

Greater Manchester Culture and Social Impact Fund Committee

Date: 21 January 2022

Subject: GMCA Culture Portfolio Funding 2022/23

Report of: Councillor Martyn Cox, Portfolio Lead for Culture

Purpose of Report:

The recommendations in the paper, to roll-over GMCA cultural investment (£3.84m p/a) for one year (2022-2023) to provide surety to the organisations funded by GMCA and support the continuation of strategic cultural activity including Town of Culture, Creative Improvement Districts, StreamGM and the GM Music Commission, were agreed by GMCA in September, 2021.

Recommendation:

Note the proposal agreed by GMCA on 24 September 2021

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1. Introduction/Background

- 1.1 In February 2020, GMCA agreed the two-year GM Culture Fund budget at £3,840m p.a., which included £3.5m a year support to 35 cultural organisations from across Greater Manchester, £270k p/a to support strategic activity that delivers the ambitions outlined in the Greater Manchester Culture Strategy that cannot be delivered by a single organisation and £70k p.a. for programme management. The GMCA investment agreed was for two years: April 2020 to March 2022. This settlement was the second time that GMCA had agreed an increase to the GMCA Culture budget, to bring more organisations into the portfolio and increase access to culture for GM residents. The first increase in 2017, saw the culture (and social impact) budget increase from £2.7m to £3.04m. In 2019, the budget was increased from £3.04m p/a to £3.84m p/a in recognition of the important role culture plays in the lives of our people and the reputation of our places. These increases saw the culture portfolio grow from 19 GM organisations to 35, with organisations based in every GM district and increased investment in disability, LGBTQ+ and BME-led organisations.
- 1.2 Approval would be needed as part of 2022/23 GMCA budget for continued funding from District contributions (£2.84m 2021/22) and future retained business rates (£1m 2021/22). The existing retained business rates reserve held by GMCA is now fully committed as agreed at GMCA meeting on 27th November 2020.
- 1.3 As part of the February 2020 GMCA report, and following feedback from Leaders and colleagues across GMCA and strategic partners including Arts Council England and National Lottery Heritage Fund, it was agreed that a further report would be brought to GMCA in 2020 outlining a new approach to cultural investment in GM, with potential to align to Arts Council England's National Portfolio investment (four year funding settlement).
- 1.4 In March 2020, cultural organisations in Greater Manchester closed their doors because of the COVID-19 national lockdown. While many organisations delivered some activity, the culture sector nationally and across Greater Manchester continues to be in a precarious position. Many organisations have received financial support from local authorities, the furlough scheme and through DCMS's £1.57billion Culture

Recovery Fund. The majority of cultural organisations are a long way from pre-pandemic levels of income, and it continues to be a very challenging time for the sector and that challenge is expected to last through 2022 as long-term impacts of the pandemic become clear.

- 1.5 The cultural and creative sector have a vital role to play in Greater Manchester's broader recovery. From the economic recovery of our high streets and town centres, where culture and experience-led activities are likely to overtake retail-led regeneration to supporting our residents' physical and mental health. If properly supported through this challenging period, the culture and creative sector can play an integral role in building back better.

2. State of the Sector

- 1.6 Since lockdown began in March 2020, the GMCA Culture Team has been working to support the sector, working with organisations in the GM Culture Portfolio, supporting digitally excluded residents through the Creative Care Pack project and entertaining and raising more than half a million pounds for the sector through United We Stream.
- 1.7 While the year has been challenging for cultural organisations, artists and freelancers, the sector has shown real resilience and government support schemes like the Job Retention Scheme and the Culture Recovery Fund has meant that GM hasn't yet seen the scale of closures or redundancies expected at the start of the pandemic. There are still significant challenges ahead, however, as much of the sector in Greater Manchester has been unable to generate earned income for more than a year. While extensions to furlough and SEISS and a third round of DCMS's Cultural Recovery Fund are welcome, there are still expected to be significant challenges for the sector. These will become particularly acute as support tapers off, but trading hasn't returned to pre-pandemic levels, especially given that many organisations have had to deplete reserves to survive.
- 1.8 Research from the Creative Industries Federation, published in February 2021 found that:

- Since the start of the pandemic, 63% of respondents have seen their turnover decrease by more than half, with creative freelancers seeing the biggest drop in revenue.
- Three quarters of those working in areas dependent on live audiences have seen a drop in income of more than 50% since the pandemic began.
- Freelancers and those based outside of London have been among the hardest hit:
- Freelancers were 20% more likely than organisations to have seen a drop in income of 75% or more since the pandemic began.
- Respondents outside of London were 8% more likely to see decreases in turnover of more than 75%.
- Whilst half of respondents said that they had been able to deliver a small number of activities online, 80% said that digital activities had only delivered a little income (34%) or not delivered any income at all (47%).
- Outside of London, respondents were 39% more likely to be unable to deliver activities online and 28% more likely to say that new digital activities have been unable to deliver any income.

3. Culture Recovery Plan

- 3.1 In March 2021, GMCA approved the one-year GM Culture recovery plan, 'Protect, Restore, Heal, Grow'. The plan outlined how GMCA would draw on all available resources to support the sector over the next twelve months, taking forward some of the learnings of the past year, including significant digital advances to widen access to culture, and a greater love and pride in our local places and cultural and heritage assets.
- 3.2 The plan outlined how GMCA would continue to invest in the 35 organisations in the GM Culture Portfolio for the second year of the 2020-2021 funding round, asking organisations in return to prioritise delivery in the following areas;
- providing paid employment for artists and freelancers;
 - providing cultural activity for GM residents, especially in relation to mental health, education, physical health and reducing inequality;

- working with and in our high streets, towns and city centre.

3.3 The remainder of the plan outlined the three thematic areas that would guide spend of the GM Culture Strategic Budget, as follows:

(i) Digital Developments

Digital developments necessitated by COVID-19 have opened-up new ways of working, new local, national and global audiences and partnerships, and will provide new solutions to long-standing problems. GMCA will prioritise digital development and delivery in 2021, before moving to a hybrid model, when restrictions allow, through two trailblazing digital projects, StreamGM and GM Creative Connections.

(ii) Coming Together

This strand of activity looks at how we start to emerge from the pandemic, we will be able to start to think about what was lost while living through lockdown, including the enjoyment of collective experiences. This desire for collective experiences, combined with the decline of the traditional high street and the need to attract people back to our town and city centres provides us with an exciting opportunity to use culture to bring vibrancy back to our places and bring people together in joyous shared experiences. GMCA is focussing activity in this area in two key projects: delivery of the inaugural Town of Culture in Bury and planning for the second iteration of the event and through our Creative Improvement District framework.

(iii) Healing

GMCA recognises the need to find ways to make sense of the unprecedented events of 2020 and 2021 and start to heal, individually and collectively, from what has been a terrible time. We are in the process of developing and delivering schemes and programmes that support the physical and mental health of our residents and that start the healing process, that will last for many years to come. GMCA is currently investing the Creative Ageing Development Agency, in a shared post with GM HSCP and in the Ripples of Hope Festival.

3.4 Given the huge difficulties already faced by the cultural sector and the challenges likely to arise throughout 2022 as recovery starts to build, the sector needs surety. While it would be possible to go out for a new GMCA Culture funding round in Autumn

2020, bidding into the fund would place significant pressure on cultural organisations who will hopefully be fully focussed on their initial few months of 'normal' trading for more than 18 months.

- 3.5 With this in mind, GMCA is asked to agree to rolling over existing cultural investment for one year (April 2022-March 2023). This would support the current portfolio of organisations and strategic activity at the same financial level as 2020/21 and 2021/22. Many funders (including Arts Council England) are doing similar with their portfolio investment by rolling forward funding for their portfolio organisations for the financial year 2022/3, before introducing a new investment approach in 2023/4. In the same way, a roll forward on GMCA funding would provide surety to the organisations of the GMCA funds, as well as allowing continued strategic activity (including the next Town of Culture competition, Creative Improvement Districts, StreamGM, Health, Wellbeing and the Arts, Centre for Ageing, GM Music Board). Proposals around a revised approach to cultural investment from 2023/4 onwards will be brought to GMCA early in the financial year 2022/3.
- 3.6 Legal advice has been sought regarding possible challenges to this action and it is considered that since there have been no assurances regarding future funding it is unlikely that a successful challenge could be made by other organisations. The health checks referred to elsewhere in the report should be carried out to seek reassurance regarding the continued financial viability of each member of the portfolio.

4. The Portfolio

- 4.1 There are portfolio organisations based in every district of Greater Manchester, with many delivering activity across all ten districts. The portfolio is diverse in terms of artform representation and scale and delivers a broad range of activity, from classical music and traditional theatre to carnivals and contemporary art.

- 4.2 More than 100 organisations applied to be in the GM Culture portfolio 2020-2022. The 35 organisations currently included scored highest against the outlined criteria, once balancing factors like geography, artform and diversity were considered.

Art with Heart	Salford	HOME	Manchester	Oldham Coliseum	Oldham
Arts for Recovery in the Community	Stockport	Manchester Camerata	Manchester	People's History Museum	Manchester
Brighter Sound	Manchester	Manchester Histories	Manchester	Quays Culture	Salford
Cartwheel Arts	Rochdale	Manchester International Festival	Manchester	Royal Exchange Theatre	Manchester
Centre for Chinese Contemporary Arts	Manchester	Manchester Jazz Festival	Manchester	Sheba Arts	Manchester
Comma Press	Manchester	Manchester Jewish Museum	Manchester	The Halle	Manchester
Company Chameleon Dance Theatre	Manchester	Manchester Literature Festival	Manchester	The Met	Bury
Contact	Manchester	Manchester Pride	Manchester	The Turnpike	Wigan
English Folk Expo	Rochdale	MancSpirit	Trafford	Walk the Plank	Salford
Gaydio	Manchester	Music Action International	Manchester	Wigan STEAM CIC	Wigan
Global Grooves	Tameside	Octagon Theatre	Bolton	Z-Arts	Manchester
GM Arts	GM	Old Courts	Wigan		

- 4.3 All funded organisations have delivered significant activity throughout the pandemic and there are no concerns around quality of work or impact on GM communities. Similarly, while many organisations are in a precarious position following more than a year of significantly reduced income, the 35 organisations in the portfolio are currently in a limited but relatively sustainable financial position.
- 4.4 Many of GMCA's supported cultural organisations did receive some financial support from the national Cultural Recovery Fund. This was primarily in the form of grants to cover lost income as well as to cover the cost of keeping venues closed during CV19 restrictions, although at least one GMCA funded organisation received repayable loan funding from the Culture Recovery Fund.
- 4.5 If a roll-over were to be agreed, GMCA would undertake an organisational health-check with all funded organisations to understand the impact of CV19 restrictions on the organisation's finances as well as any national Culture Recovery Funding (including loan repayments if relevant) on the stability and financial health of each organisation to understand if the full GMCA grant is still required, ahead of investment.
- 4.6 Providing these organisations with stability, and not asking them and other cultural organisations to apply for competitive funding when they will have only been operating fully for a few months after restrictions will offer much-needed steadiness

to these organisations who have undergone significant difficulties over the past 18 months. These organisations also use many freelance creatives in GM, so continuing investment in these organisations will, in turn, support freelancers and the broader supply chain and ecosystem.

- 4.7 A decision to rollover funding will have a negative impact on organisations currently not in the portfolio, who will not be able to apply for funding for one year. However, letting these organisations know early and not asking them to apply for funding when the majority will be unsuccessful, will support them in their financial planning for 2023 onwards.
- 4.8 Arts Council England is taking a similar approach to National Portfolio Organisations or NPOs (organisations in receipt of four-year funding) and will roll-over investment to these organisations in 2022/23 before announcing a new approach to investment from 2023/4 onwards. Arts Council England currently invests £26.6m p/a in GM in this way. Around 60% of the organisations in the GMCA Culture portfolio are currently NPOs. A rollover year would align GMCA investment with this revised approach from Arts Council England.

5. Strategic Activity

- 5.1 As part of the funding agreement in 2020, GMCA agreed a strategic culture budget of £270k p/a, which supports activity that cannot be delivered by a single organisation. This investment has been vital in supporting the sector through COVID and is core to the way in which GMCA is able to make strategic interventions and support the development and delivery of cultural provision across GM.
- 5.2 In 2020/21, part of this strategic budget supported United We Stream, which raised more than £600,000 for struggling creative businesses and freelancers and provided a platform for Greater Manchester talent to be seen all over the world while our venues were closed, with more than 20 million global views. Investment also supported the Creative Commissions project, 60 micro grants for artists from Greater Manchester to help them through the early months of the pandemic when income for many stopped completely. Strategic funding also supported the Creative Ageing Development Agency, which supports the cultural sector to be more age-friendly with research, training and advocacy for older creatives. There was also investment into

GW Theatre, based in Tameside, for a programme around arts and health, investment into the development of Chat Moss as a visitor attraction in Greater Manchester, investment into delivering the recommendations of the Greater Manchester Music Review, investment into the Creative Improvement Districts programme, placing culture and the night time economy at the heart of the regeneration of our town centres and high streets. The strategic budget also supported Marketing Manchester's culture campaign, the Ripples of Hope Festival and provided investment into Bury as GM's inaugural Town of Culture.

5.3 In 2021/22 the GMCA strategic budget will support the delivery of the GM Culture Recovery Plan, agreed by GMCA in March 2021. This includes investment into StreamGM, the legacy of United We Stream, providing a global platform for GM talent. There is also further investment into Creative Improvement Districts and the development of a resource to match artists, performers and musicians with opportunities and spaces across Greater Manchester. The strategic budget will also be invested into creative ageing and in arts and health activity, building on the recommendations of A Social Glue. The 2021/22 budget will also be invested in the establishment of a Music Commission for Greater Manchester and the continuation of the GM Town of Culture programme.

5.4 A one-year rollover of the GMCA Culture budget at current levels would support the continuation of many of these strategic interventions that will help the cultural sector in Greater Manchester return stronger. A reduction to the strategic budget would require some activity to cease completely, and funds would need to be found to support the delivery of some of the mayoral manifesto pledges including Town of Culture and the GM Music Commission.

6. Activity 2022/23

6.1 If a one year rollover of investment is supported and agreed by GMCA, officers will work with the existing portfolio on an organisational health check in Autumn 2021 before co-developing one year delivery plans, aligned to the delivery of the Greater Manchester Culture Strategy. New grant funding agreements will be signed in February 2022 and delivery will start in April 2022. Priorities for strategic investment, beyond those outlined in 5.4 would be developed with the sector in early 2022.

6.2 Investment approaches from 2023/4 onwards would be dependent on the outcome of this decision. If a rollover is agreed, officers will work with colleagues across GM and with national partners to develop new investment proposals from 2023 onwards, aligning where possible with Arts Council England's funding round.

7. Recommendation

7.1 The recommendations can be found at the front of this report.