

Report of Director of City Development

Report to Executive Board

Date: 7 February 2018

Subject: Grants to Arts and Cultural Organisations

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4(3) Appendix number: 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of Main Issues

1. Leeds has a remarkable cultural and creative sector. It is the home to many nationally and internationally recognised companies, a thriving independent sector, a diverse group of festivals, and has provided the inspiration for countless artists.
2. The sector delivers multiple economic and social benefits. It addresses a range of Council priorities including working with communities, supporting inclusive economic growth, promoting a positive image of the city, and making Leeds a better, richer and more diverse place to live, work and visit. It is the cornerstone of achieving the Best City outcome that people should “enjoy greater access to green spaces, leisure and the arts”. The new Culture Strategy frames our approach for how the city can support the arts and culture sector, and the Arts@Leeds grant scheme is one of the elements of that strategy.
3. Whilst arts organisations continue to diversify their income streams through sponsorship, commissioning and philanthropy they are, in general, not able to deliver the benefits above without some form of public subsidy - predominantly from local government and/or Arts Council England.
4. Nationally, arts and culture, as part of the wider creative industries sector, plays a vital role in the economy. An independent evidence review by Creative Industries Federation on 29 November 2017 notes that “The sector is now worth £91.8bn in Gross Value Added (GVA) to the UK - more than the automotive, life sciences, aerospace and oil and gas industries combined. It grew by 7.6%

over the 2015-2016 period, compared to a 3.5% rate of growth for the economy as a whole”

5. In Leeds there are two specific arts grant funds; arts@leeds and Leeds Inspired. arts@leeds provides core revenue support to organisations whilst Leeds Inspired is a more modest scheme to fund one off projects. The current arts@leeds scheme, which is the focus of this paper, has been operating for 6 years. Organisations on this scheme benefit from multi-year funding agreements which allow them to plan their businesses effectively.
6. Following on from the development and consultation of the new Culture Strategy the scheme was updated and revised, introducing three tiers to reflect the needs of organisations of different scales and at different stages in their development. The scheme will also reflect the wider offer of Council support with a programme that includes business support, financial investment, networking opportunities and advocacy.
7. In July 2017 Executive Board agreed the proposal for this revised scheme. This report now recommends the level of support to individual organisations for four years, based on an assessment of their respective applications, and a subsequent balancing of the overall portfolio which took in a number of factors.

Recommendations

8. Executive Board is recommended to:

Approve the level of support for individual organisations over the 4-year arts@leeds programme as listed at 3.4 in this report.

To note that the Chief Officer, Culture and Sport is responsible for the implementation of this decision.

1. Purpose of the Report

- 1.1 To recommend for approval the allocation of the 4 year arts@leeds grants 2018-22.

2. Background Information

- 2.1 A great deal of Cultural activity is delivered or facilitated directly by the Council. This includes direct delivery by the Museums and Galleries, and Arts, Events and Venues teams, and major outdoor events such as Leeds West Indian Carnival and Pride. Other cultural activity is supported by Leeds City Council through a number of different mechanisms. These mechanisms are not limited to arts@leeds and Leeds Inspired funding but also include commissioned activity, Community Committee funding, rate relief, prudential borrowing facilities and, in some circumstances, capital funding.
- 2.2 Grant aid from the council enables cultural organisations to support, develop and programme cultural activities in the city. Funding received via grant aid is used to

give the public the opportunity to have rich and high quality artistic experiences as creators, participants and audience members - whilst allowing arts organisations to take creative risks. Council support is predicated on the City's priorities including those in the new Cultural Strategy. The scheme will strengthen our links to the arts and culture sector by supporting established and emerging companies both financially and through business support, and developing inclusive economic growth both in the sector and across Leeds, through employment and by the encouragement of cultural tourism.

- 2.3 arts@leeds funding boosts investment into the city as many organisations use the Council's grant to access other forms of public funding. Data supplied by grant recipients as a condition of their funding agreements part show that in 2016-17 our arts@leeds funded organisations leveraged £55.9m match funding, of that £18,9m was support from Arts Council England. For every £1 invested by Leeds City Council £29.78 was brought into the city.
- 2.4 In July 2017, Executive Board agreed a budget for arts@leeds programme for 2018-22 of £1,760,000.
- 2.5 The new scheme has three tiers, enabling the Council to support the cultural and creative sector at the level appropriate to its needs. It enables the Council to support a diverse portfolio of arts and cultural activities with a limited funding envelope.
- 2.6 The proposed three tiers are described below.

Level 1 - engagement

Duration: no time limit – ongoing activity

Financial investment: none

Overview: Level 1 provides an ongoing programme open to all artists and organisations planning on delivering cultural work in Leeds. It is predominantly aimed artists either new to the city or starting their creative journey. Each organisation will be offered advice sessions supported by the Arts Development team which include funding advice, business development, and signposting to networks and other organisations and artists. Organisations will also have access to a series of seminars and training. To join the programme, artists would be invited to a 1-2-1 arts@leeds introductory meeting.

Level 2 - development

Duration: 4 year programme (with 2 year review)

Financial investment from £4,000

Overview: Open to all Leeds based cultural organisations, this programme will support small to midscale cultural organisations. An annual package of cash funding and tailored business development from the Council organisations to help them to thrive.

Level 3 - investment

Duration: 4 year programme

Financial investment from £50,000

Overview: This programme is aimed at larger organisations that are able to deliver on more council priorities, offer a greater contribution to the economy, can develop the city's international culture offer, support the development of the employment & skills for the industry, and reach a wider audience. Due to the level of funding being invested, organisations funded through this scheme will be required to deliver additional activity for the council which will include; specific activity in targeted locations; delivering a percentage of their work with an international focus, offer explicit support to emerging organisations, and implement plans to pay a living wage.

- 2.7 This programme will enable us to demonstrate value for money and we will be able to illustrate the actual investment from local authority to the creative sector not just the financial support. This investment includes officer time, training session costs, prudential borrowing, capital support and any rate relief received. At the end of each financial year each organisation will receive a statement of investment highlighting and calculating the council support specific to them.
- 2.8 After the scheme was launched 59 applications were received. These were then assessed by members of the Arts, Venues & Events team. All grants applications were assessed against the same criteria: reach; target audiences; match with the Culture Strategy objectives; financial stability; budget; potential alternative funding sources and opportunities; equality and diversity; proposed programme of activity, and commitment to the city.
- 2.9 Following the initial assessment the majority of organisations were recommended for awards whilst weaker applications were discounted. However all applicants will benefit from the Level 1 programme listed in 2.6
- 2.10 The recommended list was then further tested by a 'balancing' process which included the Portfolio Holder for Culture and the Economy and the Chief Officer for Culture and Sport. Initial recommendations were tested in line with the objectives of the scheme and within the available budget. The criteria for balancing included artform, geographical location, demographics of participants of participants, gender and ethnicity. Ultimately an element of informed judgement is used to select the final recommended list.
- 2.11 Of the 59 applicants it is recommended to support 42 organisations. Of the grants proposed, 12 organisations are new to the scheme including for example, Jazz Leeds, Leeds Lieder and the Transform Festival.
- 2.12 In terms of art form the recommendations breakdown as follows: 10 combined arts, 5 dance, 2 festival/carnival, 2 literature, 1 live art, 7 music, 9 theatre and 6 visual arts. Within the portfolio we aim to support diverse cultural activities/organisations and recommended organisations include the Geraldine Connor Foundation, Leeds Chinese Community Association, Leeds Irish Arts Foundation, RJC Dance and South Asian Arts UK.

- 2.13 Of the organisations recommended for funding, 6 work specifically with young people including; DAZL, Tutti Frutti, Interplay Theatre and Theatre Company Blah Blah Blah.
- 2.14 The recommendations see investment into a number of organisations programming work outside the city centre which is above previous levels. These include Chapel FM (Heads Together), DAZL, Left Bank, Otley Courthouse and Slung Low.
- 2.15 As part of the arts@leeds programme a particular need was recognised to continue to develop and support the visual arts in the city. A range of visual arts organisations are supported including East Street Arts and The Tetley. In terms of talent development, East Street Arts is developing and nurturing the new wave of visual artists and are leading the way in visual arts through their studio programme, mentoring and support for emerging artists with their work in the communities. Through Union 105 (Chapeltown), their artists' house in Beeston, the Art Hostel and their new venture Mary Studios and the BEETA programme. Although the recommendations for both East Street Arts and the Tetley fall under the minimum funding to be part of the Investment Programme it is strongly felt that strategically both would benefit from inclusion in it - and the programme will be adjusted accordingly.
- 2.16 In addition to applicants who are not recommended for funding, it was unfortunately not possible to fund many organisations to the level they had requested. It is also in the nature of the scheme that in order to support some of the smaller organisations, we are increasingly reliant on the larger organisations seeing a reduction in their funding to accommodate this. The four organisations who have traditionally received the largest awards all see reductions this year, with Leeds Grand Theatre and Opera Trust (LGTOH) being the most significantly affected due to a range of factors in the assessment process.
- 2.17 In line with practice elsewhere this report does not list unsuccessful organisations, or the amount applied for. This is because public knowledge about unsuccessful applications could be detrimental to those organisations when they apply for funding elsewhere. A list of unsuccessful applicants is however included in the confidential appendix.
- 2.18 Fundamental to the scheme is monitoring of the social and economic value for the city. All successful applicants commit to collect and submit annual core data. The delivery against commitments and clear evidence of value were used when assessing organisations as part of the grant process. All organisations receiving four-year grants will be subject to annual review against their commitments.

3. Main Issues

- 3.1 Due to the success of the previous scheme, the new application round was heavily oversubscribed.

In summary:

- The value of all the bids against the 4 year scheme was £2,288,817

- Total budget in year 1 of the fund is £1.76million
- 59 applications were received
- 25 applications were from organisations new to the scheme
- 20 requested an uplift in funding to the total of £371,073
- 42 organisations are recommended for funding
- Of the proposed successful applications 12 are new to the scheme
- We hosted three launch events for which were attended by a total of 120 people and 58 organisations attended 1 hour individual funding surgeries. We offered daytime as well as evening sessions and also completed 4 telephone surgeries

3.2 The applications covered a wide range of art forms i.e. dance, performance, visual arts, and the proposed recommendations for funding have taken this into consideration. This will ensure that the city will host opera; theatre; creative writing; dance; music in many forms; craft; design; creative digital; street entertainment; photography; visual arts; and more.

3.3 By applying the balancing exercise we have ensured that the city is funding cultural organisations across the city both large and small and have been able to support innovative grass root community activity alongside the larger, internationally acclaimed flagship organisations.

3.4 The proposed allocations the 4-year grants

arts@leeds development programme

Name of Organisation	a@l award 2017/18	proposed funding
A Quiet word	£0	£4,000
Artlink	£9,120	£9,120
Assembly House	£1,900	£4,000
Cloth Cat	£0	£4,000
Compass	£1,900	£4,000
DAZL	£6,413	£8,000
Geraldine Connor Foundation	£0	£4,000
Heads Together	£8,550	£10,500
Interplay	£12,113	£12,000
Invisible Flock	£1,900	£5,000
Jazz Leeds	£0	£4,000
Leeds Big Bookend & Northern Short Story Festival	£0	£4,000
Leeds Chinese Community Association	£1,900	£4,000
Leeds Community Arts Network	£0	£4,000
Leeds International Piano Competition	£12,350	£10,000
Leeds Irish Arts Foundation	£2,850	£4,000
Leeds Lieder	£0	£4,000
Left Bank	£1,900	£5,000
Live Art Bistro	£0	£4,000
Morley Arts Festival	£1,900	£4,000
Northern Opera Group	£0	£4,000
Otley Courthouse	£4,180	£7,000
Pavilion	£9,120	£9,120

Pyramid of Arts	£0	£7,500
RJC	£11,875	£11,875
Saa-UK	£15,675	£15,675
Skipkko	£4,560	£4,560
Slung Low	£5,225	£8,000
Space 2	£3,040	£7,000
The Leeds Library	£0	£4,000
Theatre Company Blah Blah Blah	£7,600	£5,000
Thought Bubble	£1,900	£4,000
Transform	£0	£4,000
Tutti Frutti	£1,900	£4,000

arts@leeds investment programme

Name of Organisation	a@l award 2017/18	proposed funding
East Street Arts	£28,500	£45,000k
Leeds Grand	£152,000	£105,000k
Northern Ballet	£211,850	£200,000
Opera North	£484,500	£465,000
Phoenix Dance	£61,750	£61,750
PSL Tetley	£43,700	£45,000
West Yorkshire Playhouse	£598,500	£588,665
Yorkshire Dance	£49,400	£51,000

3.5 The information contained in Appendix 1 is exempt under Access to Information Rule 10.4(3) as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It lists the unsuccessful applicants to the arts@leeds scheme, many of whom are likely to apply to other sources for funding. It is considered that the public interest in maintaining the content of this appendix as exempt outweighs the public interest in disclosing the information.

3.6 Relationship with Leeds Culture Strategy 2017-2030

arts@leeds reflect the aims and objectives of the Culture Strategy and is a key tool in the delivery of it. arts@leeds scheme will enable delivery against the following four aims and objectives

- Change perceptions and attitudes towards culture and the arts, moving the focus from what they cost to what they create.
- Value and respect artists and creativity considering both vital to the growth and prosperity of Leeds and ensuring that they are promoted as part of our diverse economy.
- For the culture sector to grow and increase its contribution to Leeds' economy, by placing culture at the heart of the city's narrative
- For established cultural organisations to be resilient, and to create an environment where new cultural organisations can flourish

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Throughout 2015-17 officers have regularly consulted with current grant holders and in response to feedback have made alterations to the scheme including the introduction of the three tiered programme.
- 4.1.2 Officers have also met with non-funded arts organisations, cultural organisations, Arts Council England, other local authorities, Voluntary Action Leeds, Leeds Community Foundation and will continue to do so.
- 4.1.3 The agreement to enter into a 4 year grants scheme, including details of the scheme and timescales was agreed at Executive Board in July 2017.
- 4.1.4 Potential applicants were invited to both introductory seminars on the new scheme, and to 1-1 discussions with officers in advance of applying.
- 4.1.5 Following a rigorous period of assessment (three stages) by officers, the final recommendations were made following extensive consultation with the Portfolio Holder.

Stage 1 the application was assessed to see if it was eligible to fit the criteria and if the application form was fully completed.

Stage 2 applications were read and assessed using the arts@leeds assessment template.

Stage 3 the applications were then reviewed to ensure a portfolio balance. (The Portfolio Holder took no part in discussion regarding Leeds International Piano Competition where she has an identified conflict of interest.)

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Issues of equality and diversity, cohesion and integration are fundamental to the investment in the cultural and creative sector.
- 4.2.2 Cultural grants can support activity which can do much to tackle issues of equality and cohesion. All applicants needed to demonstrate how funding will support them remove barriers and how they will inspire communities. They also must supply data on their target audiences. This has been used to identify how well the proposed allocations support everyone in the city offering a balanced portfolio of activity across the city.
- 4.2.3 An Equality, Diversity, Cohesion and Integration Screening form has been completed for the scheme in July and is attached as an appendix.

4.3 Council Policies and Best Council Plan

- 4.3.1 The cultural sector in Leeds is important to the economic strength of the city through employment and inward investment such as audience secondary spend. This supports the ambition for a strong economy and a compassionate city and in particular the Best Council outcome for people to 'enjoy greater access to green spaces, leisure and the arts'.
- 4.3.2 Culture Strategy for Leeds 2017-2030 – the arts@leeds programme is one of the first responses to the aims, objectives and priorities set out in the new Culture Strategy and will be delivered in line with the values set out in that document.
- 4.3.3 Inclusive Growth - By working with our colleagues in Employment and Skills as well as the commercial sector we will aim to support the creative sector to create more and better jobs. The scheme will help put our creative employers at the centre of the skills system and will work with education providers to address skills shortages and ensure all our funded organisations are implementing plans to pay a living wage.
- 4.3.4 Arts & Health (Health & Wellbeing) - experiencing arts and culture can create a sense of wellbeing and transform the quality of life for individuals and communities. What is less well known is that every day the arts are having a significant impact on people's health in hospitals, health centres, GP practices and other healthcare settings within and throughout our communities. Through the culture programme we will ensure that provision will be given to develop creative activities to address this challenge.
- 4.3.5 Resilient Communities
As highlighted in the Best Council Plan Leeds is one of the fastest growing and diverse cities with people of different ages and from different backgrounds, cultures and beliefs. Through the arts@leeds programme participating organisations will be included in the multi-agency approach for the city's priority neighbourhoods, maximising our collective impact. As illustrated in the Culture Strategy there is sometimes a sense of division and difference, by working with organisations through the strategy values we aim to address issues such as xenophobia.
- 4.3.6 Child Friendly City
The funding will work alongside the Child Friendly team to bring everyone together to make Leeds a child friendly city – a place where children are valued, supported, enjoy growing up, and look forward to a bright future. (The funding does not fund work in schools, but it does support out-of-school activity).
- 4.3.7 Breakthrough Projects
- Making Leeds the best place to grow old in - Leeds has now been classified as an Age Friendly City by the World Health Organisation. Arts activity can assist in changing attitudes towards ageing; allowing ageing to be seen as a positive experience and emphasising the contribution that older people make to society as artists, participants and audience members.
 - World class events and a vibrant city centre – By supporting the creative sector through the scheme officers will be able to foster creativity and the development

of new work and opportunities for world class events and activity to be delivered in Leeds.

- More jobs, better jobs – working with Employment & Skills, the commercial sector, the universities and our larger organisations we will help address this by training, seminars for graduates, peer mentoring and support.

4.4 Resources and Value for Money

4.4.1 All successful applicants are committed to provide data on actual take-up during the scheme. This will be requested annually and will be reported to the council in an annual arts@leeds statement including information on engagement and value for money.

4.5 Legal Implications, Access to Information and Call In

4.5.1 All organisations will be assessed for any financial or legal risks before entering the programme and will be required to sign a funding agreement and submit their governance arrangements, their banking details and a register of interests to ensure probity.

4.5.2 In providing funding or other assistance to organisations, the Council will need to ensure that it complies with the European Commission's rules as to the provision of State aid in so far as those rules apply to the organisations and projects concerned.

4.5.3 This report is subject to Call In.

4.5.4 The information contained in Appendix 1 is exempt under Access to Information Rule 10.4(3) as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It lists the unsuccessful applicants to the arts@leeds scheme, many of whom are likely to apply to other sources for funding. It is considered that the public interest in maintaining the content of this appendix as exempt outweighs the public interest in disclosing the information.

4.6 Risk Management

4.6.1 Risks have been assessed during the application process, and will continue through the funding agreement, the annual monitoring, attending board meetings and events to ensure grants are spent appropriately. Checks will be in place and money will be requested to be returned if the organisation is deemed to be using it inappropriately.

4.6.2 Inevitably in a competitive grants programme the authority will need to manage the disappointment of some applicants. This is achieved by ensuring a robust application and assessment process and high quality communications. Organisations will also be directed to other potential sources of support.

4.6.3 Whilst this is a 4 year scheme there will be a two year review for all organisations in the scheme to ensure they are delivering on their agreed objectives.

- 4.6.4 There is a risk of future reductions in Council budgets. Successful organisations will have indicative funding allocations, all contracts will include a clause that will come into effect if the council's budgetary position alters significantly.

5 Conclusions

- 5.1 The proposed recommendations for support for arts organisations will enable cultural organisations to deliver creative and artistic work for resident of Leeds. By enabling this activity we will contribute to the City's ambition to become a healthier place to live and a more creative and entrepreneurial place to work. It will aid efforts to cement community cohesion and support Leeds to be a compassionate city.
- 5.2 By facilitating the investment for the creative sector Leeds will build on its reputation as a city of high quality culture, where great art is created and strengthen its reputation as a cultural destination where artists want to live and work.

6 Recommendations

- 6.1 Executive Board is recommended to:

Approve the level of support for individual organisations over the 4-year arts@leeds programme as listed at 3.4 in this report.

To note that the Chief Officer, Culture and Sport is responsible for the implementation of this decision.

7 Background Documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.