



WORTHING BOROUGH
COUNCIL

Worthing Joint Strategic Committee
14 March 2024

Key Decision [Yes/No]

Ward(s) Affected:

Worthing Theatres and Museum 2025/26 and 2026/27 Service Fees and 2025 - 2030 Business Plan

Report by the Director for Place

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Executive Summary

1. Purpose

- 1.1. The purpose of this report is to set out a proposed Service Fee for Worthing Theatres and Museum (WTM) to cover the first two years of the next 5 year Business Plan period; and to consider WTM's 5 Year Business Plan.

2. Recommendations

- 2.1. That members of the Sub-Committee:
 - 2.1.1. approve a Service Fee to WTM of £1,330,247 for 2025/26 and £1,260,234 for 2026/27;
 - 2.1.2. agree that the remaining 3 years of the Service Fee will be negotiated and agreed before March 31st 2026;
 - 2.1.3. welcome WTM's 5 year Business Plan as a positive contribution toward enhancing Worthing's cultural offer in accordance with WTM's contract with the Council.

3. Background

- 3.1. Members of the Sub-Committee will recall that Worthing Theatres & Museum (WTM) was established as an independent charitable trust at the beginning of November 2019.
- 3.2. The Council's Contract with WTM requires the Council to pay an annual service fee to WTM in two equal instalments in April and October respectively. Over the past 5 years the service fee has been paid as shown in Table 1 below.

3.2.1. TABLE 1

Worthing Theatres Contract Sums Paid 20019 to 2024			
	APRIL	OCTOBER	TOTAL PAID
Nov 2019 - March 2020	0	583,750	583,570
2020 - 2021	730,005	730,005	1,406,010
2021 - 2022	738,950	738,950	1,477,900
2022 - 2023	733,145	733,145	1,466,290
2023 - 2025	711,865	711,865	1,423,730
2024 - 2025	700,130	700,130	1,400.260

- 3.3. A further contractual requirement is that both the Council and WTM should discuss and agree the Service Fee for the period 1st April 2025 to 31st March 2030 during the period April 2023 to March 2024, so that the Service Fee is agreed a full 12 months prior to its introduction.
- 3.4. The new Service Fee for the 5 year period 2025-30 should also be accompanied by a five year Business Plan for the period which advises the Council of any service improvements and investment proposals.
- 3.5. The Financial Proposal
- 3.5.1. A proposal for consideration by members of the Committee has been reached through a negotiation with WTM. The negotiation has inevitably focussed on the challenging public sector finances and the impact that has had on the Council's budgets.
- 3.5.2. Mindful of the financial context, the Council has proposed that an initial two year agreement is agreed as part of the next 5 year term, to allow for further review of the financial position

and to gauge the impact of WTM's Business Plan. The Council is particularly keen to see the outcome of the proposed focus on securing external funding as set out below.

- 3.5.3. The proposal then, is that over the next two years, the Council's contribution to WTM is reduced by 10% using the 2024/25 figure as a baseline. This reduction is split equally per annum (2 years of a 5% reduction of £70,013 based upon the 2024/25 contribution). In practice, this means that the Council's contribution would fall from its 2024/25 level of £1,400,260, to £1,330,247 for 2025/26 and to £1,260,234 for 2026/27.

3.6. The Business Plan

- 3.6.1. WTM is a charitable company limited by guarantee: its management team reports to a Board of Trustees who are responsible for agreeing the 5 Year Business Plan in consultation with the Council as part of the regular cycle of negotiating and agreeing a Service Fee.
- 3.6.2. WTM's 5-year business Plan is founded on 6 Strategic Aims (set out below) supported by a series of objectives, together with expected outcomes and an indication of how these will be achieved. The Business Plan identifies Key Performance Indicators (KPI's) which have been prepared and reviewed in consultation with the Council through quarterly monitoring; and establishes the financial context for WTM's operational activity and development over the business plan period.

3.7. Serving our community

- 3.7.1. The key objective focuses on supporting those in need in our local communities; engaging with young people and removing barriers to entry into creative activity. Aspects of delivery that are measured include the number of opportunities for active participation; engagement with local voluntary and charitable groups; and the diversity and inclusiveness of the creative programme.

3.8. Programme Development

- 3.8.1. Programme Development objectives are founded on creating high quality work that enhances Worthing's cultural reputation; celebrating the good night out and family fun; championing

inclusion and work that celebrates diversity; promoting local artists. The outcomes that are measured include the number of new local partnerships with local artists; audience satisfaction; and the experience of audiences and participants.

3.9. Capital Development

3.9.1. The key objectives for capital development include exploring the prospect of additional cinema capacity at the Connaught to unlock further opportunities to host theatre and dance in the main auditorium. Improved facilities at the Pavilion, including an increase in space in the theatre wings, are intended to support larger shows. The phased redevelopment of the museum through the 'Let the light in' project is intended to deliver a new café; shop; learning space and archaeology gallery; as well as refurbishment of the main gallery space.

3.10. Make our Theatres and Museum green

3.10.1. A sustainability strategy is intended to achieve the objective of carbon neutrality for all of Worthing's venues by 2030. In addition to minimising waste, the Business Plan envisages ground source heat supply to the Museum, Connaught and Assembly Hall being installed.

3.11. Audience Development

3.11.1. The Audience Development Plan has been developed using data on existing and potential audiences including an area profile report. The Plan looks at how existing audiences can be maximised and where there is potential to grow a new audience by diversifying the programme. Market development outcomes are geared toward increasing the number of first-time bookings and growing the membership scheme.

3.12. Financial Stability

3.12.1. The Business Plan reflects on the impact of the challenging economic climate as well as the potential for WTM to have a positive impact on the local economy. The Business Plan's

stated aim is to ensure that an exceptional customer experience and well-maintained facilities contribute toward financial resilience. Building a robust financial reserve is a priority alongside ensuring business and procurement efficiency. The Plan envisages an increase in secondary spending via its trading subsidiary to support the work for the Trust and stronger links with local businesses including local restaurants.

3.13. Fundraising Strategy

- 3.13.1. One of the areas of activity that the Council has been particularly keen to see develop is WTM's ability to secure external funding to support and develop its activities. The Business Plan sets out a Fundraising Strategy Overview as part of its objective to deliver a robust and diverse funding model that balances the Service Fee from the Council with earned income and externally raised funds.
- 3.13.2. The Business Plan anticipates a further bid to the Arts Council for NPO status to support its participatory agenda; as well as targeted grant funds to support audience development; the Museum; and toward additional cinema space at the Connaught. The Plan identifies the importance of Trusts and Foundation grants over the 5 year period and seeks to expand the membership schemes and opportunities for legacies and individual donations as well as corporate support.

4. Issues for consideration

- 4.1. The Agreement (the contract) relating to the management operation of Worthing's Theatres and Museums is for a 25 year period, ending in October 2044. The Agreement provides scope for changes in the service provided, mindful of changing needs of our communities during this period.
- 4.2. The Agreement with WTM specifies that unless the Council agrees to take into account any exceptional circumstances, the Service Fee shall not increase at any point during the service period or any five year period.
- 4.3. As part of the dialogue around the new Business Plan and negotiation of a Service Fee, the Council has highlighted the challenging economic

circumstances; budgetary pressures and the need to achieve its stated priorities for Worthing. In the context of the Council's wider budget setting for the coming year, a real terms and percentage reduction in the Service Fee is felt to be appropriate.

- 4.4. The Business Plan reflects consideration of alternatives on the part of the consultees and consultation with the Council as part of regular (quarterly) monitoring of a set of Key Performance Indicators that reflect the requirements of the Agreement. The Council has through this dialogue emphasised the importance of WTM securing additional funding from external sources to complement its earned revenue and to invest in Worthing's cultural offer.

5. Engagement and Communication

- 5.1. The Business Plan has been prepared by WTM and agreed with its Board of Trustees. The Service Fee and Business Plan have been proposed as a result of a negotiation between WTM and the Council in the context of the wider Agreement to manage and operate the Council's cultural portfolio over a 25 year period.

6. Financial Implications

- 6.1. Members are recommended to approve service fee payments to WTM of £1,330,247 for 2025/26 and to £1,260,234 for 2026/27. These reflect a £140,026 (10%) reduction on the 2024/25 contract amount of £1,400,260 spread over the 2 years.
- 6.2. The remaining 3 years of the 5 year Service Fee will be negotiated and agreed before March 31st 2026.

7. Legal Implications

- 7.1. s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation
- 7.2. Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

- 7.3. s1 Local Government (Contracts) Act 1997 confers power on the Council to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the Council.
- 7.4. The Contract relating to the Management and Operation of Worthing Borough Council's cultural portfolio was entered into on 19th September 2019. It was agreed that the first five year business plan would run until 1st April 2025 with the proposed business plan for 2025 to 2030 being agreed in advance of the fifth year. The timetable for agreeing the service fee is the same but by paragraph 27.4 of the Contract the parties may agree alternative proposals.

Background Papers

- [Worthing Theatres & Museum Business Plan 2024 to 2030](#)
- [Worthing Theatres and Museum - The Future of Culture for Worthing](#)
- JSC, 9th July 2019
- [Worthing Theatres & Museum - The Future of Culture for Worthing](#)
- JSC, 5th March 2019
- [Annual Review 2022-23](#)
- [Key Performance Indicators \(KPI\) Review 2022-23](#)
- [Economic Impact Report 2022-23](#)
- [Social Impact Report 2022-23](#)

Sustainability & Risk Assessment

1. Economic

Culture is of vital significance to our local economy, employing a growing number of people across a range of skilled activities. A vibrant cultural offer is a significant consideration for businesses seeking to attract new employees and helps to support our visitor economy.

2. Social

The contractual relationship with the Trust is predicated on a formal expectation of extending the scope and range of work with our local communities. This includes working with our schools and colleges to support the development of new skills valued by the creative sector.

2.1 Equality Issues

The Council's contract with WTM includes a formal commitment to inclusive programming which includes youth theatre; signed and audio described screenings and autism and dementia friendly screenings.

2.2. Community Safety Issues

As is the case with any venue offering public performance and participative programming, careful attention is paid to ensuring that safeguarding remains a priority and that the safety of customers/participants is paramount.

2.3. Human Rights

Issues Matter considered and none identified.

3. Environmental

The Trust is expected to embody a commitment to sustainable procurement and to pay close attention to minimising waste and its use of resources.

4. Governance

WTM is a charitable company limited by guarantee