

Chichester District Council

OVERVIEW AND SCRUTINY COMMITTEE

16 January 2018

Cultural Grants

1. Contacts

Cabinet Member:

Eileen Lintill - Cabinet Member for Wellbeing and Community Services
Telephone: 01798 342948 E-mail: elintill@chichester.gov.uk

Report Author:

Dave Hyland – Community and Partnerships Support Manager
Tel: 01243 534864 Email: dhyland@chichester.gov.uk

2. Recommendation

- 2.1 That the committee endorses the proposed Funding Agreements and monitoring arrangements for Chichester Festival Theatre and Pallant House Gallery.**

3. Background

- 3.1 Chichester District Council has a long history of supporting the arts, in particular through two key grant arrangements to Chichester Festival Theatre (CFT) and Pallant House Gallery (PHG). Most recently both organisations have been party to eight year funding agreements that will expire in March 2018.
- 3.2 In 2016, a formal review of funding for both organisations was initiated to consider the future of these funding arrangements, under the heading of “Cultural Grants”. Recommendations were presented to Overview and Scrutiny Committee in November 2016 and were approved by Cabinet in December 2016.
- 3.3 Funding for the next four years (2018 to 2022) was committed, which was intended to be formalised within Funding Agreements. It was delegated to the Head of Community Services, in consultation with the Deputy Leader and Cabinet Member for Wellbeing and Community Services, to agree the terms of the Funding Agreements including relevant break clauses.
- 3.4 Cabinet further delegated that the monitoring of these Funding Agreements would, as with previous arrangements, be conducted by Overview and Scrutiny Committee. It is therefore beneficial if Overview and Scrutiny consider the Agreements, and the proposed Monitoring Frameworks which will be appended to the Agreements.

4. Outcomes to be achieved

- 4.1 In setting the context for the Review in 2016, Cabinet had agreed five clear outcomes:

- a) sustained cultural benefit to the District of the productions staged at CFT and the temporary and permanent art exhibitions at PHG
 - b) sustained positive economic impact for the District made by the two venues
 - c) sustained positive social impact for District Residents made by the two organisations
 - d) the amount of external funding, particularly from Arts Council England, that is leveraged as a result
 - e) effective financial stewardship exercised by both organisations
- 4.2 In agreeing funding for the next four years, it was indicated that it was these same outcomes that should be achieved with the funding this Council provides, and would therefore form the basis of this Council's Funding Agreements and monitoring during this period.

5. Proposal

- 5.1 A draft Funding Agreement written for Chichester Festival Theatre (Appendix 1), with a supporting Monitoring Framework (Appendix 2), is appended to this report for consideration by the Committee.
- 5.2 A draft Funding Agreement written for Pallant House Gallery is appended to this report (Appendix 3) for consideration by this Committee. A supporting Monitoring Framework is still being discussed with PHG, following the same structure and Themes as set out in Appendix 2.

6. Alternatives that have been considered

- 6.1. The draft Funding Agreement is broadly in line with the current Agreement (expiring March 2018). It differs from the Agreements drafted for the discretionary grants awarded by the Grants and Concessions Panel, which are intended to cover a much wider range of applicant type, project or service. Such grants are typically one off in nature and don't require regular monitoring, therefore the Agreements obligate grant recipients in line with our conditions of funding. It was felt that the nature of the relationships with CFT and PHG are more strategic in nature, and don't require alignment with the general grant conditions. However they do require regular monitoring. It was felt that bespoke agreements should be used rather than the generic Agreements used for discretionary grants.
- 6.2. Funding could be paid as a grant without any written Agreement, but this was not the preference of Cabinet. A formal Agreement, signed off by both parties makes a long term commitment that assists both recipients with longer term certainty of funding income which can be valuable in underpinning jobs, alternative sources of funding and long term planning. For this Council it formalises a verbal commitment and ensures a mechanism for achieving the identified outcomes over the next four years.

7. Resource and legal implications

- 7.1. Having made the commitment, the funding requirement for 2018 to 2022 has been identified within the Council's budgets for that period. Payments over the four years will be subject to the requirements outlined in the Agreement, but the commitment is secure in the presumption that both parties can continue to satisfy this Council of their respective performance.
- 7.2. Following the current restructure of Council Departments, it is proposed that the monitoring of these Cultural Grants (and the relationship management with those two organisations) will transfer to Culture Division (Manager, Sarah Peyman).
- 7.3. The draft Funding Agreement has been reviewed and approved by the Legal and Democratic Services Manager to ensure the Council's best interest are served. Cabinet made the particular point that the funding would be subject to the continued receipt (by both organisations) of Arts Council England (ACE) funding. While CFT and PHG are "Portfolio Organisations" (identified within ACE's portfolio of funded organisations for the period 2018 – 22), ACE's own funding is only confirmed from Government for the period to 2020. An appropriate break clause is outlined in the Agreement, to preserve the Council's interest in the event of non-continuance of that funding in 2020.

8. Consultation

- 8.1. The development of the Monitoring Framework has been undertaken in full consultation with CFT and PHG. While the outcomes have indicated the areas that this Council is most interested in, there has been an opportunity for both organisations to indicate the measures or activities that they could report on, drawing from existing management information, reporting requirements to other funders etc.
- 8.2. CFT have been very proactive in this regard, hence the appended document for consideration by the Committee. PHG have taken longer to make initial suggestions for their Monitoring Framework, and a verbal update on progress can be given to the Committee. It is expected that the Frameworks for both organisations will be broadly similar and hoped that the Committee can endorse the process based on the CFT example. Both Agreements will be entered into under the existing delegation from Cabinet.
- 8.3. It should be noted that CFT are proposing written reports in October annually, to align with their new initiative to produce an annual review document which would cover their preceding "Festival" and "Winter" seasons.
- 8.4. Both CFT and PHG have expressed some concern that what they perceived as a four year commitment has been reduced to a two year agreement with the possibility of further funding. Both have been reassured as to the Council's intentions as outlined in 7.3 above, and it is hoped that the Funding Agreement as drafted is viewed as a clear commitment for four years.

9. Community impact and corporate risks

- 9.1. The Review of funding for both organisations was widely debated by Cabinet and Council at the end of 2016 and on balance the significant benefit of both organisations to the local community was widely accepted.
- 9.2. It is however recognised that the financial future of this Council is less certain and a renewal of an 8 year agreement could not be supported. A four year commitment to both organisations remains a significant one, and the proposed Funding Agreements are the mechanism for ensuring that the Council's grants continue to achieve on the outcomes set out in the period to 2022.

10. Other Implications

Crime & Disorder:	No
Climate Change: Positive, organisations are required to report on initiatives that improve their environmental sustainability	Yes
Human Rights and Equality Impact:	No
Safeguarding: Both organisations undertake projects or initiatives with Children or Adults as defined by the Care Act. Monitoring will highlight activities designed for or delivered to these groups.	Yes

11. Appendices

- 11.1. Appendix 1 – draft Funding Agreement with Chichester Festival Theatre
- 11.2. Appendix 2 – draft CFT Monitoring Framework, attached to Funding Agreement
- 11.3. Appendix 3 – draft Funding Agreement with Pallant House Gallery