

Item No.	Classification: Open	Date: 10 March 2015	Meeting Name: Cabinet Member for Adult Care, Arts and Culture
Report title:		Culture Commissioning Programme Review	
Ward(s) or groups affected:		All	
From:		Adrian Whittle, Head of Culture, Libraries, Learning and Leisure	

### **RECOMMENDATION**

1. That the Cabinet Member for Adult Care, Arts and Culture approves the Culture Commissioning Plan for 2015/16 and the approach to allocating grants set out in paragraphs 21-25.

### **BACKGROUND INFORMATION**

2. The corporate and departmental arrangements for managing the council's funding of voluntary and community sector (VCS) organisations require annual commissioning plans to be produced for each separate programme of activity resourced by departments. These plans set out the business case for seeking voluntary sector service providers, expected links between the council's policies and priorities and the outcomes that are to be delivered by the voluntary organisations which receive grant aid. The plans also make reference, where appropriate, to the contracting of organisations (via Contract Standing Orders) to deliver services.
3. Approval of the commissioning plan for the culture grants programme and individual grant approvals over £2500 is a matter for individual cabinet member decision making. The matter will be considered by the Cabinet Member for Adult Care, Arts and Culture (Constitution: Part 3D para 5).
4. Oversight of the council's relationship with the voluntary sector, the council's Conditions of Grant Funding and the overall processes for commissioning services from the VCS also comes within the portfolio of the Cabinet Member for Communities, Employment & Business.
5. The process for commissioning grant aided voluntary sector service providers for 2015/16 involves 3 key stages:
  - Development and agreement of the commissioning plan
  - Advertising and assessment of applications
  - Report and final decisions
6. The council's cultural strategy and accompanying action plan were approved in

July 2013. One of the main actions identified in that plan is a review of the arts grants programme which has been closed to new applicants for at least the last ten years. It is proposed to open up the culture grants programme in 2015/16.

## **KEY ISSUES FOR CONSIDERATION**

7. The council gives significant support to the cultural sector. During 2014/15, at least £1.3 million has been allocated to the direct funding of cultural activity and organisations.
8. This £1.3 million represents funding drawn from a number of sources across the council. It includes funding for apprenticeships in the cultural sector, activity supporting health and wellbeing and the high quality cultural programme at Canada Water Library.
9. In 2014/15 the total budget for the culture grants was £420,906 which included a direct payment of rent to property services for organisations occupying council buildings of £66,013, leaving £354,893 which was awarded as cash grants.
10. As well as direct financial support, cultural organisations and individual artists are able to access help and advice across a range of matters. This includes, how to access other monies external to the council, how to find out about spaces for producing or exhibiting work and signposting to other opportunities and potential partnerships.
11. The culture grants programme currently funds the following organisations and the sums paid to them in 2014/15 are set out below.
  - South London Gallery, £110,000
  - Bermondsey Artists Group, £45,379 (inc rent £16,013)
  - Blue Elephant Theatre, £34,750 (inc rent £8,000)
  - Theatre Peckham, £67,042 (inc rent £17,000)
  - London Bubble, £30,000 (inc rent £25,000)
  - Carl Campbell Dance Company 7, £30,729
  - Southwark Arts Forum, £36,993
12. In addition to receiving funding from the council's culture grants programme the following organisations are also National Portfolio Organisations (NPO) funded by the Arts Council.
  - South London Gallery, £846,752 (2014/15)
  - Theatre Peckham, £123,060 (2014/15)
  - Bermondsey Artists Group, £139,841 (2014/15)
13. A number of organisations also receive support in kind from the council, including various forms of advice, information, help with training and opportunities to network with the cultural sector.

#### Opening up applications for the grants programme

14. The culture grants programme has not been open to new applicants for at least a decade. During this time, Southwark has developed into one of the country's most vibrant and innovative locations for cultural activity, attracting many new and emerging artists and cultural organisations.
15. Many of these newer organisations already offer high quality opportunities to local people to benefit from culture across a range of disciplines including theatre, dance, music and visual art.
16. One of the key themes of the cultural strategy is to encourage creativity, quality and innovation. Many of the newer organisations are creative, innovative and produce work of a high quality, but operate on limited resources. This makes it difficult for these organisations to remain in the borough and there is evidence that some of them have been relocating to other parts of the city, for example Auto Italia.
17. Opening the grants programme to smaller and emerging organisations would give an opportunity to address some of these issues, to broaden the artistic scope of the programme and to encourage more of the young and emerging artists to remain in the borough.
18. Clearly, opening the grants programme to new applicants could mean that existing recipients of funding may either receive reductions in the amount allocated or lose funding completely.
19. All grant funded organisations are made aware on an annual basis by means of a letter from the Cabinet Member for Finance, Strategy and Performance that future funding is not assured and is dependant on the council's budget setting process.
20. The council is committed to providing a minimum of three months' notice of funding decisions. Where organisations are de-funded, this means that they generally receive one further quarter payment in the new financial year.

#### Proposals for the arts grants programme for 2015/16

21. In order to open the grants programme to new applicants in a meaningful way, it will be necessary to implement some new principles to the process. These are set out below.
22. Calls for applications will set out clearly the criteria for funding, including the requirement to deliver work within the key themes of the council's cultural strategy.
23. It is recommended that currently funded organisations will not be able to apply for more than the amount that they currently receive.
24. In the first year of the new approach to grant funding, it is recommended that new applicants can apply for between £5,000 and £30,000. Applications for partnership projects, submitted in consortia, would also be considered within these amounts.

25. In order for the grants to be meaningful, a lower limit of £5,000 is recommended. Sums less than this are only viable for small scale project work and will not make significant contribution to the cultural strategy.

### **Policy implications**

26. The council's cultural strategy was approved in July 2013. The recommendations in this report reflect the key themes of the strategy and the work plan which makes provision for a review of the culture grants programme.

### **Community impact statement**

27. This proposal is likely to have only a positive community impact and encourage active participation and cultural development.
28. The funding scheme as proposed is open to all cultural organisations within the borough and follows extensive consultation across the borough as part of an equality analysis during the creation of the current cultural strategy. The new scheme does not exclude currently funded organisations from seeking comparable levels of funding, but does afford smaller and emerging organisations the opportunity to seek previously unavailable funding. This is likely to encourage a broader depth and breadth of active organisations to apply.
29. Each application will be individually assessed, and organisations are expected to provide equality statements as part of the application process. Any positive or negative equality impact as set out in the Equality Act 2010 will be dependent on the aims, objectives and methods of the applicants and will need to be assessed on application.

### **Resource implications**

30. The proposals set out in this report do not assume any increase in the current culture grants fund.
31. Legal services have confirmed that there is no case for legitimate expectation that the council would continue to provide funding in any form.
32. In the event of grant reductions, organisations in receipt of a grant which includes rent are likely to experience an even more significant destabilising impact as this is core funding that is difficult to resource. Organisations may continue to rent the council buildings by direct payment to the property service. Each of the lease agreements has been negotiated at a different time, and subject to the particular requirements of the tenant, external funding agencies and the council. As a result they are all on different terms.

### **Financial issues**

33. The recommended budget for 2015/16 for culture services has an allocation of £269,893 for grants. The allocation is a combination of grant funding paid directly to organisations and rent paid on their behalf by the council.
34. The head of service will ensure that the grants and rent paid will be within the maximum annual commissioning envelope of £269,893. In the event there is a

reduction in funding, any contracts entered will have sufficient flexibility to vary the commissioning of work to ensure that the costs are within the funds available. The risk of a significant variance to the proposed plan is therefore unlikely and will be monitored on a regular basis as part of the departmental revenue monitoring process.

## **Consultation**

35. There is no legal requirement to formally consult with organisations about the proposed changes, but paragraph 20 notes that all existing recipients will be given at least three months' notice of a decision which affects their funding allocation. In relation to the Public Sector Equality Duty (contained in the Equality Act 2010), officers will have to show that they have considered the impact of the proposal upon those who have protected characteristics.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

36. This report seeks approval of the Culture Commissioning Plan for 2015-16 and the proposed approach for allocating grant funding under the culture grants programme.
37. The decision to approve the report recommendation is one which is expressly reserved to the Cabinet Member under Part 3D of the council Constitution. The report confirms that the commissioning proposals are consistent with corporate policy and objectives.
38. The Equality Act 2010 introduced a single public sector equality duty (PSED). This duty requires the Council to have due regard in its decision making processes to the need to :
- (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not
  - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
39. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The PSED also applies to marriage and civil partnership, but only in relation to (a) above.
40. The Council is required to act in accordance with the equality duty and have due regard to the duty when carrying out its functions, which includes making decisions in the current context.
41. The report refers to a new approach to the grants programme in order to attract new and smaller cultural organisations, as a result of which some organisations which are currently funded may not receive the same allocation in the future. As part of the process for deciding how funding is to be allocated, it is necessary to prepare robust equalities impact assessments or an equality analysis in accordance with the Equality Act 2010 in accordance with good practice at critical

stages as proposals in relation to funding allocations (including any reductions) are made which identify the potential or actual effects that those allocations may have in respect of disability, gender, race and religion or belief, sexual orientation, age and human rights.

42. The report advises that equalities have been considered and assessed during the analysis of feedback received from internal and external individuals and groups as part of the development of the corporate cultural strategy and associated action plan.
43. Officers should also ensure that the cultural activity generated through the future allocation of funding is accessible by all sections of the community, in recognition of the PSED.
44. The Director of Legal Services (corporate team) will advise and assist officers in connection with the drafting of appropriate grant funding conditions, which will reserve to the Council the ability to withhold or withdraw funding if a recipient should breach those conditions, or in the event of unforeseen events or circumstances, including budgetary constraints.

**Strategic Director of Finance and Corporate Services (Env/ET/FNLRPT130215)**

45. This report recommends that the Cabinet Member for Adult Care, Arts and Culture approves the Culture Commissioning Plan for 2015/16 and the approach to allocating grants set out in the report.
46. The strategic director of finance and corporate services notes the financial implications detailed in paragraphs 34 and 35. The grants and rent paid will be within the maximum annual commissioning envelope of £269,893.
47. Officer time to effect the recommendation can be contained within existing resources.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
Cultural strategy and action plan	See link	Coral Flood 020 7525 5231
Link: <a href="http://www.southwark.gov.uk/culturestrategy">www.southwark.gov.uk/culturestrategy</a>		

**APPENDICES**

No.	Title
Appendix 1	Culture Commissioning Plan 2015/16

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Dora Dixon-Fyle, Cabinet member for Adult Care, Arts and Culture	
<b>Lead Officer</b>	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure	
<b>Report Author</b>	Coral Flood, Arts Manager	
<b>Version</b>	Final	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	No
<b>Date final report sent to Constitutional Team</b>	10 March 2015	