

Birmingham City Council

Report to Cabinet

21 March 2023



Subject: Commissioning of Cultural Activities 2023-26
Report of: Mark Wiltshire, Interim Strategic Director of City Operations
Relevant Cabinet Member: Councillor Jayne Francis, Cabinet Member for Digital, Culture, Heritage, and Tourism
Relevant O &S Chair(s): Councillor Jack Deakin - 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 2023-26 at a total cost of £2,976,151 per annum.

2 Recommendations

That Cabinet;

- 2.1 Notes the background to recommendations for allocating funding and grants from the Support to the Arts budget for 2023-26 including how the investment

contributes to corporate objectives and key policies such as Safeguarding and Equalities, Diversity and Inclusion (Everybody's Battle, Everybody's Business).

- 2.2 Approves the allocations for revenue funding grants in 2023-26 totalling £2,488,270 per annum set out in Appendix 3 including £58,560 for The Legacy Centre, Aston - funded by an annual revenue precept from the sale of The Drum building.
- 2.3 Approves the recommendation to support B:Music with an in-depth financial review in 2023 to identify what measures / funding could be secured going forward to meet the increasing service charges at Symphony Hall.
- 2.4 Notes the background to recommendations for the arts funding portfolio aligning with Arts Council England's next National Portfolio Organisation funding period 2023-2026 and how this co-investment is key to sustaining the local cultural infrastructure and promoting the city's cultural identity nationally, and internationally.
- 2.5 Notes that all grant awards are 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)
- 2.6 Approves the allocation for Local Arts Development and arts activity commissioning in 2023-26 totalling £487,881 per annum also set out in Appendix 3. This includes three project commissioning strands at £66,625 each plus funding for annual cultural events such as Birmingham Heritage Week, Black History Month and support for the festival budget.
- 2.7 Notes the contribution that this cultural investment has into helping deliver Council Priorities including the 'Be Bold Be Birmingham' Legacy plan from Commonwealth Games year 2022.
- 2.8 Notes the Equality Duty (Appendix 1) and Equality Impact Assessment Screening (Appendix 2) relating to the proposals.

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 managed to contend with the impact of the Pandemic, mainly through a combination of continued revenue support from the Council and wider Public Sector including the Arts Council England's Cultural Recovery Fund, the Governments staff furlough scheme,

business rates and charitable relief. But many had to draw on their operational reserves which has no doubt weakened their financial security.

- 3.3 The ongoing impact of the pandemic on the recovery and continued viability of cultural organisations remains. This challenging situation has since been exacerbated by the cost-of-living crisis – the spiralling costs of energy and supplies. 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 be sustained as a going concern and continue to attract funding from their partner organisations and other sources. Section 7.1 outlines how investment in culture supports several corporate objectives including contribution to economic growth (including attracting tourism to the city), improving quality of life / wellbeing, engendering civic pride, supporting young people and championing diversity.
- 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, FABRIC (formerly DanceXchange) and Sampad were named as grant recipients within the financial plan 2019-23. This report asks that these same organisations are allocated standstill funding for 2023-26 in the next financial plan.
- 3.5 In 2022 B:Music formally wrote to the council highlighting the challenge of meeting increasing service charges for the Symphony Hall, requesting that the council directly took over the future liability for these charges in lieu of their grant. This would constitute an unacceptable financial risk as the city council would not be in control of costs, plus officers wouldn't recommend coming out of a managed and monitored grant arrangement. B:Music still benefit from a c. £160,000 operational grant once the service charge has been deducted. However, it is recommended that B:Music is supported with an in-depth review from BCC officers in 2023 to clarify the exact service charge challenge and help identify what measures / funding could be secured going forward.
- 3.6 Arts Council England (ACE) currently support a wide range of cultural organisations in Birmingham investing approximately £33m annually and the city council's funding is an important consideration for ACE in their continued investment in Birmingham's cultural infrastructure. In November 2022 ACE confirmed that the nine Birmingham arts organisations in the council's revenue funding portfolio will continue to be funded as National Portfolio Organisations (NPO's) from 2023 to 2026. Hence the recommendation in this report to support our revenue funded organisations over the same period.
- 3.7 Over the last three years, The Legacy Centre in Aston has successfully led a consortium of local organisations to deliver a three-year programme of community engagement and cultural leadership for communities in Aston, Newtown, and North Birmingham. This was funded by an annual revenue precept from the sale of the Drum building in 2017 which was conditional on

supporting culturally diverse cultural engagement activity across the city. Officers are recommending that the Legacy Centre is formally inducted into the annual revenue funded portfolio from 2023 using the existing revenue precept.

- 3.8 Grant funding to these organisations is in principle subject to the receipt of requisite information in accordance with the council's grant processes. Regularly Funded organisation's delivery is monitored against their grant conditions and their annual Service and Business Plans. Project commissioned cultural organisation's outputs are monitored against specific evaluation criteria as part of their funding agreement. The council will seek to ensure that from 2023 onwards the contributions that funded organisations make to the wider outcomes of the council are updated, appropriately considered, and reflected in grant agreements. Officers will work with funded organisations over the next three years to address any changes in desired outcomes. It is intended that outcomes from the council's investment in culture will be reported back annually through the Cabinet Member for Digital, Culture, Heritage, and Tourism annual report to council.
- 3.9 Over and above the annual revenue funded portfolio of arts organisations, smaller Birmingham based independent 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 diverse background '*Cultural Leadership*.' 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.
- 3.10 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 strengthen the development of Birmingham's Cultural Compact initiative including the planned refresh of the city's Cultural Strategy to 2030. 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.
- 3.11 The majority (if not all) the regularly funded organisations contributed towards the 'Birmingham Festival 2022' cultural programme and many of the city's smaller independent companies delivered engagement activity in communities across the city. This investment in funding the cultural sector will help in the continued delivery of several of the aspirations / outcomes set out in the Councils 'Be Bold Be Birmingham' Strategy for the Commonwealth Games including the development and engagement in an annual cultural festival.

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 considering the risks and liabilities associated with each organisation). The impact of covid has deepened the challenges for those currently funded and any redirection of funding would be damaging to those organisations within the portfolio. The council does however wish to ensure the resources it has at its disposal are directed to deliver greatest impact and it will instigate a refreshed funding framework over the course of this three-year period to review the portfolio. In the meantime, our arts commissioning programmes will be used to work with other organisations meeting our corporate objectives
- 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 many 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 agree standstill funding for the Support to the Arts budget in 2023-26 incorporating annual grants to the council’s revenue funded portfolio (to include the Legacy Centre). This aligns council funding with the next Arts Council England National Portfolio Organisation’s funding period and supports the delivery and contribution to council priorities. It is pertinent that the council’s grant funding is dependent, in all cases, on the organisation’s retention of funding from Arts Council England. Recommended.

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 corresponded with arts organisations executive staff and attended Board meetings where relevant to discuss funding.

The Head of Cultural Development and Tourism has consulted with Culture Central (the cultural sectors membership organisation) and 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 2023-26. 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 A Bold and Prosperous Birmingham.

- Support inclusive economic growth (increase in skills, employment, and tourism)
- Attract Inward Investment in infrastructure (cultural projects)
- Maximise the benefits of the Commonwealth Games (cultural opportunities)

7.1.2 A Bold Inclusive Birmingham.

- Promote and champion diversity, civic pride, and culture
- Support and enable children and young people to thrive

7.1.3 A Bold Healthy Birmingham.

- Encourage and enable physical activity and healthy living (improved mental wellbeing)
- Improve outcomes for people with disabilities and older people

7.1.4 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.

7.1.5 Everybody's Battle, Everybody's Business – all funded organisations are required to have Equalities, Diversity and Inclusion (EDI) Policies as part of their Conditions of Grant. In particular, the conditions for the regularly funded National Portfolio Organisations are robust, and these organisations are required to demonstrate how EDI practices are implemented and outputs evidenced.

7.1.6 Arts organisations were involved in the development of Birmingham's 'Statement of Intent' for Culture to help inform the framework for a renewal of the city's cultural strategy 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 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 2023-26 from the Support to the Arts Budget (see appendix 3). Allocations total £2.976m per annum and are fully funded within the service revenue budget. It is proposed that the allocations for the regularly funded portfolio are maintained at standstill in 2023-26 and remain consistent with those agreed for 2022-23.

7.3.2 The recommendation is for the overall Support to the Arts budget to be ring-fenced from 2023-26, matching the Arts Council National Portfolio Organisation funding period. This is particularly important to aid organisational stability and security of programming, especially as our cultural organisations strive to meet the significant challenges of rising utility / service charge costs and cost of living crisis.

7.3.3 Conditions for funding in each of the years 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 Plans, data, and financial summary returns
- 8.2 Cabinet Report - Commissioning of Arts Activities 2022-23 (approved 8th February 2022)
- 8.3 Findings Report on Birmingham's 'Statement of Intent' for Culture 2022
- 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