

POLICY AND RESOURCES COMMITTEE

WEDNESDAY 10 NOVEMBER 2021

REPORT FROM THE COMMITTEE CHAIR, WITH RECOMMENDATIONS CONCERNING FUTURE FINANCIAL SUPPORT FOR THE BOROUGH THEATRE

1 Purpose of the report

- 1.1 At a meeting of Abergavenny Town Council held on 15 September a presentation was received from Monmouthshire County Council's Head of Economy and Innovation regarding future support from the Town Council for Abergavenny's Borough Theatre. It sought to gain a commitment to enter a financial partnership to refurbish, promote and sustain the theatre into the future. The current cost of the refurbishment is currently projected to be £1,042,000.
- 1.2 The Town Council resolved to refer the issue to its Policy and Resources Committee for further debate. It resolved to ask the Chair of the Committee to produce a report that would provide the basis for discussion on the future financial arrangements between Monmouthshire County Council and Abergavenny Town Council regarding the theatre.
- 1.3 At a subsequent meeting of Monmouthshire County Council held on 23 September the Cabinet Member for Social Justice and Community presented a report to Elected Members on the theatre. The County Council resolved to support the refurbishment in order to ensure the theatre would remain fit for purpose for future generations and attractive to existing user groups and theatre goers.
- 1.4 The County Council further resolved to continue discussions with Abergavenny Town Council regarding future financial arrangements for the future of the Borough Theatre.
- 1.5 Abergavenny Town Council now needs to decide if it will enter an ongoing financial partnership with the County Council, and to make recommendations as to the nature of any such agreement should it be agreed.

2 Background

- 2.1 The Borough Theatre is an integral part of the Town Hall building, which has recently been developed into the Abergavenny Hwb, providing a wide range of one-stop shop services, including the new Abergavenny Library.
- 2.2 The building itself is Grade 2 listed and opened in 1870. It is no longer fit for purpose as a modern theatre. The current redevelopment has so far received support from the Arts Council for Wales and money from the County Council's capital budget amounting to £314,000, together with £450,000 from the Welsh Government and the County Council's 'Transforming Towns' and 'Access for All' budgets. This leaves a current shortfall of £278,000.
- 2.3 A partnership deal with Abergavenny Town Council, under which the Town Council would commit a clearly identified sum of money over a set period, has been requested by the County Council. This would be in addition to the £50,000 already committed to

the refurbishment by the Town Council, which represents a significant investment by a small local authority.

- 2.4 At its meeting on 15 September, there was agreement from the Town Council that, in theory, it would be good to give support to the refurbishment scheme. At the same time, councillors raised specific concerns relating to the costs and the matter was referred to the Policy and Resources Committee.
- 2.5 These concerns included the efficacy of using Abergavenny town precept payments to provide financial support for a scheme that would have far wider community benefits for the whole of Monmouthshire, including adjoining Community Councils, rather than just the town of Abergavenny.
- 2.6 Another concern was that the Town Council had already committed £50,000 to support the theatre, which was a very considerable amount for a council with very limited financial resources, and this represented a prudent upper limit to expenditure.
- 2.7 It was also suggested that agreeing further financial support for a project in which totally inadequate initial funding had been provided might risk throwing good money after bad. This would jeopardise the Town Council's own financial stability and legal duties to be prudent in its spending.
- 2.8 There prevailing view was that the theatre refurbishment should be supported in some way, but further detailed consideration of the implications of this would be needed before a final decision could be made on a continuing commitment of resources.
- 2.9 A subsequent meeting of the Policy and Resources Committee held on 13 October raised further specific questions that Town Councillors felt needed a response from County officers prior to this decision being made.
- 2.10 These questions focused on
 - the future independence of the Borough Theatre from MonLife,
 - collaborative working with other local theatres (such as those in Brecon, Cwmbran and Monmouth),
 - the use of the theatre by local community organisations and the scope for collaborative projects with other local Arts providers, including the Melville Centre for the Arts,
 - long term business and marketing strategies at the theatre, and
 - the ability of the Town Council to have influence over the policy and direction of the theatre, including financial planning, should a formal agreement be entered with the County Council to support the theatre.
- 2.11 Assurances have been given that:
 - the Borough Theatre will remain independent of MonLife, as is Abergavenny Library,
 - the manager is already working in collaboration with other local theatres and seeking to ensure that the economic benefits of such collaboration can be maximised.
 - the same approach is being developed to promote collaboration between the theatre and the Melville Centre, with positive relationships between the manager and the administrator of the two organisations already existing,
 - amateur groups will continue to be able to book the Borough Theatre for their productions, but moving forward, the effective joint promotion of the Theatre and

the Arts Centre will allow for greater flexibility in ensuring that venues can best meet need.

- the Borough Theatre has a clear financial and artistic plans for the future
- an ongoing agreement with the Town Council would include a specification of deliverables in return for funding. A mechanism would be created for the regular review of the operations of the theatre, together with an annual review of performance against the agreement, with an escape clause in any agreement in the event of non-compliance by either side.

3 PROPOSALS

- 3.1 Prior to formulating proposals for the agreement of the Town Council, two meetings were held with with the Head of Economy and Innovation and with the manager of the Borough Theatre, and one with the administrator of the Melville Centre for the Arts.
- 3.2 These sought to address the concerns of Town Councillors and to start the process of developing a mutual understanding of what proposals for collaboration might involve, should the Town Council offer support.
- 3.3 They explored what a partnership agreement might look for in terms of financial commitment by the Town Council and, in return, what the theatre's contribution to the town might be. There was an acknowledgement that, on the one hand, Town Councillors had expressed a clear view that it would see it as a positive step to be able to support the theatre, while at the same time acknowledging that, in financial terms, the Town Council could not, within its current budget, realistically commit new additional financial funding.
- 3.4 Looking to the future, there could be clear opportunities for the Town Council to support the development of the Performing Arts and Music within the town. The existence of two contrasting venues, each providing excellence within its areas of strength, is an exciting prospect. The Town Council has recently entered into a three-year agreement to provide financial support for the Melville Centre for the Arts. The Town Council could play a pivotal role in supporting the development of the town to become a centre for the Arts as part of its wider policy of promoting the town as a visitor destination town.
- 3.5 The Melville Centre provides an intimate space for live theatre, film and live music. Beyond that, it provides a space for the development of community based activities, sometimes in conjunction with other organisations. It provides a home for groups such as Abergavenny Film Society, Black Mountains Jazz Club, and theatre groups such as the Rareseed and the Suitcase Theatre Companies.
- 3.6 The Borough Theatre and the Melville Centre, working together, could provide a potent force for creativity in our community. However, it also has to be recognised that the Melville Centre is administered by its own Board, while the Borough Theatre remains under the ultimate control of the County Council. This is where partnership working becomes vital to maximising the potential of such a vision, and the role of the Town Council acting as a catalyst, needs to be established clearly in return for any funding it provides. A possible Letter of Understanding, setting out how all parties might agree to work together in a collaborative way is attached as Appendix 1.

- 3.7 Effective collaboration might enable current community based theatre groups to thrive, making the best use of the spaces available in the two centres. Community based organisations such as AAODS and the Pantomime Society, could be reassured that the important role they play in sustaining amateur drama in the town can be sustained and promoted into the future.
- 3.8 There have been concerns in the past over the under-utilisation of the Borough Theatre. The current management acknowledges that there is considerable scope for greater use of the space available and the revamped theatre, with its retractable seating, will more easily facilitate the use of the space for a greater range of activities. Again, there might well be scope for collaboration in working with the Melville Centre to make the best use of the resources available in both buildings.
- 3.9 However, there has to be a clear acknowledgement that the current finances of the Town Council will currently not sustain any additional funding commitment to support the Borough Theatre. A valid conclusion might be to admit that, whatever the benefits for the community of entering into an agreement, current funding simply does not support an ability to undertake this. The Town Council could conclude that it does not have the resources to enter a financial agreement, while the County has the ability to borrow whatever sums are required to complete the scheme at low rates of interest. Indeed, the County Council has stated that it will borrow any money required to make good any final shortfall in funding for the refurbishment of the Borough Theatre.
- 3.10 An alternative to this stark view would be that, as part of its wider financial spending considerations for the coming year, the Town Council raises the precept by the smallest possible amount, but an amount that will see it continue to operate effectively. This would enable support for an agreement to support the theatre, so that it becomes a viable proposition from the start of the new financial year in April 2022.
- 3.11 Without an increase, and following the decision last year not to raise the precept as a response to the impact of the pandemic on the local community, the current precept will bring in £420,000 for the coming year. In reality, that sum is virtually all committed to current expenditure. There must also be an appreciation that economic indicators are all pointing to a significant rise in inflation in the coming year, which will affect current finances. There is also the need to ensure that the Town Council maintains its commitment to meeting the Action Plan on which it has based its actions during its term of office.
- 3.12 The County Council has sought funding for the theatre refurbishment from a range of sources. It has approached the Town Council to become a partner in an agreement that will support the Performing Arts in Abergavenny into the future. It opens a range of opportunities for the Town Council to play a key role in promoting the town more widely as a visitor destination, as well as to promoting the quality of life for our residents. It will also enable the Town Council to meet key elements of its own agreed Action Plan and its statutory responsibilities under the Well Being of Future Generations legislation.

4 Recommendations

- 4.1 Weighing up the considerations both for and against the request from the County Council to enter into a partnership agreement to support the refurbishment of the

Borough Theatre the conclusions are that, on balance, it would be to the benefit of the town to:

- enter into such an agreement with the County Council and to use it as a key element in a strategy to promote the town as a centre for the Arts,
- use the agreement to promote effective collaboration between the Borough Theatre and the Melville Centre to maximise the potential of both,
- to ensure that any agreement contains financial safeguards that protect the interests of the Town Council and
- to ensure that the Town Council has the necessary financial resources to commit itself to such a plan of action before signing a binding commitment.

4.2 The Town Council, as part of its considerations over setting the precept for the financial year 2021/22, agrees to consider an increase that will permit it to enter a financial agreement with Monmouthshire County Council to support the Borough Theatre, along with other considerations.

4.3 Whatever the final level of support agreed, it will not exceed £10,000 a year and will be limited to a 5-year period. At the end of this time a review will make a decision on renewal if that is requested.

4.4 Payment for each year will be made by the Town Council in two instalments. The first will not be before the start of the next financial year in April 2022, and subsequent payments should then be made in October and April during the life of the agreement.

4.5 In return for entering an agreement the Town Council should stipulate that this will require, as a key part of the agreement that agreed 'deliverables' are written into the agreement. These will cover what the Town Council will expect to receive from the Borough Theatre in return for its investment.

4.6 A key element of the deliverables will be that the Borough Theatre and the Melville centre collaborate to maximise the benefits of having two centres for the promotion of live Performing Arts in Abergavenny. In order to play a positive role as a catalyst in the promotion of the arts the Town Council will establish formal links with the management of the Borough Theatre and the Melville Centre. It will use its position to seek to ensure maximum effective collaboration between the two entities for the benefit of the town and the promotion of the town and its well-being.

4.7 Any agreement must be subject to annual review, with an escape clause built in should either side feel that the other is not keeping to the agreed deliverables. Further, the manager of the Borough Theatre will report to the Town Council during the year on the progress of the theatre and any problems, financial, contractual or otherwise, made clear to the Town Council, and the mechanism for doing this will be built into the agreement.

4.8 A model for such an agreement is attached as Appendix 2 and is based on the format used to conclude the recent establishment of the Abergavenny Town Team. This is offered as an example of what a final agreement might look like and is not the agreement itself.

Appendix 1

On headed notepaper of MCC
To; Abergavenny Town Council (ATC), and
Melville Centre for the Arts (MC)

DATE

Dear ATC & MC,

This letter sets out the principal terms on and subject to which MCC, ATC and MC are willing to work together to promote Abergavenny as a centre of excellence for the arts . This letter is not exhaustive and is not intended to be legally binding between the parties.

1. The following terms have been agreed between the parties in principle:
 - (a) to work together to promote Abergavenny as a centre of excellence for the arts;
 - (b) to work to establish savings by economies of scale in the operating costs of the Borough Theatre and Melville Centre for the Arts by establishing joint activities for example, theatre bookings;
 - (c) to share technical expertise; and
 - (d) to work together in good faith in pursuance of the matters agreed herein

INSERT ANY OTHER TERMS AGREED

2. Either party may at any time by notice to the other in writing which does not include email, terminate this Agreement, without having to give any reasons for doing so or incurring any liability to the other party.

3. Nothing express or implied in this letter is intended to create legal relations between the parties.

Please acknowledge receipt and acceptance of this letter by signing, dating and returning the enclosed copy.

Yours faithfully,

.....

Monmouthshire County Council

We hereby acknowledge receipt and accept the contents of this letter

Signed

Abergavenny Town Council

Date

We hereby acknowledge receipt and accept the contents of this letter

Signed.....

Melville Centre for the Arts

Date.....