

North Lanarkshire Council Report

Communities Committee

Does this report require to be approved?

☒ Yes ☐ No

Ref LR/HL

Date

29/04/24

Cumbernauld Theatre Trust – Service Level Agreement and Funding Agreement 2024/25

From Lyall Rennie, Chief Officer (Community Operations)

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Executive Summary

This report provides an update on the recently agreed Service Level Agreement with Cumbernauld Theatre Trust (CTT), seeks approval of the proposed funding agreement for the period 2024-25 and provides an update on operation of the Lanternhouse Venue over the last year.

Recommendations

It is recommended that the Communities Committee:

1. Acknowledges the terms of the Service Level Agreement with Cumbernauld Theatre Trust, attached at Appendix One.
2. Approve the funding of Cumbernauld Theatre Trust to the value of £100,300 for the period 2024-25.
3. Otherwise, note the contents of the report.

The Plan for North Lanarkshire

Priority	Improve the health and wellbeing of our communities
Ambition statement	(15) Encourage the health and wellbeing of people through a range of social, cultural, and leisure activities
Programme of Work	Statutory / corporate / service requirement

1. Background

- 1.1 Cumbernauld Theatre Trust (CTT) began operating from the new, custom-built theatre on the Cumbernauld Academy campus in September 2021. Working in partnership with North Lanarkshire Council, the Lanternhouse Theatre offers a varied and quality cultural programme and works in support of the creative industries. The venue provides access to the community, an asset to schools, community groups and colleges and also works to improve employability opportunities in North Lanarkshire.

2. Report

- 2.1 In line with the council's ongoing support of CTT and our shared partnership within the Lanternhouse, a grant of £100,300 is proposed for 2024-25. This commitment supports the work of CTT and in addition, underpins the council's commitment to improving the health and wellbeing of our communities by supporting participation in a range of social, cultural and leisure activities. The performance of CTT is monitored by the Active & Creative Communities Manager who attends quarterly meetings of the CTT Board and work in partnership with the organisation to maximise the success of this important community venture.
- 2.2 In support of the proposed grant, North Lanarkshire Council has put in place a Service Level Agreement, attached at Appendix One, which sets out the terms of the agreement to operate in partnership a cultural and community venue which presents a varied and quality cultural programme and supports community participation and the creative industries. The terms of the agreement set out a number of targets to support community participation and engagement through the use of:
- drama productions
 - drama productions aimed at children & young people
 - youth theatre provision
 - music
 - dance
 - Christmas production
 - Cinema
- 2.3 North Lanarkshire Council has a strong partnership with CTT, with the council responsible for the management of community hires and the overall operation of the building.
- 2.4 CTT have experienced another positive year of engagement, albeit it is recognised that much of the theatre landscape continues to be challenged post-recovery from the pandemic. The Trust continue to focus on supporting in-house production wherever possible, with a range of collaborative productions led by local groups being given the opportunity to present in a first-class theatre environment. Supporting visitor theatre companies across Scotland has generated good levels of income and highlighted the importance of the venue to the overall Creative Scotland agenda. CTT income also relies on cinema use with a range of popular films shown throughout the year. Moving forward, the Trust are seeking to better understand and target services to their audience and a focus on marketing and communication is key at this time. Working in partnership, the council has provided an opportunity to also tie in with Active & Creative Communities customer base to share offers, as appropriate.

3. Measures of success

- 3.1 Achieved ambition of delivering a cultural and community hub which presents a varied and quality cultural programme and supports the creative industries. The venue provides access to the community, provide an asset to schools, community groups and colleges and also improve employability opportunities in North Lanarkshire.
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Lyall Rennie
Chief Officer (Community Operations)

4. Impacts

4.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact? If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input type="checkbox"/>
4.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact? Discussions with Financial Solutions have confirmed funding is in place to support this recommendation.
4.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?
5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?
5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/>
5.6 Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

<p>If Yes, please provide a brief summary of the impact?</p> <p>Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.7 Environmental / Carbon impact</p> <p>Does the report / project / practice contain information that has an impact on any environmental or carbon matters?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p>
<p>5.8 Communications impact</p> <p>Does the report contain any information that has an impact on the council's communications activities?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p>
<p>5.9 Risk impact</p> <p>Is there a risk impact?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?</p>
<p>5.10 Armed Forces Covenant Duty</p> <p>Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.</p>
<p>5.11 Children's rights and wellbeing impact</p> <p>Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).</p> <p>If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>

Appendix One - FUNDING AGREEMENT between NORTH LANARKSHIRE COUNCIL and CUMBERNAULD THEATRE TRUST LIMITED

2024-25

THE FUNDING AGREEMENT

This funding agreement sets out the conditions under which the sum of £100,300 is awarded by **North Lanarkshire Council** (hereinafter referred to as **the council**) and **Cumbernauld Theatre Trust** (hereinafter referred to as **the organisation**). The funding agreement may not be altered without prior consultation with North Lanarkshire Council.

SECTION A – ACTIVITIES AND UNDERTAKINGS

OPERATING ARRANGEMENTS & PROGRAMME

- 1.1 Aim - to promote a quality, accessible programme of performing arts activities.
- 1.2 This Funding Agreement sets out the terms of the agreement to operate in partnership a cultural and community venue which presents a varied and quality cultural programme and supports community participation and the creative industries. The venue will operate, under the terms of the Licence to Operate, for the subjects known as Lanternhouse, Cumbernauld Theatre, Cumbernauld Academy Hub, Cumbernauld providing access to the community, an asset to schools, community groups and colleges and also improve employability opportunities in North Lanarkshire.
- 1.3 On the assumption that reasonable budget expectations will be achieved, the organisation will undertake a programme listed in schedule 1 of this agreement during the year ending 31st March 2025. The organisation may amend the programme during the course of the year should circumstances warrant it subject to agreement by the Council.
- 1.4 Schedule 1 sets out the planned artistic programme submitted to the Council for agreement by the organisation and includes (but is not limited to): -
 - drama productions
 - drama productions aimed at children & young people
 - youth theatre provision
 - music
 - dance
 - Christmas production
 - Cinema
- 1.5 Number of days open to the public: 363

MANAGEMENT OF THE AGREEMENT/OPERATIONAL ACTIVITY

- 1.6 On a quarterly basis, senior management meetings will take place between the council and the organisation. In attendance from North Lanarkshire Council will be Active & Creative Communities Manager and Creative Resources & Assets Manager. The organisation will be represented by the Chief Executive and Depute Chief Executive. The Active & Creative Communities Manager will attend board meetings in the role of client officer on behalf of North Lanarkshire Council (see 3.21 below).
- 1.7 Day to day operation of the venue will be led, for the council, by the Events Co-ordinator, supported by Venue Attendants. The Events Co-ordinator will liaise with the organisation on all matters relevant to the organisation.

EQUALITY AND DIVERSITY

- 1.8 The organisation is expected to implement an Equality and Diversity policy in line with North Lanarkshire Council policies and all relevant legislation (e.g. The Equality Act 2010). The Organisation's Equality Policy must include (but not be limited to) recruitment procedures, employees, programming, communication, and the composition of the Board.
- 1.9 The organisation must take the necessary steps to implement the requirements of the Equality Act 2010 by through fully inclusive practice in service provision.
- 1.10 A copy of the organisation's Equality and Diversity Policy must be made available to the Council on request.
- 1.11 The organisation must report on use of the Theatre by people and groups with protected characteristics.

CONDUCT

- 1.12 North Lanarkshire Council is committed to upholding the highest standards of best practice at every level. As an organisation supported by the council, it is critical that the actions of the organisation, its employees or Board Members supports this approach and does not bring the council into any form of disrepute.
- 1.1.3 Should any matter of concern arise, this should be addressed by adherence to the approach outlined in Section F.

OTHER UNDERTAKINGS

- 1.1.4 The organisation undertakes to:
- maintain a high standard of managerial practice throughout the organisation;
 - promote community involvement in board membership;
 - develop business and marketing strategies which promote access and attract new audiences;
 - participate in joint programming and curriculum initiatives with the Council (Active and Creative Communities);

- participate in joint marketing & communication initiatives with the Council, as appropriate;
- report on all market research carried out;
- record and report on complaints/comments dealt with;
- report on the amount of media coverage received; and

SECTION B - TARGET OUTCOMES

The organisation undertakes to use all reasonable endeavours to secure the following outcomes: -

- 2.1 To promote a programme of quality, accessible arts activities
- 2.2 To gain agreed attendance levels per annum at performances/events taking place within Cumbernauld Theatre excluding the education/outreach programme. The last quarterly monitoring meeting before the new 'funded' year will be an opportunity for both parties to agree KPI with regards to expected performance levels.
- 2.3 To gain at least 40% of its income from non-public sources. This comprises both earned income from box office, external funding (grants and sponsorship), or the net profits of ancillary trading operations, and contributed income in the form of sponsorship and donations.
- 2.4 To provide details annually of;
 - the per capita cost per attendance for the programme outlined in Schedule 2;
 - the number of projects targeted at people with protected characteristics and the uptake;
 - the amount of time the theatre has been 'dark' and the reasons for this;
 - the number of successful and unsuccessful funding applications made; and
 - details of external funding / earned income as a % of overall budget.
- 2.5 To trade solvently.
- 2.6 To advise the Council at the earliest opportunity if it becomes evident that the agreed targets stated above are unlikely to be realised.

SECTION C - CONDITIONS OF FUNDING AGREEMENT

DURATION OF FUNDING AGREEMENT

- 3.1 This funding agreement shall be for 1 year beginning 1 April 2024. No specific budgetary commitment can be given in advance of the annual approval by North Lanarkshire Council of the revenue budget for Active and Creative Communities. Funding awards may be reduced or withdrawn dependent on the revenue budget allocation.

PAYMENT OF GRANT

3.2 Funding Agreement

North Lanarkshire Council confirms the provision of the payment of budgeted grant funding of £100,300 to Cumbernauld Theatre for 2024/25 to support the business, subject to receipt of confirmation from Cumbernauld Theatre that the Service Level Agreement has been signed and approval from the relevant committee of North Lanarkshire Council.

North Lanarkshire Council confirms that rental of the venue has been valued at £50,000 per annum. In line with earlier agreement and to support the Trust, the council has offered additional, tapered support from date of entry by the organisation in 2021, with the final year of support as shown below:

2024/25	Additional grant of £7,300	33% of difference between £50k and £28k
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3.3 Grant payments will be made only to the organisation to which the original offer is addressed. The organisation must advise the Council in writing about any change of name or change in constitutional status before it happens. Transfer of grant to another organisation is not permitted.

3.4 The grant will be issued in four equal instalments: -

- instalment 1 - April 2024 (or as close to date at which Committee approval is given)
- instalment 2 - following receipt of first quarter financial statement and signing of funding agreement for 2024/25
- instalment 3 - following receipt of second quarter financial statement
- instalment 4 - following receipt of third quarter financial statement

3.5 All to be paid in line with schedule detailed in section 3.4. The organisation may request in writing for instalment payments to be varied to meet cash flow requirements but this is subject to agreement by the Council.

FINANCIAL STATEMENTS

3.6 The organisation must provide quarterly financial statements of actual versus projected expenditure to the North Lanarkshire Council, Active and Creative Communities nominated officer. These must be submitted not later than four weeks after the end of each quarter for the following accounting periods: -

1 April – 30 June
1 July - 30 September
1 October- 31 December
1 January - 31 March

3.7 The organisation must send to the Council's nominated officer: -

- annual audited accounts within six months of the year end with a copy of the auditor's "Management Letter".

- any other financial or statistical data as may be required by the Council. Quarterly performance figures to be provided to the council for inclusion in NLC performance reporting.
 - the annual cash flow forecast and any revisions of these during the year.
- 3.8 The organisation must comply with any request from the Council and its nominees to inspect the organisation's books of accounts and administrative records.

RESERVES

- 3.9 Accumulation of provisions and reserves is encouraged so long as these aim to support activities that come within the scope of the Council's funding agreement. The Council's consent must be obtained in relation to transfers for any other purpose.

SURPLUS

- 3.10 The organisation must consult the Council about proposals to distribute any surplus available on winding up. All remaining North Lanarkshire Council funds should be returned before distribution of funds is undertaken.

ACKNOWLEDGEMENT OF FUNDING

- 3.11 The organisation must acknowledge the funding from the Council on all promotional material. This must be in the form specified by the Council. This acknowledgement and any other reference to the Council must not be used to imply that the Council is responsible for the organisation's activities, debts or obligations. Copies of all of the organisation's publicity material must be shared with the Active and Creative Communities nominated officer on a regular basis.

BREACH OF THE FUNDING AGREEMENT BY THE ORGANISATION

- 3.12 Funding is awarded for the programme of work set out in Schedule 1 of this offer – this will include an agreed position on the organisation's capacity to provide technical support for community events. Any change in programme must be agreed in advance by the Council. If the organisation deviates from the agreed programme without the prior agreement of the Council the funding may be withdrawn or reduced at the Council's sole discretion.
- 3.13 The Council shall have the right to undertake a formal review of the organisation's affairs and demand immediate re-payment by the organisation of the whole of the funding or any part thereof if the organisation: -
- fails to attend quarterly monitoring meetings
 - fails to adhere to the procedures relating to the acknowledgement of funding outlined in 3.11 of this agreement.
 - fails to implement relevant legislation
 - ceases to operate
 - significantly alters the agreed programme of work

- does not maintain a high standard of quality of work
- following full consideration, as outlined in Section F is found to have behaved in a manner which is considered to bring the council into disrepute
- does not comply with the conditions outlined in this funding agreement

ACTIVITIES

3.14 The funding from the Council must not be applied to:

- any activities which fall out with those listed in Schedule 1 of the funding agreement.
- the costs of performances outside Scotland.

3.15 Any additional funding, grant, award, or sponsorship from any source including the Council will not prejudice this agreement and will be expected to create additional activity or support additional resource.

COMPLEMENTARY TICKETS

3.16 The issue of complimentary tickets should not normally exceed 5% of audience seating capacity over a season or series of events.

EXPLOITATION OF PRODUCT

3.17 The Council encourages the organisation to exploit its productions, products or activities in whatever way or medium including film, broadcasting, and digital. The organisation should negotiate to be entitled to a share of the profits reflecting as far as possible the relative levels of investment made by the parties on a full cost basis.

3.18 The organisation must ensure that the benefits from the exploitation of its products are not exceeded by those negotiated by any employee or employees involved. It should also ensure that it negotiates such arrangements jointly with employees who may stand to benefit.

3.19 The requirement to acknowledge funding from the Council (See Clause 3.11) will include all publicity and programme material related to broadcasts, film, audio tapes, CD, web, digital and social media etc.

3.20 Unless otherwise stated, the Council does not seek ownership of intellectual property rights in material produced through the application of Council funding.

MEETINGS

3.21 The organisation must hold at least four meetings of its managing (or executive) body during the financial year.

3.22 The Council's nominated officer (or his/her representative) is entitled to attend these meetings as well as meetings of any sub-committee. One copy of all notices, agendas, papers, and minutes should be submitted to the Council's nominated officer in advance of these meetings.

SECTION D - MONITORING AND REVIEW

Ongoing Monitoring & Review

- 3.31 Six monthly performance reports require to be submitted to North Lanarkshire Council (marked for the attention of the officers acting on behalf of the council), which highlight the key activities and outputs achieved by Cumbernauld Theatre as set out in Schedule 1. These performance update reports may take the form regular Steering Group performance reports.
- 3.32 Any anticipated or unexpected deviations from achievement of planned outcomes must be reported to the council timeously.
- 3.33 The Council and the organisation will each appoint one officer to be the point of contact in each organisation to speak on their behalf.

Management of the organisation.

- 3.34 North Lanarkshire Council will use all reasonable endeavours to provide advice to the organisation's senior staff when requested, as far as resources permit.
- 3.35 The organisation will be consulted on arts and cultural matters by the Council as appropriate.

SECTION E – NEW CONDITIONS OF FUNDING AGREEMENT

- 4.1 The Council reserves the right to introduce new funding conditions as required.

SECTION F - PROCEDURES FOR SETTling DISPUTES

- 5.1 Any dispute arising in connection with the fulfilment of this funding agreement which cannot be resolved via discussion between the Council's and the Organisation's nominated officers will be settled by either party providing written details of the breach of the agreement, the action required of the other party to remedy the breach and the timescale required to remedy the breach.
- 5.2 If the breach is not capable of remedy, or it is not remedied within a reasonable period of time following the original complaint, discussion with the Council and referral to the Chief Executive of the Council to nominate a suitable arbiter will be the course of action.

SECTION G - TERMINATION OF AGREEMENT

- 6.1 If the reason for terminating the agreement relates to a dispute that has arisen between the organisation and the Council the dispute procedures outlined in Section F must have been implemented prior to notice of termination being given.

6.2 The agreement may be terminated or suspended immediately by either the Council or the organisation in the event of any of the following: -

- the closure bankruptcy or liquidation of the organisation.
- gross mismanagement or gross misconduct.
- criminal or corrupt practices.
- the organisation ceasing to provide the services specified in this agreement without Council approval.

SECTION H – ACCEPTANCE


CONTACT DETAILS


North Lanarkshire Council	Senior Responsible Officer Lyll Rennie Chief Officer (Community Operations) renniely@northlan.gov.uk
	Acting on behalf of North Lanarkshire Council (Designated Officer) Heather Liddle Active & Creative Communities Manager liddleh@northlan.gov.uk Craig Smart Creative Resources & Assets Manager smartcr@culturenl.co.uk
Cumbernauld Theatre Trust	Sarah Price Chief Executive sprice@cumbernauldtheatre.co.uk Amanda Young Depute Chief Executive ayoung@cumbernauldtheatre.co.uk

Please complete the section below and return both copies of this document to North Lanarkshire Council (Active & Creative Communities Manager).

One copy will be returned to you on receipt.

Agreement undertaken on behalf of North Lanarkshire Council and Cumbernauld Theatre Trust.

North Lanarkshire Council	
Name:	Lyall Rennie
Designation:	Chief Officer (Community Operations)
Signature:	
Date:	23/02/2024

Cumbernauld Theatre Trust	
Name:	Sarah Price
Designation:	Chief Executive
Signature:	
Date:	22/02/2024

North Lanarkshire Council

Cumbernauld Theatre Trust **Funding Agreement 2024/25**

Schedule 1

Programme

During 2024/25 Cumbernauld Theatre Trust Ltd will develop and deliver a broad ranging programme of creative projects including performances, participatory workshops, talks, residencies, and bespoke specialist activity particularly focussed upon engaging young people in artistic programmes.

This broad ranging programme will be delivered primarily from the company's base, Lanternhouse, Cumbernauld. Elements of the activity may be delivered in conjunction with other statutory and voluntary sector organisations and therefore may take place out with the Theatre building in locations such as schools, community centres or other public and/or performance spaces.

The primary aim of this wide-ranging programme is to ensure that the communities of Cumbernauld and wider North Lanarkshire have access to the best of professional creative arts services as both audiences and participants.

Statistical Summary:

Number of Performance Events: Total Target Numbers of Events

Comprised of the following:

Professional Drama Performances	(including CT productions) (up to 220 performances)
Professional Music Performances	(up to 40 performances)
Professional Dance Performance	(up to 4 performances)
Professional Classical Music	(up to 10 performances)
Professional Performance: Other	(comedy, talk, film, etc) (up to 15 performances)
Community Drama Performances	(up to 10 performances)
Community Music Performances	(up to 5 Performances)
Other Community Performances	(up to 5 performances)

Total Performance Events: Up to 309 performances per year

Participatory Activity: Learning & Outreach Sessions

Workshops for Young People (up to 90 workshops/classes)
Support for Adult Learners (up to 42 sessions)

Total Workshop/Classes: Up to 132 classes per year