

Cabinet (Resources) Panel

19 January 2022

Report title	External Funding Update – Cultural Development Fund	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Ian Brookfield Leader of the Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Charlotte Johns, Director of Strategy	
Originating service	External Funding and Digital Projects	
Accountable employee	Heather Clark Tel Email	Head of External Funding 5614 Heather.Clark2@wolverhampton.gov.uk
Report to be/has been considered by	Directorate Leadership Team Strategic Executive Board	1 December 2021 16 December 2021

Recommendation for decision:

The Cabinet (Resources) Panel is recommended to:

1. Agree that the Council act as Lead Authority for the Cultural Development Fund (CDF) bid to deliver key priorities.

1.0 Purpose

- 1.1 To seek approvals relating to bids for external funding to meet the Council's priorities following the recent submission of a bid to the Cultural Development Fund.

2.0 Background

- 2.1 The securing of external grants is important to funding the delivery of the Council's key priorities as set out in Our Council Plan, the Five-Year Financial Strategy and Relighting the City recovery commitment.
- 2.2 The Arts Council announced an opportunity to bid for round 2 the Cultural Development Fund. The aim of the Cultural Development Fund is to level up through investment in culture. The fund will unlock local growth and productivity, promote economic and social recovery from the impact of Covid-19, and regenerate communities through capital investment in transformative place-based creative and cultural initiatives. It will capitalise on the untapped potential for investment in creativity and culture while addressing the regional undersupply and demand for capital funding in creative and cultural infrastructure. It was expected that bids are submitted on behalf of a partnership in an area led by a Local Authority. Applicants can bid for up to £5.0 million with a maximum of £700,000 revenue. 15% match was required.
- 2.3 The City of Wolverhampton is often recognised as Cultural Capital of the Black Country reflecting its strong cultural offer, with six venues classified as national/regional cultural assets and nationally significant clusters in museums, galleries and libraries and music, performing and visual arts and significant investment underway in the cultural and leisure offer.
- 2.4 However the city also faces some key economic and social challenges that culture can help to address, including productivity gap, low employment, poor skills profile and a struggling city centre with declining retail, high levels of vacancies and falling footfall even before Covid. ACTivate Wolves will build on the significant cultural strengths of the city and using the cultural assets to play a far greater role in the recovery, regeneration and economic growth of the City and the social, health and well-being and life opportunities of residents, supporting City priorities.
- 2.5 The City of Wolverhampton is a priority for Arts Council investment on the basis of both need and opportunity.

3.0 Cultural Development Fund (CDF)

- 3.1 A Cultural Development Fund bid with an ask of £4.6 million has been submitted for **ACTivate Wolves** which aims to contribute to Wolverhampton's vision to revitalise the City's economy building on our cultural strengths by increasing visitor numbers, generating footfall and local spend and growing our cultural economy.

3.2 Table 1: Cultural Development Fund submission

Funder	Overview	Funding and Outcomes	Current Status and Approvals required
Cultural Development Fund (CDF)	<ul style="list-style-type: none"> Transforming a key gateway 'Arts Park' expanding the Grand Theatre through construction of a 200-seat 'Green Room', a flexible courtyard theatre/rehearsing facility expanding opportunities for skills training and community engagement. Reinvent the City as 'Events City' building capacity and deliver events creating vibrancy, increase visitor numbers and generate footfall and local spend supporting local businesses. 'Creative City' repurposing vacant buildings for creative uses including creative workspace and skills space retaining talent and growing the creative sector. 	<p>£4.6 million CDF ask</p> <p>Match</p> <p>£1.5 million Towns Fund allocation for Arts Park Phase 1A</p> <p>£0.3 million Towns Fund allocation for Events Programme</p> <p>Outputs:</p> <ul style="list-style-type: none"> 185,925 Visitors £4.0 million Local spend 600 learners 40 Business supported 25 Jobs created 	<p>Bid submitted 14 October. Decision anticipated February 2022.</p> <p>Agree to act as lead authority.</p> <p>Note if successful, approval will be sought to enter into a grant funding agreement with the funder, back to back agreements with delivery partners, set up necessary revenue and capital funds, reimburse grant to delivery partners, issue grants to creative city grant recipients in accordance with delegated authority for supplementary budgets.</p>

3.3 The project aims to tackle key issues through culture including the declining high street, low productivity and skills levels and high unemployment.

4.0 Evaluation of alternative options

4.1 **No bid** - projects would not proceed or would proceed at a lesser scale or over a longer timescale if external funding was not available.

4.2 **Bid** - external funding enables the Council to deliver priority projects at a faster pace with greater impact with positive impact on regeneration activity and economic growth. For example:

- A. **Arts Park:** The Green Room aims to address issues preventing the Grand from meeting the needs of the social, economic and culturally diverse community whilst maximising use of the adjacent main facility. 3 options were considered: 1: Do nothing, 2: Do Minimum (other facilities not adjacent to the Theatre), 3: Acquire the building and build the Green Room. The preferred option is 3 as neither 1 or 2 respond to the need for the theatre to better engage with the local diverse community, set the foundation for future development and create a wider more commercial offering securing the financial future of the Theatre.
- B. **Events City:** Despite significant investment in physical infrastructure, high streets are struggling with declining retail resulting in high levels of vacancies and falling footfall. Harnessing the power of culture to repurpose our city centre, the Events programme will re-imagine city and town centres, improving the experience of visiting our city. 2 options were considered: 1. Do nothing and 2. Events Programme. 2 is preferred since it recognises potential of events to attract thousands of visitors, creating footfall and local spend helping to diversify the city centre, supporting retail and hospitality businesses.
- C. **Creative City:** builds on unmet demand for creative workspace. 3 options were considered: 1. do nothing; 2. refurbish derelict buildings; 3. new build. 2 is preferred since it has the double benefit of bringing vacant buildings back into use whilst creating additional workspace for creative industries meeting the demand.

5.0 Reasons for decision(s)

5.1 External funding enables priority projects to proceed, at a faster pace and with greater impact. ACTivate Wolves will specifically contribute to the Relighting the City priority stimulating vibrant high streets and communities but also support grow our vital local businesses by supporting creative industries and generating more jobs and learning opportunities.

6.0 Financial implications

6.1 The financial implications of the bid is outlined in the tables and narrative below. Should the bid be successful, there would be no additional net budget requirements for the Council as the contributions are limited to existing approved revenue and capital budgets. It should be noted there may be amendments to the projects as detailed in this report, key project changes and any associated financial impact will be reported and approved through the Council's Individual Executive Decision Notice (IEDN) process in line with the supplementary budgets approval process.

6.2 Where the City of Wolverhampton Council act as lead body for externally funded projects, the Council will be required to enter into a funding agreement with the Funder

which outlines the project and also sets out rules and regulations that must be complied with. Where partners are involved in the project's delivery, the Council will enter into a back to back grant funding agreement with delivery partners setting out their responsibilities and ensuring compliance with the funder's rules and regulations to mitigate the risk of non-compliance and possible grant clawback.

- 6.3 Cultural Development Fund required a minimum of 15% match funding. Match funding is sourced from Towns Fund and is subject to business cases signed off by Department of Levelling Up, Housing and Communities, therefore if the match funding is not secured, the bid can be withdrawn or scaled back as appropriate.
- 6.4 It is anticipated that the profiled revenue and capital spend will be as per the table below

Funding breakdown	2022-2023 £000's	2023-2024 £000's	2024-2025 £000's	TOTAL £000's
Capital				
CDF requested	791	3,133	114	4,038
Towns Fund match	0	1,500	0	1,500
Total Capital	791	4,633	114	5,538
Revenue				
CDF requested	132	185	206	523
Towns Fund Match	120	114	100	334
Total Revenue	252	299	306	857
TOTAL CDF	923	3,318	320	4,561
TOTAL including match	1,043	4,932	420	6,395

[ES/01122021/E]

7.0 Legal implications

- 7.1 Where the City of Wolverhampton Council acts as lead body for externally funded projects, the Council will be required to enter into a funding agreement with the Funder which outlines the project and also sets out rules and regulations that must be complied with. Where partners are involved in the project's delivery, the Council will enter into a back to back grant funding agreement with delivery partners setting out their responsibilities and ensuring compliance with the funder's rules and regulations.

[TC/02122021/C]

8.0 Equalities implications

- 8.1 ACTivate Wolves has had to demonstrate how they will broaden diversity. Arts Park will enable the Grand to engage more local people in the arts, particularly those under-represented in the current audience profile. Events City will celebrate equalities and diversity reflecting the make-up of our population. An equalities and diversity calendar is being developed as part of the 5-year events strategy filling the gap for communities not currently served.

9.0 All other implications

- 9.1 Climate change and environmental: our CDF bid has had to demonstrate how the project will contribute to environmental sustainability.
- 9.2 Human resource: a full-time project manager is costed into the project.
- 9.3 Corporate landlord: the Creative Cities element provides grant fund to refurbish workspace for creative uses.
- 9.4 Health and wellbeing: although focused on economic growth, engagement in culture can also play a key role in improving health and wellbeing.
- 9.5 Covid-19 Pandemic: a key rationale for the bid is to revitalise the high street utilising culture to generate footfall and local spend.

10.0 Schedule of background papers

- 10.1 None.