

# Birmingham City Council

## Report to Cabinet

8 February 2022



**Subject:** Commissioning of Cultural Activities 2022-23

**Report of:** Rob James, Managing Director of City Operations

**Relevant Cabinet Member:** Councillor Jayne Francis, Cabinet Member for Education, Skills and Culture  
Councillor Tristan Chatfield, Cabinet Member for Finance and Resources

**Relevant O & S Chair(s):** Councillor Mariam Khan - Commonwealth Games, Culture and Physical Activity O&S Committee

**Report author:** Symon Easton, Head of Cultural Development  
Telephone No: 07703 373286  
Email: symon.easton@birmingham.gov.uk

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: 009674/2021		
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 2022-23 at a total cost of £2,976,151.

## **2 Recommendations**

That Cabinet;

- 2.1 Notes the background to recommendations for allocating funding and grants from the Support to the Arts budget for 2022-23
- 2.2 Notes the background to recommendations for reviewing the arts funding portfolio delivery and contribution to council priorities in 2022-23, with a view to recommending funding allocations from 2023, in alignment with Arts Council England's next National Portfolio Organisation funding period 2023-2026.
- 2.3 Notes the Equality Duty (Appendix 1) and Equality Impact Assessment Screening (Appendix 2) relating to the proposals.
- 2.4 Approves the allocations for revenue funding grants in 2022-23 totalling £2,429,710 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)
- 2.5 Approves the allocation for Local Arts Development and arts activity commissioning in 2022-23 totalling £546,441 also set out in Appendix 3. This includes; a commissioning fund of £100,000 to support cultural programming for the 2022 Commonwealth Games (particularly those with and for local communities) and, an annual revenue precept of £58,560 from the sale of The Drum building towards culturally diverse activity across the city.
- 2.6 Notes the contribution that this cultural investment has into helping deliver Council Priorities including the 'Be Bold Be Birmingham' Legacy plan for Commonwealth Games year 2022.

## **3 Background**

- 3.1 In June 2019, Cabinet agreed that the Support to the Arts budget (approved at Full Council in February 2019) would be ring-fenced until 2022-23. Council took this decision to ensure a stable Support to the Arts budget for a period of four years to 2022/23 to include Commonwealth Games 2022. This decision to confirm our support to the sector for a set period subsequently proved to be crucial considering the unforeseen and devastating impact that COVID19 was to have on the cultural sector in Birmingham and elsewhere.
- 3.2 The council's revenue funded organisations have so far managed to contend with the impact of the Pandemic, mainly through a combination of continued revenue support from the Council and wider Public Sector. This includes; the Arts Council England's Cultural Recovery Fund, the Governments staff furlough scheme, business rates and charitable relief. But many have had to draw on their operational reserves which has no doubt weakened their financial security.
- 3.3 Whilst most arts and cultural organisations have since reopened for business, the ongoing impact of the pandemic on the recovery and continued viability of cultural organisations remains. Therefore, the continued financial investment

into the cultural sector from Birmingham City Council outlined in this report will be vital in helping ensure these funded portfolio organisations can recover and continue to attract funding from their partner organisations and other sources.

- 3.4 Major arts and cultural organisations; City of Birmingham Symphony Orchestra, Ex Cathedra, B:Music (previously known as Performances Birmingham Ltd), Birmingham Royal Ballet, Birmingham Opera Company, Birmingham Repertory Theatre, 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. The MAC (in Cannon Hill Park) elected to come out of the Regularly Funded Organisation Portfolio from 2020-21 in lieu of an Endowment mechanism set up by the city council plus, receipt of annual income already in place from the charges generated by Cannon Hill car park set up in 2018-19.
- 3.5 The nine Birmingham arts organisations in the council's revenue funding portfolio are also funded by Arts Council England as National Portfolio Organisations (NPO's). ACE currently support a wide range of cultural organisations in Birmingham investing approximately £33m annually. The city councils funding is an important consideration for ACE in their continued investment in Birmingham's cultural infrastructure.
- 3.6 In early 2022, all NPO's will be required to submit their applications to ACE for funding from 2023 – 2026 (and retain their NPO status). The organisations preparation of this comprehensive information will assist the council in reviewing its revenue funded arts organisations portfolio contribution to council priorities and, help inform recommendations for future council funding from 2023. The council will seek to ensure that from 2023 onwards the contributions that funded organisations can make to the wider outcomes of the council are updated, appropriately considered and reflected in grant agreements.
- 3.7 Over and above the annual revenue funded portfolio of arts organisations, smaller Birmingham based 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.
- 3.8 The budget also has a project commissioning fund of £100,000 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. This funding

supports communities applying to CWG's Organising Committees Curatorial Guidelines for the Cultural Programme.

- 3.9 The Local Cultural Development funding recommended in this report enables support for local groups and community activators to work as part of local arts forums (established in 2012-13) helping coordinate and develop cultural activities in local constituencies - particularly in areas of low cultural engagement. In addition, the funding supports the delivery of *Birmingham Heritage Week*, delivery of the annual '*Black History Month*' and other planned cultural events during the year including staff costs for administering. It will also support the development of Birmingham's Cultural Compact initiative including the planned refresh of the city's Cultural Strategy to 2025. The updated cultural strategy will reflect the priorities of the city and will be used in future to direct the work commissioned under the Local Cultural Development budget.
- 3.10 The Local Arts Development budget includes an annual revenue precept from the sale of the Drum building in 2017 which is a condition to support culturally diverse cultural engagement activity across the city. The service is currently in year two of a three-year funding agreement with an Aston based consortium (headed by The Legacy Centre) to deliver work for communities in Aston, Newtown and North Birmingham.
- 3.11 This investment in funding the cultural sector will help in the delivery of several of the aspirations / outcomes set out in the Councils 'Be Bold Be Birmingham' Strategy for the Commonwealth Games (see section 7.1.6). All of the regularly funded organisations will be contributing towards the 'Birmingham Festival 2022' cultural programme and many of the city's smaller independent companies will be delivering engagement activity in communities all across the city.

#### **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 arts 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 review the council's revenue funded portfolio's delivery and contribution to council priorities in 2022-23 and consider future funding arrangements in alignment with the next Arts Council England National Portfolio Organisation's funding period 2023-2026. It is also pertinent that the council's grant funding is dependent, in all cases, on the retention of funding from Arts Council England.

## **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.

The Head of Cultural Development and Tourism has met with Culture Central (the cultural sectors membership organisation) and 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. The commitment has been made to the nine regularly funded major arts and cultural organisations through the 2019+ budget consultation.

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

## **6 Risk Management**

- 6.1 Appendix 5 sets out the potential risks and mitigations associated with Commissioning of Arts Activities 2022-23. Whilst there is potential for high impact, there are no anticipated high-risk 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 Addressing the challenges outlined in the Council's 'Be Bold Be Birmingham' Legacy Strategy for the Commonwealth Games 2022 including;
- Employment, Skills and the Local Economy
  - Opportunities for Children and Young People
  - Health and Wellbeing
  - Community Resilience and Cohesion
- 7.1.7 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.
- 7.1.8 All funded organisations were involved in the development of Birmingham's Cultural Strategy '*Imagination, Creativity and Enterprise*' which is proposed to be refreshed in 2021 under the Birmingham Cultural Compact initiative. In addition, all funded organisations have historically 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. They would also be directed to the office of the Data Protection Officer in the first instance.

### **7.3 Financial Implications**

- 7.3.1 The report sets out proposed allocations for 2022-23 from the Support to the Arts Budget (see appendix 3). Allocations total £2.976m and are fully funded within the service revenue budget. Allocations remain consistent with those agreed for 2021-22.
- 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 2022-23. This is particularly important as our cultural organisations continue to recover from the ongoing impact of COVID19.
- 7.3.3 Conditions for funding in 2022-23 will require organisations to provide annual audience and participation returns plus the necessary financial information during the year for future grant settlement assessments to be made. This is consistent with existing requirements in previous years.

### **7.4 Procurement Implications (if required)**

- 7.4.1 There are no procurement implications in this report.

### **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) – the organisations grant situation hasn't changed since undertaken in 2020-21. 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 Arts Organisations Business Plan submissions, data and financial summary returns

- 8.2 Cabinet Report - Commissioning of Arts Activities 2019-20 (approved 25 June 2019)
- 8.3 Imagination, Creativity & Enterprise – Birmingham Cultural Strategy
- 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 (EIA)

Appendix 3 Allocations for 'Support to the Arts' budget

Appendix 4 General Conditions of Grant Aid

Appendix 5 Risk Assessment

Appendix 6 ESA Assessment