



Report to: Development Committee

Subject: The Black Box

Date: 13 December 2011

Reporting Officer: Shirley McCay, Head of Economic Initiatives, ext 3459

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1	Relevant Background Information
1.1	Members will be aware that at a meeting of the Development Committee on the 10 February 2010, Committee agreed to offer a two year funding package comprising £25,000 in 2010/11 and 2011/12.
1.2	At the same meeting, Committee further agreed to provide no further funding after the 2011/12 period to the Black Box even if the Metropolitan Arts Centre (MAC) was not operational in 2012.
1.3	Members should note that the Black Box was treated as a special case and did not apply through the Annual or Multi Annual Culture and Arts funding programmes.
1.4	Committee recognised there was a major gap in the physical infrastructure pending the completion of the major capital development of the MAC which is due to open in early 2012.
1.5	To date, the Black Box's public funders are Belfast City Council, Arts Council NI and Department for Social Development. The Black Box as an arts and culture performance space has achieved its objectives set out by its funders. <ul style="list-style-type: none"><li data-bbox="373 1608 1385 1675">– It has contributed to/built the existing arts infrastructure in the Cathedral Quarter<li data-bbox="373 1682 1385 1749">– expanded the range of opportunities for people to enjoy and participate in the arts<li data-bbox="373 1756 1385 1778">– played a role in tourism<li data-bbox="373 1785 1385 1807">– improved social cohesion.
1.6	It has provided the focus for Belfast City Council's Sunday's Programme, Late Night Art, Music Tourism and Culture Night. It also plays a vital role for Creative Industries with most local unsigned musicians choosing it as the venue to launch and profile new albums.

1.7	Since it's opening in 2006 the Black Box has won the Fate Award for Best Newcomer in 2007 and has attracted 193,000 people to the variety of events and activities it offers throughout the year. Audience numbers have increased between 2007 and 2010 rising from 31,150 to 43,000 which is a 38% growth in a period of recession.
1.8	1,800 events have been held in the Black box since April 2006 to July 2011 which 55% fall within the music event category.
1.9	Music growth alone has increased from 47% to 63% in 2011. Demand to watch and listen to local artists in an intimate setting has defined the Black Box's speciality/USP. Consultations with businesses have stated that the Black Box has played a key role in economic development and its closure would be missed.

2	Key Issues
2.1	Oxford Economics were commissioned by the Black Box Trust in September 2011 to undertake a feasibility study into the future operation of the venue as a cultural and artistic events space in co-existence with the opening of the MAC. A copy of this report is attached as Appendix 1 for Members consideration.
2.2	In conclusion, Oxford Economics demonstrates that <ul style="list-style-type: none"> – even with the opening of the MAC, there is a need and demand for the future operation of the Black Box; – the venue brings a niche product to the arts and culture sector and offers performances and events that will not be in direct competition with the MAC; – the Black Box has operated on a minimum amount of public sector funding and has become 82% self generating since opening in 2006. However its ongoing net deficit needs to be addressed for it to continue to exist and move towards greater sustainability.
2.3	The consultants considered a range of options from do nothing, closing or becoming more commercial. In conclusion, they recommended that the Black Box should continue however should broaden their funding base and recommended a range of potential funding schemes such as the Paul Hamlyn Foundation and Heritage Lottery Fund.
2.4	The consultants recognised that there is a need to secure funding for 2012/2013. Belfast City Council, Arts Council of Northern Ireland and DSD remain listed as potential funders. BCC Officers explained during the consultation process that the Black Box would be eligible to apply for culture and arts funding as part of any competitive funding programme in the future.
2.5	The overall financial support which the Black Box is seeking from its existing funders is £61,000. An application has been made to the Arts Council NI to their Annual Funding Programme for £26,000 and a decision will be made February 2012. DSD are considering their position as co-funders of both the MAC and Black Box, to continue funding would require a cohesive decision from all potential funders and ministerial approval. No formal funding application has been made to DSD.

2.6	ACNI and DSD are supportive that the Black Box can co-exist with the MAC following the need for an approved business plan focusing on sustainability and capacity building. All potential funders would need to contribute.
2.7	Members will be aware however the culture and arts annual and multi annual funding was extended for 2012 / 13 without an open call due to the ongoing work on the Integrated Cultural Strategy and review of funding programmes. Members will also be aware that officers have been asked to look at establishing a flagship fund for 2012/2013; however this has yet to be agreed. Therefore in summary there is no funding programme currently available for the Black Box to apply to.
2.8	Black Box are investigating the option of building purchase and may approach Council through the City Investment Fund at a future date.
2.9	<p>Having reviewed the report and considered the current operating context of the Black Box, Members should note that the Black Box is a viable venue and can co-exist with the MAC. The options for providing financial support in 2012/13 are as follows:</p> <ol style="list-style-type: none"> 1. Decline funding the Black Box post 31 March 2012 as per the committee decision on 10 February 2010, however invite them to apply for future culture and arts funding through the competitive process. Should the competitive flagship fund be agreed and opened for 2012/2013, the Black Box would be eligible to apply. However, due to time lag waiting for the fund scheme to open, there is a risk that Black Box will close by the end of March with a decision needing to be made by the Black Box Board in February 2012. 2. Extend the Black Box's funding for a further year, at the same rate of £25,000, on the basis that this is the same approach taken for all culture and arts organizations funded via the annual fund and multi annual fund. 3. Similar to option 2 above, however invite the Black Box to make a formal request for support based on the actual shortfall required within the context of the Oxford Economics Study and their advice to secure other additional sources of funding. Maximum available would be £25,000.

3	Resource Implications
3.1	One year funding with a maximum limit of £25,000 to come from within the Tourism, Culture and Arts budget 2012/2013.

4	Equality and Good Relations Considerations
4.1	There are no specific equality or good relations considerations attached to this report.

5	Recommendations
5.1	Members are requested to consider the one options outlined in 2.9 (above).

6	Decision Tracking
Further to ratification that the funding payment be allocated to the Black Box	
Timeframe: April 2012	Reporting Officer: Kerrie Sweeney

7	Documents Attached
Appendix 1 - Oxford Economics Feasibility report.	