

<b>REPORT TO:</b>	Executive Board
<b>REPORT NO:</b>	HHE/47/18
<b>DATE:</b>	11 December 2019
<b>LEAD MEMBER:</b>	Councillor Hugh Jones (People – Communities, Partnerships Public Protection and Community Safety)
<b>CONTACT OFFICER:</b>	Rebeccah Lowry (Tel: 292455)
<b>SUBJECT:</b>	Stiwt Arts Trust Limited
<b>WARD:</b>	Ponciau

## 1. PURPOSE OF THE REPORT

For members to consider and approve a further three years funding to support the Stiwt Trust to deliver a programme of Welsh Cultural activities and to approve a capital contribution to essential building works.

## 2. EXECUTIVE SUMMARY

- 2.1** In October 2015 Members agreed to provide funding for the Stiwt Trust for a further three years at a reduction of 20% per annum as follows: 2016/17 £47,553; 2017/18 £38,041; and 2018/19 £30,433 for the delivery of a programme of arts and cultural activities to support the priorities in the Council Plan. In addition, Members agreed to the extension of the arrangements for the Rhos Housing Estate Office to be located at the Stiwt for a further three years.
- 2.2** The existing arrangements for both will end 31 March 2019.
- 2.3** The Stiwt Trust (the Trust) have managed the financial reduction well generating income from other sources to enable them to continue to maintain the building and to provide a wide programme of activities and events. The Trust have requested that the Council consider a further funding arrangement at the level achieved in 2018/19 at £30,433 per annum.

- 2.4 Arts Council Wales continue to provide funding to the Stiwt of £30,000 (2018/19 figure) this is agreed on an annual basis.
- 2.5 The Service Manager for Housing has confirmed that the accommodation for the Rhos Housing Estate Office remain suitable to continue to deliver local housing services at this location. A re-evaluation of the accommodation is being undertaken to ensure it is in line with current values and ensures value for money for use of housing funds (HRA).
- 2.6 A secure income such as the rent from the Housing Estate Office, and previously the three year funding agreement from with the Council has provided the Trust with confidence to be able to financially plan for the future. This has assisted in them being able to secure funds from other sources, specifically Arts Council Wales.
- 2.7 The financial position reported in 2015 identified how The Trust would manage the decrease in funding from the Council, identifying areas where other self-generated income could be increased such as ticket sales, room hire and bar sales. Targets in relation to ticket sales have exceeded projections, the target for room hire has been met and the bar income is less than projected. Overall, however income from self-generated sources is higher than projected.
- 2.8 The cash flow for 2018/19 and onwards that has been provided with assumptions of ongoing Arts Council Wales funding at £30,000 per annum and from the Council at £30,433 result in a positive end of year position with a small surplus. Retention of this surplus would be considered duly diligent on behalf of the Trust to allow for any variance in income or expenditure projections during the year.
- 2.9 Previous consideration has been given to 'mothballing' the Stiwt building in the event that the Council are unable to provide further funding. The cost to the Council of this is estimated at being £40,760 per annum.
- 2.10 Continuation of funding at the lowest level of £30,433 will enable the Trust to secure additional funding to retain the building as an active and vibrant community facility, providing a range of Welsh arts and cultural activities and events. This figure remains lower than the cost that would be borne by the Council of mothballing the building in the event that the Stiwt Board are unable to retain the Lease for the building.
- 2.11 A further three-year commitment will provide the Stiwt Trustees the confidence in going forward with a robust and challenging business plan that will provide them the best opportunity to enable them to secure additional fund and invest in the Stiwt and its activities for a sustainable future.
- 2.12 The Stiwt is a Grade II listed building owned by Wrexham Council. The Stiwt Trust holds a 25 year lease and are responsible for repairs and maintenance. The Lease was renewed in 2011 and has 18 years left to run. In April 2016 the Council commissioned a Property Condition Survey of the Stiwt which identified a five year investment programme totalling £441,978 with urgent actions prioritised in Year 1 (2016/17). As the owner of the building, the Council is responsible for keeping the building in a sound, weather tight and secure condition.

- 2.13 The Trust identified a programme of repairs for 2018/19 and set about fund raising essential refurbishment at a budget of £100,000 have been identified. The Trust has secured funding of £75,501 and has requested that the Council considers a one off capital contribution of £25,000 to bridge this shortfall.
- 2.14 Members are requested to re-allocate £25,000 of the £30,000 allocated to the Museum through the bidding process to the Heritage pot, agreed in report HF52/14 taken on 21st October 2014.

### **3. RECOMMENDATIONS**

#### **3.1 That Members agree:**

- (i) to authorise the Head of Housing and Economy to provide a grant for a further three years at a consistent £30,433 per annum to the Stiwt Trust to deliver a programme of arts and cultural activities to support the priorities in the Council Plan for three years (April 2019- March 2022);**
- (ii) to authorise the Head of Housing and Economy to provide a one off capital contribution of £25,000 from the Councils Heritage and Well-being Capital fund (as referred to in paragraph 2.14); and**
- (iii) to authorise the Head of Housing and Economy, to negotiate and conclude the terms and conditions for the extension of the arrangements for the Rhos Housing Estate Office to be located at the Stiwt for a further 3 years.**

### **REASONS FOR RECOMMENDATIONS**

To continue to assist the Stiwt Trust so that it can continue to provide a Welsh cultural facility for the County Borough, providing access for children and young people to experience cultural opportunities and a facility for the wider community.

### **4. BACKGROUND INFORMATION**

- 4.1 The Stiwt's mission/purpose is to 'promote, maintain, improve, and advance education by encouragement of all cultural forms and the arts (drama, poetry, literature, mime, dance, singing, music); and recreation and leisure time occupation to enhance well-being.
- 4.2 Stiwt will:
- (a) promote, produce such plays, dramas, comedies, operas, films, concerts, puppet shows, ballets, exhibitions, conferences, entertainments, as are conducive to promotion, maintenance, improvement, advancement of education + to encourage the arts; and
  - (b) promote cultural co-operation between nations through promoting, organising, producing cultural and arts events so as to enhance, international understanding, and to develop knowledge of national, regional language and dialect.

## (A) Funding and Performance

- 4.3 The Council has provided financial support to the Stiwt Trust as a Welsh cultural centre for the provision of a wide range of art and cultural activities to both the local community and the wider communities of Wrexham and North East Wales since 1990. In 1999, following the closure of Bonc Wen Community Centre, Members agreed that the budget from the Community Centre be redirected to the Stiwt for the provision of community centre facilities for Rhos and the surrounding area. This was included in the service level agreements drawn up for this purpose.
- 4.4 In October 2015 Members agreed to provide funding for the Stiwt Trust for a further three years at a reduction of 20% per annum as follows: 2016/17 £47,553; 2017/18 £38,041; and 2018/19 £30,433 for the delivery of a programme of arts and cultural activities to support the priorities in the Council Plan. In addition, Members agreed to the extension of the arrangements for the Rhos Housing Estate Office to be located at the Stiwt for a further three years.
- 4.5 The Stiwt Trust (the Trust) have managed the financial reduction well generating income from other sources to enable them to continue to maintain the building and to provide a wide programme of activities and events. The Trust have requested that the Council consider a further funding arrangement at the level achieved in 2018/19 at £30,433 per annum. The Arts Council Wales continue to provide funding to the Stiwt of £30,000 (2018/19 figure) this is agreed on an annual basis.
- 4.6 Over the course of the last 18 years the funding arrangement has varied in accordance with the varying financial position of the Stiwt and the Council's priorities to fund Welsh cultural activities in the County Borough. The financial position of the Stiwt Trust has been 'fragile' during this time. However, with the recruitment of a new Manager in 2015 and more stability in membership on the Stiwt Board the financial reduction from the Council has been managed well and presents a confident situation moving forward for being able to sustain the building and a programme of activities at this reduced level.
- 4.7 An alternative option is that the Council ceases funding the Stiwt, this option would be to not extend any further funding to the Stiwt which the Stiwt Trustees have confirmed will result in closure and the building being returned to the Council's responsibility. In this instance 'mothballing' costs have been estimated as follows:

Utilities	11,000
Insurance	4,760
Security	10,000
Repair/Maintenance	15,000
<b>Sub Total</b>	<b>40,760</b>

- 4.8 The outputs associated with the Council's financial contributions to the Stiwt are recorded and measured through a Funding Agreement. These have been chosen specifically to evidence how the services provided are contributing to delivering priorities within the Council Plan. The performance figures for 2018 to date are contained in appendix 1 of this report. The Stiwt Arts Trust Business Strategy 2017-2018 is attached for information at Appendix 2 of this report. The Chair of the Stiwt

Board has confirmed that “*The next strategy will cover 2019-22 but is only in initial draft format as far as the Board is concerned because of the uncertainty on revenue funding. The new strategy will be considered by the Board in January/February if the revenue position with WCBC and ACW is confirmed*”.

**(B) Building Issues – request for Capital Funding**

- 4.9 The Stiwt is a Grade II listed building owned by Wrexham Council. The Stiwt Trust holds a 25 year lease and are responsible for repairs and maintenance. The Lease was renewed in 2011 and has 18 years left to run. In April 2016 the Council commissioned a Property Condition Survey of the Stiwt which identified a five year investment programme totalling £441,978 with urgent actions prioritised in Year 1 (2016/17). As the owner of the building, the Council is responsible for keeping the building in a sound, weather tight and secure condition.
- 4.10 The Trust identified a programme of repairs for 2018/19 and set about fund raising, whilst pitching their budget at £100,000 for essential works they included some desirable works in the specification they had costed which resulted in tenders being received in the region of £200,000. This has since been scaled back down to essential repairs only within the £100,000 forecast.
- 4.11 The Stiwt Trust continue each year to seek funding to undertake the repairs and have secured £70,401 towards the £100,000 required. £25,401 has been raised through fund raising activities, and £50,000 has been secured from CADW to undertake repairs including the Clock Turret, external wales and rainwater drains, Windows and Roof and the Auditorium ceiling. The conditions of the Cadw grant require a 50% match from the applicant, therefore in order to draw down the full Cadw grant there is a shortfall of £30,000.
- 4.12 The Trust have requested that the Council considers a one of capital contribution of £25,000 to bridge this shortfall and allow them to maximise the funds available from Cadw. The Cadw grant must be spent within the 2018/19 financial year.
- 4.13 Due to a re-profile of funding in the Councils Heritage and Community Well-being Capital fund, £25,000 originally earmarked for Wrexham Museum is now available this year and can be used for this purpose.

**(C) Housing Estate Office**

- 4.14 The Councils Rhos estate office has been located in the Stiwt since the beginning of 2015. The Councils Housing Lead has confirmed that the accommodation for the Rhos Housing Estate Office remain suitable to continue to deliver local housing services at this location stating ‘*Currently the Rhos estate office is based at the Stiwt, its meets our needs in the community being based centrally in Rhos with ample parking. The joint working has not only integrated the Stiwt as part of the community but has introduced the theatre to customers who had never been there before*’. A re-evaluation of the accommodation is being undertaken to ensure it is in line with current values and ensures value for money for use of housing funds (HRA).
- 4.15 A secure income such as the rent from the Housing Estate Office, and previously the three year funding agreement from with the Council has provided the Trust with

confidence to be able to financially plan for the future. This has assisted in them being able to secure funds from other sources, specifically Arts Council Wales.

- 4.16 **Policy Framework** – The programme of activities provided at the Stiwt contributes significantly to the Council Plan corporate priority to enable access to leisure and cultural activities (PE5) and providing opportunities for people to volunteer.
- 4.17 **Budget** – All budget implications are detailed in the body of this report.
- 4.18 **Legal** – A revised agreement will be prepared and established between the Council and the Stiwt.
- 4.19 **Staffing** – There are no staffing implications for WCBC.
- 4.20 **Equality/Human Rights** – An Equality Impact Assessment has been undertaken (Reference HE/EIA00046/2016). The Stiwt arts programme provides opportunities for people to attend or participate in activities that are delivered through the medium of Welsh and contribute to the delivery of the Council's priority to support and promote the Welsh language. A summary is attached at Appendix 3 of this report.
- 4.21 **Risks** - The risk has been considered in the body of the report and relates largely to the potential cost to the Council if the Stiwt was to close; and to the loss of community services.

## 5. CONSULTATION

- 5.1 Local Members have been consulted and their responses are below:

Councillor Paul Pemberton – *“I would like to thank all involved, both members and officers for their continued support of the Stiwt. The Stiwt board together with the friends group continue to defeat most obstacles put before them. There is a good feeling in the community where people are recognising the excellent work and commitment of these hard working individuals I fully support the three recommendations in the report and recommend accordingly”.*

Councillor Kevin Hughes – *“The STIWT Arts Trust has made significant strides forward during the last three years. I would personally like to offer my congratulations to the Board members, staff, volunteers and the Friend of the Stiwt for their relentless work in making this happen, without them this beautiful building would simply not exist. I am pleased that WCBC are committed to providing grant funding to the STIWT for a further three years, and a one off capital grant for essential building works, despite reducing budgets. I understand that the current arrangements between the STIWT and the Rhos Housing Estate Office are working well and I would support a further three-year extension of that agreement. Please be assured that I will continue to support the STIWT at both County and Community Councils, wherever possible. I therefore support this recommendation in full”.*

**6. EVALUATION OF OPTIONS**

- 6.1 Option 1 – Continue funding at existing level – this would retain the building as a community venue with the delivery of a Welsh arts and cultural programme.
- 6.2 Option 2 – Do not continue funding agreement – this could result in closure, loss of Welsh arts and cultural activities and a return of the building to the Council which would result in costs to ‘mothball’ the building as detailed in paragraph 4.7.

**7. SCRUTINY COMMITTEE COMMENTS**

- 7.1 This has not been considered by Scrutiny Committee.

<b>BACKGROUND PAPERS</b>	<b>LOCATION</b>	<b>WEBSITE INFO.</b>