



CABINET AS TRUSTEES OF BLACKWOOD MINERS INSTITUTE – 19TH MARCH 2025

**SUBJECT: BLACKWOOD MINERS INSTITUTE TRANSITION UPDATE AND
REQUEST FOR DELEGATION OF POWERS.**

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT



1. PURPOSE OF REPORT

- 1.1 To provide an update to the Cabinet as Trustees of the progress being made in relation to the transition of Blackwood Miners Institute (BMI) to run independently from the local authority at the earliest July 2026.
- 1.2 To seek approval for the Cabinet as Trustees to endorse a delegation of powers so that any necessary practical steps can be actioned by officers in the BMI Transition Project Group towards the establishment of a new organisational structure.

2. SUMMARY

- 2.1 Blackwood Miners Institute was established as a charitable trust under the ownership of Islwyn Borough Council, which later transferred to Caerphilly County Borough Council in 1996 following Local Government reorganisation. The Institute was formally registered as a charity on 13th November 1990.
- 2.2 As the sole corporate trustee, the local authority has a legal obligation to manage the charity in compliance with its governing document. Additionally, it is required to account for the charity's finances in accordance with the provisions of the Charity Act 2011. In fulfilling its duties, the local authority must also act in the best interests of the charity, in its capacity as trustee.
- 2.3 The Council in its capacity as a Local Authority is under financial pressures to save £45 million and as Trustee, as set out in this report is exploring a new approach to its operation with the aim of running independently of the Local Authority. In order to undertake the transition, an external advisor has been engaged and consulted, working closely with officers on behalf of the Trustees to explore alternative delivery models. During this transitional phase

the Charity Commission, the Arts Council of Wales and the BMI Advisory Panel are also being fully sighted.

- 2.4 Following the successful application for the Arts Council of Wales 'Resilience and Jobs Protection' funding, BMI is well-positioned to ensure a seamless transition and achieve greater autonomy from the Council, securing its long-term sustainability.
- 2.5 A dedicated transition group has been established, and a Lead Officer has been appointed to oversee and drive the transition process. A detailed 14-point plan, outlining key actions and timescales, has been developed to document the stages and milestones of the transition. This plan is included as an appendix to this report (Appendix 1).
- 2.6 Audit Wales raised a matter of concern in their independent Examiners report on the Financial Accounts regarding the cash and cash equivalent balances within the Balance sheet. The BMI finances are managed by the Council with all transactions recorded on the Councils ledger and all cashflows through the Councils Bank account. This has meant a separate cash flow statement has not been prepared for the charity as all cashflows go through the Council's main bank account. This issue must be addressed and rectified to enable the successful progression of the 14-point plan.
- 2.8 The Cabinet, in its role as Trustees, is therefore required to endorse a delegation of powers so that any necessary practical steps can be actioned by officers in the BMI Transition Project Group towards the establishment of a new organisational structure.

3. RECOMMENDATIONS

Cabinet as Trustee is asked to

- 3.1 Consider, acknowledge and approve the 14-point plan and processes required for BMI to become independent from the local authority by earliest July 2026.
- 3.2 Delegate authority to the S.151 Officer and Monitoring Officer within the BMI Transition Group to implement necessary changes and make key decisions that will enhance the efficiency and effectiveness of the transition process.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To facilitate the transition to an independent operating model.
- 4.2 To formally endorse and support the transition, ensuring that all necessary resources, strategies, and actions are in place to facilitate a smooth and successful shift toward the new operating model.

5. THE REPORT

Background

- 5.1 BMI was established as a charitable trust during the tenure of Islwyn Borough Council, and subsequently to Caerphilly County Borough Council, in 1996. The objectives of the charity are outlined in the Trust Deed, dated 15th October 1990 a copy of which is included in Appendix 2
- 5.2 BMI was officially registered as a charity with the Charity Commission under the name 'Blackwood Arts Centre' on 13th November 1990.
- 5.3 The purposes of the charity, as outlined in the Trust Deed, include:
- Promoting public awareness and participation in the arts, including music, dance, drama, literature, and the visual arts.
 - Encouraging the education and development of unemployed individuals, young people, and pre-school children, focusing on their mental and spiritual capacities.
 - Educating the public on the geography, history, and architecture of the area, while also addressing the Institute's responsibility in preventing drug and alcohol abuse.
- 5.4 Under Section 139 of the Local Government Act 1972, local authorities are authorized to receive and hold gifts on charitable trusts. Currently, the local authority serves as the sole corporate trustee for this charity.
- 5.5 As the sole trustee, the Council has a legal obligation to manage the charity in strict accordance with its Trust Deed and to act solely in furtherance of its stated objectives. Additionally, the Council is required to account for and report on the charity's activities separately, in compliance with the Charities Act 2011. In line with charity law, all charities must produce annual statements of accounts.

Overview of current circumstances

- 5.6 Cabinet, in its capacity as Trustees, will be aware that the future of BMI was uncertain in 2024, with a proposal by the Council as Local Authority to mothball the venue in December 2024 to save the £347,000 subsidy it makes to the BMI in order to address its ongoing financial difficulties. During the consultation period, there was significant public opposition to the proposal, and it became apparent that there was a conflict of interest arising as a result of the Council acting in its capacity as the Local Authority and the Council in its capacity as corporate trustee. As Trustees, the Cabinet is legally obligated to act solely in the best interests of the trust and this report is actively exploring new ways to ensure the venue remains operational.
- 5.7 The first steps have been to develop a transition strategy, and various funding options and delivery models have been explored for BMI. This strategy not only aims to secure the financial sustainability of BMI but also focuses on creating a path toward greater independence from the local authority. The

work undertaken to identify alternative funding sources and operational models will be pivotal in ensuring the long-term viability of BMI and its ability to continue serving the community without ongoing reliance on Council subsidies. This matter will be fully investigated by the appointed feasibility consultant, who will assess the viability of these options and provide recommendations for the future operational structure of BMI.

- 5.8 In October 2024, it was discovered that the Arts Council of Wales offered a funding stream titled 'Funding for Organisations to Support Job Protection and Resilience,' for which BMI was eligible to apply. After a successful submission, BMI has been awarded **£210,738** to help it protect jobs and secure the venues' future. This funding will support a transitional process toward establishing an independent organisation.
- 5.9 In January 2025 a procurement exercise was commenced to identify and employ a feasibility consultant to carry out a study with the aim of supporting the Trustees in moving the governance of Blackwood Arts Centre from the local authority to an independent trust model and to examine BMI's existing business model and consider alternative models, including for staffing, that could improve service delivery, reduce the public sector subsidy, reduce risk, and safeguard the venue for the future under a new model.
- 5.10 In January 2025, a BMI Transition Group was formed, and a Lead Officer has been appointed to spearhead the transition and oversee the implementation of the 14-point plan. The group holds regular meetings to ensure progress and alignment with key objectives.
- 5.11 In terms of income, BMI continues to receive annual funding of **£130,798** from the Arts Council of Wales (ACW), which is secured until 31st March 2027. Furthermore, BMI has successfully secured **£210,738** from the Resilience and Jobs Protection Fund. This funding not only strengthens BMI's financial position during the transitional phase but also contributes to reducing the subsidy provided by the Council.
- 5.12 Additional funding sources have been identified to support BMI's transition and ongoing operations, including a National Lottery Heritage grant. The organisation is currently in active discussions with the National Lottery Heritage Fund, exploring the specific eligibility criteria, application processes, and potential funding opportunities available. These conversations are progressing positively, and BMI is working closely with the funders to ensure all necessary documentation and requirements are met. Securing this funding will play a pivotal role in supporting the organization's financial sustainability during its transition and beyond.
- 5.13 The process of disentangling existing structures and systems to transition to an independent operating model is both complex and resource-intensive, requiring careful planning and considerable attention to detail. Given the scope and significance of the transition, it is imperative that the matters addressed by the Transition Group be prioritized and executed promptly.

Timely action is crucial to ensure the successful and efficient implementation of the necessary changes, minimizing delays.

Delegation of Powers

- 5.14 It is therefore proposed that as Trustees, Cabinet, delegate to the S.151 Officer and Monitoring Officer in the BMI Transition Group, to facilitate the setup of essential operational systems in order to oversee key aspects of the transition process. This delegation of powers will enable these officers to act swiftly and effectively, ensuring that financial and legal structures are put in place without delay. Finance officers would be responsible for financial oversight, while legal officers can ensure compliance with necessary legal frameworks. Additionally, other officers in the Group will be called upon to manage operational or administrative tasks as required.
- 5.15 These officers will work closely with the consultant and advisory group, when necessary, to seek expert advice and provide recommendations to the Cabinet as trustees regarding the financial and legal steps needed during the transition. This collaborative approach will ensure all necessary measures are taken and that the transition proceeds smoothly with proper governance and expertise. By empowering the appropriate officers with these delegated powers, the Cabinet as trustees will ensure that the transition process is carried out efficiently, with the necessary resources and support in place to handle any challenges that may arise.
- 5.16 Throughout the transition process, the Cabinet, in its role as trustees, will be kept fully informed and updated. This includes receiving regular updates after the consultant has produced their report and when the necessary steps are ready to be implemented. This will ensure that the Cabinet is well-informed and can provide ongoing oversight and guidance as required.

Staffing Matters

- 5.17 A Feasibility consultant tender advert was published on 24th January 2025 and appointed on 13th February 2025.
- 5.18 With the post of Theatre Manager being vacant for some months, An advisor/manager was brought into the role at Blackwood Miners' Institute in November 2024. His experience of directing theatres and arts centres, some local authority managed and some independent charities, has been helpful in this time - as has been the fact that he was Director of The Riverfront in Newport at the time that the local authority set up Newport Live as an independent trust. Mr Young will be reducing his hours as of 31st March by which time the roles below will be filled.
- 5.19 The roles of Theatre Manager and Business Development Manager are being filled, with the Theatre Manager position set at 3 days per week and the Business Development Manager role at 4 days per week, both on 12-month contracts. This structure ensures the required flexibility to support the ongoing transition process.

- 5.20 A number of staff members have indicated their intention to step down from their roles, thereby facilitating the streamlining of the workforce in advance of the transition to an independent organisation.
- 5.21 There are no other vacancies at BMI currently or staffing changes to note.

Advisory Group

- 5.22 The Advisory Group, established in September 2022, now convenes on a monthly basis and has assumed an increasingly prominent role in the transition process. The relationship between the Advisory Group, officers and Cabinet members as Trustees is constructive and continues to strengthen, with regular meetings serving to enhance collaboration. As the transition progresses, the Advisory Group will play a crucial and influential role in supporting and guiding the process.

CONCLUSION

- 5.23 The Cabinet, in its role as Trustees, acting in the best interests of the Blackwood Arts Centre charity, is encouraged to review, acknowledge, and approve the 14-point plan and the associated processes required for BMI's transition to independent status from the local authority by July 2026. Additionally, it is recommended that the Cabinet, as Trustees, agree to delegate authority to officers in the BMI Transition Group so that any necessary practical steps can be actioned efficiently. By endorsing these actions, the Cabinet will be taking significant steps toward securing the long-term sustainability and independence of Blackwood Arts Centre, paving the way for its future growth and success. A report on the consultant's work will be presented to the Cabinet in its capacity as Trustees in due course.

6. ASSUMPTIONS

- 6.1 It is assumed the charity 'Blackwood Arts Centre' will run independently from the local authority.
- 6.2 It is assumed that that officers within the BMI Transition Group will work proactively, resourcefully, and ethically to implement the necessary changes that will drive the transition process forward effectively.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 This report is not recommending any changes for the day to day running of BMI, so a completed IIA is not required at this stage.

8. FINANCIAL IMPLICATIONS

- 8.1 The report will not result in any changes to the Councils financial obligations in 2025/26 i.e. the cost to support service delivery is set to continue as planned in the budget.
- 8.2 The Resilience and Jobs Protection Grant enables BMI to remain operational while also reducing the level of subsidy required from the Council, this was approved as part of the 2025/26 Budget. This support helps sustain BMI's activities while minimizing the financial impact on the Council.
- 8.3 The feasibility consultant is financed through the Resilience Grant, ensuring that there is no additional cost to the Council.

9. PERSONNEL IMPLICATIONS

- 9.1 The personnel implications are included in this report.

10. CONSULTATIONS

- 10.1 The comments from consultees are included in this report.

11. STATUTORY POWER

- 11.1 Charities Act 2011, Local Government Act 1972 and the Trustees Act 1925.

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Appendices:

Appendix 1: BMI – Terms of Reference, including the 14-Point Plan for Implementation.

Appendix 2: Trust Deed