

CABINET MEETING

Date of Meeting	13 th October 2015
Report Subject	Theatr Clwyd
Portfolio Holder	Leader of the Council
Report Author	Chief Officer (Organisational Change)
Type of Report	Strategic

EXECUTIVE SUMMARY

The report provides a progress update on Theatr Clwyd's delivery of its business plan, including achievement of efficiencies and Council priorities for future development. Theatre Clwyd is on target to achieve the £0.200m of efficiencies planned for in the year 2015/16 and has plans in place to achieve the £0.150m of efficiencies required in 2016/17. A new Artistic Director is in place with the Theatre Board having a clear vision and priorities to ensure the Theatre at the heart of local communities and to extend its commerciality. In the medium term the Theatre is progressing with an organisational structural review, is looking to secure funding from the Arts Council of Wales, and is planning for nationally funded capital developments. Once these priorities are achieved the Theatre will revisit governance options for the future.

RECOMMENDATIONS

1	To endorse the Business Plan and to be assured by progress.
2	To authorise the Chief Officer Organisational Change and the Chief Officer Governance, in consultation with the Leader, to prepare and report back on a corporate structure. This to include consideration of a new legal company for efficiently managing the delivery of productions at the theatre including the best way to account for tax issues.

REPORT DETAILS

1.00	EXPLAINING THE CONTENT OF THE REPORT
1.01	<p>Theatre Clwyd (TC) is an arts centre with Wales' premier drama producing theatre (making 6-8 of its own productions per year) at its heart. It plays to a 200,000 audience per annum, its annual turnover was around £5m and it employed around 200 people. Combined with its Theatre for Young People, it was the third largest client of the Arts Council of Wales (ACW) with total public funding of £2.45m. The Theatre for Young People is a distinct ACW revenue funded organisation with its own Artistic Director, artistic policy and business plan, and reports to the Board of Governors.</p>
1.02	<p>As part of the Business Planning process all services went through to put forward budget proposals for 2015/16 onwards, TC identified the following changes that were approved by the Council.</p> <ul style="list-style-type: none"> • To develop a new and more efficient operating model. • The setting of a 1/3 Council budget reduction (£0.350m) over 2 years with a £0.200m reduction in 2015/16. To achieve this by a reduction in programme from 8 to 6 in house productions, a more efficient operation, and an increase in income. The plan outlined the priority of appointing a new Artistic Director and a commitment to future consideration of an alternative method of delivery to support change.
1.03	<p>In addition Council members in agreeing these proposals commented on the importance of monitoring TC's progress in increasing its commerciality and becoming closer to the local community.</p>
1.04	<p>As well as facing reductions in funding from the Council TC, along with all other ACW funded organisations, is currently waiting to find out future funding levels. While it was confirmed in September both TC and the Theatre for Young People will continue to be funded clients, the final outcome of this process, which will include future funding levels, will not be confirmed until the end of the financial year.</p>
1.05	<p>In this financial year 2015/16 TC funding / income can be broken down approximately as follows.</p> <ul style="list-style-type: none"> • Flintshire Council £0.800m • Arts Council of Wales £1.8m • Earned Income £2.69m <p>This shows that over half the income comes from tickets and sales. Public subsidy is less than half the income. ACW funding contributes specifically towards achievement of their outcomes, including artistic quality and development of the arts in Wales. Flintshire Council funding can be seen in part to support wider community engagement in theatre and the arts.</p>
1.06	<p>To enable TC to increase it's resilience in the current financial climate</p>

	<p>there are a number of key pieces of work underway and these include:</p> <ul style="list-style-type: none"> • Appointment of the new Artistic Director – Tamara Harvey took up post in August 2015 • Secure Arts Council of Wales funding for 2016/17 • Review the staffing structure – currently underway • Renovate and refurbish TC – initial planning for a capital development and funding bids have started <p>At this point when TC has improved resilience, there will be a need to consider the future governance arrangements for TC, and whether they should remain as they are or an alternative governance option should be considered. In the short term the theatre needs to examine whether a different legal model (perhaps adopting a corporate structure with a new legal company) might be a more flexible and cost effective approach for operating its productions. In particular this should address the best method for accounting for tax issues. This short term consideration should be seen as separate from the longer term consideration of governance arrangements</p>
1.07	Appendix A provides a detailed report from the Artistic Director on delivery against the current Business Plan.

2.00	RESOURCE IMPLICATIONS
2.01	TC are required to make £0.200m efficiencies in this year and £0.150m efficiencies in 2016/17. The update details progress against this.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The TC Board are kept fully updated of progress against this plan and users and communities will be engaged in future proposed developments.

4.00	RISK MANAGEMENT
4.01	<p>Key Current Risks include:</p> <ul style="list-style-type: none"> • Non delivery of proposed efficiencies – regular reports to TC Board and also reports to scrutiny and cabinet aim to ensure progress is monitored • Arts Council of Wales (ACW) funding removed or reduced – notification was received on 23/9/15 that both the main theatre and the Theatre for Young People will continue to be revenue funded clients but the amount of funding will not be determined until ACW receive notification of their future budget from Welsh Government. TC plans to try and maximise delivery against ACW priorities as well as including plans for much more collaboration which was identified by ACW as a weakness across Wales.

	<ul style="list-style-type: none"> • Future pressures on Council revenue grant – the report details a range of efficiency measures that are being carried out including a full staffing restructure and reduction in production costs that try to ensure TC is as sustainable as possible moving forward.
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5.00	APPENDICES
5.01	Appendix A – Business Plan progress report of the Artistic Director

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None</p> <p>Contact Office: Ian Bancroft Telephone: 01352 404180 E-mail: ian.bancroft@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	None