

arts@leeds – Year 5 extension

Date: 23 June 2021

Report of: Director of City Development

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- This report seeks approval from Executive Board to extend the arts@leeds funding programme for a fifth year. Operated through funding rounds usually lasting between 3 to 4 years, a fifth year would extend the current round of funding to 31 March 2023. Extending the programme would not rule out a change to the budget for arts@leeds through the council's budget setting process for FY 2022/23 but would mean that the programme is aligned to the Arts Council funding rounds and organisations can plan with greater certainty.
- The arts@leeds programme currently supports 44 Leeds based cultural, voluntary and community organisations to deliver cultural engagement opportunities for residents across the city to engage in cultural activity as a participant, an attendee or a creator. Through the pandemic, the arts@leeds programme played a crucial role enabling organisations to continue to reach and engage citizens in their homes and local communities, contributing to their wellbeing.
- The arts@leeds programme delivers significant value to the city and makes a notable contribution to the Best Council Plan including:
 - Inclusive Growth – Supporting the city's economic recovery and building longer-term economic resilience
 - Culture Strategy: Growing the cultural and creative sector and ensuring that culture can be created and experienced by anyone
 - Health & Wellbeing: Supporting healthy, physically active lifestyles and enhancing mental wellbeing

Recommendation

- a) Executive Board is recommended to approve an 'in principle' extension of the arts@leeds programme for a fifth year, to 31 March 2023.

Why is the proposal being put forward?

- 1 Leeds' national and international cultural profile, borne out of a strong cultural offer within the city, are vital to the Leeds' economy and the social wellbeing of its residents. The Council operates two distinct cultural funding programmes:
 - Leeds Inspired – rolling grants programme for one off projects and events
 - arts@leeds – development and investment programmes promoting public reach and engagement.

Together, they support Leeds based cultural organisations and the city's residents to deliver, take part in and benefit from the city's rich and diverse cultural offer. This proposal relates primarily to the arts@leeds programme.

- 2 Every 3-4years, the Council creates and invests in an arts@leeds portfolio of creative organisations to help ensure Leeds residents have access to cultural and creative opportunities in schools and their communities. This is achieved by either directly investing in organisations based in city wards and/or supporting organisations to extend the reach and engagement of their programmes to benefit the wider city. The current portfolio is attached at Appendix 1.
- 3 The programme generates superlative benefits for the city. In 2019/20, 44 funded organisations delivered:
 - funded activity in all 33 wards
 - 24,754 targeted participatory sessions
 - 1,130 broadcasts created for a total audience of over 16 million people

Public engagement and benefit are at the heart of the arts@leeds programme. 2019/20 achieved:

- total audience numbers – 1,306,753
- total number of participants – 93,505
- total volunteer hours – 57,860
- paid employment for 1,584 freelance artists in the city

The programme also delivers a significant economic return to the city:

- for every £1 invested, arts@leeds clients matched this by £30
- arts@leeds funded organisations generated £29,271,453 through ticket sales and earned income

The 2019/20 summary report is attached at Appendix 2.

- 4 The proposal is to extend the current round of funding for one year to maximise the strategic benefits of the programme following the impacts of Covid-19 on the city.

Of the 44 arts@leeds organisations, 16 are Arts Council England National Portfolio Organisations (NPOs). Like arts@leeds, NPOs are usually funded for 3-4year periods to support delivery of Arts Council priorities. Leeds is home to 25 NPOs which collectively bring at least £21,591,650 Arts Council funding to the city. Typically organisations apply arts@leeds funds as match funding to secure NPO investment.

Due to the pandemic, the Arts Council is extending its NPO programme by 1year to 2022/23. Aligning the arts@leeds programme to this timeline creates opportunity for Council officers to influence the next round of NPO applications to ensure that Leeds' city

and cultural priorities are reflected in their requests for funding, capitalising on potential for significant added value.

- 5 As part of 2020/21 Council service reviews, the culture development team was reconfigured – now reporting to the Chief Officer Culture & Economy and bringing the Leeds Inspired and arts@leeds programmes together into the same team.

The proposed one year extension would create the time for officers to undertake a review of the funding programmes, including aligning access and data collection processes to improve monitoring and reporting of impacts in the city.

The additional year would also support officers in seeking to increase city-wide delivery by negotiating with larger organisations to target activity in wards that currently receive least activity from the programme.

- 6 Finally, a one year extension to the arts@leeds grant programme is the most effective way of investing in cultural organisations to support their recovery and delivery plans post Covid restrictions; offering stability, enabling future planning and, subject to Council budget setting, financial security.

What impact will this proposal have?

Wards Affected:

Have ward members been consulted? Yes No

- 7 The pandemic and associated restrictions have had a significant impact on the creative sector. This proposal would offer stability to the portfolio of arts@leeds clients and support longer term planning as the sector re-opens and recovers.
- 8 The additional year would also support officers in seeking to increase city-wide delivery by negotiating with larger organisations to target activity in wards that currently receive least benefit from the programme. This would trial a new way of working with funded organisations to increase the spread of cultural activities across the city.

What consultation and engagement has taken place?

- 9 The Executive Board Portfolio holder has been consulted on the proposals.
- 10 Consultation was also undertaken with a cross section of arts organisations currently in the scheme. The proposal was met favourably.
- 11 Officers have also considered wider implications of the extension proposal through discussions with non-funded arts organisations, Arts Council England, other West Yorkshire local authorities, Voluntary Action Leeds and Leeds Community Foundation.
- 12 Legal Service has reviewed the report and advised on legal implications. Their advice is noted at 17 below.

What are the resource implications?

- 13 The current scheme supports 44 organisations with annual grants ranging from £4,000 from £500,370 per year (attached at Appendix 1). Following 2020/21 service review proposals which saw a 15% reduction to the four largest organisations in the arts@leeds portfolio for

2021/22, the annual programme budget reduced to £1,613,420. Extending the programme would not rule out a change to the budget for arts@leeds through the council's budget setting process for FY 2022/23.

- 14 As the budget for the 5th year 2022/23 would be subject to agreement in the autumn budget setting process, we would communicate to organisations our intention to extend the programme making no financial commitments until the Council's budget is agreed.

What are the legal implications?

- 15 With Executive Board's agreement to extend the programme for one year, communications with organisations would clearly state an 'in principle' extension of the current round of the programme. Finalisation of the extended grant agreements is subject to council's budget setting process for FY 2022/23.
- 16 Each arts@leeds client operates under a signed grant agreement with the Council. Only following budget confirmation for the year will the Council enter into a variation agreement to existing grant agreements to formally extend the funded period to 2022/23. This process is also subject to Council approved KPIs for each organisation.
- 17 Since the implementation of this grant programme, the UK has withdrawn from the EU and the state aid rules governing public subsidy have been superseded under Chapter 3 of the Trade and Co-operation Agreement by a subsidy control regime. Subsidy control will need to be considered as part of the assessment of new grants made under this programme.

What are the key risks and how are they being managed?

- 18 There is a risk that the Council's ongoing financial challenges affect our ability to commit funding for a 5th year. Communications with organisations, will make clear that the Year 5 extension is an 'in principle' proposal and will only be confirmed subject to the Council's budget setting process for 2022/23.
- 19 A 5th year for current arts@leeds clients delays potential new applicants' entry to the programme prompting sector grievances. Officers have a good overview of the sector, including those who have applied previously and those that want to join the programme. Officers will continue to manage sector relationships and communications, including signposting to alternative funding sources.

Does this proposal support the council's 3 Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 20 The arts@leeds programme delivers significant value to the city and makes a notable contribution to the Best Council Plan including:
- Culture Strategy: Growing the cultural and creative sector and ensuring that culture can be created and experienced by anyone
 - Health & Wellbeing: Supporting healthy, physically active lifestyles and enhancing mental wellbeing

Options, timescales and measuring success

a) What other options were considered?

- 21 A range of options have been considered including:
- Hold to the originally scheduled timeline – launching a new scheme during 2021/22 with new three-year grant agreements commencing in 2022/23. However, with this option the

Council would lose opportunity to align funding with the Arts Council's extended National Portfolio Organisation (NPO) funding programme. Lack of alignment would mean lost opportunity to maximise the amount of Arts Council NPO funds levered into the city - currently £21,591,650 per year. Also as the sector is focusing on reopening, small and voluntary organisations in particular would lack capacity to undergo the application process in this year.

- Further, with this option we would lose the opportunity to review and strengthen the programme to increase and diversify benefits of the programme for Leeds residents.
- We considered a cessation of the programme for one year. However, the impacts of the pandemic on the city's cultural sector would be multiplied with impacts hardest felt among smaller, community and voluntary organisations.

22 As part of assessing options, and overall, it was determined that an extension of the programme would have least impact on the city's cultural sector and minimise the potential for a negative equalities impact. An Equality, Diversity, Cohesion and Integration Screening was undertaken by the Arts Development Manager and is attached at Appendix 3.

b) How will success be measured?

23 An established reporting process is in place to collate data for the programme delivered by funded organisations. This measures impacts in a range of ways including geographical (by ward), numbers engaged and diversity impacts.

c) What is the timetable for implementation?

24 July 2021 – Funded organisations will be notified of the intention to extend the programme for one year.

25 Autumn 2021 – Organisations will be asked to submit a programme of activity for 2021/22. To help ensure a wide geographical spread of activity across the city. Organisations with greatest capacity will be asked to prioritise activity in wards furthest from the city centre.

26 December 2021 – Organisations will be provisionally offered a fifth year of funding, subject to an agreed programme and budget approval.

27 January 2022 – Officers will launch a review of the Council's cultural funding programmes

Appendices

28 Appendix 1 – arts@leeds current portfolio of funded organisation

29 Appendix 2 – arts@leeds 2019/20 report

30 Appendix 3 – Equality, Diversity, Cohesion and Integration Screening

Background papers

31 None