

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	7 th August 2024
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Culture Investment Framework
REPORT NUMBER	CR&E/24/214
EXECUTIVE DIRECTOR	Gale Beattie
CHIEF OFFICER	Julie Wood
REPORT AUTHOR	Mark Bremner
TERMS OF REFERENCE	1.1.11 & 3.4

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the new Culture Investment Framework for approval, replacing the Council's existing grant giving processes for externally delivered cultural activity from 2025 onwards.

2. RECOMMENDATIONS

That Committee:-

- 2.1 Note the process of developing the Culture Investment Framework, including stakeholder engagement and public consultation;
- 2.2 Approves the new Culture Investment Framework, its principles, priorities and criteria;
- 2.3 Note the current levels of funding allocation to external cultural delivery sourced through the Common Good Fund; and
- 2.4 Agree with respect to the Common Good Fund, that future proposals for non-capital creative projects and cultural funding support are directed through the Culture Investment Programme.

3. CURRENT SITUATION

- 3.1 At the meeting of the Council on 7th February 2024, the following instruction was given, ' to instruct the Chief Officer - City Growth to begin work on an investment framework and application process for cultural funding, informed by the Culture Funding and Delivery Review (The Review) recommendations and to report back to the Finance and Resources Committee in 2024 for approval.
- 3.2 The Review recommended the establishment of a new Culture Investment Framework (The Framework) with clear objectives and transparent approach

to funding decisions and shift away from short-term budget cycle uncertainty. Other areas to be addressed included;

- The Review has identified the need for a clearer decision-making framework and criteria for making investment decisions, ensuring better value and greater transparency.
- As a city we are not leveraging in the level of national public funding which we should be achieving, risking further dependency on Council support. The funding relationship with the sector should foster resilience rather than reliance.
- That there remains socio-economic and geographic variances in levels of engagement with publicly funded cultural activity and the opportunities to experience creativity and culture are not always equal.
- Recognise the increasing diversity within our society and ensure it is represented across the creative opportunities and in the makeup of our publicly funded cultural organisations.
- Data collection and analysis continues to be a challenge for culture due to a variety of factors. However, as funding becomes less readily available there is a requirement to improve the quality and robustness of data gathered long term, as well as improving how we interpret and use data to evidence impact to deliver against Prevention principles.

3.3 The Council currently invests £1,633,075 towards externally delivered cultural activities through the General Revenue budget and Common Good Fund. The investment is distributed through historic service level agreements to venue operators and festivals and through the Creative Funding open application project grant scheme. Due to the range of schemes managed by different services across The Council there is inconsistency in the monitoring and impact assessment of current investment.

CULTURE INVESTMENT FRAMEWORK

3.4 The Framework has been developed to replace the current grant programmes for culture and make improvements in the areas identified by the Review. In accordance with The Review recommendations the Framework will be aligned to the refreshed Local Outcome Improvement Plan's (LOIP) Stretch Outcomes and Key Drivers. The priorities for investment will be informed under the principles of participation in culture being a preventative measure against harm, supporting positive socioeconomic outcomes.

3.5 The Framework and the subsequent investment programme have been developed through a combination of internal engagement with relevant services, best practice learning from other established funding programmes including Arts Council England, Creative Scotland and The Leeds Culture Investment Programme, stakeholder engagement with current recipients and

equalities groups through workshops and online surveys. The draft priority themes, principles and objectives have been tested with the general public through an online consultation which received 409 responses, Appendices 3 and 4 provide summaries and analysis of the feedback provided.

INVESTMENT AIMS, PRIORITIES AND CRITERIA

3.6 The purpose of the Framework is to modernise the Council’s approach to cultural investments and relationships with the independent cultural sector in the city in order to enable the sector to play a full role in delivering prosperity for Aberdeen. The aims are;

- We will continue to offer a range of support including grants to support one-off projects as well as for longer programmes and core running costs;
- we propose that all our future investment will share a common set of priorities and principles for the next three years from April 2025– March 2028.
- We aim to use this investment to strategically leverage in more national funding to the city to support cultural delivery and diversification.

The above aims received a 82% strongly agree/agree response through public consultation.

3.7 The following table outlines the Framework’s key priority themes. The initial 5 themes were developed in alignment to those of The LOIP. These themes were tested through consultation and received a 77% approval rating. In response to the feedback on the initial themes, a further two themes, ‘Experience’ and ‘Celebrate’ have been developed to recognise that the utility of culture for social, economic and environmental good must at first be rooted in a core artistic and cultural experience, otherwise the desired outcomes are less feasible. The themes are further underpinned by a series of principles detailed in Appendix 1 which received an 85% approval rating through consultation.

Theme	Description	Outcome
Experience	Recognising the intrinsic value of creativity and removing barriers to experiencing culture.	Everyone who calls Aberdeen home has the opportunity to engage in high quality creative and cultural activity.
Celebrate	Creating a clearer/ stronger identity and cultural narrative	The creative diversity of our people and communities is celebrated, we use culture and creativity to share and celebrate our stories to the world.
Our Economy	Economic resilience and diversity through Increased creative industries employment, people in sustained fair employment and reduction in reported skills gaps.	Aberdeen’s economy and workforce is resilient and diverse, through our skills support and cultural employment opportunities
Our Children & Young People	Increased sense of confidence, safety and wellbeing in children and young people, reducing need for Tier 3 services.	Our children and young people’s physical, mental and emotional health and wellbeing is improved and have access to cultural education experiences and post-school opportunities.
Our citizens	Increased healthy life expectancy through cultural engagement	Our citizens benefit from healthy life expectancy, mental wellbeing and positive life choices through cultural intervention.

Our Place	Addressing climate change by reducing Aberdeen's carbon emissions, protecting our natural and built environment	Our cultural assets are well cared for and cultural sector is contributing to climate change resilience .
Our Community	building strong personal and community resilience, enabling people to participate in decisions that help change things for the better.	Culture provides a voice for community capacity building and decision making.

Table 1. Culture Investment Framework themes

3.8 To evidence impact new monitoring and data gathering processes are being developed with support from Data and Insight, using the standardised metrics that are applied to The Population Needs Assessment and National Performance Framework and can therefore feed into the Council Delivery Plan, LOIP and Regional Economic Strategy. This will make for more consistent and effective benchmarking for demonstrating value and impact of investment but also streamline data gathering, reporting obligations and alignment with other funding opportunities for investment recipients. The level of reporting and data gathering will be proportionate to the overall level of investment and nature of activities.

3.9 The Culture Investment programme will be open to Aberdeen based, not-for-profit organisations and groups who meet the following criteria;

- Cultural activities and programmes delivered in Aberdeen for the benefit of its residents.
- Revenue and project expenditure in relation to direct delivery of cultural activities delivering against the priorities.
- An ability to deliver high quality creative activity within Aberdeen.
- Must have relevant safeguarding policies in place.
- An equal opportunities statement or policy, applications from under-represented groups encouraged.
- Must be financially sustainable and have relevant accounting procedures in respect to the level of activity and investment.
- For funding over £15,000 Council Investment must represent no more than 25% annual income, 10% for applications over £100,000
- Must be able to demonstrate activity would not have happened without Council support.
- Environmental sustainability policy and action plan (as applicable to the organisation and nature of activities)

APPLICATION PROCESS

3.10 The application process will build on the practice established through the Creative Funding programme. Application forms and financial proformas will be designed to tier the level of information requested in accordance with current Following the Public Pound policy. Guidance and supplementary support resources such as Frequently Asked Questions, application writing support is being informed and developed in response to stakeholder feedback to make the process clear and concise.

- 3.11 Officers will provide a series of in-person and online workshops and information sessions to walk applicants through the process of researching and preparing an application. To understand the level of demand and nature of requests a simple Expression of Interest (EOI) process has been introduced and was launched in July 2024. At this time EOI process has identified demand of £1,838,403 for 2025 Culture Investment, with a potential match funding of £16,634,671.
- 3.12 Following the submission deadline applications will be assessed through a scoring matrix against the agreed priorities and principles, by a review panel made up of Officers and external assessors. Recommendations for award will be submitted through report in compliance with budget protocol for final decision in March 2025. Unsuccessful applicants will be provided with feedback and support to identify alternative funding sources.

Culture Investment 2025 Programme timeline	
<ul style="list-style-type: none"> Register scheme for subsidy control EOI reopened Finalise application form and guidance design Translation of grants guidance into a range of accessible formats, including 'easy read' and FAQ. Finalise Monitoring Template 	August
<ul style="list-style-type: none"> Launch of Culture Investment Programme 	26 th August
<ul style="list-style-type: none"> Advise sessions/ 1-2-1's/workshops 	September-October
<ul style="list-style-type: none"> Application Deadline 	4 th November
<ul style="list-style-type: none"> Application Panels/ Reviewed Recommendations checked against Common Good requirements Funding profile for budget process and Common Good request Subsidy Control and FTTP assessment 	November-December
<ul style="list-style-type: none"> Recommendations for Award 	February 2025
<ul style="list-style-type: none"> Budget Meeting/ Awards approved for 2025/26 	March 2025
<ul style="list-style-type: none"> Culture Investment begins 	April 2025

Table 2 Culture Investment Programme timeline

FINANCIAL IMPLICATIONS

- 4.1 Investment to external cultural organisations is budgeted in 2024/25 at £1,633,075 (£1,241,000 contributed through Common Good). In respect to Common Good funding this is through a mix of historical allocations, distribution through contribution to Council general revenue budgets and the Common Good application process. As identified through the Culture Review the current processes lead to inconsistency in respect to eligibility and monitoring processes as well as risk of duplication. Officer recommendation is that all proposals for externally delivered cultural activity (non-capital) go through the Culture Investment process and not to the Common Good application process.

- 4.2 A report will be submitted with recommendations for award for 2025/26 with 'in-principle' funding forecast for 2026/27 and 2027/28. Multi-year funding does not mean standstill, an approach would be to align The Framework to the Council's Medium Term Financial Strategy Forecast and TOM, providing a gradual reduction and dependency. The report would put forward a recommended allocation of Common Good Funding for 2025/26, subject to the budget setting process. All recommendations for Common Good support will be assessed against the Common Good criteria which has been built into the Culture Investment Framework eligibility.
- 4.3 The costs to the Council related to its buildings operated by cultural partners are retained by those partners if liabilities remain with them through current lease. However, should possession fall back to the Council, annual Non-Domestic Rates liabilities equating to ratable value of £724,950 would revert to the Council. This figure does not include associated costs for repairs for wind & watertight as well as plant equipment, energy costs, water, security and insurance premiums.

5. LEGAL IMPLICATIONS

- 5.1 The report recommends the Common Good funding allocation to cultural activity is assessed and distributed through the Culture Investment Programme. Section 15(4)(b) of the Local Government etc. (Scotland) Act 1994 requires the Council to "have regard to the interests of all the inhabitants of their areas" when administering common good property. Therefore, the following two basic principles are followed in determining the appropriate use of the Common Good fund:
- (1) That the Common Good must be applied for the benefit of the community; and
 - (2) That the Council must in each case use reasonable judgement in allocating Common Good funding.
- 5.2 Under section 14 of the Local Government and Planning (Scotland) Act 1982, the Council has a duty to "ensure that there is adequate provision of facilities for the inhabitants of their area for recreational, sporting, cultural and social activities". The Council also has a duty under section 1(3) of the Education (Scotland) Act 1980 to secure for pupils in attendance at schools in their area "The provision of adequate facilities for social, cultural and recreative activities and for physical education and training".
- 5.3 The review makes reference to Scottish Government plans to introduce a new Human Rights Bill. The Bill will incorporate a range of economic, social and 'cultural rights' into Scots law for the first time, including the 'right to take part in cultural life and enjoy the benefits of scientific progress'. The definition of culture will be broad and will include artistic expression, cultural heritage and participation in cultural life which are recognised within the UN treaty definitions. These changes could have significant impacts for Local Authorities as Duty

bearers and therefore the principles have been built into the Framework approach.

5.4 Grant Agreements will be required between Aberdeen City Council and the successful applicants allocated grant funding.

5.5 To ensure compliance with the Subsidy Control Act 2022, officers will establish a subsidy control scheme for the Culture Investment Programme on launch. All awards will be uploaded to the UK Government's Subsidy Control database for transparency.

6. ENVIRONMENTAL IMPLICATIONS

6.1 The majority of the sector are working in or operating listed historic venues, many of which form part of the Council cultural estate. The revised priorities and criteria for culture investment will include targets and metrics to support reducing Aberdeen's carbon emissions and adapting to the impacts of our changing climate.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve. Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	Council investment in culture is misaligned to Council Delivery plan and priorities.	Culture Review considers this in the recommendations to make a case for strong alignment.	L	Yes
Compliance	Risk of not complying with legislative duties concerning provision of cultural services.	Full IIA undertaken for new Framework. Further information is required to understand Human Rights Bill implications, but risk is being mitigated by working to identify options which will enable the provision of services to continue longer term within a smaller funding envelope.	L	Yes

Operational	Reduction in funding would impact staffing, buildings and programmes, having implications for Council services.	Multi-year recommendations and any savings options presented to minimise long term impact.	L	Yes
Financial	Framework multiyear approach does not align to Council saving targets.	Framework budget would be aligned to medium term financial forecast, providing more stability for leveraging, impact data gathering and reducing overall dependency.	M	Yes
Reputational	Risk of citizens perceiving a reduction in services and support for culture.	Revised principles and priorities has been tested with citizens favourably. Framework criteria and metrics is being designed to improve focus and evidencing impacts and benefits.	M	Yes
Environment / Climate	Risk that decisions taken do not contribute to Net Zero targets.	Under new Framework applicants will need to evidence positive contributions to Net-Zero targets and climate change action.	L	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2024-25</u>	
	Impact of Report
<p>Aberdeen City Council Policy Statement</p> <p><u>Working in Partnership for Aberdeen</u></p>	<p>The proposals within this report support the delivery of the following aspects of the policy statement: -</p> <p>Vibrant City- We will work tirelessly to make Aberdeen a more attractive place to live, work, report and visit with a vibrant cultural offering.</p> <p>Arts Matter - Our city should become distinguished by the range and depth of active creative expression</p>

	<p>and artistic enjoyment experienced by those who live here and by visitors. By supporting and working with cultural partners, we will ensure there is richness and diversity of arts activities.</p> <ul style="list-style-type: none"> • Refresh our tourism and culture strategies for the city. • Aim to make Aberdeen a premier destination for festivals, productions, conferences, bands and events. • Support Aberdeen Performing Arts and other cultural providers to offer the widest possible arts programme for all across our communities. • Seek to make Aberdeen a UNICEF Child Friendly City.
<p><u>Aberdeen City Local Outcome Improvement Plan 2016-26</u></p>	
Prosperous Economy Stretch Outcomes	The recommendations within this report support the delivery of LOIP Stretch Outcome 2 – 74% employment rate for Aberdeen City by 2026 and key drivers, supporting labour market to recover from impact of Covid-19 on employment, Increasing the number of people in Aberdeen in sustained, fair work and Fewer employers reporting skills gaps.
Prosperous People (Children and Young People) Stretch Outcomes	The proposals within the report support the delivery of Stretch Outcome 6. 95% of all our children, including those living in our priority neighbourhoods (Quintiles 1 & 2), will sustain a positive destination upon leaving school by 2026/
Prosperous People	The report references evidence of arts and culture being able to support the delivery of Stretch Outcome 10. Healthy life expectancy (time lived in good health) is five years longer by 2026.
Prosperous Place Stretch Outcomes	The proposals within the report support the delivery of LOIP Stretch Outcome 13. Addressing climate change by reducing Aberdeen's carbon emissions by at least 61% by 2026 and adapting to the impacts of our changing climate
Community Empowerment Stretch Outcome	50% of people report they feel able to participate in decisions that help change things for the better by 2026 and key driver social connections and networks working together is supported and encouraged.
Regional and City Strategies	This report support Culture Aberdeen, the City's Ten-Year Cultural Strategy and its five key objectives.

	Regional Economic Strategy - Programme 4 Support development of projects and delivery of Culture Aberdeen Plan and Support and promote the arts and cultural venues of the North-East to attract and promote national and international exhibitions and programmes.
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9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	New Integrated Impact Assessment has been completed Previous Integrated Impact Assessment relating to Culture Investment Framework has been reviewed and no changes required.
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

- 10.1 Culture Delivery and Funding Review, COM/24/040, Council 7th February 2024
- 10.2 Culture Delivery and Funding Review, CR&E/24/203, Council 3rd July 2024

11. APPENDICES

- 11.1 Appendix 1 Culture Investment Framework overview
- 11.2 Appendix 2 Stakeholder engagement report
- 11.3 Appendix 3 Consultation summary
- 11.4 Appendix 4 Consultation analysis
- 11.5 Appendix 5 Culture Investment monitoring Impact logic model

12. REPORT AUTHOR CONTACT DETAILS

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