

**Forward Plan reference number:** Not applicable

<b>Report title: Funding for Cultural Organisations</b>	
<b>Report to:</b> Councillor Graham Butland - Cabinet Member for Devolution the Arts, Heritage and Culture and Councillor Christopher Whitbread, Cabinet Member for Finance Resources and Corporate Affairs	
<b>Report author:</b> Samantha Kennedy - Director, Environment and Climate Action	
<b>Date:</b> 9 March 2022	<b>For:</b> Decision
<b>Enquiries to:</b> Louise Fitton, Head of Culture and Green Spaces. <a href="mailto:Louise.fitton@essex.gov.uk">Louise.fitton@essex.gov.uk</a>	
<b>County Divisions affected:</b> All Essex	

## 1. Everyone's Essex

- 1.1 It is proposed to fund three of Essex's Arts Council England's (ACE) National Portfolio Organisations (NPO) over the next four years. Arts Council England is the national development agency for creativity and culture in England. The National Portfolio Organisations are the group of organisations who receive regular funding from ACE and in return provides the backbone of creative and cultural provision across the country.
- 1.2 Essex has five National Portfolio Organisations, the Mercury Theatre, Firstsite, Colchester Arts Centre, Essex Cultural Diversity Project and Colchester and Ipswich Museums Service. It is proposed to fund the Mercury Theatre, Firstsite, and the Essex Cultural Diversity Project as these organisations closely align with ECC's priorities and have significant outreach activity programmes which cover a broad geography across Essex. Colchester and Ipswich Museums Service do not fall into the scope of this paper due to being a local authority led service.
- 1.3 Supporting these organisations will help ECC deliver against the priorities and aims of Everyone's Essex.
  - **Strong, Inclusive and Sustainable Economy:** The Mercury Theatre employs 107 staff and is due to generate £3.5million via its own income in 2022. Both Firstsite and the Mercury attract visitors from the eastern region and the UK to their venues. The Essex Cultural Diversity Project nurtures and supports cultural practitioners from Essex's ethnic minority groups, enabling the realisation of funding to deliver projects and programmes in the county.
  - **High Quality Environment:**
  - Firstsite see climate change as the 'green thread' connecting issues of inequality and will be focusing their attention, practices, and programming on this subject to make significant change over the next four years.
  - The Mercury Theatre's policy is to maintain a working environment that strives to promote energy efficiency, recycling of waste materials and the use of recycled products. Through the Mercury's actions and artistic programme, it will create awareness, understanding and a positive approach to

environmental sustainability, recognising the global significance of this issue and the social justice implications of addressing climate change.

- The Essex Cultural Diversity Project, through their commissioning programme have supported a broad range of projects which are rooted in the climate change agenda, from art installations on the Tendring coastline to community engagement in Essex's green spaces and country parks.
- **Health and Wellbeing and Independence for All Ages:**
- Firstsite has provided critical on-the-ground support for those most in need in the shape of food, engagement, social cohesion and above all a creative sanctuary for extremely vulnerable people. Via the C360 project, Firstsite provided over 4,000 free meals, and have been actively supporting migrant communities with Refugee Action Colchester and minority ethnic communities through their Black Lives Matter responses.
- The Mercury Theatre delivers specific programmes for young people, activities for young people with Special Educational Needs and Disabilities (SEND) and various senior clubs, choirs and programmes.
- The Essex Cultural Diversity Project has delivered various programmes focusing on health and wellbeing, including 'Tackling Inequalities'. Funded by Sport England, the project worked with 20 diverse led organisations across Essex to encourage a wide range of diverse communities to actively participate in physical activities through online platforms, indoor and outdoor sessions.
- **A Good Place for Children's and Families to Grow:**
- Firstsite's Holiday Fun programme has provided 25,000 meals over five years across five venues including Colchester, Harwich, Jaywick and Chelmsford. This provides meals and on the ground support to families in need, and as a by-product has inspired other cultural organisations to galvanise around reducing inequality through innovative creative programming.
- The Mercury believe theatre has the power to change young people's lives. The skills and confidence that come from participation in the performing arts can be applied to a young person's school, career, and life. The Mercury's fun programme of activities is designed to develop self-confidence, imagination, empathy, concentration and communication.
- The Essex Cultural Diversity Project have delivered programmes with families and young people including summer holiday activities with groups including the Chelmsford Muslim Society for over 80 children from diverse backgrounds.

## **2 Recommendations**

### **Cabinet Member for the Arts, Heritage and Culture:**

- 2.1 Agree to enter into a grant agreement with Firstsite, Mercury Theatre and Essex Cultural Diversity Project on terms approved by the Director, Environment and Climate Action which provide a £100,000 annual revenue grant to Firstsite and the Mercury and £60,000 for Essex Cultural Diversity Project for a period of 4

years, starting in the financial year 2021/22 and to continue as an annual payment until 2024/25, subject to the right to review and terminate at any time.

### **Cabinet Member for Finance, Resources and Corporate Affairs:**

2.2 Agree to the drawdown of £1.04m from the Everyone's Essex Reserve, profiled as follows:

- Mercury Theatre: First year to be paid in full via a payment of £100,000 this financial year 2021/22. Followed by quarterly instalments of £25,000 from April 22 to March 2025
- Firstsite: First year to be paid in full via a payment of £100,000 this financial year 2021/22. Followed by quarterly instalments of £25,000 from April 22 to March 2025
- ECDP: First year to be paid in full via a payment of £60,000 this financial year 2021/22. Followed by quarterly instalments of £15,000 from April 22 to March 2025

*Table 1: Proposed Funding – Firstsite/Mercury/ECDP*

£000s	21/22	22/23	23/24	24/25	Total
First site	100	100	100	100	<b>400</b>
Mercury Theatre	100	100	100	100	<b>400</b>
ECDP	60	60	60	60	<b>240</b>
<b>Total</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>1,040</b>

## **3. Background and Proposal**

- 3.1 According to the Arts Council England report 'Why Arts and Culture Matters', the Arts and cultural sector contributes £10.6 billion to the UK economy, with the UK having a creative economy worth £27bn, bringing £850m through tourism each year, positively impacting on mental health conditions such as depression, anxiety and dementia whilst improving social wellbeing and reducing loneliness and isolation in communities.
- 3.2 The three Arts Council England National Portfolio Organisations of Firstsite, Mercury Theatre and ECDP benefit from Arts Council funding of nearly £7million every four-year funding period, leveraging significant additional funding into the county and engaging thousands of Essex residents.
- 3.3 **Firstsite** - Founded in 1993, Firstsite is an art gallery situated in Colchester, Essex which moved to purpose built accommodation around ten years ago. In September Firstsite won the Art Fund Museum of the Year Award 2021 and creates exemplary exhibitions, commissions and hosts events in the gallery, within East Anglia, nationally and online.

- 3.4 Firstsite has welcomed over one million visitors to its new building and has established its reputation for being an art gallery of regional and national importance, presenting ambitious work in a fun and inclusive environment to new audiences in the East of England and beyond.
- 3.5 Firstsite is a partner of Plus Tate, which uses Tate's resources to contribute to a network of arts organisations across the country, and to increase public access to the national collection of British and international modern and contemporary art.
- 3.6 The **Mercury Theatre** in Colchester is an artistic powerhouse in the East – a vital, vibrant, welcoming centre of culture for the people of Colchester, Essex and beyond. The Theatre engages with the community via a broad range of young people, seniors and SEND programmes whilst presenting new work and nurturing local talent, all taking place alongside blockbuster performances and the much-loved pantomime.
- 3.7 It has been an independent charitable trust since in 1947 and in 2022 celebrates its 85th birthday and 50 years of being based in Balcerne Gate.
- 3.8 The recently realised Mercury Rising project has seen a £9.8million investment, creating a larger foyer space, redeveloped auditorium, full accessibility throughout the venue, a new café and rehearsal space and improved backstage facilities. The development is one of only five new venues to open in the UK this financial year and the only one in the Southeast. During the pandemic the Mercury's online programme engaged with over 460,000 people.
- 3.9 The Mercury spends £3.9 million in the local economy and for every £1 invested the Mercury generates £3 in the county. Annually audiences spend £3.8million in the town. Mercury Rising alone has generated 52 jobs and of the £11.8million budget, £10.6million has been spent in the local economy.
- 3.10 **Essex Cultural Diversity Project (ECDP)** has a vision to energise cultural diversity in the arts and heritage, and a mission to create opportunities, stimulate opportunities and provide a focal point for the development and coordination of cultural diversity through arts and heritage activity.
- 3.11 ECDP was established in 2008 following a feasibility study commissioned by Arts Council England and Essex County Council to investigate the need for an arts programme focused on cultural diversity in Essex. The study found that work was urgently needed to support BAME artists and arts organisations, as well as strategic organisations to address cultural diversity in the arts and heritage sectors.
- 3.12 Now a registered charity, ECDP works across cultural sectors, building partnerships with artists, arts organisations, museums, and libraries to promote culturally diverse work.

### **Cultural and Community Benefit**

- 3.13 Arts Council England National Portfolio status is a mark of excellence and ensures each organisation is sustainability funded and supported. ECC have an opportunity to therefore capitalise and harness the exemplary cultural expertise in Essex via these three NPOs, guiding any relevant and appropriate work towards the fulfilment of the Everyone's Essex strategy.
- 3.14 Funders and partners look to ECC's support and funding as a mark quality. Funding from other funding bodies can also be dependent on there being investment from ECC as this demonstrates a high level of commitment and confidence from the authority in support of their cultural infrastructure. ECC's support will therefore enable these organisations to lever greater funding, and more confidently approach funders and partners with the endorsement of ECC.
- 3.15 ECC support will also greatly benefit Essex residents, as programmes of work delivered via these organisations provide activity for children in the school holidays in areas of deprivation, nurture local creative talent, reduce the isolation of elderly residents and bring communities together through creative activity.

#### **Evaluation and Monitoring:**

- 3.16 Each organisation will be required to enter into a grant funding agreement with ECC, whereby priorities and evaluation will be discussed with each organisation on a case-by-case basis due to the differing nature of each organisation and the work they deliver.
- 3.17 Data on audiences, participation, income etc will be collected as part of the National Portfolio evaluation reporting each organisation needs to do for Arts Council England.

#### **Links to our Strategic Ambitions**

- 3.18 This report links to the following aims in the Essex Vision:
- Enjoy life into old age
  - Provide an equal foundation for every child
  - Strengthen communities through participation
  - Develop our County sustainably
  - Connect us to each other and the world
  - Share prosperity with everyone

Approving the recommendations in this report will have the following impact on the Council's ambition to be net carbon neutral by 2030.

This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':

- A strong, inclusive, and sustainable economy
- A high-quality environment
- Health wellbeing and independence for all ages
- A good place for children and families to grow

## 4. Options

- 4.1 **Option 1:** Do not agree to the proposed transfer of funds to support the cultural organisations as outlined in this report. This will not result in the benefits outlined above and would miss the opportunity to harness the significant cultural capital in Essex to deliver against the Everyone's Essex Strategy for Essex residents and communities.
- 4.2 **Option 2: (Recommended)** Agree to the drawdown of £1.04m from the Everyone's Essex Reserve over four years as per the profile in table 1 at para 2.2 and as outlined in this report.

## 5. Issues for consideration

- 5.1 The organisations proposed for funding are three of the five National Portfolio Organisations which are funded in Essex by ACE. (Colchester and Ipswich Museum Service is a local authority service and are not within the scope of this paper). Colchester Arts Centre are also not within the scope of this CMA due to their work aligning more with support from the Arts and Cultural Fund.

- 5.2 The proposal is that the funding be subject to a grant agreement and an annual review so that the Council can discontinue funding should this not be the most appropriate use of the funding.

### 5.3 Financial implications

- 5.3.1 Approval is sought to draw down £1.040m in annual instalments of £260,000 over the period 2021/22 to 2024/25 from the Everyone's Essex reserve and create budgetary provision within the Portfolio for Devolution, the Arts, Heritage and Culture for the proposed investment. Table 1, para 2.2, sets out the profile of spend by year and by entity and is repeated here.

Table 1: Proposed Funding – Firstsite/Mercury/ECDP

£000s	21/22	22/23	23/24	24/25	Total
First site	100	100	100	100	400
Mercury Theatre	100	100	100	100	400
ECDP	60	60	60	60	240
<b>Total</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>1,040</b>

- 5.3.2 The funding will be defrayed to each eligible entity under the terms and conditions set out in a grant funding agreement. Each grant will be awarded on an annual basis and will be reviewed prior to a new agreement being issued each year with ECC retaining withdrawal of funding rights subject to satisfactory delivery of contractually agreed targets and objectives.

- 5.3.3 For the financial year 2021/22 payments will be made in full as outlined in 2.2. For following financial years payments will be made in quarterly instalments.

## **5.4 Legal implications.**

5.4.1 It is proposed to pay this money as a grant. Provided that there is no direct commissioning of services there is no requirement for competition and no procurement law implication. As with all decisions of this nature, the decision maker must be satisfied that the represents good value for money as this is one of the factors considered by our external auditors as well as being a statutory duty for the Council.

5.4.2 This report sets out the basis upon which the decision maker may consider that this is good value for money.

## **6 Equality and Diversity Considerations**

- 6.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 6.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic. (

## **7 List of Appendices**

Equality Impact Assessment

## 8 List of Background papers

<b>I approve the above recommendations relating to my portfolio set out above for the reasons set out in the report.</b>  <b>Cllr Graham Butland - Cabinet Member for the Arts, Heritage and Culture.</b>	<b>Date</b> 22 March 2022
<b>I approve the above recommendations relating to my portfolio set out above for the reasons set out in the report</b>  <b>Cllr Chris Whitbread- Cabinet Member for Finance, Resources and Corporate Affairs</b>	23 March 2022

In consultation with:

<b>Role</b>	<b>Date</b>
<b>Executive Director, Corporate Services (S151 Officer)</b>  <b>Stephanie Mitchener on behalf of Nicole Wood</b>	11 March 2022
<b>Director, Legal and Assurance (Monitoring Officer)</b>  <b>Paul Turner</b>	18 March 2022