

**Decision Session - Cabinet Member for
Leisure, Culture and Social Inclusion**

10th April 2012

Report of the Assistant Director (Communities and Culture)

York Theatre Royal Service Level Agreement

Summary

1. This report is brought to the Cabinet Member to seek approval for a six year service level agreement to the 31st March 2018 with the York Theatre Royal for the delivery of services detailed in the service level agreement at Annex A.

Background

2. In accordance with best practice recommended by the Department of Culture, Media and Sport (DCMS) we have previously negotiated 3 year partnership funding agreements with our significant cultural organisations in York. We are proposing to increase this to a six year agreement to allow the Theatre to plan a major expansion of its work and to undertake a capital project developing the De Grey Complex and theatre buildings in partnership with the York Conservation Trust. We have built in a formal review of the agreement at the mid way point in March 2015.
3. In the three years covered by the last Service Level Agreement the Theatre focused on the development of its young people's provision, the establishment of a national production and touring reputation and the diversification of its income streams to provide greater financial stability. It has been very successful in achieving all three aims and is now seeking to consolidate this work and develop the creative economy of the city through its investment in partnerships with other cultural organisations, The University of York St John, local businesses and the voluntary sector.

Funding

4. Budget Council in February this year set the funding level for the York Theatre Royal at a standstill level for 2012/13 with a 10% reduction from 2013/14 onwards. This will then give the Theatre:
 - funding in the first year of this agreement to remain at £304k
 - funding from 2013/14 to 2016/17 to be set at a level of £273k
5. It is now proposed to give the Theatre a six year agreement from 1.4.2012 to 31.3.2018 (bringing it in line with the York Museums Trust funding agreement). In return for the funding York Theatre Royal will provide the Services outlined in the proposed service level agreement. The conditions set in the funding level agreement build on those contained in the preceding agreements. Where new priorities have been added we have negotiated these with the Theatre management. In summary these are to:
 - Provide a range of activities to engage older people in outreach activities connected with the Theatre.
 - Develop The Studio programme, promoting new and culturally diverse work: Using the space to provide opportunities for local voluntary arts organisations and to develop the creative infrastructure of the city.
 - Develop the De Grey Complex, along with the Theatre, as a creative production hub for the city.
6. These new conditions reflect the expressed concerns of the Cabinet Member and the Learning and Culture Overview and Scrutiny Panel. In support of these requirements there are a series of grant conditions which are provided in Annex A.

Consultation

7. The Chief Executive and Board of Trustees of the Theatre have been briefed on the process and fully involved in agreeing the new priorities and the new funding conditions.

Options

8. The options available to the Cabinet Member are:
 - Option 1: Agree to the proposals set out in Paragraphs 4 to 6.
 - Option 2: To offer a different level of funding to that proposed in Paragraph 4.

Option 3: Suggest further and/or alternative requirements to those set out in Paragraph 6 and Annex A.

Analysis

9. Option 1 is recommended because this continues to provide support for the Theatre which is a vital component of our Cultural and economic city. Option 2 is not recommended as this may create greater financial uncertainty for the organisation and would also be out of line with others offers being made to the cultural sector. Option 3 is possible but would need further discussion with the organisation to check their capacity and ability to provide more or different services.

Council Plan

10. The actions set out in the report contribute to the following corporate priorities as set out in the Council Plan 2011-15:
 - Building stronger communities - by encouraging and involving residents and users in the cultural life of the city. And, by supporting the voluntary sector and creating volunteering opportunities.
 - Creating Economic Growth – by supporting the growth and development of a creative production hub at the Theatre and the De Grey Complex.

Implications

11. **Financial** – The funding level was set by Budget Council in February this year. It will provide financial stability for the Theatre over the next five year period.
12. **Legal and Property** - Where specific projects have property implications e.g. repairs, lease or lettings Legal and Property Services will be involved in any arrangements.
13. **Equalities** – An equality impact assessment was undertaken prior to drawing up the agreement. The context for this is the requirement of the York Theatre Royal to deliver on the public sector duty, as outlined in the Equalities Act 2010, on behalf of the Council.
14. There are no Human Resources, Crime and Disorder, or Information Technology implications arising from this report.

Risk Management

15. Failure to continue support the Theatre could result in the ceasing of the production and presentation facilities in York. A recent independent Economic Impact Assessment was undertaken at the Theatre and it concluded that the Theatre visitors contribute over £3.6m to the local economy annually.
16. The performance of the Theatre is subject to regular monitoring with twice-yearly reports on the SLA to Culture and Education Scrutiny Panel. The Council also has 3 Councillors on the Theatre Board of Trustees and the lead officer attends board meetings in a no voting role.

Recommendation

17. The Cabinet Member is asked to approve Option 1, to offer the York Theatre Royal a six year service level agreement as set out in Paragraphs 4 to 6 for the provision of services as detailed in Annex A.

Reason: To meet the ambitions of the Council Plan to promote a city of world class culture.

Contact Details

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| | Report Approved | ✓ | Date | 26.3.2012 |
| Specialist Implications Officer(s): N/A | | | | |
| Wards Affected: | | | All | ✓ |
| For further information please contact the author of the report | | | | |

Background Papers:

Annex A Proposed Service Level Agreement CYC / York Theatre
Royal 2012 / 2017.