

**REPORT OF** Interim Section 151 Officer  
**To:** Community and Resources Committee  
**Subject:** Update – Funding Request from the Plough  
**Date:** 7th September 2020 **Reference:**

**PURPOSE OF REPORT:**

To update members on the latest financial position of the Plough Theatre following the decision made by Community and Resources on the 16<sup>th</sup> March 2020 to support the Plough with a one off grant contribution of £25,000 in light of the subsequent changes that have occurred at the Plough due to the COVID-19 lockdown

**1. INTRODUCTION**

In February 2020 members were made aware of the financial problems facing the Plough Arts Centre in Great Torrington. At a meeting of the Community and Resources committee on the 17<sup>th</sup> February members were keen to stress the value of the Plough to the local economy and cultural landscape of the District. The Plough has subsequently received letter of support from both Torrington Town Council and Geoffrey Cox MP for Torridge and West Devon – **see appendix 1.**

At a further Community and Resources meeting on the 16<sup>th</sup> March 2020 members agreed to provide one off support to the Plough of £25,000 for the financial year 2020/21, **subject to** the Plough obtaining matched funding towards their running costs namely:

Great Torrington Town and Lands Charity	£10k
Devon County Council	£10k
North Devon District Council	£5k

**2. REPORT**

As with all live theatres the Plough was forced to close as a result of Covid-19 lockdown with effect from the 17<sup>th</sup> March 2020. This has therefore had a dramatic effect on The Plough since members originally decided to grant the one off contribution of £25K. Whilst we were originally awaiting confirmation that they had received the match funding to enable the funds to be released, the Plough's situation has worsened since that decision was originally made.

Officers from the Council have been in communication with the trustees of the Plough to ascertain their current financial position and their plans for reopening. Summarised below are the most pertinent points.

- The Plough has remained closed since the Covid-19 lockdown was announced;
- Open air theatre events have been scheduled for August and September, which to date have been well supported;
- Staff were furloughed throughout the lock down
- With no immediate re-opening in sight unfortunately redundancy notices have been issued. The cost of the redundancy notices issued being £27k.



- A further provision of £26k is held in reserve to cover for further redundancies should the Plough have to close permanently.
- The residual staff after the redundancies are 5 part time staff
  - Artistic Director
  - Customer Liaison Manager
  - Youth Theatre Worker
  - Gallery Manager / Fundraising
  - Welcome Manager St Annes' Barnstaple
- A funding application have been made to National Lottery for £73k (the application is through to second round, but no decision has been made yet).
- A further application has been made to the Government's Culture Recovery Fund; a successful application would allow a partial reopening effective from the 1<sup>st</sup> November 2020. Included within this application are consultancy costs for the Plough's Financial Advisors to produce a three year business plan.
- The Plough received £35k from the Arts Council from the Covid Emergency Fund, this was not a contribution to the Plough's on-going running costs. It was provided to:
  - Support on-line artistic activity
  - Compensation for losses incurred in March 2020, resulting from the event programs being cancelled
  - The monies were to be utilised by September 2020, although the Plough is exploring using the balance of the funding to meet loss business sponsorship income.
- In the absence of funding from the Government's Culture Recovery Plan it is envisaged that the Plough will not reopen before 1<sup>st</sup> April 2021.
- The Plough have recognised that there will be costs associated with reopening such as deep cleaning, Covid-19 signage, PPE, installation of a new hot water boiler and streaming equipment. These costs have yet to be fully costed.
- The cash flow provided by the Plough shows an available cash balance as at the end of 2021/22 of circa £19k (after setting aside £26k in a provision for potential future redundancies).
- The Trustees are exploring all potential income opportunities with several partners, they also considering streaming live events now that indoor performances are permitted. It is the view of the Trustees that the support of the Council will enhance their chances of securing additional funding.
- The Plough is keeping its costs to a minimum whilst it is closed.
- As at the time of writing this report matched funding has been received from
  - Great Torrington Town and Lands Charity - £10k
  - North Devon District Council (£10k support for St Anne's) \*\*\*\*
  - Devon County donated £3,500 to the crowd funder appeal in March 2020.

\*\*\* This contribution being made from the Government's Business Support Scheme rather than a contribution from North Devon Council's own resources. The Plough also received a further £10k from the Government's Business Support Grant scheme via Torrridge Council.



The report to Community and Resource on the 16<sup>th</sup> March stated that “In the coming months officers will consider the financial and operational management arrangements of the Plough in order that any recommendations can be made in the knowledge that the future of the Plough is sustainable and that the organisation will not become dependent on the Council for core funding in the long term”.

The Covid-19 lockdown has fundamentally changed the world in which the Plough will now operate, at least in the medium term. At this juncture a business plan demonstrating the long term sustainability of the Plough isn't available.



### 3. Implications

#### Legal Implications

The position of State Aid has been reviewed. There are essentially four characteristics to state aid being that it granted through state resources, the aid favours certain entities, it distorts competition or if affects trade between member states. For the circumstances as outlined in this report no state aid exists.

#### Human Resources

None

#### Financial Implications

Detailed within the report

#### Sustainability / Biodiversity Implications

None

#### Equality and Diversity

None

#### Risk Management

None

#### Data Protection (GDPR) Implications

None

#### Lead Member View – Councillor Bob Hicks

Date of Consultation – 21/08/2020

It sad to hear that due to the Covid-19 lockdown the Plough has regrettably had to issue redundancy notices.

The Council recognises that the Plough is a very important asset and plays a huge role in the economic vitality and viability of Great Torrington. The challenges faced by the Plough due to the Covid-19 lockdown are severe and the future remains uncertain

Members agreed to provide £25k one off funding support on the 16<sup>th</sup> March on the proviso that matched funding would be obtained from other partners. The funding was to be provided to allow the Plough to continue to operate for the financial year 2020/21, clearly the date of any reopening of the Plough is still uncertain, which no certainty that it will reopen during the current financial year.

Members should note that the recommendation of funding at C&R on the 16<sup>th</sup> March 2020 was that the funding of £25,000 was subject to other funding requests being successful. The Plough having received £23,500 from the organisations listed in the report of the 16<sup>th</sup> March 2020.



## Ward Member View – Councillor Cottle-Hunkin

The Plough Arts Centre is a vital asset to Great Torrington, to the community of Torrridge, and far beyond. It is a multi-functioning arts hub, loved by all ages and all walks of life. The high level of support for The Plough was made clear in the form of a very successful crowdfunder appeal pre-Covid, raising more than £54,000 in donations.

Unfortunately the coronavirus then hit which understandably caused significant problems and is yet to reopen. I remain hopeful that The Plough will receive a small share of the £1.57bn being made available to the arts from central government, and supporting letters are shown in the appendix of this report.

This council has already voted in favour to support The Plough financially. The grant amount sought is a small fraction of the total turnover (pre-Covid) and the clear support of this council will provide a signal to encourage further support from other funding bodies.

I am positive that through working together we can ensure the successful reopening of The Plough in the future.

### **4. Conclusion**

Funding was approved for the Plough based on two key criteria: namely other funders would match Torrridge's contribution and that it would support the Plough's operation for 2020/21. To date match funding has not been fully met and it is still uncertain if the Plough will reopen in the financial year 2020/21. In addition the Plough's situation has changed since the original decision was made. The report of the 16<sup>th</sup> March indicated that the Plough needed £25k. The report of the 16<sup>th</sup> March indicated that the Plough needed £50k to cover its day to day running costs, TDC approved £25k on the basis that other funders would match its contribution.

### **5. Recommendations**

- a) That the funding is not released until the business plan and details regarding the long term viability of The Plough is submitted to Torrridge District Council for consideration;
- b) Officers continue to work with the management of the Plough in relation to the business plan and associated opening procedures, over the coming months to ascertain the ongoing viability of The Plough in a post Covid-19 world with a review to bringing an updated report to Community and Resources for consideration

### **Supporting Recommendations**

Consultations                      Steve Hearse – Chief Executive  
   Sean Kearney – Planning and Development Manager  
   Staci Dorey    - Monitoring Officer

