

CYNGOR SIR POWYS COUNTY COUNCIL.

BOARD
27th July 2010

REPORT AUTHOR: County Councillor
Gwyn Gwillim, Portfolio Holder for Leisure & Recreation

County Councillor
David Jones, Portfolio Holder for Schools & Inclusion

SUBJECT: ACW Investment Review: Theatr Powys

REPORT FOR: Decision

Summary

In response to a long period of standstill funding and projected future cuts in public funding, the Arts Council of Wales (ACW) has concluded that it can no longer continue to revenue fund the same number of organisations. For the past year ACW has been conducting an extensive Investment Review of all revenue funded organisations (RFO's), with the intention of reducing the total number.

This review is affecting ten organisations in Powys, including the Council's own two in-house service delivery companies – Theatr Powys and Powys Dance.

Preliminary decisions were made in a meeting of the Arts Council on the 25th June 2010 and all organisations informed of the results on 29th June. The decisions at this time only indicate ACW's intentions to continue funding an organisation or not. They have not yet confirmed whether each of the organisations that have been successful at this stage, will continue to be funded at the same level or to a higher or reduced level. This will be considered later in the year, when ACW is clear about its own financial position. Information has also been received that, should ACW's financial settlement from WAG be worse than expected, the decisions taken on the 25th June could be revisited, with a larger number of organisations potentially being cut.

In Powys Dance' case, the ACW current decision is to continue funding, but for Theatr Powys it is to cease funding from the end of March 2011.

Following a negative decision, organisations can respond in two ways – by submitting an appeal against the decision, or by meeting with ACW officers to discuss a transition or winding-up process. In some cases additional funding is available to assist with this.

Appeals can only be made on the basis of errors in the Investment Review process, not the content of the decision.

ACW's Assessment Report in respect of Theatr Powys has been referred to Legal Services, who have indicated that there are some grounds for an appeal and have recommended that an appeal be lodged. The Portfolio Holders for Leisure and Recreation and for Schools and Learning support this recommendation and an appeal is being prepared. The deadline for submission is 28th July and the appeal process is expected to take between four and six weeks.

Proposal

To endorse the two Portfolio Holders recommendation to lodge an appeal against the ACW decision to discontinue funding to Theatr Powys.

Corporate Improvement Plan

Theatr Powys' programmes of work contribute strongly to the achievement of the Corporate Improvement Plan aims of Learning in the Community.

Options Considered / Available

If the Arts Council's decision is accepted without appeal, or if an appeal is unsuccessful, the future of Theatr Powys is in doubt. ACW currently match funds expenditure on the company as follows:

Powys County Council (inc recharges)	£225,830.00
Arts Council of Wales	£210,940.00

Inevitably, if the decision is not contested or if the ACW decision stands, it would be necessary at least to substantially reduce the scale and scope of the activity currently provided, and careful consideration would need to be given as to whether any aspect of the company's remit remains viable without ACW support.

Consideration would also need to be given to the future of the Drama Centre building, which was rebuilt and refurbished with the aid of a grant of £534,900.00 from the Arts Lottery Fund, part or all of which could be repayable, should the building cease to function as a base for drama or arts activity.

An assessment of the company's programme and staffing for the rest of the current year would be undertaken, bearing in mind a potential need to support employees to find suitable alternative employment and/or fund redundancies.

Preferred Choice & Reasons

The submission and hearing of the appeal will not prevent a longer-term assessment of the future of Theatr Powys and theatre in education provision in the county being undertaken.

Sustainability and Environmental Issues/Equalities/Other Policies

N/A

Support Services (Legal, Finance, HR, ICT, BPU)

The opinion of the Legal Services Manager is that there are grounds for appeal and that an appeal should be submitted.

The Principal Accountant (Communities, Skills and Learning) reinforces the need to assess the impact of withdrawal of the Arts Council funding while awaiting the decision of any appeal, timescales are relatively short and identification of costs associated with possible redundancies, and potential repayment of grant for the refurbishment should be sought without delay.

The Chief Finance Officer reiterates the comment of the Principal Accountant. Whilst we await the outcome of the appeal, contingency planning should be undertaken on how we address the implications if the appeal is not successful.

Comments of Local Members

N/A

Other Consultations Undertaken/Planned

The ACW decision was considered at a meeting of the Board Peoples Sub-Committee, (which holds a management responsibility for Theatr Powys and Powys Dance) on 2nd July. A number of inaccuracies and discrepancies between the Assessment Reports of both Theatr Powys and Powys Dance were noted. Members noted that many of the comments within the assessment report were in marked contrast to the excellent quality monitoring reports received from ACW for Theatr Powys' work during the past year. Members strongly supported the proposal for a meeting with the ACW, and the submission of an appeal if it was established that there were sufficient grounds.

If the appeal to the ACW is unsuccessful immediate consultation will take place with employees of Theatr Powys and their Trade Union representatives on the future of the company. Human Resources are aware of the situation, which was discussed informally with employees and trade union representatives once the initial decision of ACW was known.

Recommendation:	Reason for Recommendation:
To endorse the two Portfolio Holders recommendation to lodge an appeal against the ACW decision to discontinue funding to Theatr Powys.	To ascertain whether the grounds for the ACW decision met the stated criteria and guidelines established for the process of the review.

Person(s) To Action Decision:	Louise Ingham, Arts & Culture Manager
Date By When Decision To Be Actioned:	Immediate

Relevant Policy (ies):	N/A		
Within Policy:	N/A	Within Budget:	Y

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Relevant Portfolio Member(s):	Cllr Gwyn Gwillim Cllr David Jones
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Relevant Local Member(s):	N/A
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Background Papers used to prepare Report:

ACW Investment Review Terms of Reference

ACW Investment Review Assessment Reports of Theatr Powys and Powys Dance

ACW Investment Review Report 'Renewal and transformation: building a stronger future for the Arts in Wales', June 2010

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