

**Aberdeen City Council**

**Aberdeen Culture Delivery and Funding Review**

**Cultural Policy and Partnerships Team, City Growth**

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**Final Report – Executive Summary**

**February 2024**

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## 1 Background to the Review

As part of the Council's Budget setting process on the 1st of March 2023, the following action was agreed:

*Instruct the Chief Officer – City Growth, in consultation with partner organisations, such as Aberdeen Performing Arts (APA), to bring back a report on how best to allocate funding to cultural organisations from both the General Fund and Common Good budgets and to report back to Council before the end of the financial year 2023/24.*

In order to deliver on this instruction, the Council has commissioned this review of its investment in culture. The review aims to identify opportunities for efficiencies and more sustainable investment models which support the sector's resilience while delivering best service and value for the people of Aberdeen. The review is broken down into down into four tasks:

- Task 1 – Root and branch review analysis of Council's 'regular' investment in culture
- Task 2 - Revised Funding Framework and Budget Recommendations
  - Revised criteria which is more aligned to Council delivery plans, priorities, and financial position, considering funding in the context of a multi-year development planning.
  - Recommendations for budget allocation in 2024/25 and process for allocation over subsequent five-year period (not withstanding any implications from Work Package Two, which comprises Task 3 and 4)
  - Revised reporting and performance evaluation matrix for more effective monitoring on culture's impacts against Council's social and economic priorities going forward.
- Task 3 -Cultural Estates Review
  - Culture Estate report which will articulate the current position and provide insights into the sustainability of Aberdeen's arts and culture facilities and identify potential areas for improvement in the context of Task 2 and 4.
- Task 4 -Cultural Model Options Feasibility
  - Options analysis report on alternative models with recommendations, including revised structure for Council cultural services as applicable.

While our tasks are necessarily focussed on the Council's funding, it would be unwise not to give due consideration to the immediate and future funding context more broadly for the cultural sector. Recommendations are made in the context of Creative Scotland's live open application process for 3-year multi-annual funding for arts organisations. This opportunity to leverage national investment into Aberdeen is unprecedented in recent times and has not been made available since 2018<sup>1</sup>.

At present, Aberdeen organisations are in the midst of this two-stage application process to secure multi-year funding via Creative Scotland. The first round closed on October 25<sup>th</sup> 2023 and successful applicants will be invited to make a full bid for support in early 2024, with final decisions being taken for funding to commence from April 2025. Under the current funding schemes the organisations in this report attract more than £800,000 of national investment into the city from Creative Scotland. The majority of those in the scope of this report have advanced plans to request significant uplift and will need the visible support of their city council to have hope of success in securing investment that will benefit the cultural life of the city.

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<sup>1</sup> Clearly Creative Scotland's budget is also under pressure and there are no guarantees of success, but Aberdeen is underinvested and its bidding organisations are of high quality. Creative Scotland's budget pressures also sit alongside the recent promises of increased investment in culture by the First Minister.

At the time of writing we are aware that the following organisations have been successful in their stage one applications and have been invited to apply as part of stage two:

- APA
- Citymoves
- Peacock
- Sound
- GHAT
- Belmont
- Jazz Scotland

In addition, there have been initial conversations between the Council and Creative Scotland regarding the disparity of funding distribution to Aberdeen. This is ongoing at time of writing and requests have been made with regard to the levels of applications relative to levels of funding for Aberdeen.

Our research has demonstrated there are areas of national public and lottery funding that could be exploited to a greater and more equitable extent by the city, however, changes in historic funding patterns are more likely to happen over a longer time period (e.g. 10 years) and success will be dependent on the Council having in place a clear strategic direction for its own cultural investment. The First Minister's recent announcement of plans to double investment in culture by 2028<sup>2</sup> (an increase of £100m per year) exemplifies the potential for greater subvention from national funding sources and is another reason for the Council to continue to commit significant support to the city's cultural sector by adopting a transitional status quo for funding in year 2024/25. To not do so runs the risk of damaging the opportunity for national investment in Aberdeen.

Our review considers the broader structural requirements for delivery and whether more effective means might be available. Again, this requires us to use a wider lens that encompasses the broader perspective of the cultural sector and its overarching funding and strategic needs and places the Council funding within that context. We are aware that the Council is already considering some initiatives in this regard and so will locate our recommendations accordingly.

This report presents an appraisal of various options available to the Council as it embarks on a review of delivery models for its cultural services. It also explores the potential for the Local Outcome Investment Plan to provide an effective and efficient model of allocation of resources to support local arts and culture investment; and a revised monitoring and evaluation matrix for monitoring cultural investment.

In addition, we have considered a number of delivery models with a focus on achieving cost savings and maximizing opportunities for residents:

*Trust/ALEO:* Consider moving Council Cultural venues and services to an ALEO for economic, social, and cultural benefits.

*Umbrella Operational Support:* Explore consolidating and sharing services like estate management, IT, marketing, etc., within a unified model to enhance efficiency through collective economies of scale.

*Consortium/Culture Compact:* Form a formal partnership to support the local cultural sector, emphasizing cross-sector engagement and development contributions.

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<sup>2</sup> Arts Professional October 2023

*Culture Commerce Unit:* Establish a model for closer collaboration with the private sector, combining cultural potential with business competitiveness.

*Status Quo Plus:* Adopt principles and best practices of other options without formal restructuring for short-term improvements. The Status Quo remains as a default option.

*We have also been asked to consider revisions to the current structure for Council cultural services in the context of new approaches to the delivery models.*

We give further consideration to the potential of recently emerging Creative Improvement Districts to play a role in Aberdeen, and outsourcing grant awarding to an independent organisation.

This report considers the fundamental need to contextualise decision-making about models of delivery within the purpose and mission for culture in Aberdeen, investigating the potential for the Local Outcome Investment Plan to clarify and streamline approaches to cultural delivery.

Within that context, it is worth noting that the delivery options fall into two categories: those within the direct control of ACC (internal) and those devolved to an arms-length body (external) via ALEO arrangements or grants distribution to the independent cultural sector. The former might be considered to be 'of the Council' and, therefore, beholden to the same corporate objectives as all other Council services (as expressed in the LOIP); and the latter 'of the city', which would allow a different range of priorities/objectives to be in place (as with the Cultural Strategy). In practice, it is hoped the two approaches would not be far apart, however, the important distinction would be that the priorities of the body with responsibility for oversight of delivery sets the overarching agenda. This should be borne in mind when considering the various models set out below.

Similarly, we are aware that external models elsewhere in Scotland and the UK tend to aggregate a broader range of cultural and leisure services with their operational ambit. It is beyond the scope of our brief to include these services that typically include, libraries, museums, galleries, sports facilities, swimming pools, and leisure centres, among others. Should an external option be favoured, we would recommend that further consideration be given to the constitution of that body and whether it would be more cost- (and mission-) effective with responsibility for services in addition to culture. Some areas, such as Fife, have chosen to phase the creation of external bodies with responsibility for culture and leisure with a graduated accrual of services.

This report provides an overall summary of key themes and recommendations from each of the 4 individual reports. Each report provides significant detail and accompanying appendices.

## 1.1 Emerging Themes

Through consultations and research there are a set of themes emerging which informed all of the tasks:

**a. Long-term Approach:** The current annual approach to cultural investment undermines the Council's strategic position, damaging the potential for national investment and for cultural organisations to enact effective medium-term planning that embeds less reliance on grant funding from the Council. While council funding can only be approved on annual basis, many major cities in Scotland and England offer major cultural clients a multi-year funding agreement (typically 3 years in duration) which sets out revenue funding but also caveats this with the truth that annual council budget setting may alter the figure offered year-by-year. This is not a binding promise, but it is a powerful demonstration of

civic intent, and it allows clients to plan and act more strategically and to also bid for leverage funds from other sources.

**b. Clarity of purpose:** The Council has or is party to multiple strategic plans related to culture, but they lack interconnectivity, clear direction, specific actions, and identified resource: The Cultural Strategy, the 365 Events Plan, the Council Delivery Plan 2023/24, the Local Outcome Investment Plan (LOIP, currently under review) and the Regional Economic Strategy. Independent cultural organisations are asked to report on several of these, while in practice, for many of the consultees in and outside the council, the LOIP is seen as the most important measure. However, there is currently no direct reference to culture in the LOIP and many of its published targets are specific and granular and difficult for cultural organisations to address.

**c. Transparency:** There is need to rationalise the various sources of funding for culture in the council and also to arrive at a fair and transparent application, monitoring and evaluation process that is linked to delivery of clear principles and priorities. With no current application process in place for cultural revenue funds (there is a robust process for Creative Funding project grants) there are risks for the council in regard to transparency and accountability. There is also lack of opportunity for the independent cultural sector to present and argue its case for support to the council through such an open process. These risks are being recognised by the council in the extension of application processes for the Common Good (although proliferation of parallel and inefficient cultural application processes should be avoided). Ideally new funding processes should be developed with the input of the independent sector and should be available for a first round of applications in Autumn 2024 for funding from April 2025 onward.

**d. Economic Diversification:** There's a consensus that Aberdeen needs to diversify its economy. City and regional economic plans recognise the need to transition from traditional industries like oil and gas into new and sustainable technologies. Culture in Aberdeen is no different with stubborn dependency on Council funds and underachievement with national funders, trusts and foundations, sponsorships and alternative sources of funds visible across the board. There is immediate concern here in relation to Creative Scotland Multi-Annual grants process which is live now and on which the future of much of Aberdeen's cultural assets depends. The Council should act urgently to support its key cultural organisations to leverage as much national support into the city as possible.

**e. Value of culture:** Culture is clearly valued in Aberdeen. In the recent Council budget consultation culture and sport received the second highest number of points, just behind education relating to what mattered most to the people of Aberdeen. There is, however, a perception amongst consultees that local culture - professional and grassroots - is not appreciated by the Council and there is a perceived culture of contracting talent in.

**f. Relationship with Universities:** Universities are widely seen by consultees as not contributing enough to the city's cultural and economic life, missing an opportunity for symbiotic growth. EKOS in 2021 and 2023 noted 'The strength in the local academic sector and a cohort of over 6,500 students in subjects related to the creative industries, but that Aberdeen is not (yet) offering the concentration of creative opportunity that can attract and retain such talent'.

**g. Festivals and Events:** The city places high priority on cultural events – there is even a specific and separate plan for them (events 365) however there are tensions reported by consultees between parachuted in activity and the growth of locally relevant activity and also provocations about why large-scale events with clear commercial appeal are underachieving in regard to sponsorship and placing ongoing and further demand on limited council resources.

**h. Community engagement:** There is no strategic approach by the Council here, though significant opportunity exists and is evidenced through examples like SHMU and through its own network of community creative learning centres and music service provision. There is an opportunity for the council, the sector and the community to work together in growing cultural delivery across the city.

**i. Understanding and Communicating Cultural Impact:** Current reporting by cultural clients is split across multiple council priorities and provides an inconsistent picture of impact. Clear metrics to evaluate the success and impact are lacking and important opportunities to communicate the benefit of council investment in culture are lost. This should start with clear and transparent application and assessment processes for Council investment. In 2019 The Council commissioned EKOSGEN to provide the city and sector with a tool kit to self-assess economic impact (leading to an excellent cultural impact study that year), however, with the impact of COVID, the consistent use of this tool has not been followed through.

**j. Cultural regeneration:** The regeneration of the city centre is regarded as a priority by all consultees and culture can play a significant role in this evidenced in projects from Dundee to Bilbao. The Council has invested heavily in cultural assets since the previous review by BOP in 2013 with £36m in Museum and Art Gallery and £300m plus in P&J Live/ TECA. However, there is little evidence of a wider strategy to use culture to drive regenerative benefits in the heart of the city centre. There is also an important contradiction commented on by several, consultees in this report that while capital investment is vital, it is people and programmes that actually make buildings work.

## 1.2 Framing and Context

One of the key decisions for the Council to make is: will the future be shaped by the Council's cultural funding priorities, or the city's? There is an important nuance between the two, as the latter implies a collegiate approach in which all parties are participant in a common aim, namely, providing the most effective and equitable range of cultural opportunities for the people of the city. The former can tend to polarise opinion, most usually against the funder, because it is easier to settle on one target for an unpopular funding decision. Collective decision-making changes the dynamic completely. However, such an approach would need to inform the processes and structures of the whole funding process.

In Aberdeen there are several strategies and priority areas that are all germane to the cultural sector - LOIP, Event 365, and the Economic Strategy (as well as the Council's overarching civic objectives) - and this can become confusing for both fundee and funder when trying to assess the impact of its funding. Impact is, fundamentally, why public funds are deployed by the local authority – the Council seeks to achieve its broader social and economic objectives by investing public finances in areas that will create beneficial impact for its citizens.

In the case of the cultural and creative industries, there is now well established evidence of impacts across social, economic, cultural and environmental agendas, both long-term in terms of community benefit (i.e. positively changing the profile and image of certain areas with consequent changes to businesses and families locating there) and short-term in terms of individual benefit (in terms of wellbeing, skills development, knowledge acquisition, and such like).

This bigger picture should then provide the contextual framework for assessing organisational reviews: how does a particular level of funding investment result in a specific type of impact; if more or less resource is deployed to this area/company what will the consequence be for that supply chain? The Council has suggested that its overarching priority is for economic benefit: in that case, there are some areas of the cultural sector that will yield more benefit than others, and the organisational assessments can be framed in that regard.

We would, however, suggest that there is a degree of complexity as to cause and effect with regard to cultural funding and impact that is not as straightforward as it is with some other areas of public services, and procurement and investment. It tends to be dynamic with some institutions proving more effective in some areas than others, and vice versa. There is also an important distinction to be made between the professional and non-professional sectors and their impacts, and buildings and events, who are also different in terms of their characteristics and impacts, and of course in

geographical impact where some can be hyper-localised (the developments at Fittie and Torry) and others city-wide/regional (e.g. music education provision, and Spectra).

This report setting out recommendations for a more consistent and effective framework for the allocation of funding from the identified budget. Specifically, this will provide:

- Revised criteria which is more aligned to Council delivery plans, priorities, and financial position, considering funding in the context of a multi-year development planning.
- Recommendations for budget allocation in 2024/25 and process for allocation over subsequent five-year period
- Revised reporting and performance evaluation matrix for more effective monitoring on culture's impacts against Council's social and economic priorities going forward.

Key requirements of this process include:

- Providing recommendations for more effective and efficient model of allocation of resources to support local arts and culture initiatives.
- Benchmarking against other local authority approaches and processes
- Improved decision-making processes linked to priorities, revising performance indicators to better match wellbeing economy metrics and demonstrating the value of cultural investment.
- Simpler and more transparent processes which are customer focussed.
- Identify duplication and activities which could stop receiving support, where funding could be diverted to other activities which require additional resource.
- Identify areas for reducing dependency and demand longer term.

### 1.3 Cultural Assets

The City of Aberdeen boasts a rich cultural fabric with numerous venues and organisations contributing to a year round cultural offering for residents and visitors.

Aberdeen has in recent years enhanced its cultural assets, notably the Music Hall refurbishment, the enhanced provision at HMT, the restoration of the Tivoli Theatre, the completion of the Museum and Art Gallery redevelopment, as well as the new P&J Live venue. Future plans include investing in the Beach Ballroom.

In addition to these major cultural assets, there are also numerous small independents operating in the city as well as community based organisations. The universities also contribute significantly to the cultural scene in the city through various clubs and societies. There are also a number of other long established amateur groups.

The cultural infrastructure in the city is strong as is demonstrated in this report, however there is a need to enhance and maintain key assets to realise the city's cultural potential.

Organisations are operating utilising various financial strategies, unique to their circumstances.

Buildings generally are suitable for purpose although there are issues with storage. The majority are structurally sound however heating and insulation could be improved for many. The planned redevelopments of buildings will enhance these ratings significantly.

Increased sharing of space and services, particularly amongst council run buildings can only be positive going forward.



There is significant pressure faced by the sector to be more sustainable but with increased operational costs evident across the board, the priority of balancing the books can prevent the opportunity to undertake improvements or repairs.

Costs to become more sustainable particularly when operating from older building stock are cited as barriers to improving. Investment in building fabric and sustainability would allow organisations to operate more effectively and efficiently.

## 2 Methodology & Scope

### 2.1 Task 1 & 2

In Task 1 and Task 2 we were requested to consider the core independent cultural providers in the city and the largest cultural events. Specifically, this includes:

- Aberdeen Performing Arts (APA):
- Aberdeen Arts Centre (Castlegate Arts)
- City Moves
- Aberdeen Jazz Festival (Jazz Scotland)
- Peacock and the Worm
- NuArt
- Sound
- Spectra

These are the larger scale, full time building based cultural bodies and high-profile Festivals which receive the majority of the city's cultural investment and will in return deliver the highest levels of cultural, economic and social impact. They are also likely to also have the greatest reliance on this funding for their survival.

Station House Media Unit (SHMU) was not included in the original scope but has been included at its own request. Having been funded for several years via the city culture budget, SHMU now sits within the city communities team. Interestingly, it attracts significant national support from Creative Scotland. SHMU provides an alternative working method that may be of value in regard to future planning for council investment and the fundraising strategies of other independent cultural providers.

We were asked not to consider Belmont Cinema.

The Council investments we were asked to consider are:

- Commissioning Service – Core organisations i.e. ALEOS (APA).
- Commissioned Development – Development supported organisations.
- Cultural Programme – legacy of City of Culture “scale up” programme which includes Spectra and the APA headline festivals.
- Commissioned Projects – Creative Funding programme (including Seed Fund).

The Creative Funding programme brings into scope the city's wider cultural ecology including a range of smaller organisations and individual artists who benefit from council support on a one-off basis and who may not have the profile or year-round impact of the larger cultural institutions. While we were not asked to explore this sector in detail we have surveyed and reported on beneficiary opinion of the programme operationally and on the value and impact of the funding provided.

We also consider the Common Good fund. Common Good is inextricably linked to the funding of many of the organisations in scope and is making increasing contribution toward the running costs of several.

The report considers Aberdeen's vision and plan for culture through consideration of the current strategic framework, including the Cultural Strategy, City Delivery Plan, Local Outcome Investment Plan, Regional Economic Strategy, Target Operating Model, and Medium-Term Financial Strategy.

The following methodologies have been applied to gather the relevant information to respond the requirements set out above.

- Desk research - internal review documents provided by Council, individual organisational data and other contextual information.
- Financial analysis – overall grant programmes and individual organisations – information provided by the Council and individual organisations.
- Audience Mapping – audience postcode data provided by organisations where available.
  - APA
  - Castlegate Arts
  - Citymoves
  - Sound
  - Spectra
  - Nuart
  - No data was available for Peacock and The Worm or SHMU
- Market and population analysis – city of Aberdeen and 30 and 60 minute catchment areas
- Consultations – stakeholders, Council staff, core funded orgs
  - At the time of writing there had been no response from Creative Scotland
  - A full list of consultations is shown in appendix 1.
- Creative Funding Award survey – survey to those in receipt of funding in 2021, 2022 and 2023.

We considered comparative approaches and models for cultural investment. In looking for relevant city examples/ benchmarks and trends to inform this report, we have sought to focus on models that can be adapted for the Aberdeen situation, including processes, metrics and organisational structures.

The report also explores the concepts that sit behind local authority investment frameworks, considering how transactional, reactive and directional/impact led models influence the potential to create meaningful assessment criteria and monitoring and evaluation frameworks that can support long term ambition.

All findings, observations and recommendations are evidence based and come from a combination of consultations with the sector and key stakeholders as well as written information and reports received from the Council. Key findings and the relating critique are based on the same view being expressed by at least 3 separate sources.

For task 2 specifically, a combination of 1-2-1 consultation and desk research was used to add to the information gathered via task 1. The context of the current funding process was established from a peer and user perspective through consultation interviews that sought to clarify how effective the funding model is, if the objectives are clear, and how easy/challenging the process is. Desk research was used to identify relevant comparator models to inspire possible alternative means of approaching cultural funding.

## 2.2 Task 3

In order to provide the outputs for task 3, the following methodologies have been employed;

- Survey – to the cultural assets in scope
  - Condition of buildings
  - Suitability of premises
  - Accessibility and security
  - Environmental impact and sustainability
  - Energy efficiency
  - Sharing of services
- Financial analysis – gathered data analysis
  - Operating costs
  - Maintenance
  - Income drivers
- Audience/participant analysis
  - Catchment and audience analysis

The following city assets have been included as part of this full analysis:

- His Majesty's Theatre
- The Lemon Tree
- Music Hall
- Aberdeen Arts Centre
- Beach Ballroom
- Aberdeen Art Gallery
- Peacock Visual Arts Studio
- Peacock's The Worm
- CityMoves – Anatomy Rooms & Schoolhill Studio (joint response received to questionnaire)
- Aberdeen Maritime Museum
- Central Library
- Station House Media Unit (SHMU)

## 3 Recommendations

### 3.1 Task 1

#### **Budget allocation 2024/25**

The budget allocation to core organisations for 2023/24 stands at £1,552,975 distributed to core organisations, and a further £120,000 of Creative Funding awarded to individuals and non-core cultural organisations.

Future savings in TOM1.2 timeline can be made but should be in context of structural and strategic change needed and to match future investment from 2025 by the Council to sector needs and city priorities and future city ambitions through a new grants programme and application process.

With no consistent means of assessing the impact of current clients, any substantive cuts in 2024/25 would be open to criticism as being arbitrary and in relation to funding leveraged into the city and the returns on investment (visible in some data) could be seen as self-destructive. The council would immediately face protest and the public relations challenge which it triggered 12 months ago.

*It is recommended that investment in core cultural organisations remains at standstill for 2024/25, which should be viewed as a transitional year.*

The primary rationale for this recommendation is that in awarding standstill funding the Council will significantly influence leverage of national funding that protects the city's cultural assets.

Current leverage across the 5 Creative Scotland annually funded core organisations stands at £842,964. These organisations are Aberdeen Performing Arts, Aberdeen Jazz Festival, City Moves, Peacock and the Worm, and Sound.

The open application process for 3-year Creative Scotland multi-year funding is currently underway, and Council investment will influence organisations' success in securing enhanced national investment. Current bidding plans indicate an increased potential for investment across these 5 organisations, totalling £1,414,631 annually. This equates to total potential investment of £4,984,998 over the next 3 years (2025-2028). We are not suggesting aligning with Creative Scotland funding cycles, more that leadership from the Council in not cutting funding will allow the organisations to demonstrate leverage with Creative Scotland which will potentially affect their decisions. Allowing for a year of standstill funding will then allow the organisations to know and plan for their national funding and give them the opportunity to plan for and bid appropriately to the Council for 25/26 and beyond.

As outlined elsewhere in this report, Aberdeen has suffered from historic national under-investment in culture. With a new multi-year programme in place, Council backing for its cultural organisations at this moment in time is the first step in reversing this trend.

Those organisations outside the Creative Scotland portfolio – Aberdeen Arts Centre, Nuart and Spectra – currently account for £576,915 of the total investment fund, with Spectra accounting for £325,915 of this. Any cut in investment for 2024/25 runs the risk of provoking reactions that may impact negatively not only on immediate cultural delivery, but on the potential to develop measured, long-term planning in an orderly fashion with a focus on reducing reliance on Council investment in the medium term. As demonstrated elsewhere in this report, Aberdeen Arts Centre has shown remarkable resilience and is clearly meeting local demand; however, the combination of post covid recovery, cost of living impact and the need for urgent capital works means that even a modest cut in the region of 20% would have significant negative impact on one of the city's key cultural assets. We have considered the option of making a significant saving by alternating the two major festivals (Nuart and Spectra) which would achieve a saving of £125,000 against Nuart or £325,915 against Spectra if this were enacted in 2024/25 (an average saving of £225,457 annually). However, such a significant change in delivery requires careful planning and collaboration with partners. It is therefore our view that while this option may be considered at a later stage, it is not a wise move for 2024/25.

This leaves £120,000 of Creative Funding. This fund was until recently £240,00 with a maximum grant level of £15,000. The maximum grant level is now £8,000. The award largely supports smaller, grassroots organisations and freelance practitioners and the evidence presented in this report demonstrates that it has a high impact on local communities. If this grant were to be cut completely, or reduced substantially, the vital connection with grassroots cultural provision for local people would be lost. A continued but perhaps more measured chipping away at this fund – of say between 10% and 20% - would undoubtedly erode the range and reach of work achieved, whilst achieving net savings so small that they might be considered insignificant in the wider picture.

It is worth noting that in 22/23, £48,000 was given to organisations out with the city of Aberdeen (although activity is in Aberdeen). Should savings need to be made, an option that could be pursued

is to fund only those individuals and organisations based in Aberdeen, reducing the overall pot to £72,000.

APA may be treated as separate to this recommendation as at the time of this report, it has just participated in a separate council review of ALEOs. There are four identified options for APA for council consideration.

### 3.2 Task 2

**Recommendation 1:** Investment in core cultural organisations and the Creative Fund should remain at standstill in 2024/25, which should be seen as a transitional year while a new and transparent cultural funding programme is devised and implemented for 2025 onward.

Rationale: Future savings in the TOM1.2 timeline should be made in the context of the structural and strategic change that will ensure that the Council’s future investment from 2025 addresses sector needs and city priorities and ambitions through a new grants programme and application process.

Risk: With no consistent means of assessing the impact of current clients, any substantive cuts in 2024/25 could be open to criticism as being arbitrary and in relation to funding leveraged into the city and the returns on investment (visible in some data) could be seen as self-destructive. The council runs the risk of immediately facing protest and the public relations challenge which was triggered 12 months ago.

Additionally, 2024/25 is a critical year for Aberdeen culture for the next three years. All clients in scope are in midst of national investment bids for their city. Creative Scotland bid proposals in development from core organisations total in the region of £1,414,631 annually, equating to a potential investment of £4,984,998 over 3 years. ACC investment will be a significant factor in achieving this funding. The Council would act in its own best interests to protect the national investment it has and back the potential for its independent sector to increase investment in a competitive process if the recommendation was accepted.

**Recommendation 2:** APA may be treated as separate to this recommendation as at the time of this report, it has just participated in a separate council review of ALEOs. There are four identified options for APA for council consideration:

Option 1	Status Quo – Remain as an ALEO.
Option 2	Remain as an ALEO with a phased reduction in funding to 75% of the current footprint.
Option 3	Remain as an ALEO and assume responsibility for additional cultural services on behalf of the council.

Option 4	Cease to be an ALEO and transfer back in-house as part of the Council structure.
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Phased reductions in funds as suggested here for APA have been used effectively by several major cities to achieve necessary budget cuts over time and to enable independent cultural organisations to develop alternative strategies. This may well be an option for the Council to achieve TOM1.2 targets working with the rest of its cultural independents through a new and clarified approach to funding from 2025 onward.

#### Allocation of funding beyond 2024/25

The recommendations here are made in the context of review findings that have indicated the need for a joined-up, strategic approach to cultural investment that identifies clear priorities and maximises the opportunities for impact and leverage of external investment.

**Recommendation 3:** We recommend the council devise a new cultural funding programme for 2025-2026 onward, ideally with sector input<sup>3</sup>) during 2024.

Ideally this would bring all relevant council funds together including Common Good resources awarded to cultural activities into a single programme with simplified application process, clear monitoring and impact reporting and which links delivery to an agreed set of city objectives.

The detail of the programme should be developed through sector consultation to offer options for project or revenue funding and should offer multi-annual funding to allow clients to plan effectively.

New programme(s) should set high expectation around value for Aberdeen and increased leverage of funds from local and national sources.

**Recommendation 4:** The Council should set long-term outcomes for cultural, social, and economic impact within its core objectives and regularly assess progress. Priorities and outcomes need to be identified, and a matrix of assessment should be prepared with sector engagement. We believe that linking in with the LOIP may be the most logical fit for culture at present but understand this is currently under review. We understand that the draft Regional Economic Strategy has culture as a core pillar however this is a regional strategy whereas the LOIP is city specific. As part of our continuing review in Tasks 3 & 4<sup>4</sup>, the best fit will be investigated in more detail and further recommendations made at that point.

**Recommendation 5:** An Action Plan should be developed that identifies intended outputs, outcomes, resource allocation, stakeholder engagement, leverage ambition, and ownership. This plan should connect with existing strategies but should be developed as the master document for cultural planning and priorities.

A greater understanding of the impact of the level of funding is required, a) on the organisations being funded, and b) on the impacts they can provide.

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<sup>3</sup> See Leeds Case study in this report

<sup>4</sup> As per the original tender document as issued by Aberdeen City Council in July 2023.

**Recommendation 6:** An agreed baseline of impact should be established to allow relevant future monitoring and assessment.

**Recommendation 7:** The Council should review how all independent cultural organisations currently contribute to its priority impact areas.

**Recommendation 8:** The Council should continue to consider the ‘negative leverage’ impact if it reduces its investment i.e. other public (and possibly private) investors do not fill the gap that is left or reduce their own investment levels.

**Recommendation 9:** The Council should consider, a) the merits and opportunities around establishing an independent cultural exchequer that seeks to maximise philanthropic giving (and potentially public sector funding too); b) outsourcing some (or all) aspects of grant awarding to an independent third-party organisation; and c) establishing a specific investment fund for community cultural projects and organisations.

To inform the assessment process there are several contextual assumptions that need to be established and agreed with regard to the scale and nature of the current Aberdeen cultural ecology and the purpose of the Council’s investment.

The funding level at which an organisation (assuming a standard non-disruptive year) tips into Existential Threat should be part of the assessment process.

Revised criteria which is more aligned to Council delivery plans, priorities, and financial position, considering funding in the context of a multi-year development planning.

Recommendations here align to findings in Task 1 which established that the Council’s priorities and plans aligned to culture are unclear, and a long-term vision is not yet in place that could help to shape multi-year development planning more effectively.

- **Recommendation 10:** The Council may wish to explore using an alternative funding approach that is impact-led, giving the authority more control over what it supports and why, rather than placing the emphasis on who it supports.
- **Recommendation 11:** There is significant potential to develop a new, different approach to both public and private sectors that seeks to address some of this perceived and actual shortfall of historic per-capita investment in the city’s cultural sector. The Council should explore structural options with potential partners in all sectors.
- **Recommendation 12:** The Council should explore the opportunities around establishing a Creative Investment District (CID) in the city, as a strategic framework for delivering cultural growth.

Revised reporting and performance evaluation matrix for more effective monitoring on culture’s impacts against Council’s social and economic priorities going forward.

**Recommendation 13:** Revise data collection and mapping to provide clear and consistent record of impact as follows:

- The Household Survey should include specific questions on satisfaction with the city’s cultural provision and providers.
- The Council should investigate if a data mapping tool could be developed/adapted to suit its cultural funding requirements.

- The Council should consider a) whether fewer metrics may be a more effective means of assessment, and b) how best to determine these metrics.
- An appropriate metric, and means of establishing the metric, is required in each of the Council's priority assessment areas.
- The Council should consider developing a standardised, regular approach to data collation and presentation across the cultural sector, with it being a requirement for all those that they directly fund.

### Potential for short term changes and savings for 2024/25

Although our recommendation is to award standstill funding on 2024/25 as a transitional year, we have been asked to consider one-off savings the council could make in this year which would not undermine the sector and the ability to develop a long-term proposition.

1. APA is subject to a separate review, and we understand a proposal for 25% reduction in funding over 5 years is being considered by council. If agreed, then the first year of savings would impact in 2024/25
2. Creative Funding was undersubscribed last year and £50,000 of this fund is typically awarded to organisations based outside the city. The city could prioritise Aberdeen organisations in 2024/25 and reduce funding by up to £50,000 in 24/25 without impacting the award value recently available to city artists.
3. Aberdeen is fortunate to have Common Good and that there are clear aspects of its remit which map onto cultural delivery and especially festivals. A saving to the general fund could be achieved moving all 2024/25 festival funding into the Common Good Promoting Aberdeen strand. Moving Spectra, Jazz, Dance Live and Sound could realise a saving of £340,000<sup>5</sup>.

A more radical change offered by some consultees for an immediate term saving would be to make Nuart and Sectra biannual and alternating festivals. This will impact the 365 plan but is worthy of a more strategic review as part of post 2025 planning.

Based on consultation, it is also clear that the alternative selective cut to some organisations, without clear process and rationale, that was applied last year was received poorly and the general 'preference' is that any future cut should be applied as a % across the portfolio.

We have modelled a range of % cuts and associated impacts but this underlines the current fragility of all the organisations, who, without time to prepare and change their models of operation would all face significant challenges as a result and the risk to credibility of the Council.

### 3.3 Task 3

The cultural assets stock of the Council are generally suitable for purpose and the majority are structurally sound. There is of course always room for improvement and the planned

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<sup>5</sup> There are risks associated with this as the Common Good Fund is not guaranteed. We do believe however that this is a logical home for all festival activity and both current and future festivals can make use of the Promoting Aberdeen strand of the fund. Currently however there is no application process although we understand this is being reviewed. We would seek to make further recommendations about this as part of task 3 and 4 and will question the application process, how they are assessed and what priorities are they measured against.



redevelopments of some of the buildings will significantly increase the efficiency and effectiveness of these buildings.

We have noted that there is significant pressure faced by the sector to be more sustainable but with increased operational costs evident across the board, the priority of balancing the books can prevent the opportunity to undertake improvements or repairs.

Costs to become more sustainable particularly when operating from older building stock are cited as barriers to improving. Investment in building fabric and sustainability would allow organisations to operate more effectively and efficiently.

Based on the analysis the following recommendations are made:

**Progress the planned developments and investments around arts centre, beach ballroom and library.**

This will significantly improve these cultural assets and the overall cultural stock of the city. Bringing these older buildings up to date and as a result making them more fit for purpose will future proof the stock of the city for years to come.

**Consider ways to increase investment in sustainability for those in older buildings.**

There are still some buildings who are needing investment to become more sustainable and as such more operationally effective. Buildings such as Peacock Studios would be much more sustainable with some investment.

**Progress with planned sharing of spaces and services within the ACC run organisations.**

Currently there is sharing of some services between these organisations with plans to share archiving. This should be progressed in order to increase efficiency.

**Encourage further sharing at sites where scope allows**

There are other organisations who are sharing sites. CityMoves and SHMU are currently sharing spaces with other organisations. Where scope in buildings allows this should be encouraged and expanded. In addition, SHMU are considering expansion into other community sites which would allow for increased sharing in specific communities as well as increased provision across the city.

**Repeat the Asset Review in 3 years**

The current asset review is updating the last asset review in 2013. We would recommend repeating this exercise more frequently to allow for greater awareness and knowledge of the cultural asset stock in the city and the needs for improvement where necessary.

### 3.4 Task 4

The various cultural delivery models outlined in the task 4 report all have potential to work in Aberdeen. It is noted that there is a good deal of crossover across the models – cultural compacts may have much in common with Creative Improvement Districts, which in turn might share ground with Culture Commerce Units. All of the models are dependant, to a greater or lesser extent, on partnership collaboration.

What is evident from the examples that we have highlighted is that, whatever the model, success is more likely to be secured when the chosen model aligns clearly with the vision that is unique to the place and context within which it operates, and that strong, visible local authority leadership is present to champion the role that culture plays and nurture cross sector partnerships.

The recommendations set out below aim to enable Aberdeen to build a resilient and tailored cultural delivery model that aligns with its unique vision, fosters collaboration, and ensures sustainable success.

### **Recognize the Strength of Multiple Models**

Embrace the idea that the strength of Aberdeen's cultural development may lie in the integration and synergy of multiple models. Acknowledge that different aspects of the cultural sector may benefit from diverse approaches. Avoid the notion of choosing one model over another, and instead, explore opportunities for collaboration and complementarity between models.

Encourage dialogue and knowledge-sharing among stakeholders involved in different cultural delivery models. Explore how elements from various models can coexist and enhance the overall cultural ecosystem in Aberdeen. This inclusive approach can capitalize on the strengths of each model and create a more comprehensive and resilient cultural strategy.

The recognition of the power of multiple models can lead to a more dynamic and adaptive cultural landscape for Aberdeen.

### **Build Capacity for Local Authority Leadership**

Local authority senior leaders play a pivotal role in advocating for and championing cultural initiatives. Investing in their capacity enhances their ability to articulate the value of culture, both socially and economically, within the community and with external partners. Leaders who understand the impact of culture are better positioned to garner support and resources for cultural development. Investing in the capacity of local authority leaders is an investment in the city's cultural vitality, social cohesion, and economic prosperity. By fostering leadership at senior levels that understands, values, and champions culture, a city like Aberdeen can establish a solid foundation for a vibrant and sustainable cultural ecosystem. Without this in place, the potential for any of the delivery models to succeed is diminished.

### **Collaborate to define a Clear Cultural Vision and Priorities for Aberdeen**

Work collaboratively with stakeholders to review the Cultural Strategy in the context of the LOIP, defining a clear and comprehensive cultural vision for Aberdeen. This should encompass the aspirations, values, and unique identity of the city's cultural sector.

At the time of writing and following on from the Council committee meeting in February. The role of a cultural champion has been recommended and is currently being investigate by the Council. It is noted that Culture Aberdeen may be a fit in the delivery of this, however changes to the constitution would be required as well as the appointment of an independent chair person to ensure the most effective operation and delivery.

### **Align Cultural Delivery Models with Local Vision and Priorities**

Evaluate the outlined cultural delivery models in light of Aberdeen's confirmed priorities.

### **Consider Pilot Projects**

Implement pilot projects based on vision and priorities. Test the feasibility and effectiveness of the selected approach in specific contexts. Use the results to refine and adapt the model for broader implementation.

### **Establish Monitoring and Evaluation Mechanisms**

Develop robust monitoring and evaluation mechanisms to assess the success of new ways of working. Regularly review progress against key performance indicators and make data-driven decisions for continuous improvement.