

Culture and Communities Committee

10.00am, Thursday, 29 February 2024

Capital Theatres Company Performance Report 2022/23

Executive/routine
Wards

Routine
All

1. Recommendations

- 1.1 It is recommended that Committee:
 - 1.1.1 Note the positive performance of Capital Theatres Trust during 2022/23.
 - 1.1.2 Refer this report to the Governance, Risk and Best Value Committee for noting and scrutiny (as set out in paragraph 3.3).

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Capital Theatres Company Performance Report 2022/23

2. Executive Summary

- 2.1 The report covers the Capital Theatres Trust company performance period of September 2022 to September 2023. The Trust's activities are designed to offer a broad spectrum of opportunities to all ages to participate in and enjoy. These opportunities include theatre, dance, opera, comedy, film, children's shows, musicals, community engagement programmes and weekly venue-based activities.
- 2.2 Capital Theatres are active in both co-production projects and commissioning new work.
- 2.3 The King's Theatre capital redevelopment project is also underway. A full update on the capital project is timetabled for Committee in May.

3. Background

- 3.1 This is the tenth annual performance report prepared as a requirement of the Services and Funding Agreement process adopted in 2013/14.

Governance of ALEOs

- 3.2 An update on the reporting on the Council's Arm's Length External Organisations was approved by Policy and Sustainability Committee on [25 February 2020](#). This report confirmed that the responsibilities of Executive Committees and Governance, Risk and Best Value Committee were as follows:
 - 3.2.1 Executive Committees – should scrutinise the future direction of the ALEO, performance of service delivery, progress against any agreements such as Service Level Agreements, and any emerging issues; and
 - 3.2.2 Governance, Risk and Best Value Committee – should scrutinise the ALEO's financial performance and any risks impacting the Council and/or ALEO.
- 3.3 Therefore, it is recommended that this report be referred to Governance, Risk and Best Value Committee for scrutiny of the financial performance of the organisations and any risks impacting Capital Theatres Trust.

4. Main report

- 4.1 Capital Theatres reports on its performance to the Council in line with the Strategic Partnership Agreement on a monthly, quarterly and annual basis, including submission of all Board Papers.
- 4.2 The period of the Strategic Partnership Funding Agreement with Capital Theatres was inevitably impacted by COVID. The Agreement has evolved and adapted to the environment. In all cases, any changes have been discussed and agreed with the monitoring officers.
- 4.3 Capital Theatres continues to deliver services to communities, audiences, and artists and to develop new strands of creative work in 2022/23, including:
 - 4.3.1 Six of the Trust's co-productions were staged in their venues as well as around Scotland. Sunshine in Leith co-produced with Pitlochry Festival Theatre at the King's Theatre; James IV: Queen of the Fight co-produced with Raw Material, in association with National Theatre of Scotland in the Festival Theatre; The Gift co-produced with Barrowland Ballet in The Studio commissioned by Aberdeen Performing Arts, Capital Theatres and Eden Court and funded through Creative Scotland's Performing Arts Recovery Fund. The Unexpected Gift co-produced with Barrowland Ballet in The Studio a new dance-theatre performance made especially for children with complex needs inspired by The Gift.
 - 4.3.2 Two commissions for young audiences at Christmas: The Enormous Christmas Turnip by Scottish Theatre Producers played at Aberdeen Performing Arts. Unicorn Christmas Party by Raw Material played at Eden Court. Both commissioned by Aberdeen Performing Arts, Capital Theatres and Eden Court and funded through Creative Scotland's Performing Arts Recovery Fund.
 - 4.3.3 Also, for younger participants, the relaxed panto returned with 900 children from schools for those with Additional Support Needs and their carers attending, Snow White and the Seven Dwarfs supported by Radio Forth Cash for Kids and Leith Community Fund.
 - 4.3.4 The award-winning dementia-friendly programme also returned. It took place at the Festival Theatre in person while still offering elements online to the expanded digital community developed during the pandemic. This area of work was able to embrace new initiatives thanks to the initial strand of the Empowering Dementia Friendly Communities Fund – a partnership between the Scottish Government and Age Scotland's About Dementia project. Funded activities in this year have included a Creative Contributors group embedding dementia friendly best practice at the heart of the sector; learning opportunities alongside professionals; a new podcast series; and an active role in ensuring dementia design and enablement is central to the King's Theatre redevelopment.

- 4.3.5 A new strand of talent development has been introduced called Open@TheStudio. This is a new pilot programme of workshops, networking events, and creative opportunities for local theatre-makers and producers.
 - 4.3.6 The Trust's commitment to developing new audiences and increasing inclusivity and diversity was substantially progressed with the establishment of the Capital Theatres Youth Advisory Board. A group of 16–25-year-olds working to support their audience development, challenge assumptions, encourage innovation, and help drive change. To future-proof the Trust's audience development strategy, they see it as critical to create connections with a younger age group, listen to and understand the motivations and preferences of this group and learn how they can be engaged to become participants and audience members of the future.
 - 4.3.7 An outstanding achievement too, was securing the Scottish premiere of Hamilton. With this, the Trust has also achieved record breaking advance sales.
 - 4.3.8 From an operational perspective, improvements have included the implementation of a new ticketing and Customer Relationship Management (CRM) system 'Spektrix'. The system presents a 360-degree view of how the public engages with the Trust, whether as an audience member, a participant, or a donor. It also allows a data driven approach to increasing revenue, diversifying their audiences, and improving customer retention, encouraging people to both attend and donate more regularly.
- 4.4 The King's Capital Project continues to progress well. Following the UK Government Levelling Up award from the Community Ownership Fund of £2m in late 2023, there is an outstanding funding target of £500k. The Trust is also working to reduce the need of what is currently a remaining loan projected of £3.8m. As of the end of January, the Trust is 54 weeks into the schedule which is 45% progressed. Design Team, Contractor and Client relationships are strong, and the health and safety record onsite is good. The budget and cashflow remain on track. Given the age of the venue, inevitable site condition challenges have arisen impacting the programme. The risk management and mitigation measures implemented to address these will be included in the full report on the King's Theatre project scheduled for May Committee.

5. Next Steps

- 5.1 This report will be referred to Governance, Risk and Best Value Committee for noting and scrutiny.
- 5.2 The Trust will continue to adapt and deliver against both its Business Plan as well as relevant elements of the Council's current Strategic Partnership Funding Agreement.

- 5.3 The Trust has applied for funding as part of the next round of the Council Cultural Strategic Partnership programme. The application outcome will be considered at the same Committee as this report.
- 5.4 The next annual update on Capital Theatres is expected later this year.
- 5.5 The King's Theatre Capital Project will report to May Culture and Communities Committee.

6. Financial impact

- 6.1 The Council awarded a grant of £585,130 to Capital Theatres in 2022/23.
- 6.2 Capital Theatres continues to successfully manage and deliver a robust financial performance.
- 6.3 The Council has agreed a £4m capital grant and Prudential Borrowing of up to £5m (to be paid back by Capital Theatres) to the King's Redevelopment Project. The release of these resources will be subject to Capital Project reporting requirements.

7. Equality and Poverty Impact

- 7.1 All organisations are expected to have relevant employment, equalities, rights, and sustainability policies in place as set out in the Council Conditions of Grant.
- 7.2 All organisations must have a commitment to mainstream equalities and rights in accordance with the Equality Act 2010. Both in terms of its practices employing staff and volunteers and in providing services, they should be able to show how their organisation advances equality of opportunity; fosters good relations; and eliminates any unlawful discrimination, harassment and victimisation.
- 7.3 The funding relationship with the Strategic Partners also offers to engage the organisations in its Diversity Programme which better connects ethnically diverse artists to the associate organisations through communications platforms, networking events and funding opportunities hence contributing positively to shifting the culture of the organisations to better embed equality in their activities.
- 7.4 All Strategic Partners are expected to contribute to the annual Community Engagement Report which outlines the activities designed and developed for the benefit of groups and communities listed under the protected characteristics, including those affected by socio-economic disadvantages, per the Integrated Impact Assessment guidelines. The report allows the Service to monitor, assess and share the positive impacts on individuals and communities engaged in those activities.

8. Climate and Nature Emergency Implications

- 8.1 As a public body, the Council has statutory duties relating to climate emissions and biodiversity. The Council

“must, in exercising its functions, act in the way best calculated to contribute to the delivery of emissions reduction targets”

(Climate Change (Emissions Reductions Targets) (Scotland) Act 2019), and

“in exercising any functions, to further the conservation of biodiversity so far as it is consistent with the proper exercise of those functions”

(Nature Conservation (Scotland) Act 2004)

- 8.2 The City of Edinburgh Council declared a Climate Emergency in 2019 and committed to work towards a target of net zero emissions by 2030 for both city and corporate emissions and embedded this as a core priority of the Council Business Plan 2023-27. The Council also declared a Nature Emergency in 2023.

Environmental Impacts

- 8.3 The Council’s funding agreement conditions include carbon impact reduction action and planning requirements. Progress reports are collected annually and shared with the Council’s Policy and Strategy Service for information, and potential inclusion in the Council’s public bodies reporting processes.

9. Risk, policy, compliance, governance and community impact

- 9.1 Capital Theatres Trust governance and risk management processes are monitored via the Funding Agreement and Council ALEO reporting conditions.
- 9.2 Capital Theatres has an extensive and successful Engagement Programme reaching a very wide community base alongside its main theatres and Studio programmes seeking to deliver an accessible programme of activities.

10. Background reading/external references

- 10.1 Capital Theatres website: [Capital Theatres](#).
- 10.2 Capital Theatres Company Performance Report 2021/22, report to [Culture and Communities Committee](#).

11. Appendices

None.