

Birmingham City Council

Report to Cabinet

25 July 2023



Subject: Enterprise Zone Cultural Action Area Programme (EZCAA)
Report of: Strategic Director of City Operations, Craig Cooper
Relevant Cabinet Member: Councillor Saima Suleman, Cabinet Member for Digital, Culture, Heritage, and Tourism
Relevant O & S Chair(s): Councillor Jack Deakin, Finance & Resources
Councillor Shabrana Hussain, Neighbourhoods
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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: 011474/2023		
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 approve the Full Business Case to secure £1.635m Enterprise Zone grant funding allocated for a six-year **Cultural Action Area Programme** (EZCAA) and, to delegate authority to accept the funds subject to funding conditions being deliverable.
- 1.2 The rationale for Cultural Action Areas is that they can play a major role in driving place-based economic recovery by re-animating high streets with a

diversified cultural and heritage offer, new uses for retail spaces and under-utilised buildings, improved access to community activities alongside improvements to facilities. They also improve community cohesion, business resilience and life changes for our citizens, such as through volunteering or career opportunities.

- 1.3 This proposed EZCAA funding programme is based on the evidence and learnings of a successful two-year **Cultural Action Zone Pilot** run across Birmingham by the Birmingham and Solihull Local Enterprise Partnership (GBSLEP) between 2021 to 2022.
- 1.4 The proposal has been independently assessed by external consultants (Aecom) prior to being signed off by the GBSLEP Programme Delivery Board.

2 Recommendations

That Cabinet:

- 2.1 Approves the Full Business Case evidencing and in support of the £1.635m Cultural Action Area programme funded from Enterprise Zone funding.
- 2.2 Authorises the bid for £1.635m Enterprise Zone funding which will cost an average of £308,000 in each of its first three years and an average of £237,000 in each of its three remaining years.
- 2.3 Authorises the approval of Cultural Action Area grant awards through the Councils Delegated Authority reporting to the Assistant Director, Neighbourhoods, subject to funding conditions being deliverable.
- 2.4 Authorises the City Solicitor and Monitoring Officer to negotiate, execute, complete and seal all necessary documents to give effect to the above recommendations.
- 2.5 Notes that this is a fully tested programme as a result of the two-year pilot delivered by GBSLEP. This programme has been developed by the lead officer from the pilot at GBSLEP who has been on secondment to BCC.

3 Background

- 3.1 Cultural Action Areas can play a major role in driving place-based economic recovery by re-animating high streets with a diversified cultural and heritage offer, new uses for retail spaces and under-utilised buildings, improved access to community activities alongside improvements to facilities. They also improve community cohesion, business resilience and life changes for our citizens, such as through volunteering or career opportunities.
- 3.2 The rationale for Cultural Action Areas - They are a genuine building block to enable local leadership to shape the identity of a place, sustain footfall, draw in visitors, expand the night-time economy and renew and test new high street business models. Each EZCAA will be very different, although most are likely to run a microgrants programme, they could be: testing new festivals or street

markets, cultural and community hubs, wide-ranging events & workshops, installing street art, improving facilities, reconfiguring the use of spaces, testing traffic re-routing, pedestrianisation and much more. In the pilot action – which ran 9 projects in all, 7 of which were in Birmingham, more than £2m was leveraged in to expand the impact and scope of what could otherwise be achieved.

3.3 The full evaluation report and learnings from **GBSLEP's Cultural Action Zone Pilot**, that ran from 2021-2022 is included in Appendix 6.

In round 1, The first two CAAs funded, in Jewellery Quarter and Southside in Birmingham, were more focused on planning, engaging with the neighbourhood and working very strategically to bring about change.

In round 2, the seven CAAs were focused on supporting immediate practical activity to re-animate and begin to transform places, including Balsall Heath, Small Heath, Soho Road, Northfield and Digbeth in Birmingham, and further afield, Kidderminster and Solihull.

A key idea was to try things out and learn what activities and actions will work best for the future. For example, Solihull Metropolitan Borough Council launched its *Cultural Moments programme* because of CAA and have learnt a lot through it, enabling them to plan a future programme outside of CAA support. Further impacts included Southside CAA, Birmingham, which leveraged in £1.23m, £350K towards new CCTV to make the area safer and £887K to start initial works on street changes that will enable regular pedestrianisation of the Chinese Quarter. 'On Our Way,' Soho Road, Birmingham focused on bus stop art to build community cohesion and helped leverage in over £300K from Transport for West Midlands to renew the bus stops in their centre.

The core findings from this CAA pilot programme are that all projects achieved higher outputs than originally predicted, with a wide range of outcomes progressed alongside a number of additional social value impacts.

3.4 Since the initial Expression of Interest for Enterprise Zone funding was submitted and approved, the project sponsor has transferred from GBSLEP to BCC. This is because of the closure of GBSLEP and the ambition within BCC to see this project delivered.

3.5 The 2023-2027 EZCAA programme will run an annual contestable call for up to five projects each year, drawn either from parts of Birmingham that have lacked investment in local places to date or where continuation of previously funded CAA projects will add value. There will be £275K of grants available in each of the first 3 years (£210K capital and £70K revenue), followed by £205K of capital only in the next two years and £200K of capital in the 6th and final year. The grants will require £360K of match in total over the entire 6 years. This will be applied flexibly, as GBSLEP's pilot showed that some projects, but not all, are able to provide considerable match. Programme management, marcom and

evaluation costs add an average of £33K per year, which makes the total project cost of £1,995,000 which includes the £360K of match and the £1,635,000 of costs for EZ and Birmingham City Council (BCC). Full details of the programme can be found in Appendix 3: EZCAA FBC V1.3 Final.

- 3.6 EZCAA will build on the extensive learnings from the previous pilot. The intention is that each EZCAA funded project will run for at least one year. However, the crucial finding is that cultural action area funding acts as seed money and catalyst, meaning that it unlocks existing resources and builds new partnerships. In many cases these can then continue with activity way after core EZCAA funding has finished. In this way the 6-years of core EZCAA funding actually results in 10-years of activity and benefit across the city.
- 3.7 If the bid is approved, this programme will be overseen by the council's Cultural & Tourism Service to ensure that any potential for complimentary funding between EZCAA and other funding programmes is identified and leveraged to better support our local centres and citizens.
- 3.8 The programme's management team (to be recruited) will be especially supportive of local centres that may lack capacity or expertise in running programmes of this nature. Funded projects will become part of a curated EZCAA network, that will provide learnings, better practice and support, to get the best out of each project across the city.
- 3.9 EZCAA Officers will work with awarded organisations groups to ensure their activity does not conflict with the council's ambitions set out under 'A Bold Green Birmingham' in the Corporate Plan including encouraging sustainable practices / suppliers across their business through grant funding conditions.

4 Options considered and Recommended Proposal

- 4.1 Doing nothing will impact on our local centres around the city by inhibiting their ability to recover economically and become re-animated and vibrant places. Doing nothing will not deliver against the critical success factors.
- Strategic fit and meets business need
 - Potential value for money
 - Supplier capacity and capability
 - Potential affordability
 - Potential achievability
- 4.2 Do Minimum – This option keeps 3 of the CAA projects within the GBSLEP trail going for another year - with no capital funding to support them further into the future.
- 4.3 Preferred option – This option funds EZCAA fund for 6 years for applicants to apply to and enables them to run numerous and wide-ranging projects that have their own regionally distinct outputs but contribute to shared outcomes which

seek to improve Birmingham's collective identity. It also means the council can take a longer-term view of ways we can improve our local places and build impacts over time

- 4.4 Do maximum – This option would expand the programme on a much larger scale and whilst doubling the level of activity in the preferred option, would cost more than twice the proposed bid sum.
- 4.5 Recommendation is to support the preferred option which scores highest on the Key Success Factor assessment. The £1.635m funded programme and proposed allocations set out in the Full Business Case (Appendix 3). EZCAA does not solve all the issues, but it is a low cost and effective catalyst to strengthening local leadership and beginning a process of renewal and re-invention, which provides immediate and tangible benefits to our people and places.

5 Consultation

- 6 The premise behind Cultural Action Zones (original name) was developed by Culture Central, the collective voice for culture across the West Midlands, who wrote an independent report for GBSLEP that recommended they should be funded. <https://gbslep.co.uk/strategy/place/cultural-investments/>
- 6.1 GBSLEP's cultural action zone pilot has demonstrated their value and they have been included in the following delivery plans and strategies: WMCA's Cultural Devo Deal, Cultural Compact + Network Delivery Plan, and the individual plans from many local authorities.
- 6.2 Consultations have been undertaken with Culture Central, WMCA's cultural team and the Commonwealth Games Legacy team, to ensure the fit with other funding programmes has been examined and are complementary not overlapping. All are supportive of the proposal for more Cultural Action Areas.
- 6.3 This Enterprise Zone Cultural Action Area Programme has gone through an Independent Technical Assessment by Aecom, prior to being approved by the EZ & Curzon Programme Board and the Programme Delivery Board.

7 Risk Management

- 7.1 Appendix 4 sets out the potential risks and mitigations associated with the award of this contract. Whilst there is potential for high impact, there are no anticipated high-risk implications.

8 Compliance Issues:

- 8.1 **The recommended decisions are consistent with the following priorities in the City Council's plan.**
 - 8.1.1 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)

8.1.2 A Bold Inclusive Birmingham.

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

8.1.3 A Bold Green Birmingham

- Enjoy an environment where air pollution has reduced, and the quality and quantity of public open spaces has increased.

8.1.4 A Bold Healthy Birmingham.

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

8.2 Legal Implications

8.2.1 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.

8.2.2 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.

8.2.3 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 and the funded organisations contract stipulates compliance with such legislation.

8.3 Financial Implications

8.3.1 The programme is to be fully funded from the £1.635m Enterprise Zone funding stream. The year-by-year projected spending allocation is set out in Appendix 3, but spending can broadly be summarised as follows.

- Capital Grants £1.225m
- Revenue Grants for project delivery £0.21m
- Operational costs incl. grant management fee £0.20m

There is no match funding requirement but, based on the previous pilot projects it is anticipated that the programme could draw in approx. £0.29m capital match and £0.07m revenue match from the private sector.

- 8.3.2 Once allocation is approved, funding will be drawn down into the Cultural Development & Tourism Service to be distributed through grant in aid - as detailed in the EZCAA Full Business Case (Appendix 3)

8.4 Procurement Implications

- 8.4.1 There are no procurement implications with the recommendations of this report. BCC's cultural team, which includes cultural and CAA specialists, will be able to commission the required contestable calls and manage the overall project to deliver agreed outputs. Further details can be found in Appendix 3 pages 40-42.

8.5 Human Resources Implications (if required)

- 8.5.1 The programme necessitates the recruitment of 2 (fixed term) posts to facilitate coordinate and manage the EZCAA funding programme. The costs to facilitate this and associated fees are factored into the financial implications as outlined in Appendix 3 (page 53-54)

8.6 Public Sector Equality Duty

- 8.6.1 A copy of the Equality Act 2010 – Public Sector Duty statement is appended together with the initial equality assessment screening and is attached to this report at Appendix 3.
- 8.6.2 In summary, the principle of Cultural Action Areas is to benefit as many residents as possible within the geographical area of the Cultural Action Areas. There should be no adverse effect on any of the protected characteristics which will be assessed and monitored as part of the grant application process.

9 Background Documents

- 9.1 Outline of GBSLEP Contestable Call, Cultural Action Zone Learnings, Pilot Evaluations, CAA Economic Model, Sensitivity Analysis, Marketing & Communications Plan

10 Appendices

Appendix 1 Equality Duty Statement

Appendix 2 Equality Assessment Screening (EIA)

Appendix 3 EZCAA FBC v1.3 Final

Appendix 4 EZCAA Risk Assessment

Appendix 5 EZCAA ESA Assessment

Appendix 6 Cultural Action Zones – GBSLEP Pilot Learnings Report