

Pontardawe Arts Centre

Business Plan

2018 - 0

Index:

- 1. Vision**
- 2. Background**
- 3. Strategy**
- 4. Key Actions**
- 5. Financial Performance**
- 6. Out-turn Figures**
- 7. Grants**
- 8. Action Plan**
- 9. Friends Action Plan**

1. Vision:

Pontardawe Arts Centre seeks to enrich people's lives through their engagement in the arts, by offering a diverse and accessible range of live events, film screenings, exhibitions and participatory opportunities for the entire community. Pontardawe Arts Centre strives to challenge, inspire, and educate.

2. Background:

- 2.1.1 Set within the Swansea Valley, in the heart of the town, Pontardawe Arts Centre opened in 1996 following extensive refurbishment funded by the local authority. Owned and managed by Neath Port Talbot County Borough Council, the venue comprises: a Victorian style theatre/cinema with a maximum capacity of 500; a studio theatre which can accommodate up to 100; an attic gallery; teaching studio; café; bar and; complimentary facilities.
- 2.1.2 Pontardawe Arts Centre receives an annual revenue support grant from the Arts Council for Wales. As well as the centre establishing a more commercial approach, it will continue to deliver the requirements of the funding agreement, *pendix 2*. These are:
- Make Reach Sustain;
 - Cultural Poverty;
 - Young People;
 - Resilience Programme.

3. Strategy:

- 3.1.1 Neath Port Talbot County Borough Council, working with the Friends of the Pontardawe Arts Centre, will work to ensure the Arts Centre is sustainable and high performing. The overall strategy is to:
- Employ sustainable strategies and practices that reduce the operating subsidy achieving a zero subsidy over time;
 - Diversify and grow the user base;
 - Secure capital investment, which enhances and modernises the premises, to help grow revenues;
 - Develop a balanced programme of arts and participatory activities within the available financial envelope;
 - Secure new and additional sources of funding to secure sustainability of the facility.

4. Key Actions:

- Pontardawe Arts Centre (PAC) will deliver the £40k Forward Financial Plan savings via increased income and control of expenditure. Total savings identified in the action plan for 2018/19 is **£55k** (see section 8 below).
- Following a recent review of the licenced bar, the bar will work towards delivering increased profit margins and increased numbers of events to generate increased trading profit. Target trading surplus for 2018/19 is £15k (current profit margin is £11k) .
- A programming review will be carried out to create cost centres for both Pontardawe Arts Centre productions (PAC) and Arts Council for Wales Productions. The profit from the PAC Shows will assist in the venue subsidy reduction. *Appendix 1 and 2*
- PAC will deliver a programme as per the Arts Council for Wales (ACW) funding agreement 2018-19. This includes drama, comedy, world, folk, contemporary and classical music and children's theatre. *Appendix 3*
- Neath Port Talbot County Borough Council will continue working with ACW via the Capital Grant scheme to secure capital funding to build a new cinema at the venue.
- PAC has recently participated in the ACW Resilience Programme. This review was commissioned by ACW. PAC will implement the recommendations of this report. They are included in the action plan, section 8.
- PAC will exploit all appropriate commercial opportunities to reduce the current subsidy in line with the local authority's Forward Financial Plan (FFP). Proposed actions are included in the action plan; targeted income for FG for year 1 - **£10k**.
- A review of the current staffing structure will be undertaken as part of the ACW Business consultants' review.
- A review of the current participation programme will be undertaken. Targets will be introduced and monitored.
- A review of the current marketing strategy and marketing roles is underway.
- PAC work closely with and support the new Friends Group to deliver their key aims for 2018-19.

- In partnership with the Friends Group, user and non-user surveys will be carried out in summer 2018. The survey will identify areas for audience development.
- PAC will work in partnership with the Friends Group to draw down grant funding to support the Arts Centre.
- A detailed analysis of recently released user data will be used to increase user numbers through targeted marketing campaigns. *Appendix 4*

5. Financial Performance:

5.1.1 Due to austerity measures, the Council identified financial savings across all service areas including the reduction in funding for Pontardawe Arts Centre of £40k in each financial year (2017 -2020). In 2017/18, due to the Council receiving a better than expected settlement from Welsh Government, this was reduced to £30k for that financial year.

5.1.2 During 2017 – 18 the operating subsidy for Pontardawe Arts Centre was circa £220k. This figure does not take into account the building maintenance costs of circa £50k per annum and support services such as finance, HR, IT.

5.1.3 The operational subsidy for 18-19 has been reduced by a further £40k per annum, and is now set at £180k.

5.1.4 The Arts Centre needs to offset the subsidy reduction by increasing income, which reduces the operational cost of the venue or by reducing expenditure.

5.1.5 Grant Funding:	2016/17	2017/18	2018/19
Arts Council of Wales Revenue support grant	£61,060	£61,060	£63,197
Arts Council of Wales – project support (1)	£23,890		
Arts Council of Wales – Grant - Energy Efficiency Measures	£20,000		
Arts Council of Wales – Wales in Edinburgh		£25,000	
Arts Council of Wales – Cracked – R & D		£17,830	
Arts Council of Wales – Cracked – touring grant			£30,000
Film Agency Revenue support grant (2)	£3500	0	£6,500

(Note 1) For specific one off productions not year on year

(Note 2) No grant received in 17/18 from Film Agency

6. Out-turn Figures Financial Year 2017 -18 and projections for 18 - 19

	Actual 17-18	Estimate 18-19
Arts Centre Artistic Programme funded by the Arts Council for Wales	Income	
ACW Grant	(£63,197)	(£63,197)
Ticket Sales	(£78,653)	(£102,000)
Total Income	(£141,850)	(£165,197)
Gross Expenditure (Artist Fees and Marketing)	£129,835	(£160,197)
Profit	(£12,016)	(£5,000)

Arts Centre venue operating costs.	Income	Income
Total Income	(£136,256)	(£216,678)
Total Expenditure	£381,095	£437,786
Nett Expenditure	£244,839	£221,108
Bar Profit	(£11,888)	(£15,334)
Artistic Programme funded by the Arts Council for Wales profit	(£12,016)	(£5,000)
Total Subsidy	£220,935	£200,774 *

* Whilst the revised budget only shows a budget reduction of circa £20k, the action plan shown as section 8, identifies further actions to meet the budget saving of £40k

7. Grants:

7.11 There are a number of grants available both locally and nationally. Recently a new Friends of Pontardawe Arts Centre Group, a charity, has been established. In partnership with the group Pontardawe Arts Centre will now have the ability to apply for funds from Trusts and Foundations. Grant aid will be sought in two broad areas.

Small (less than £10,000).

- Improving use through supporting disadvantaged groups to have better access
- Small equipment replacement / enhancement.

Large (greater than £10,000)

Grant applications for larger investments will be developed as part of the Capital Investment programme when it is clearer what the needs and opportunities are.

During the first financial year (2018/19) the Friends Group will seek to secure grant funding and additional contributions in excess of **£20k**.

7.1.2 Grant funding: the Friends Group has submitted applications as follows:

- Tesco Bags for Help (**£1000-£4000**): proposal prepared for submission
- Mynydd y Betws Wind Farm Community Grant - This year's funding round opens on the 25.06.18 to close on the 27.07.18 in readiness for assessment on the 6.09.18. Tier 1 - £500 - £5,000 – Up to 90% grant. **Proposal for £4000 prepared for submission.**

The following grants are being pursued:

- Big Lottery Fund – 'Awards for All Wales - £10,000 - £500,000 grants available through both strands of the People and Places programmes.
- Landfill Disposals Tax Community Scheme, a new Grant linked to the Pwllfawatkin , Cwmgors Landfill operation. Possible grants between £5,000 and £49,999 (no match needed).
- Coalfields Regeneration Trust (CRT) Grants for Pontardawe. There might be some opportunity as an area formally worked for coal and still suffering the effects of the streamlining of the Mining Industry. Can award grants from £500 up to £7,000.
- Councillors Community Fund:. £10,000 per Local Councillor.
- Local Community councils. Up to £1,000 per community council, from October 2018

8. Action Plan:

		Priorities		
		Programme		
Priority	Actions	Outcome	Lead Officer	Contribution to reducing subsidy
Arts Council for Wales	Deliver Programme as per revenue support funding agreement 2018-19.	Remain ACW Revenue support client receiving £63,197 and therefore ability to access capital funding	Angie Dickinson (AD)	AD Salary £10k Technician Salary £5k
Programme Review	<p>A programming review has been carried out for 2018-19; this will be further developed for 2019-20.</p> <p>The revised programme will ensure that the Centre's offer is more commercial and will secure increased footfall, eg popular music event headlined by Public Service Broadcasting in September 2018, already sold out. This will be a key feature of the programme going forward based on market intelligence.</p> <p>The review creates two cost centres, one for the commercially profitable productions, whose profit will assist in the subsidy reduction for the Arts Centre.</p> <p>The second cost centre will be for the more</p>	The net profit from the PAC shows will assist in the venue subsidy reduction.	AD	£12k net 2018-19 £15k net 2019-20

	risk productions which will be subsidised by the Arts Council for Wales' revenue support grant.			
Participation Programme	Review the current programme to establish whether pricing and time slots are appropriate. This will result in development of a suite of performance indicators that will be regularly monitored.	Increase participation figures circa 20,000 Income figure for 17-18 £20,000 Target 18-19 £21,000	Meirion Gittins (MG)	£1k
Children's Theatre	A more targeted programme for children particularly children's theatre, film and participatory activities.	Aim for £1,000 increase in income in year 1	AD	£1k
Young people	Develop activities targeted at younger audiences, such as Battle of the Bands, dance / drama groups.			
Music programming	Trial music events that are more targeted at teens and young people in their early twenties. This will be a risk as it is a new audience, possibly a joint programme with the Friends group in the beginning to help it become an established genre.	Income Generation reduced subsidy	MG	£1k
Film Programming	Cater more for children and families. New releases during half term and school holidays.	Families generally buy multiple tickets and often generate secondary spend. Income 17/18 £26,049 Target for 18/19 £28,500	AD	£2.5k
Staffing				
Review Staffing Structure	Linked to the proposed Capital investment from ACW which will necessitate a Business Consultant to look at entire PAC operation	Improve efficiency and identify any skill and capacity gaps.	Paul Walker (PW) and ACW consultant	£8k

Volunteer Scheme	Increase volunteer scheme particularly when there is no Receptionist on duty. Volunteers will be available to advise on programme and purchase of tickets	Improve accessibility of venue with welcoming atmosphere 325 Hours annually, which would equate to £2,438 Additionally unpaid work experience with total of 1045 hours which would equate to £7,838 annual target increase of 20%	AD	£10k (In kind)
Secondary spend				
Licenced Bar	The bar will work towards increased profit margins and will increase events. Including introducing Street Food Fridays to be programmed monthly after September, Open Day and Friend's Social Events	Generate increased trading profit. Target to increase 17/18 profit of £11k to -£15k in 18/19	MG	£4k
Expand Hire	Increased promotion for availability of hire of rooms for training and conferencing and private events.	Target income £1,000	MG	£1k
Exhibitions & Gallery space	Review the use of the gallery space.	Arts in the Tawe Valley run the Gallery programme and we receive 10% of all sales. Income for these classes included in participation programme	AD	£0.5k
Marketing and sponsorship				
Friends of Pontardawe Arts Centre	Work together with the Friends to raise awareness of the venue locally and to promote the venue – particularly the hire of facilities. Encourage businesses to sponsor specific shows and events.	Generate increase in user figures and income.	AD	£2.5k
Marketing	Develop a robust marketing plan, to include the increased use of social media, link with	Potential increased exposure and new audiences.	AD	£5k

	the authorities media section to increase exposure Review the format of the brochure as a marketing tool.	Reduce current marketing costs by £5k		
Introduce Business Club Sponsorship Scheme	Utilising the venue and Friend's contacts promote and develop a sponsorship scheme in which in return for financial investment sponsors are given no cost and varying value of promotion via existing outlets (eg inclusion in website, brochures, pre- film screenings and flat screens within bar.	Business Patrons circa £200 per year. Target £1000 in year one.	Friends of Pontardawe Arts Centre (FR)	£1k
Explore donations from online shopping and search engines	easyfundraising.org.uk allows charities and non-profit organisations to sign up to raise either a small donation, or percentage of money spent, when supporters use the links given to shop with major online retailers.	Income Generation reduced subsidy.	MG	£0.5k
			TOTAL	£55K
	Other key actions			
User/Non user Survey	In partnership with the Friends group carry out a user and non-user survey. Survey to be via Survey Monkey which will better enable the figures to be examined and analysed. Participants accessed on line, in venue and via attendance at town events over the summer months Target of 300 users and 100 non users	It will be invaluable to understand why non users are not attending and influence programming in future. It will also result in a solid base of evidence to underpin funding application, all of which will expect to see a strong grass roots demand for services.	AD -FR	
Film Club pricing	Review film club pricing.	Film screenings cover costs. PAC receives a Film Agency grant	AD	

		of £3,500 due to screening of specialist film.		
Arts in Health	Explore with ABMU the opportunity to support their Arts Strategy, in particular the Experience and Engagement stream through developing projects in Primary Care. This may include working with the third sector and social prescribing initiatives.	Potential increased exposure and new audiences.	AD	
Capital Projects				
Building layout and flow.	As part of the ACW Consultants review, consider better clustering of office space over one or two floors rather than over three. Review reception, bar and gallery space.	Improved closer working and communication.	PW/AD/ACW	
New Cinema	Continue working with ACW via its Resilience Programme which leads to their Capital Grant scheme. (Time line below). Establish a project steering group to include NPT officers, ACW and Pontardawe Arts Centre Friends representative.	New Cinema increasing the offer at the venue and increased income, thus reducing the subsidy. Increase of £40k anticipated in year 1 with potential to increase as service embeds	PW/AD/ACW/FR	
New Cinema costs	The estimated costs for the new cinema build are £500-600k. The match funding implications for NPTCBC would be circa 30% of the final capital costs.			
New Cinema key milestones	<ul style="list-style-type: none"> • Meeting to discuss procurement exercise 1 August 2018. • Application to be completed and submitted 			

	<p>to Arts Council of Wales for up to 75% of total eligible costs by 13 August 2018.</p> <ul style="list-style-type: none"> • Application to be considered at Capital Committee on 21st September 2018. • Arts Council of Wales decision letter to be sent week commencing 24 September • Subject to approval of Capital Committee, Feasibility Study tender advertised on sell2wales, websites and social media 1st October 2018. • 3-4 weeks for return of tenders by 2nd November 2018 • 1-2 weeks to score and interview shortlisted applicants • Feasibility Study commences Mid November 12-16 weeks • Feasibility Study completed by end of February/March 2019. • Feasibility Study assessed by Arts Council of Wales External Assessors for Architecture and Business Planning • Feasibility Summary presented to Capital Committee for approval to submit application for major funding. 			
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	<ul style="list-style-type: none"> • Application for major funding to be completed and submitted to Arts Council of Wales by April 2019. • Application for major funding to be considered at Capital Committee May/June 			
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9. The Friends of Pontardawe Arts Centre Proposed Action Plan for 2018/9

1. Recruit beneficial support skills for FPAC
2. Register FPAC with the Charity Commission (submitted)
3. Prepare FPAC accounts for YE 31 Dec 2018
4. Aim to increase current membership & retain all members for 2019
5. Secure sponsorship/ patronage support & income from individuals/ businesses
6. Scrutinise any future NPTCBC budget proposals & lobby as required
7. Assist in increasing attendance at the Arts Centre including through promoting use
8. Work in conjunction with NPTCBC to prepare a 3 year business plan based on local community feedback.
9. Identify areas of practical support/ advice to PAC following preparation of a business plan & user/non user research.
10. Work in conjunction with NPTCBC to support grant aid applications for priority capital & revenue projects at PAC including possible cinema pod and external atrium

NB The order of listing does not represent any suggested priority