

REPORT OF Section 151 Officer
To: Community and Resources Committee
Subject: Update – Funding Request from the Plough
Date: 19th October 2021 **Reference:**

PURPOSE OF REPORT:

To update members on the latest financial position of the Plough Theatre, Torrington following on from the decision made by Community and Resources on the 7th September 2020 to support the Plough with a one off grant contribution of £25,000.

1. INTRODUCTION AND BACKGROUND

- 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 17th February members were keen to stress the value of the Plough to the local economy and cultural landscape of the District. The Plough subsequently received a letter of support from both Torrington Town Council and Geoffrey Cox MP for Torridge and West Devon.
- At the Community and Resources meeting on the 16th 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

And that the Plough would work in conjunction with the Council to ascertain the requirements for and affordability of additional financial assistance in future years.

- A further update report was presented to Community & Resources on the 7th September 2020, which detailed the measures undertaken by the Plough as a result of being forced to closed in response to the Covid-19 pandemic.
- C&R also confirmed the provision of £25k funding to the Plough for the financial year 2020/21 despite the matching funding detailed in the report of the 16th March not being fully realised. C&R further resolved that this matter be included on the Forward Plan for September 2021 for Members to consider whether to release a further £25,000.
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The report also detailed the measures the Plough had undertaken to address their financial situation:

- Application for National Lottery Funding
- Application to the Government's Culture Recovery Fund
- Issuing of Redundancy notices
- Minimization of costs



2. REPORT

As with all live theatres the Plough was forced to close as a result of Covid-19 lockdown with effect from the 17th March 2020. With the lifting of Covid-19 restrictions live events at the Plough has recommenced with effect from September 2021. With the reopening of the Plough and a return to a more normal operating environment it is now an opportune time for the Council and the Plough to ascertain the requirements for and the affordability of additional financial assistance in future years.

To this end Torridge's Section 151 officer has liaised with the Plough Operations manager to gain a fuller understanding of the current financial position of the Plough. The key points of which are detailed below:

- The Plough's budget for 2021/22 shows a budgeted surplus of £13k (before setting aside surplus funds to reserves.)
 - The surplus is after receiving the following grant monies
 - Art Council Covid Emergency Funding £40k
 - Business Support – Restart Grants £16k
- For the period April to July 2021 the Plough has generated a surplus of £21k, however during this period the Plough received £44k "Covid" support grant funding - £28k from the Culture Recovery fund and £16k in restart grants. Without this funding it would have incurred a deficit of £23k.
- The balance sheet for the Plough as at the 31st July 2021 shows cash held in its bank accounts at £365k.
 - £78k is held in restricted funds; i.e. they are tied to specified grant funding and must be spent on specified purposes and can't be utilised to support the day to day operation of the Plough.
 - £57k being held in designated funds as determined by the Plough (e.g. Closure Contingency Fund)
 - £213k being held in unrestricted funds, available to support the day to day operation of the Plough.
- At the time of writing this report the 2020/21 final accounts for the Plough were not available.
- It is anticipated that the Plough's business plan will be completed in December 2021
- The report to Community and Resources in September referred to officers from Torridge working in conjunction with the Plough to assess their business plan and the on-going viability of the Plough. The Plough's business plan is projected to be completed by December 2021.
- In addition to the £25k provided by Torridge Council in 2020, the Plough has received £93,004 in Central government funding (Business Support grants and Arts Council Covid recovery monies) during the Covid-19 pandemic restrictions.

3. Implications

Legal Implications

None.



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 – 30/09/2021

It is encouraging that as the Plough starts to return to some form of pre Covid normality that it is currently holding healthy cash balances. It is recognised that the last financial year has been an exceptional one with the Plough predominately closed throughout whilst receiving various tranches of Governmental grant support.

As the Plough's business plan is not anticipated to be available until December 2021, any consideration of further Torridge support to the Plough would be premature at this juncture.

Ward Member View – Councillor Cottle-Hunkin

Date of Consultation – 07/10/2021

As lead member for Community Culture and Leisure, and also ward member for Great Torrington, I would like to highlight the importance of The Plough Arts Centre for our community in Torridge and beyond. It is a multi-functioning Arts Hub loved by all ages and walks of life. This facility is crucial, now more than ever, while we all try to adjust to life after living for so long in lockdown.

I'm so pleased that The Plough received enough support to allow it to reopen, and of course would like to see the council showing their continued support for this vital asset; but I accept that it would make sense for a financial decision on funding to be deferred until The Plough's business plan is read."

4. Conclusion

Based upon the financial information as at 31st July (provided by the Plough) there is no immediate threat of closure. It is premature to judge how income levels will bounce back as Covid restrictions are lifted and therefore it is difficult to make reasoned judgement about the longer term viability of the Plough.



5. Recommendations

- a) Torridge officers continue to work with the management of the Plough over the coming months in relation to the business plan, to ascertain the ongoing viability of The Plough in a post Covid-19 restriction 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

