

MEETING:	CABINET
DECISION DATE:	13 MARCH 2014
TITLE OF REPORT:	RETENDERING OF ARTS COMMISSIONING GRANTS FOR 2014-2015
REPORT BY:	CULTURAL SERVICES MANAGER

1. Classification

Open

2. Key Decision

This is a key decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the county.

NOTICE has been served in accordance with Part 3, Section 10 (General exception) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012.

3. Wards Affected

County-wide

4. Purpose

To approve use of the one-off arts commissioning grant budget in 2014/15 to enable organisations to plan for reductions in funding.

5. Recommendation(s)

THAT:

- (a) the arts commissioning grant budget be allocated in a single bidding round open only to those organisations which received funding from Herefordshire Council in 2013/14; and
- (b) tenders for the commissions are prioritised on the basis of the proportionate impact upon groups with protected characteristics, contribution to achievement of the council's priorities and degree to which the applicants can demonstrate how the funding will be used to support the organisation move to sustainability without future funding from Herefordshire Council.

6. Alternative Options

- 6.1 The payment of arts commissioning grants is continued at the level of 2014-15 with an annual bidding round open to any organisation based on the criteria used in previous rounds. Given timescales for promoting such a bidding round and assessing applications this would not be practicable to deliver spend in year.
- 6.2 The same level of funding for 2013-14 is offered to the same groups for 2014-15. This would not ensure that organisations are moving towards a financially sustainable model of operation.
- 6.3 The payment of arts commissioning grants are continued for 2015-16 at 50% decrease in the total funding available for 2014-15, reducing to zero funding by end of 2015-16. This is not possible as the budget adjustment is for one-year only rather than an adjustment to the base budget.
- 6.4 In relation to the potential disproportionate impact upon groups with Protected Characteristics an option would be to maintain 50% of the funding and commission it to organisations which focus their activity on these groups.

7. Reasons for Recommendations

- 7.1 On 7 February Council passed an amendment to the budget which had the effect of re-instating on a one-off basis the arts commissioning grants budget of £58,000.
- 7.2 The council's financial position is such that, to enable essential services for its most vulnerable residents to be maintained, it must reduce both the range and the level of services provided to the minimum necessary whilst meeting statutory requirements, unless there are clear reasons to do otherwise. In view of this Cabinet had, in January, take the policy decision to end funding for commissioned arts organisations, although in taking that decision it was recognised that the immediate withdrawal of grant funding would have a disproportionate negative impact on groups within the community with protected characteristics and that a phased approach would enable organisations to better plan and manage their financial affairs.

8. Key Considerations

- 8.1 Herefordshire Council signed one year commissioning agreements with local arts organisations for a total of £58,200 of grants in 2013-14 for the delivery of cultural activities which support the council's strategic priorities.
- 8.2 The purpose of the grants is to use cultural activity to support people to lead fulfilled lives and to support the wider county economy.
- 8.3 It is proposed that a tendering process for the commissioning of the grants for 2014-15 be started open only to those organisations which have received funding for more than one year including 2013/14. This is because the budget is only available for one year and is primarily to mitigate the effect of the loss of council funding. The tender assessment criteria will include consideration of how the arts organisations will use any grant money as transition funding to plan for their financial and organisational sustainability. Additionally there will be criteria to assess the impact on participants and/or audiences with protected characteristics should the transitional funding not be awarded.

- 8.4 The tendering process will include an assessment and discussion about the critical value of the funding to each organisation in relation to their wider funding portfolio.
- 8.5 The assessment of tenders for the commissioning of arts grants will consider the contribution each organisations makes in relation to their impact and support for groups in the community with protected characteristics.
- 8.6 The assessment of tenders for the commissioning of arts grants will consider the following elements in relation to supporting vulnerable people :
- Enable residents to be independent and lead fulfilling lives.
 - Sustain people to be physically and mentally healthy and stay healthy for longer.
 - Support outcomes for children and young people improve.
 - Support access to excellent education and learning opportunities at all levels (includes early years/schools/FE/HE/adult learning).
 - Enable people to take more responsibility for themselves (includes making healthy choices & focus on prevention).
 - Enable people to be more active in their communities and look out for the more vulnerable so they live independently.
- 8.7 Herefordshire Council will further support the future business planning for arts organisations by providing sustainability advice surgeries.

9 Community Impact

- 9.1 The community impacts of the previously funded organisations were set out in the cabinet report of 23 January. It is proposed that the criteria for assessment of tenders as set out in section 8 above will include assessment of the degree to which the proposal supports achievement of the council's priorities.

10. Equality and Human Rights

- 10.1 An assessment of the equality impacts of withdrawing funding was included in the cabinet report of 23 January. As set out in section 8 above, the criteria for assessment of tenders will include equality impacts.

11. Financial Implications

- 11.1 The funding available is for one year only and to a maximum of £58,000. The criteria for assessment of tenders as set out in section 8 above includes the degree of financial leverage achieved by the council's funding and, crucially, the degree to which any funding this year can be used to enable the organisation to plan for future financial sustainability.

12. Legal Implications

- 12.1 The assessment of tenders for the commissioning of services in 2014-15 must take account of the impact of activity on the protected characteristics of age and disability.

13. Risk Management

- 13.1 The risks for the Arts organisations would be an inability to continue with their current level of programme due to insufficient funding and further reducing their ability to draw in further funding. The risks are that due to the withdrawal of these grants, the Arts organisations are unable to continue with their current programme of

activity and that this may affect their ability to draw in other funding.

- 13.2 These risks would be mitigated through early communication to the organisations, enabling them to make the necessary strategic plans to manage the removal of the grants. It is planned to hold sustainability advice surgeries to support organisations in how they attend to their future financial planning.
- 13.3 There would be damage to the council's reputation with the local organisations and the cultural community, as well as regionally and nationally with the Arts Council England.

14. Consultees

- 14.1 n/a

15. Appendices

- 15.1 None

16. Background Papers

- 16.1 None