

Birmingham City Council

Report to Cabinet

17 March 2020



Subject: Commissioning of Cultural Activities 2020-21
Report of: Acting Director of Neighbourhoods
Relevant Cabinet Member: Councillor Jayne Francis, Cabinet Member for Education, Skills and Culture
Relevant O &S Chair(s): Councillor Mariam Khan - Commonwealth Games, Culture and Physical Activity O&S Committee
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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 007289/2020		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 The purpose of this report is to seek approval for the recommended allocation of budgets to support arts and cultural activities in 2020-21 at a total cost of £2,846,425.

2 Recommendations

That Cabinet;

- 2.1 Notes the background to recommendations for allocating funding and grants from the Support to the Arts budget for 2020-21
- 2.2 Notes the Equality Duty (Appendix 1) and Equality Impact Assessment Screening (Appendix 2) relating to the proposals.
- 2.3 Approves the allocations for revenue funding grants totalling £2,429,711 set out in Appendix 3 - subject to the receipt of requisite information in accordance with the council's grant processes and organisations adherence to the General Conditions of Grant Aid (set out in Appendix 4)
- 2.4 Approves the allocation for Local Arts Development and arts project commissioning totalling £416,714 also set out in Appendix 3. This includes a new commissioning fund of £100,000 to develop cultural programming for the 2022 Commonwealth Games by supporting capacity building in local communities.

3 Background

- 3.1 Against a backdrop of a reduced budget the City Council took the decision in 2019 to ensure a stable Support to the Arts budget going forward for a period of four years. The funded arts organisations, where possible, continue to work together to develop ways to diversify income, share costs and maximise commercial revenue. Some organisations have been very successful in increasing income from other sources, although generally not at the speed or scale that could replace the historic reductions in City Council funding.
- 3.2 All of the organisations in the portfolio are funded to varying degrees by Arts Council England (ACE) which has the right to impose additional terms and conditions on its grants '*if another funder withdraws any part of the funding for the agreed activities*'.
- 3.3 Cabinet agreed that the £2.677m budget (approved at Full Council in February 2019) would be ring-fenced until 2022-23, i.e. not reduced further. This budget subsequently received an inflationary increase. The positive funding position now being adopted by the City Council will provide some welcome stability to arts organisations.
- 3.4 In the 2019/20 budget setting process the City Council also announced that it had established a £2m Capital Endowment Fund to help support revenue funding for the major organisations. This was welcomed by the cultural portfolio and the MAC (Midlands Arts Centre) originally expressed interest in taking up the opportunity of a 'revenue benefit' endowment in lieu of their funding allocation from 2019-20. However, this proposal has subsequently been replaced by a revised financial agreement with the MAC for 2020-21 onwards - as detailed in the 'Midlands Arts Centre - New Lease and funding arrangements' report also presented to March 17 Cabinet. This includes the recommendation that MAC 'return' to the funded

arts portfolio (at the sum of £92,400) in 2019-20 only. This has been financed from a combination of the inflationary increase awarded to the Support to the Arts budget in 2019-20 and the benefit from the interest earned from the Capital Endowment to date.

- 3.5 Over and above the annual revenue funded portfolio of arts organisations, smaller arts organisations are commissioned to deliver projects linked to outcomes relating to the Council's priorities. These schemes are targeted at; adults in neighbourhoods '*Culture on Our Doorstep*'; young people '*Next Generation*' and; residents from a culturally diverse background '*Cultural Regeneration*.' These initiatives are important as they enable the Council to target activities at people with less opportunity to engage with culture, and they help lever investment from other sources. The Portfolio Holder has agreed to re-scope the budgets from 2020-21 so that there is parity of council investment across each of the themes.
- 3.6 The Local Arts Development funding recommended in this report enables support for local groups and community activators to work as part of local arts forums (established in 2013-14) helping coordinate and develop cultural activities on the ground - particularly in areas of low cultural engagement. It is envisaged that the local arts forums will help contribute to the development of Local Ward plans.
- 3.7 In addition, the Local Cultural Development funding stream is proposed to support the delivery of the new Birmingham Cultural Compact initiative and, the planned refresh of the city's Cultural Strategy (2020-25). The budget also includes delivering a '*Young People on Cultural Boards*' training scheme, Birmingham Heritage Week and the delivery of the annual '*Black History Month*'.
- 3.8 This year's inflation award on the budget has allowed for a new commissioning fund of £100,000 to be established to help meet the Council's priority supporting Birmingham's residents to gain the maximum benefit from hosting the Commonwealth Games. Project commissions will be awarded to local arts organisations to help build capacity and cultural programming for the 2022 Games in local communities across the city - particularly our diverse communities to ensure that we deliver a Games for Birmingham that connects communities and fosters civic pride. Confirmation of this fund will coincide with the CWG's Organising Committees announcement in February of the Curatorial Guidelines for the Cultural Programme.

4 Options considered and Recommended Proposal

- 4.1 To commission different companies or activities – the regularly funded organisations portfolio of today was established in 2010-11 based on a 'balanced scorecard' framework where contributions of the organisations and programmes to the Council's priorities were assessed (whilst also taking into account the risks and liabilities associated with each organisation). Whilst there are many excellent arts organisations in the city, the reduced budget has meant that it has been difficult enough to sustain the existing portfolio.

- 4.2 To allocate funding differently - Other proposed arts commissioning programmes complement the work of the revenue funded organisations and offer opportunities for smaller, locally based and specialist providers to be commissioned. Project funding schemes provide important resources to lever investment from other bodies and sustain a large number of smaller cultural companies, as well as providing valuable activities out of the city centre including our culturally diverse communities across the city.
- 4.3 To allocate more of the budget to activity and less to staffing costs - Cultural Development officers play an important role in cultural commissioning and assuring the quality of activities, their relevance, safety and contribution to Council's priorities. In addition to monitoring funded activities, officers manage the Heritage, Public Art and Film agendas for the city. They also provide information, advice and guidance to a wide range of internal and external customers. Budget reductions to date have already required the service to significantly downsize and restructure. A further reduction to the staffing budget would be likely to seriously impede the council's ability to undertake the necessary oversight of its investments, manage its contracts, or run programmes which can also be funded by external parties.

5 Consultation

- 5.1 Councillors nominated by the City Council to the Boards of the funded organisations have been sent a copy of this report for information and Officers have attended arts organisations Board meetings where relevant to discuss funding.

Arts Council England, has been consulted over several meetings during the year, including discussions around the establishment of a new Cultural Compact for Birmingham.

The Head of Cultural Development has met with various Chairs and/or Chief Officers of the funded arts organisations to discuss the funding situation and the need for joint/collaborative working going forward.

6 Risk Management

- 6.1 Appendix 5 sets out the potential risks and mitigations associated with Commissioning of Arts Activities 2020-21. There are no anticipated high risk or high implications.

7 Compliance Issues:

- 7.1 **The recommended decisions are consistent with the following priorities in the City Council's plan;**

- 7.1.1 Outcome 1 - Birmingham is an entrepreneurial city to learn, work and invest in.

- Priority 1: We will create opportunities for local people to develop skills and make the best of economic growth
- Priority 2: We will strive to maximise the investment in the city and engage local employers to create quality jobs and opportunities for citizens

7.1.2 Outcome 2 - Birmingham is an aspirational city to grow up in.

- Priority 3: We will inspire our children and young people to be ambitious and achieve their full potential.

7.1.3 Outcome 3 - Birmingham is a fulfilling city to age well in.

- Priority 1: We will work with our citizens to prevent social isolation, loneliness and develop active citizenship.

7.1.4 Outcome 4 - Birmingham is a great, clean and green city to live in.

- Priority 5: We will work with partners to ensure everyone feels safe in their daily lives.
- Priority 6: We will foster local influence and involvement to ensure that local people have a voice in how their area is run.
- Priority 7: We will work with partners to build a fair and inclusive city for all.
- Priority 8: We will enhance our status as a city of culture, sports and events.

7.1.5 Outcome 5 - Birmingham residents gain the maximum benefit from hosting the Commonwealth Games.

- Priority 5: We will work with our diverse communities to ensure that we deliver a Games for Birmingham that connects our citizens and fosters civic pride.

7.1.6 The Birmingham Business Charter for Social Responsibility - all funded organisations must comply with the requirements of the Birmingham Living Wage Policy and the Birmingham Business Charter for Social Responsibility where applicable. Subject to them being above the Charter thresholds, all grant recipients will need to produce action plans proportionate to the grant value.

7.1.7 All funded organisations were involved in the development of Birmingham's Cultural Strategy 2016-19 *'Imagination, Creativity and Enterprise'* which is proposed to be refreshed in 2020 under the Birmingham Cultural Compact. In addition, all funded organisations are signed up to the *'Creative Futures Strategy'* aimed at promoting and delivering cultural development for young people.

7.2 Legal Implications

7.2.1 Under Section 145 of the Local Government Act 1972 the Council may do, or arrange for the doing of, anything necessary or expedient for the provision of entertainment of any nature, the provision of a theatre, development and

improvement of the knowledge, understanding and practice of the arts and the crafts which serve the arts and any purpose incidental to the matters aforesaid.

7.2.2 Under the general power of competence per Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report which also are within the boundaries and limits of the general power of competence Section 2 and 4 of the Localism Act 2011.

7.2.3 The requirements of the Data Protection Act 2018 and Human Rights Act 1998 have been taken into consideration in terms of the processing, management and sharing of data involved in these proposals. The city council has processes to protect any release of sensitive information - the funded organisations' Conditions of Grant Aid stipulate compliance with such legislation which must be signed and returned by named trustees before funding is released.

7.3 Financial Implications

7.3.1 The commissioning activity recommended will be funded from the 2020-21 Support to the Arts Budget.

7.3.2 The overall Support to the Arts budget has been ring-fenced until 2022-23 and in order to support organisational stability and security of programming, it is proposed that the allocations for the regularly funded portfolio are maintained in 2020-21. However, organisation recipients will be subject to an annual financial review from next year and the Council may amend funding between organisations as a result from 2021-22. Conditions for funding in 2020-21 will require organisations to provide the necessary (financial) information during the year in order for future grant settlement assessments to be made.

7.4 Procurement Implications (if required)

7.4.1 The commitment has been made to the ten regularly funded major arts and cultural organisations (which have been named) through the 2019+ budget consultation.

7.4.2 Major arts and cultural organisations; CBSO, Ex Cathedra, Performances Birmingham, Birmingham Royal Ballet, Birmingham Opera Company, Birmingham Repertory Theatre, Midlands Art Centre, Ikon Gallery, DanceXchange and Sampad are named as grant recipients within the financial plan 2019-23. This report allocates grant funding to these organisations in principle subject to the receipt of requisite information in accordance with the council's grant processes.

7.5 Human Resources Implications (if required)

7.5.1 There are no implications for the council.

7.6 Public Sector Equality Duty

- 7.6.1 A copy of the Equality Act 2010 – Public Sector Duty statement is appended (Appendix 1) together with the existing equality assessment screening (Appendix 2). Organisations in receipt of funding will be required as a condition of funding to consult their own stakeholders and customers in relation to equality obligations, as they update their business plans following confirmation of the level of awards.

8 Background Documents

- 8.1 Cabinet Report - Commissioning of Arts Activities 2018-19 (approved 12 December 2017)
- 8.2 Cabinet Report - Commissioning of Arts Activities 2019-20 (approved 25 June 2019)
- 8.3 Imagination, Creativity & Enterprise – Birmingham Cultural Strategy 2016-19
- 8.4 A Creative Future (Birmingham’s strategy for children, young people and culture)

9 Appendices

Appendix 1 Equality Duty Statement

Appendix 2 Equality Assessment Screening

Appendix 3 Allocations for ‘Support to the Arts’ budget

Appendix 4 General Conditions of Grant Aid

Appendix 5 Risk Assessment