10. Action to be taken following decision

10.1 Subject to approval, a letter giving formal notice of the budget reduction for 2019/20 will be issued.

10.2 Core budget funding for the venues will be altered to reflect the amounts detailed in item 6.1.

11. Measure of Success

11.1 The venues will continue to fully operate with reduced funding contributions.

11.2 The need to make efficiencies and review ways of working will enable venues to develop more sustainable business models.

12. Conclusion/Summary

12.1 Funding to Torfaen's cultural venues will be reduced as from 2019/20, and subsequently year on year up to 2022/23, when funding will again need to be reviewed. There will be a decrease in funding each financial year totalling a saving of £42,000 to the Council.

12.2 A reduction of core funding to the cultural venues will result in the following savings to the Council by 2022/23:

- £20,000 from The Congress Theatre
- £14,000 from Blaenavon Workmen's Hall
- £8,000 from Llantarnam Grange Arts Centre

12.3

By reducing the funding in smaller increments over a longer period of time, this will allow venues the time to adapt and make any of the necessary changes needed to acclimatise to the reduction in funding.

13. Recommendation(s)

13.1 That Members approve a reduction to core funding of cultural venues over the next 4 years, as detailed in item 6.

Appendices	1. Well-being Assessment.
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Background Papers	None
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For a copy of the background papers or for further information about this report, please telephone: Dawson Evans, dawson.evans@torfaen.gov.uk, 01633 648366.

APPENDIX 1 - WELL-BEING ASSESSMENT

Project Description (key aims): See attached report.

Section 1) Complete the table below to assess how well you have applied the 5 ways of working.

 Integration	<p>1. How does your project / activity deliver economic, social, environmental & cultural outcomes together?</p> <p>It is widely recognised that creative/cultural engagement of any kind can have a positive impact on people and communities and contribute towards quality of life and well-being. In addition, The Congress Theatre, Llantarnam Grange and Blaenavon Workmen’s Hall, provide educational opportunities for young people to develop career skills, equip unemployed adults with the skills necessary to enter the world of work, and provide fulfilling roles for older people struggling with loneliness and insecurity, through volunteering.</p>
 Long-term	<p>2. How does your project / activity balance short-term need with the long-term and planning for the future?</p> <p><i>This link may help you with long term planning: http://www.wlga.gov.uk/sustainable-development/generation-2050-better-long-term-decision-making-l-a-resource-for-local-government</i></p> <p>The budgetary reduction has been considered by the Local Authority as the best balance between the need for wider council savings and the sustainability of these cultural organisations. Reducing the funding in measured steps over 4 years will enable the organisation to change and adapt over time in reaction to funding reductions.</p>
 Prevention	<p>3. How does your project / activity put resources into preventing problems occurring or getting worse?</p> <p>Financial support and officer assistance will seek to help the venues manage necessary changes and seek to ensure that going forward business operations becomes more sustainable.</p>
 Collaboration	<p>4. How does your project / activity involve working together with partners (internal and external) to deliver well-being objectives?</p> <p>All the cultural venues listed in the report work with multiple partners, including the Welsh Government/MALD’s Fusion programme which endorses the Baroness Andrews report “Tackling poverty through culture” to deliver wider wellbeing objectives.</p>



Involvement

5. *How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area?*

These links may help you think about involvement: National Principles for Public Engagement

www.participationcymru.org.uk

National Participation Standards for Children and Young People: <http://www.childreninwales.org.uk/>

As outlined in the report above, all cultural venues have been consulted on the budgetary reductions. Moving forward, community involvement and engagement will continue to be prioritised within the service level agreements entered into with these organisations, ensuring that creative/cultural opportunities are accessible to the wider community of Torfaen.

Section 2) Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals (use **Appendix 1** to help you).

Description of the Well-being goals

How will your project / activity deliver benefits to our communities under the national well-being goals?

Is there anyway to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?

A prosperous Wales

An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

The Local Authority will continue to support the venues in their aspirations to become sustainable, by offering support and guidance in managing change and developing business resilience. This will be evidenced and monitored through related service level agreements developed in partnership with the venues..

- TCBC officers to continue to maintain dialogue with the venues in order to ensure that service level agreement outcomes related to the national wellbeing goals are monitored and reported to Council accordingly.

<p>A resilient Wales A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<p>The Local Authority will continue to support the venues in their aspirations to become more sustainable, by offering support and guidance in managing change and developing business resilience.</p>	<p>- Venues will be encouraged to find further efficiencies through effective building management and appropriate management measures.</p>
<p>A healthier Wales A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>	<p>There is a direct link between cultural/creative venues and people's physical and mental health. Continued support of the borough's Theatre, Arts Centre, Community Cinema and Museum will contribute to a positive environment for people to live, work and visit Torfaen.</p>	<p>- Venues to continue to identify clear pathways for health and wellbeing within their business plans and service level agreements with Torfaen.</p>
<p>A more equal Wales A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>	<p>All of Torfaen's cultural venues provide open access and all inclusive opportunities for people to engage in the arts/culture.</p>	<p>- Venues to continue to ensure opportunities are provided for <u>all</u> including monitoring disability access and health and safety provision.</p>
<p>A Wales of cohesive communities Attractive, viable, safe and well-connected communities.</p>	<p>As above</p>	<p>As above</p>
<p>A Wales of vibrant culture and thriving Welsh language A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>	<p>There is a direct link between creative/culture engagement/participation and people's physical and mental health. Through the service level agreement community engagement, and participative events will continue to be prioritised. Protection of our cultural venues and the work they deliver will contribute to a positive environment for people to thrive.</p>	<p>- Maximise positive opportunities by continuing to work with the Trust.</p>

<p>A globally responsible Wales A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.</p>	<p>Protection and culture and museums will contribute to a positive environment in which to live, work and visit.</p>	<p>Venues to continue to identify clear pathways for health and wellbeing within their business plans and service level agreements with Torfaen.</p>
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Section 3) Will your project / activity affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts.

Protected characteristics	Will your project / activity have any positive impacts on those with a protected characteristic?	Will your project / activity have any negative impacts on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age	+		Continue to fund and support the projects.
Disability	+		Continue to fund and support the projects.
Gender	N/A		
Gender reassignment	N/A	-	
Marriage and civil partnership	N/A	-	
Pregnancy and maternity	N/A	-	
Race	N/A	-	
Religion or Belief	N/A	-	
Sexual orientation	N/A	-	

Section 4) Identify decision meetings for project/ activity e.g. Cabinet, Council or delegated decisions taken by Executive Members and / or Chief Officers.

Officer Name and Job Title: Dawson Evans, Group Leader Economy, Culture and Regeneration

Date: 9th October 2018