

MEMORANDUM

TO: Arts, Culture & Heritage Committee

MEETING DATE: 17 November 2021

TITLE: The Globe Theatre Trust - Annual Report 2020-21

PRESENTED BY: Hannah White, Democracy & Governance Manager

APPROVED BY: Sheryl Bryant, Assistant Chief Executive

RECOMMENDATION TO COUNCIL

- 1. To receive the Globe Theatre Trust Board's Annual Report 2020-21 (Attachment 2).**
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1. ISSUE

- 1.1 The Globe Theatre Trust Board (the Globe) has submitted its Annual Report 2020-21 (attachment 2). This memorandum provides an opportunity for Elected Members to review the progress the Globe Theatre has made against its Statement of Intent during the period 1 July 2020 to 30 June 2021.
- 1.2 Representatives of the Globe are in attendance to present.
- 1.3 This Annual Report covers a period in which New Zealand was under various restrictions due to the COVID-19 pandemic. The Globe has been able to adapt to the COVID-19 restrictions and has succeeded in meeting almost all of its performance targets.

2. BACKGROUND

- 2.1 The Globe is a Council Controlled Organisation (CCO), which was set up to independently manage and promote the Globe Theatre as a venue for hire. A CCO is an organisation in which Council has the right to appoint at least fifty percent of the trustees and must work towards Council's objectives on its behalf. The Globe is managed by a Board of Trustees made up of committed volunteers.
- 2.2 The Local Government Act (LGA) requires CCOs to produce an annual report which compares its actual and intended performance (as set out in the Statement of Intent) and audited financial statements.
- 2.3 The COVID-19 pandemic has impacted the capacity of Audit New Zealand to undertake the audit of the Globe Theatre within the usual timeframe.

Therefore, the attached annual report is still in draft form and is expected to be audited in the next few months. An updated report will be brought to the Committee in the event there are any material changes following audit.

3. PERFORMANCE FOR THE YEAR JULY 2020 - JUNE 2021

- 3.1 The Globe operated under Alert Level 2 for seven weeks and four days during this reporting period. It stayed open under Alert Level 2 and used some innovative ways to meet the physical distancing requirements, such as encouraging performers to hold more shows and splitting the audience over several performances. Although performances and events booked during the Level 2 period were cancelled or postponed, in many cases the Globe was able to re-schedule acts for later in the year.
- 3.2 Highlights from the Globe's annual report include the following:
- Hosted a wide range of shows and events – such as: Manawatū Youth Theatre, French film festivals, comedy nights, Manawatū Jazz Festivals and the Aotearoa Country Music Awards
 - Continuing to build strong working relationships with a variety of community groups including nine Memorandum of Understanding (MOU) groups. These groups, alongside the repeat bookers form the backbone of the theatre's calendar.
 - Becoming part of the touring scene for many musical/ theatre performances. By offering acts different options for paying the hirage fee, the Globe has been successful at attracting more touring groups to Palmerston North, which increases the variety of acts performed in the city.
- 3.3 Attachment 1 shows the Globe's performance against the agreed Statement of Intent targets and includes officer comments. The Globe has had a fantastic year with high usage, performances and attendance. All performance measures under 'Objective 1: Ensure that there are more arts and activities at the Globe', have exceeded their target.
- 3.4 Three measures: 'Proportion of use that is driven through MOU arrangements and is performance based'; 'Proportion of MOU-driven use that is performance based'; and 'Proportion of overall usage from new community groups' have not achieved the target.
- 3.5 The Globe has nine MOU agreements but only five use the theatre on a regular basis the other four only use it for end of year shows. 'Proportion of use that is driven through MOU arrangements and is performance based' measures the MOU usage as a percentage of all theatre usage. The Globe explained that the high total usage figure basically meant that the MOUs were never going to hit the target of 63% usage. There were also a number of events cancelled due to lockdowns which would have impacted on some of the MOU's usage during the year.

- 3.6 'Proportion of MOU-driven use that is performance based' measures the number of MOU performances as a percentage of MOU use. The target was 95%. The Globe explained that they believe that this measure is never going to be achieved, as MOU groups will tend towards using the theatre more for rehearsals or workshops than they do for performances. For example, Manawatū Youth Theatre used the theatre 43 times during the year and only had 13 performances. The Comedy Hub would be similar as they run a number of workshops throughout the year.
- 3.7 The Globe is in the process of reviewing their performance measures for their Statement of Intent 2022-25.
- 3.8 The chart below shows the breakdown of usage for the 2020-21 year. The total number of usages was 535. All the MOU groups are community groups – so in total the Globe is being used by community groups 84% of the time.

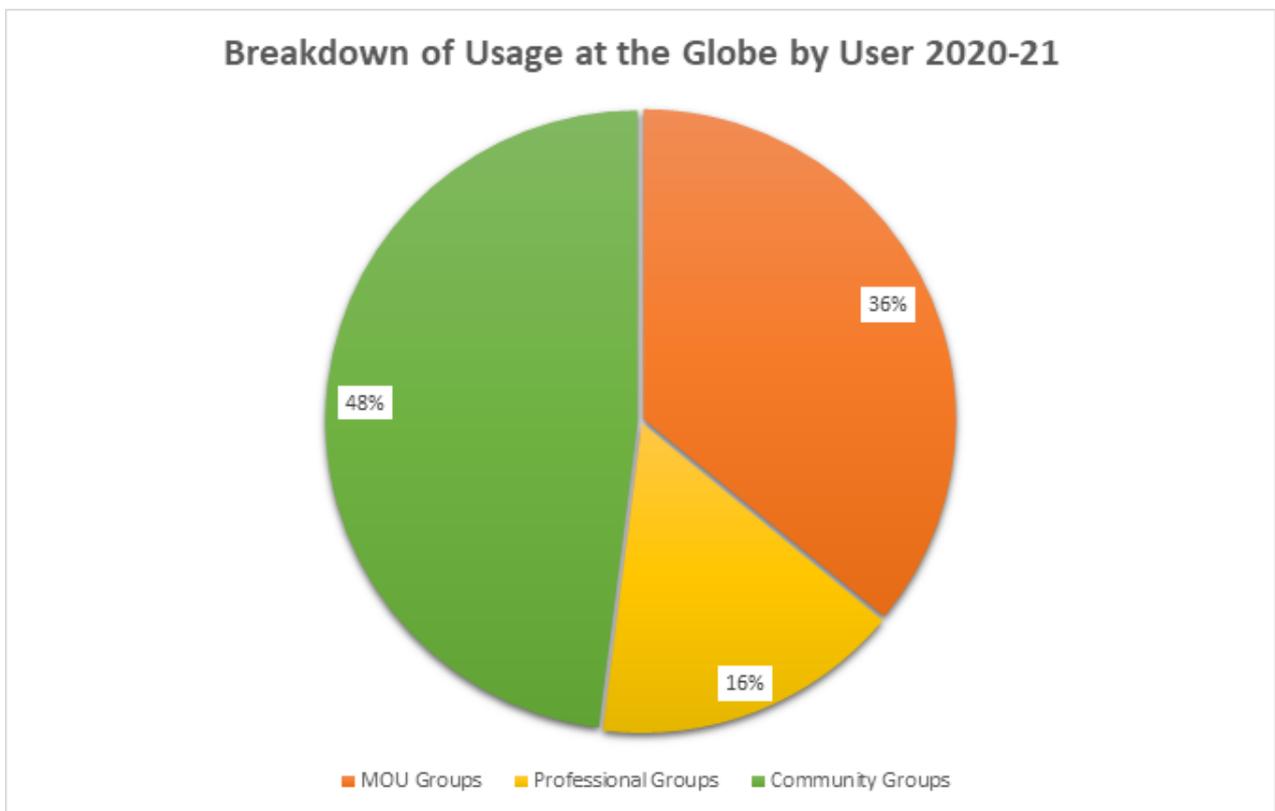


Table 1: Financial Information for Annual Report 2020-21

	2021			2020	
	Actual	SOI Budget	Var.	Actual	Var.
Summary Financials (\$000)					
Financial Performance					
PNCC Grants	116,855	116,905	(50)	115,748	1,107
Total revenue	351,410	228,512	122,898	334,175	17,235

Total Expenses	277,501	273,975	3,526	260,752	16,749
Net Surplus (Deficit)	73,909	(45,463)	119,372	73,423	486
Financial Position					
Current Assets	189,572	50,050	139,522	105,340	84,232
Total Assets	492,069	315,222	176,847	454,580	37,489
Current Liabilities	34,532	18,199	16,333	70,946	(36,414)
Total Liabilities	34,532	18,199	16,333	70,946	(36,414)
Equity	457,537	297,023	160,514	383,634	73,903
Cash Flows					
Total Net Cash Flows	81,219	(19,945)	101,164	70,799	10,420
Opening Cash	104,362	51,795	52,567	33,563	70,799
Closing Cash	185,581	31,850	153,731	104,362	81,219

*when compared to the same period 12 months ago

3.9 The Trust maintained an operating surplus of \$73,909 which is similar to 12 months ago, thanks to its strong café and ticket sales.

3.10 Mainly due to the net operating cash inflow, the cash balance has increased by \$81,219.

3.11 The Trust's current assets are more than 5 times its liabilities indicating that the Trust can satisfy its obligations.

4. NEXT STEPS

4.1 Council officers will communicate any Council comments on the annual report to the Globe Theatre.

4.2 At the end of February 2021, the Globe Theatre Trust Board will submit:

- their draft Statements of Intent for 2022–25; and
- six-month reports on the current Statement of Intent 2021–24.

These will be presented to the Arts Culture and Heritage Committee in April 2022.

5. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual	No
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special	No

Consultative procedure?		
Is there funding in the current Annual Plan for these actions?		Yes
Are the recommendations inconsistent with any of Council's policies or plans?		No
The recommendations contribute to Goal 2: A Creative and Exciting City		
The recommendations contribute to the achievement of action/actions in Arts and Heritage Plan. The action is: to support CCOs to achieve the objectives of the Arts and Heritage plan.		
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Receiving the Annual Report is a mechanism for Council to provide guidance and direction to the cultural CCOs and meets Council's responsibility to monitor the CCOs under the LGA.	

ATTACHMENTS

1. The Globe Theatre Trust - Performance
2. The Globe Theatre Trust- Annual Report 2020-21