



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
10 July 2018  
Agenda Item 17

Key Decision [Yes/~~No~~]

Ward(s) Affected: All

**Worthing Theatres & Museum Strategic Future Options**

**Report by the Director for the Economy**

**Executive Summary**

**1) Purpose**

1.1 The purpose of this report is to provide members of the Committee with the opportunity to consider options for the future direction for Worthing Theatres and Museum; and to identify a way forward that will seek to ensure that culture continues to develop and thrive in Worthing for the benefit of our communities and the local economy.

**2) Recommendations**

2.1 That members of Joint Strategic Committee agree:

- To approve a procurement exercise for the operation of the theatres and museum;
- To agree to an in-house bid from the Culture team;
- To release funding of £100,000 from the Capacity Issues Fund for the preliminary costs associated with the project;
- Following the procurement exercise, to received a further report outlining next steps.

### 3) Context

#### 3a) The wider importance of culture

3.1 A strong cultural offer plays a vital role in successful places and place making<sup>1</sup>. Cultural activity represents an increasingly important sector of the national economy and offers significant wider benefits to local economies:

- ❖ Acting as an attractor for visitors and businesses;
- ❖ Revitalising localities;
- ❖ Improving health & wellbeing and;
- ❖ Encouraging volunteering and civic participation

3.2 The Government's Culture White Paper<sup>2</sup> highlights the intrinsic value of culture that creates inspiration, enriches lives and improves our outlook. Exposure to culture has a positive impact on personal well-being and engaging in cultural activities has been shown to significantly improve people's satisfaction with their lives<sup>3</sup>.

3.3 Culture has strong social benefits and there is evidence that cultural participation can contribute to both social cohesion and community safety. Research has also established that there are benefits to both physical and mental health leading to improved clinical outcomes and reductions in the amount of time spent in hospital<sup>4</sup>. Those who attended a cultural place or event were 60% more likely to report good health, and theatre goers were 25% more likely than average to report being in good health<sup>5</sup>.

3.4 Numerous studies identify the link between cultural participation and higher educational attainment. A 2013 study (Bennett and Parameshwaran) found that school students attending or participating directly in arts and cultural activities were more than twice as likely to volunteer and subsequently, 20% more likely to vote.

3.5 In economic terms, the impact of culture cannot be underestimated. Cultural organisations and practitioners contributed £27bn to the UK economy in 2015; a 15% increase on the previous year (Economic Estimates of DCMS Sectors,

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<sup>1</sup> *Blue Sail - Worthing Theatres High Level Cultural Economic & Social Impact Study, February 2018*

<sup>2</sup> *The Culture White Paper, DCMS 2016*

<sup>3</sup> *Quantifying and Valuing the Well-being Impacts of Sport and Culture, April 2014*

<sup>4</sup> *Review of the Social Impacts of Culture and Sport, March 2015*

<sup>5</sup> *The Contribution of Arts and Culture to the National Economy, July 2015*

August 2016). Arts and culture are a very strong draw for international visitors, attracting at least £856m of tourist spending<sup>6</sup>.

- 3.6 The number of people employed in the cultural and creative sectors has been steadily rising and is now over 642,000 (2015 figure); 17.8% higher than in 2011 (*Economic Estimates of DCMS Sectors, July 2017*). The arts and culture industry pays nearly 5% above the median UK average salary, thereby making a positive contribution to household earnings<sup>5</sup>.

### **3b) The significance of culture to Worthing**

- 3.7 In line with the national picture, the significance of culture to Worthing's future prosperity is widely recognised. The recently adopted Adur & Worthing Economic Strategy highlights culture as part of our identity, our sense of place and the quality of life of our residents (*Adur and Worthing Economic Strategy, 2018-2023*). Similarly, the Cultural Strategy (*Adur & Worthing Cultural Strategy, A Commitment to Culture*) recognises that culture is widely understood to be, 'much more than a "visitor offer"; it is about connections, self-expression, relationships and world-view'.

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*"the demographics of Worthing are changing with younger people choosing to live in the town therefore its cultural offer also needs to change. The transformation of Worthing Museum and Art Gallery along with growing reputation of the productions delivered by Worthing's Theatres really will support the reputation that Worthing is a great place to live, work and invest"*

*Geoff Edwards, MD: Bowers & Wilkins and Chairman of the Coastal West Sussex Partnership*

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- 3.8 A recently updated economic and social impact study has examined these wider benefits and attempted to quantify their contribution to Worthing:

- ❖ Worthing Theatres supports 129 full-time equivalent jobs in the local Worthing economy and this might rise to 162 jobs once a multiplier is adopted.
- ❖ The total direct impact on the economy is estimated to be £6m, based on the spend of customers, local purchasing and staff and this could rise to £9.6m once a local multiplier (1.6) is applied.
- ❖ The economic impact (£6m) provides a return on the council's investment of almost 7.5 : 1

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<sup>6</sup> *The Contribution of Arts and Culture to the National Economy, July 2015*

<sup>5</sup> *Economic Estimates of DCMS Sectors, August 2016*

- ❖ Worthing Theatres are a clear catalyst for additional spending in other parts of the economy with around £3.1m of spending in restaurants, shops, hospitality, travel by theatre-goers who visit Worthing from outside the Borough.
- ❖ 53% of visitors attending Worthing Theatres live in Worthing and Adur. Not only do Worthing Theatres provide an important social and community function, their existence means that cultural spending is retained in the local area instead of being lost to neighbouring areas.

### **3c) The platform opportunity and recent service transformation**

- 3.9 Our Platform commitments are designed to develop our role as civic entrepreneurs to identify strengths, need and resources across our places, creating conversations that support the co-development of long term practical solutions. It is in this spirit that the Council's Platform commitments highlight the opportunity to develop the Worthing cultural offer; to continue to grow our national and regional reputation and audience base and lever in additional investment of money, networks and talent across the national and international fields.
- 3.10 Genuine civic entrepreneurship demands that we work with community partners to find the right solutions. This will involve taking a clear view of the outcomes that best serve local communities and where it is appropriate, creating wealth generating propositions for the long term benefits of our places. The Platforms based approach will often take us into new areas and will involve risks as well as opportunities.
- 3.11 The opportunity to consider an alternative model for cultural services is born out of the spectacular transformation of recent years that has significantly enhanced Worthing's reputation as a cultural destination.

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*“The town of Worthing is going through a renaissance after decades of dipping cultural activity in which its four venues were more likely to be dark in the summer months than not.... Worthing had been dismissed as God's waiting room but this summer young people are flocking to its theatres for an artform the seaside resort is making its own, as well as a year round diverse programme.”*

*Simon Tait, former arts editor for The Times, June 2017*

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- 3.12 The cultural offer in Worthing has been transformed in recent years through high quality, innovative programming, the introduction of new acts and genres;

and investment in our venues. Audiences have grown considerably and remained remarkably loyal, attending events in Worthing an average of 4 times a year; compared with a national average of nearer 2 visits. Culture is one of the elements that encourages people to visit Worthing and come and settle here. The children's offer in particular is widely regarded as important to our younger families.

3.13 Over the period 2013/14 to 2016/17:

- ❖ Theatre Ticket sales increased by 26% and revenues increased by 34%
- ❖ Family theatre revenue increased by 77% and pantomime by 42%
- ❖ Film revenue increased by 65% and live screening by 12%
- ❖ The direct costs managed by Worthing Theatres have been driven down from £837,000 to £423,000

3.14 The introduction of Summer of Circus has drawn national and even international praise for Worthing and successive Pantomime ticket sales have broken all previous box office records.

3.15 As a result this transformation and some prudent management, financial performance has improved considerably over recent years. In 2013/14 an end of year overspend of £484k was reported; whereas by year end 2016/17 effective management of costs and significant increases in income has seen this deficit reduced to £25,000. In 2017/ 18 culture has more than achieved its budget with an underspend of 32k.

3.16 The service has ambitious plans and members of the Committee will recall at their September 2017 meeting authorising funding to support a project to modernise the Museum and Art Gallery. 'Let the Light In' will dramatically raise the profile of Worthing as a home for the nationally significant costume collection; will include a Costume Research Lab that will be regularly used by Worthing MET and Brighton University students as well as TV, Film and Theatres researchers from across the UK; and allow many more of the town's works of art to be displayed.

3.17 To summarise, culture has played an important part in the historic development of our town and its communities and has a vital role to play in our future. This significance of culture to Worthing and the innovations and achievements of recent years provide a sound platform for considering the

strategy from here - how best to develop the cultural offer of the town so that it continues to thrive for the benefit of our local communities and businesses.

#### **4) Options for consideration**

4.1 Currently the Council provides the core budget to support cultural services and is responsible for the upkeep of the 4 major venues (Connaught, Pavilion, Assembly Hall and Museum & Art Gallery) as well as the supplies and services. There are limitations on the Council's ability to raise funds and competing financial priorities in other areas of council activity.

4.2 A series of options have been considered drawing on the experience of others and industry expertise. These options fall into 4 broad categories:

- ❖ Maintaining the status quo (i.e. retain all venues and their operation within a Directorate of Worthing Borough Council)
- ❖ Mothballing all or some of the venues (i.e. close some or all of the venues)
- ❖ Leasing the venues to a third party (i.e. seek an alternative provider to run the venues)
- ❖ Leasing all or some of the venues into an independent trust or similar body (i.e. transfer venues to an independent body).

##### **4.2.1 Maintaining the status quo**

The Council has an excellent team of staff who are building a national reputation and following a clear and ambitious vision. During the 2016/17 financial year the Council successfully secured a Cultural Exemption on VAT for some performances and this helped to improve financial performance.

Nevertheless, being part of the Council infrastructure imposes a number of limitations and as with all non-statutory activities, there is no guarantee that funding will continue to be available in the future.

Consultation with the Arts Council has established that an independent cultural body for Worthing would have a strong case for becoming a 'National Portfolio Organisation' (NPO) mindful of the size and significance of culture to both the Town and the wider sub-regional economy. NPO status infers regular and consistent funding via the Arts Council and is not an option that is available to a service retained by the Council. Research into the experience of other independent bodies such as Chichester Festival Trust demonstrates that

NPO status was a major consideration in the decision to become an independent body.

#### 4.2.2 **Mothballing all or some of the venues with consideration for future development**

Worthing's venues provide a variety of spaces to support a wide range of cultural activity in the town. They are historic buildings and require careful maintenance and repair; and over the longer term will demand a level of investment that it is likely to be difficult to sustain from public finances alone. The option of mothballing one or more of the venues has been explored and would remove a series of costs associated with the provision of up to date facilities suitable and safe for performers and audiences alike.

Mothballing one or more of our venues could however, limit the opportunities for a wide range of cultural events in Worthing, potentially eroding the town's growing reputation for excellence as a cultural destination. The venues also play an important role as part of our civic culture and wider identity: they are much loved by local residents for their architecture, design and historic interest - they set Worthing apart from other towns.

Analysis of this option demonstrated that mothballing would incur significant costs which would negate the financial benefits principally due to the level of income that each venue generates which in most cases is more than sufficient to recover the cost of running the venues and events that take place within them.

Overall financially there would be a substantial additional cost associated with mothballing each venue:

	Budget 2017/18	Estimated 2017/18 costs	Potential growth / saving (-) if mothballed
	If Open	If mothballed	
	£	£	£
Assembly Hall	22,740	195,998	173,258
Connaught Theatre	-176,620	305,723	482,343
Connaught Studio	-32,370	29,233	61,603
Pavilion Theatre	-65,550	409,145	474,695

#### **4.2.3 Selling or Leasing the venues to a third party**

The benefits of sale or lease of one or more of the current venues include the platform of securing a revenue stream or capital receipt for the Council. Another provider could stimulate competition and promote an increasingly vibrant cultural offer. However, realism is required on the cost of maintaining the assets.

Accordingly, an assessment of the market and discussion with other providers has indicated that there would be little appetite amongst established operators for leasing all of the current venues. This exercise did establish however, that there might be potential to secure a complementary operator on a long lease for the Assembly Hall. Accordingly, a marketing exercise was carried out seeking expressions of interest although this generated a very limited response and no firm offers.

#### **4.2.4 Leasing all or some of the venues to an independent trust or similar body**

The proposal to seek a partner to provide cultural services from the Councils facilities is likely to be classed as a 'contract for services', and as such will require an EU procurement process albeit a light touch process due to the cultural nature of the services to be delivered. This process will take approximately 6-9 months to conclude.

A commercial process will have the advantage of addressing State Aid considerations as we will be undertaking a procurement process and negotiating commercial terms with the successful tenderer. We will not be favouring any organisation as the terms will be similar, if not identical, for all prospective operators.

Within the tender documentation it will be clear that the Council will require a locally based operator who will reinvest back into the local community.

#### **Supporting an in-house bid - options for a viable delivery vehicle**

Given the quality of the in-house operation, the Council should support a bid from the in-house team. However, if successful consideration must be made about the most viable model for service delivery.



Whilst there are several potential vehicles that could be created by WBC to manage the cultural assets. The most common in the UK is a company limited by guarantee (not shares) incorporated with charitable objectives and registered with the Charity Commission. The trust would also create a 100% owned trading subsidiary to enable the commercial trading of the cafe and hiring of the venues.

A bespoke “Worthing” cultural Trust offers the prospect of a single focus on delivering a cultural offer for the town. Operating in a commercial environment a Trust would have greater freedom to generate new income streams and to drive new relationships with its audience base, funding bodies and commercial sponsors. Similar Trusts follow the model of establishing a 100% owned subsidiary Trading Company, the profits of which are recycled back into the Charity’s operations.

In a commercial environment, a trust would have full responsibility for managing its support costs; and whilst the ‘comfort’ of a being part of the Council’s wider budgeting would be removed, so would a number of the fixed overhead costs (and financial risks to the Council). In line with 3.19 (above) a Trust has genuine potential to secure National Portfolio Organisation status from the Arts Council and this would make a significant contribution to help ensuring financial stability.

A Trust would benefit from access to Gift Aid and a significant reduction in business rates were it to take the usual form of a Charitable Company limited by guarantee and fiscal incentives would offer greater potential to secure corporate sponsorship.

The transfer of WBC Cultural Services from the Council to a Trust is not without challenges and whilst some capital expenditure on the maintenance and repair of buildings would be transferred, as freeholder the Council would retain overall responsibility for the structure of buildings. An analysis of the position in relation to VAT indicates no improvement on the cultural exemption that the Council currently benefits from and some VAT payments would increase over the short term. Lessons learnt from other similar transfers indicate that pension fund liabilities are, initially, costly and need to be managed carefully.

- 4.3 Careful consideration of each of the options has led to the conclusion that the option of leasing all or some of the venues to an independent trust or similar body would present a viable option. A trust or similar entity with the freedom

to develop its cultural brand and commercial base has the potential to play a leading role in Worthing's future economic success.

## 5) Engagement and Communication

5.1 It is crucial to the success of transitioning our Cultural Services to Trust status that the relationship with key stakeholders is maintained. The stakeholders will be mapped and regional cultural partners, local cultural groups and funders will all be consulted.

5.2 The Arts Council has expressed enthusiasm for our cultural offer and support for an independent Trust on the basis that:

- There is certainty of long term funding from the Council and that any potential Trust operates at arm's length from the Council
- The transition to the new operator should not adversely impact the development and artistic programming that both theatres and the museum have achieved
- That there is strong leadership and management of the new operator
- Any Trust has a strong entrepreneurial approach to driving new revenue streams

5.3 Formal consultation will be undertaken with all affected staff and Trade unions as part of our existing managing change approaches.

## 6) Financial Implications

6.1 The current 2018/19 budget for the Theatre and Museum is as follows:

<b>2018/19 budget:</b>	Theatres	Museum	Total
	£	£	£
Employees	1,703,990	172,740	1,876,730
Direct recharges - Head of Culture	77,440	25,410	102,850
Premises	447,120	98,730	545,850
Transport	10,090	1,080	11,170
Supplies and Services	2,111,900	44,120	2,156,020

Total direct expenditure	4,350,540	342,080	4,692,620
Less: Income	-3,541,160	-66,200	-3,607,360
Net direct income	809,380	275,880	1,085,260
Departmental and client costs	88,610	12,720	101,330
Corporate costs and Support services	282,380	62,630	345,010
Capital charges	323,600	67,710	391,310
Total cost	1,503,970	418,940	1,922,910

- 6.2 The culture department achieved its overall budget in 2017/18 with a small overall underspend. The Theatres have reduced the level of overspend in the directly managed budget from £484k in 2013/14 to an underspend of £32k over the last five years.

Theatres year end results:

2013/14	2014/15	2015/16	2016/17	2017/18
£'000	£'000	£'000	£'000	£'000
484	184	120	25	-32

- 6.3 A 25 year Funding Agreement is proposed with the successful tenderer with a fixed amount payable each year determined in the contracting process. The initial financial modelling indicates a payment of £1.354m in the first year to any charitable body who assume responsibility for the Theatres and Museum. It is expected that this contract payment will decline in the initial years as the successful tenderer becomes more financially viable.
- 6.4 The funding agreement will contain a gain share provision so in the event the operator were to make profits over a certain rate after they had built up a sufficient reserve buffer, those profits should be split 50/50 basis with the Council. Although the Council is unlikely to benefit from any such income share in the initial years.
- 6.5 The five year financial forecasts show that any potential operator should be financially viable at this level of payment from the Council. However,

comparing the proposed contract payment and associated cost impacts on the Council with the current cost of operation indicates that there is substantial initial financial impact associated with the Trust proposal which is partially offset by a decrease in the Council's own costs. However this net cost will reduce over time as follows:

2018/19	In-house	Commission from a trust	Additional cost / Saving (-)
Net direct cost of theatres operation	£1,011,410	£1,354,070	£342,660
Operational support costs	£345,010	£168,390	-£176,620
Impact on collection fund	0	£31,780	£31,780
Client maintenance responsibilities	£73,850	£73,850	£0
	£1,430,270	£1,628,090	£197,820
2019/20	£1,492,260	£1,630,780	£138,520
2020/21	£1,528,520	£1,530,540	£2,020
2021/22	£1,578,940	£1,558,340	-£20,600
2022/23	£1,623,410	£1,571,010	-£52,400

6.6 There are three main factors behind the initial increased cost to the Council:

1. Pension costs

Under the Best Value Authorities Staff Transfer (Pension) Direction 2007, Council staff who transfer to the Trust will have the right to access either the Local Government Pension Scheme (LGPS) or a scheme with equivalent benefits. The Trust would intend to set up a closed pension scheme for those staff who are entitled to access the LGPS. This will help the Trust manage the costs associated with staff pension going forward, however all the staff who transfer to the new Trust will have ongoing statutory protections.

The actuary values a closed pension fund with an external contractor on a different basis from the Council. Consequently the Trust will have a higher pension fund contribution. This was certainly the experience with the creation of SDLT who have a pension fund contribution rate of 26.9% compared with the Council which has a rate of 17.0%. Using the SDLT's pension contribution rate as a benchmark, the potential pension

contribution rate would indicate additional costs in the region of £100k. Clearly as part of the preparatory work we will need to approach the actuary for a formal valuation but the rate will be substantially higher than the Council. The only question is how much higher.

2. The Trust is less tax efficient

The Council has recently successfully applied for the Cultural Exemption from HMRC for live events. This enables the Council to treat income from Live Events as VAT exempt activity and so increase the income retained by the Council. As a charitable body the Trust would also be able to apply for the Cultural Exemption.

However, the Trust is unable to reclaim the VAT on the supplies used in the provision of VAT exempt activity. Due to its unique position, the Council can reclaim VAT on such supplies (Section 33(2) of the VAT Act 1994). This adds approximately £160,000 to the costs running costs of the Trust when compared to the Council.

3. The margin charged by the Trust

Any operator is expected to charging a margin of £110,000 on the overall net of the cost of the service. This is quite appropriate given the need to create some reserves and a contingency budget for the longer term.

6.7 In addition to these larger issues, there are some other Council costs which need to be factored into the financial appraisal to ensure a 'like for like' comparison:

1. The indicative Trust budget has factored into the financial projection the impact of mandatory business rate relief. However, the cost of this relief will fall partially on the Council (40%) through the Collection Fund. This is estimated to cost the Council approximately £31k
2. The Council will still retain significant maintenance obligations for the buildings. An allowance based on the current budget of £72,210 is included to fund the Council's maintenance obligations.

6.8 Consequently, the initial additional costs associated with the outsourcing to a Trust can be largely explained as follows:

	£'000
Pension	103

Margin / Reserve contingency	112
Taxation impact	160
Net additional running costs	35
Less: Additional income	-68
Additional costs as a result of charitable trust status	342
Impact of business rate relief on the Collection fund	32
Additional costs	374

6.9 However, the potential operator should be more financially viable in the longer run, having the ability to generate more income, commercial sponsorship and external funding. Some of the costs identified in the early years associated with pensions will begin to fall as staff leave or retire. By going to market for the service, the council will also remove the risk of budget overspends.

6.10 The Council support costs are predicted to be lower if the service is externalised. The Council will be able to make some savings, principally in staffing. The proposed savings can be broken down as follows:

	£
Accountancy Team	24,060
Training budget	15,000
Exchequer Team	28,160
Reduction in banking charges	510
Human Resources	24,480
ICT services	31,570
Payroll services	12,840
Reduction in corporate budgets such as equipment, printing and stationery	40,000
	176,620

It should be appreciated that a number of costs borne by the Council are fixed, and will not change in the short to medium term as a result of contracting out services. Examples of this type of cost include the Town Hall, the data centre, software costs and external audit charges.

- 6.11 The financial impact will have to be reassessed following the tendering exercise to reflect the final price for the service.
- 6.12 To undertake the procurement exercise and set-up a new legal agreements with the successful tender will incur some additional costs not currently budgeted for as follows:

	£'000
Legal costs - Cost of setting up new contract and associated agreements	50
Actuarial review of pension costs	5
Procurement support - Cost of writing specification and supporting the procurement exercise	45
Total implementation costs	100

It is proposed that these costs are funded from the Capacity Issues Reserve.

- 6.13 The proposed legal agreements which will be drafted over the coming months will set out the following:
- The nature of the services to be delivered under the terms of the contract and the agreed financial terms
  - The lease terms for the property
  - The responsibilities of the respective parties regarding the maintenance of the buildings
  - Conditions attached to the use of the museum collections.

The agreements will also need to protect the Councils long-term interest. It is essential that the Councils buildings and collections are returned to the Council in good condition when the agreement ends for whatever reason.

## 7) Legal Implications

- 7.1 *Section 145 Local Government Act 1972* empowers a local authority to provide entertainment, arts and crafts, theatres, concerts and other similar activities, and to either provide them itself, or arrange for the provision by a

third party and then contribute towards the expenses of the third party, or do anything necessary or expedient for the delivery of entertainment or the arts.

- 7.2 *Section 12 Local Government Act 1964* relates to the local authority's powers in respect of museums and provides that they may do all such things as may be necessary or expedient for or in connection with the provision or maintenance of museums and further, may make contributions towards the expenses incurred by any person providing a museum or art gallery.
- 7.3 In selecting a service provider, procurement legislation, including *Public Contract Regulations 2015* and *Concession Contracts Regulations 2016*, would have to be complied with, as well as the Council's internal contract procedure rules. It is likely that, as a minimum, applying the 'light touch' regime, set out in Regulations 74 and 77, the Council would need to issue a prior information notice in OJEU which would alert the market and give rise to interest thereby generating competition. The contract opportunity must be advertised to all potential service providers in accordance with EU regulations and UK Law. Thereafter a competitive tendering exercise would need to be carried out and following the completion of that process, the Council must publish a Contract Award Notice. The Council can rely significantly upon the *Public Services (Social Value) Act 2012* to enable it to emphasise that it will be looking to maximise the economic, social and environmental benefits through the tender exercise.
- 7.4 The proposed subsidy from the Council to the Trust will amount to an intervention by the State which confers an advantage or benefit to the undertaking ie the Trust. However, the measure will not favour the Trust over and above other undertakings as the arrangement will be on commercial terms, it will not affect trade between member states as the activity is inherently local and there is no evidence that it will distort competition. The proposed arrangements are therefore unlikely to give rise to State Aid issues.
- 7.5 The Council would need to enter into leasehold arrangements with the Trust for the buildings and can maintain influence as landlord. The Council will therefore be able to restrict the use of the premises and ensure that the high standards of maintenance, repair and cleanliness are assured. Through the imposition of restrictive covenants the Council can therefore retain considerable influence over the provision of services at the various facilities and ensure that they remain accessible to all sections of the community, whilst imposing a bar on alienation, subletting and licensing. Provision may be made within the leases so that the lease will revert back to the Council on insolvency, subject to approval by the Charity Commission. The leases of



buildings should contain a provision relating to redevelopment so that the Council could, on reasonable notice, negotiate the return of any facility in the case of redevelopment.

- 7.6 The Museum and Art Gallery Collections will need to be subject to a Collection Management Agreement between the Council and the Trust. The Trust should be responsible for the care, conservation and maintenance of the collections throughout the term of the lease.

### **Background Papers**

None.

### **Officer Contact Details:-**

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## Sustainability & Risk Assessment

### 1. Economic

A recently updated economic and social impact study has examined these wider benefits and attempted to quantify their contribution to Worthing:

- ❖ Worthing Theatres supports 129 full-time equivalent jobs in the local Worthing economy and this might rise to 162 jobs once a multiplier is adopted.
- ❖ The total direct impact on the economy is estimated to be £6m, based on the spend of customers, local purchasing and staff and this could rise to £9.6m once a local multiplier (1.6) is applied.
- ❖ The economic impact (£6m) provides a return on the council's investment of almost 7.5 : 1
- ❖ Worthing Theatres are a clear catalyst for additional spending in other parts of the economy with around £3.1m of spending in restaurants, shops, hospitality, travel by theatre-goers who visit Worthing from outside the Borough.
- ❖ 53% of visitors attending Worthing Theatres live in Worthing and Adur. Not only do Worthing Theatres provide an important social and community function, their existence means that cultural spending is retained in the local area instead of being lost to neighbouring areas.

### 2. Social

Culture has strong social benefits and there is evidence that cultural participation can contribute to both social cohesion and community safety. Research has also established that there are benefits to both physical and mental health leading to improved clinical outcomes and reductions in the amount of time spent in hospital<sup>7</sup>. Those who attended a cultural place or event were 60% more likely to report good health, and theatre goers were 25% more likely than average to report being in good health<sup>8</sup>.

#### 2.1 Social Value

According to Arts Council data the engagement in culture in Worthing & Adur has increased from 47% to 73% in the last 8 years. This is now a thriving cultural community and the theatres and museum are an important part of many residents lives.

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## **2.2 Equality Issues**

The proposal does not have an impact on access or participation.

## **2.3 Community Safety Issues (Section 17)**

A strong cultural offer with a range of activities, particularly for young people, supports the reduction of crime and disorder

## **2.4 Human Rights Issues**

This proposal impinge does not on anyone's human rights

## **3. Environmental**

There are no implications for the management, custodianship and protection of our natural resources?

## **4. Governance**

- This report considers a potential change in governance for the current culture department.
- The Councils' reputation and relationship with our partners or community must be considered when making this decision. It is crucial that the final decision supports the development of culture within the town.
- Resourcing has been considered within the report and the proposals fully outline the effects on the Council.