

Report of: Arts Development Manager

Report to: Chief Officer Culture and Sport

Date: 18th April 2018

Subject: arts@leeds investment programme: revised funding schedule for Leeds Grand Theatre and Opera House Ltd

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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. This paper proposes a revised staggered financial package of support via the arts@leeds programme for Leeds Grand Theatre and Opera House Ltd over a period of four years to support the delivery of their arts programme across their three venues.
2. The Grand Theatre is currently undergoing a transformation around governance as it moves from an arm's length trust of the Council to an independent body. This structural change within the organisation has been a challenging process and by providing a flexible approach to the delivery of the four year funding package less stress will be placed on the organisation.

Recommendations

3. The Chief Officer of Culture and Sport is recommended to approve the decision to revise the funding award schedule to Leeds Grand Theatre & Opera House Ltd. This funding would be taken from the arts@leeds budget.
 - April 2018 payment of £130k
 - April 2019 payment of £130k
 - April 2020 payment of £105k
 - April 2021 payment of £55k

1 Purpose of this report

- 1.1 The purpose of this report is to obtain approval to revise the agreed funding schedule for Leeds Grand Theatre and Opera House Ltd over a period of four years to support the delivery of their arts programme across their three venues.

2 Background information

- 2.1 The arts@leeds grant scheme support arts organisations in the city with funding and business support to enable them to creatively address 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”. Through the new Culture Strategy we frame 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.
- 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 The arts@leeds programme received 59 applications, with a requested ask of £2,288,817 with a budget available of £1.76million of which 42 were recommended for inclusion in the scheme.
- 2.4 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.
- 2.5 In addition to applicants who were 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 were given reductions, with Leeds Grand Theatre and Opera Trust (LGTOH) being the most significantly affected.

3 Main issues

- 3.1 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.
- 3.2 LGTOH were offered a financial award of £105,000 per year reduced from their previous £152,000 per year grant.
- 3.3 arts@leeds applications and awards were approved at the February 2018 Executive Board meeting.
- 3.4 Following discussions with the organisation, their board and the council it is proposed arts@leeds offer a staggered payment plan to ensure continuity of operation during this period of reduced local authority financial support.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The Executive member for Culture has been consulted and is fully aware of this proposed funding mechanism.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Leeds City Councils' Equality Policies will be adhered to throughout the process of decision making about a Leeds bid.

4.3 Council policies and City Priorities

- 4.3.1 The following policies are relevant to this proposal:

- Vision for Leeds
- Best Council Plan
- Resources and value for money

4.4 Legal Implications, Access to Information and Call In

- 4.4.1 The contents of this report are not subject to call-in and would be publicly available under the Freedom of Information Act.
- 4.4.2 LGTOH 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 Risk Management

- 4.5.1 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.
- 4.5.2 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.
- 4.5.3 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 revising the LGOT grant will enable the organisation 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 The two year front loading of the grant is aimed at allowing the company time to address the £47k reduction and reflecting the fact that year 2 (2019/20) where there will be the temporary closure of the Hyde Park Picture House due to the refurbishment works.

6 Recommendations

- 6.1 The Chief Officer of Culture and Sport is recommended to approve the decision to revise the funding award schedule to Leeds Grand Theatre & Opera House Ltd. This funding would be taken from the arts@leeds budget.

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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.