

## **Item: 8**

**Education, Leisure and Housing Committee: 9 November 2022.**

**Culture Fund – Review.**

**Report by Corporate Director for Education, Leisure and Housing.**

### **1. Purpose of Report**

To consider review of delivery and impact of the Culture Fund.

### **2. Recommendations**

The Committee is invited to note:

#### **2.1.**

That, following a review of Council funding for cultural activity, the Culture Fund was established in 2011.

#### **2.2.**

That the aim was to improve the Council's support for cultural activity by giving longer term funding commitments to key cultural organisations alongside providing wider access to cultural funding for projects and small independent organisations.

#### **2.3.**

That the Culture Fund supports activity in the areas of arts, heritage and language, such as Orcadian dialect.

#### **2.4.**

That, since its establishment in 2011, the Culture Fund has been reviewed every three years, to ensure that it continues to achieve its aims.

#### **2.5.**

That reviews undertaken in 2013, 2016 and 2019 concluded that the Culture Fund continued to be successful in achieving many of its aims, with the Education, Leisure and Housing Committee subsequently recommending that the Culture Fund continue in its current form, as well as continuing to be reviewed every three years.

#### **2.6.**

That, on 7 September 2022, when discussing proposed administrative changes to the Culture Fund, the Education, Leisure and Housing Committee noted:

- That, in 2021, an internal review of the Culture Fund was undertaken to ensure that the fund continued to be fit for purpose.

- The key recommendations arising from the internal review of the Culture Fund, namely to adopt national best practice in the culture, heritage, and arts sectors via:
  - Widening membership of the assessment panel to include external sector experts.
  - Operating assessment systems and review cycles amended to be in line with national frameworks recommended by Creative Scotland, the public body supporting the arts, screen and creative industries across the country.

## **2.7.**

That the Education, Leisure and Housing Committee subsequently recommended:

- That, to align the Culture Fund Open Pot with national recognised best practise, the delivery timetable for the Culture Fund be moved from a January to March process to a June to October process, with grants being dispersed at the beginning of the following financial year rather than retrospectively.
- That membership of the assessment panel be extended to include the following:
  - One representative from Voluntary Action Orkney.
  - One representative from Creative Scotland.
  - One representative from Museums Galleries Scotland.

**It is recommended:**

## **2.8.**

That, subject to funding being made available from 2023/24 onwards, the Culture Fund should continue in its current form and continue to be reviewed every three years.

# **3. Introduction**

## **3.1.**

On 13 November 2019, the Education, Leisure and Housing Committee noted:

- That, following a review of Council funding for cultural activity, the Culture Fund was established in 2011 with the aim to improve the Council's support for cultural activity by giving longer term funding commitments to key cultural organisations alongside providing wider access to cultural funding for projects and small independent organisations.
- That the Culture Fund supported activity in the areas of arts, heritage and language, such as Orcadian dialect.
- That, since establishment in 2011, the Culture Fund had been reviewed every three years, to ensure that it continued to achieve its aims.

- That reviews undertaken in 2013 and 2016 concluded that the Culture Fund continued to be successful in achieving its aims, with the Education, Leisure and Housing Committee subsequently recommending that the Culture Fund continue in its current form, as well as continuing to be reviewed every three years.
- That the review undertaken in 2019 highlighted the continued benefit and success of the Culture Fund.
- That, in advance of the Council's budget setting process for 2020 to 2021 being concluded, any decision on continuation of the Culture Fund would be subject to an adequate service revenue budget being established for financial year 2020 to 2021 onwards.

### **3.2.**

The Committee recommended that, subject to an adequate service revenue budget being established for financial year 2020 to 2021 onwards, the Culture Fund continue in its current form and continue to be reviewed by the Committee every three years.

## **4. Background**

### **4.1.**

The Culture Fund has two elements:

- An Open Pot available by application on an annual basis to any not for profit Orkney-based organisation (or organisations based outwith Orkney for whom the project applied for has sole benefit for Orkney), except for the key cultural organisations in receipt of core annual grants.
- Core funding for identified key cultural organisations in the county.

### **4.2.**

The fund was established out of the amalgamated funds previously disbursed to festivals, independent museums and heritage centres.

### **4.3.**

The key aims of the revised Fund are:

- To widen the cultural activity which was eligible for Council funding from only festivals and museums to all arts, heritage and language, such as Orcadian dialect.
- To enable key cultural organisations to plan effectively on a longer term basis.
- To enable the funding of cultural activity by non-cultural organisations.
- To be more responsive.
- To provide equity in funding.
- To fund more cultural activity and support an increase in cultural activity across the county.
- To improve the monitoring and audit of Council expenditure.

#### **4.4.**

On 7 June 2017, the Education, Leisure and Housing Committee noted:

- That, although the Council agreed, on 9 March 2017, to continue the Culture Fund in its present form for a further three years, eligibility criteria for applications to the Open Pot element of the Culture Fund was referred back to the Committee for further consideration.
- That the Culture Fund Open Pot was reduced by £8,000 from £27,000 to £19,000, as part of the budget setting process for financial year 2017 to 2018.

#### **4.5.**

The Committee recommended that, from 1 April 2018 onwards, those organisations in receipt of core annual grants from the Culture Fund, known as key cultural organisations, should not be eligible for grant assistance from the Open Pot element of the Fund.

#### **4.6.**

On 7 September 2022, when discussing proposed administrative changes to the Culture Fund, the Education, Leisure and Housing Committee noted:

- That, in 2021, an internal review of the Culture Fund was undertaken to ensure that the fund continued to be fit for purpose.
- The key recommendations arising from the internal review of the Culture Fund, namely to adopt national best practice in the culture, heritage, and arts sectors via:
  - Widening membership of the assessment panel to include external sector experts.
  - Operating assessment systems and review cycles amended to be in line with national frameworks recommended by Creative Scotland, the public body supporting the arts, screen and creative industries across the country.

#### **4.7.**

The Committee subsequently recommended:

- That, to align the Culture Fund Open Pot with national recognised best practice, the delivery timetable for the Culture Fund be moved from a January to March process to a June to October process, with grants being dispersed at the beginning of the following financial year rather than retrospectively.
- That membership of the assessment panel be extended to include the following:
  - One representative from Voluntary Action Orkney.
  - One representative from Creative Scotland.
  - One representative from Museums Galleries Scotland.

## 5. Key Cultural Organisations

### 5.1.

The six key cultural organisations which receive annual grants through the Culture Fund are:

- St Magnus International Festival.
- Pier Arts Centre.
- Orkney Folk Festival.
- Stromness Museum.
- Birsay Heritage Trust, for the running of Barony Mills.
- Orkney Traditional Dance Association, for the running of the Orkney Ceilidh Weekend.

### 5.2.

The Culture Fund disburses the following funds on an annual basis:

<b>Organisation.</b>	<b>Grants.</b>
St Magnus International Festival.	£58,500.
Pier Arts Centre.	£46,875.
Orkney Folk Festival.	£18,875.
Stromness Museum.	£7,032.
Birsay Heritage Trust.	£5,156.
Orkney Traditional Dance Association.	£2,812.
Open Pot.	£19,000.

#### 5.2.1.

The only other expenditure against the Fund is for advertising the Open Pot each year in The Orcadian.

### 5.3.

The Fund has not attracted any inflationary rise for many years and the key cultural organisations have therefore had the same annual level of funding since 1 April 2012. Several of the key cultural organisations have indicated that there are now severe pressures on their budgets due to increasing running costs. This situation has been further exacerbated by the continued impacts of the COVID-19 pandemic and the extreme rises in energy costs.

## 5.4.

Cultural organisations funded through the Culture Fund are a vibrant part of Orkney's economy. By funding them this way (which continued through the COVID-19 pandemic with no requirement to demonstrate outcomes) the Council has supported local businesses, generated employment and helped improve the health and wellbeing of residents. In 2022, an economic impact study of Festival and Events activity was undertaken to measure impact prior to the COVID-19 pandemic, and the report is currently in draft.

## 6. The Open Pot

### 6.1.

The Open Pot is a vibrant, active and highly competitive fund which delivers needed and appreciated funds for smaller organisations towards their running costs and for specific projects.

### 6.2.

Appendix 1 to this report shows the detail of the successful applications to the Open Pot over financial years 2017/18 to 2020/21.

### 6.3.

The distribution of awards in terms of cultural area supported by the Open Pot and key cultural organisations for this reporting period are as follows:

<b>Cultural area supported.</b>	<b>Current review period 2018 to 2021.</b>	<b>Current review period 2018 to 2021.</b>
Arts.	£82,900.	17.2%.
Heritage.	£44,002.	9.1%.
Arts and heritage combined.	£352,702.	73.5%.
Language.	£0.	%.
	<b>£479,604.</b>	

### 6.4.

In summary:

- £479,604 has been awarded in total.
- The lowest award from the Open Pot has been £200 and the highest £2,500.
- The Council has supported between 4% and 100% of project costs.

## 6.5.

The distribution of awards in terms of geographical area benefitted by the Open Pot and key cultural organisations for this reporting period are as follows:

<b>Geographical area benefitted.</b>	<b>2018 to 2021 Amounts Awarded:</b>	<b>2018 to 2021 Percentages:</b>
Orkney-wide.	£269,915	56.3%.
North Isles.	£13,564	2.8%.
West Mainland.	£16,268	3.3%.
Kirkwall.	£5,462	1.1%.
East Mainland and the South Isles.	£700	0.1%.
Stromness.	£173,695	36.2%.
	<b>£479,604</b>	

## 7. Culture Fund Successes and Benefits

### 7.1.

The Culture Fund has continued to deliver across all of its aims since last reviewed, ensuring a wide range of cultural activities to take place across all areas of the county. The Council's support of £19,000 per annum has enabled £285,607 of activity to take place through the Open Pot, and the support of the key cultural organisations has enabled those organisations to continue to provide exceptionally high quality and nationally and internationally recognised cultural programmes for the benefit of Orkney residents and visitors to the county.

### 7.2.

On the basis that the Fund continues to deliver against the aims and objectives it was set up for, it is recommended that the Fund continues in its current form, subject to funding being made available from financial year 2023/24 onwards, with a further review after three years.

### 7.3.

On 19 October 2022, when considering the review of the Culture Fund, the Corporate Leadership Team discussed concerns regarding the Council's budget for 2023/24 not being known until December 2022 and the potential impact any reduced budget could have on grant funding to external bodies. Accordingly, the Corporate Leadership Team suggested that, given the uncertainty regarding future budgets, should efficiencies and/or savings be required as part of the 2023/24 budget setting process which impacted on the Culture Fund, consideration be given to reducing the Open Pot element in the first instance.

#### **7.4.**

A review of the key cultural organisations will also be undertaken and reported to the Committee in due course.

### **8. Equalities Impact**

An Equality Impact Assessment has been undertaken and is attached as Appendix 2 to this report.

### **9. Links to Council Plan**

#### **9.1.**

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priority theme of Quality of Life.

#### **9.2.**

The proposals in this report relate directly to Priority 5.8. Further promote and administer Culture Fund through core funding and grant assistance scheme to support community cultural activity.

### **10. Links to Local Outcomes Improvement Plan**

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan priority of Community Wellbeing.

### **11. Financial Implications**

#### **11.1.**

The baseline budget for financial year 2022/23 for the Culture Fund is £176,600 and is part of the Culture function within the Education, Leisure and Housing Service.

#### **11.2.**

Maintaining the baseline budget will be dependent on the outcome of the 2023/24 budget setting process.

#### **11.3.**

It is important for those in receipt of annual funding, that confirmation of the funding is provided timely, to give a degree of financial stability and allow them to develop their plans for the forthcoming year. During the budget setting process, it should be noted that the un-committed £19,000 open pot could be subject to reallocation.



## **12. Legal Aspects**

### **12.1.**

In terms of the Local Government and Planning (Scotland) Act 1982, section 15(2), the Council may provide or do or arrange for the provision of or doing of, or contribute towards the expenses of providing or doing, anything necessary or expedient for the purpose of ensuring that there are available, whether inside or outside their area, such facilities for recreational, sporting, cultural or social activities as they consider appropriate.

### **12.2.**

In terms of section 17 of the abovementioned Act, the Council has the power to contribute by way of grant or loan towards the expenses of any organisation or body which, in the opinion of the Council, provides or promotes the provision of cultural activities or facilities whether inside or outside the area of the Council. This includes the power to make such contributions as will promote music, theatre, dance, opera, visual art or other art forms and museums and galleries.

### **12.3.**

The Council must make arrangements which secure best value. Best Value is the continuous improvement in the performance of the authority's functions. This review of the Fund is integral to this duty.

### **12.4.**

The Council is obliged to follow its own budget setting process and procedures in accordance with the terms of the Financial Regulations.

### **12.5.**

For all grant assistance a legally-binding Grant Funding Agreement or set of Terms and Conditions requires to be entered into between the Council and the recipient setting out the terms on which the funding is being provided.

### **12.6.**

Under Section 50A(4) of the Local Government (Scotland) Act 1973, the public should be excluded from the meeting in respect of any discussion relating to Appendix 1 to this report. Appendix 1 contains exempt information as defined in paragraphs 4 and 6 of Part 1 of Schedule 7A of the Act.

## **13. Contact Officers**

James Wylie, Corporate Director for Education, Leisure and Housing, extension 2477, Email [james.wylie@orkney.gov.uk](mailto:james.wylie@orkney.gov.uk)

Frances Troup, Head of Community Learning, Leisure and Housing, extension 2450, Email [frances.troup@orkney.gov.uk](mailto:frances.troup@orkney.gov.uk)

Garry Burton, Service Manager (Leisure and Culture), extension 2440, Email [garry.burton@orkney.gov.uk](mailto:garry.burton@orkney.gov.uk)

Nick Hewitt, Team Manager (Culture), extension 2716, Email [nick.Hewitt@orkney.gov.uk](mailto:nick.Hewitt@orkney.gov.uk)

## **14. Appendices**

Appendix 1: Review of the Culture Fund Open Pot 2018 to 2021.

Appendix 2: Equality Impact Assessment.



## Equality Impact Assessment

The purpose of an Equality Impact Assessment (EqIA) is to improve the work of Orkney Islands Council by making sure it promotes equality and does not discriminate. This assessment records the likely impact of any changes to a function, policy or plan by anticipating the consequences, and making sure that any negative impacts are eliminated or minimised and positive impacts are maximised.

<b>1. Identification of Function, Policy or Plan</b>	
Name of function / policy / plan to be assessed.	Culture Fund Grants Programme
Service / service area responsible.	Arts Development (Education, Leisure and Housing)
Name of person carrying out the assessment and contact details.	Emma Gee, <a href="mailto:emma.gee@orkney.gov.uk">emma.gee@orkney.gov.uk</a> tel 01856 873535 ext. 2406
Date of assessment.	14.9.2022
Is the function / policy / plan new or existing? (Please indicate also if the service is to be deleted, reduced or changed significantly).	Existing

<b>2. Initial Screening</b>	
What are the intended outcomes of the function / policy / plan?	<p>To provide access to grant funding for not-for-profit organisations to deliver cultural projects in Orkney, with culture defined as arts, heritage and language (e.g. Orcadian dialect)</p> <p>The funding programme has two elements:</p> <ol style="list-style-type: none"> <li>1. Annual revenue funding for Key Organisations</li> <li>2. An Open Pot which disburses funding following an open application process.</li> </ol> <p>The Culture Fund was introduced in 2011/12 in order to enable wider access to the Council's cultural funding stream. Previously only festivals</p>

	and independent museums could access funding and the Culture Fund addressed this inequality across both the cultural activity supported and the types of organisations that could be supported.
Is the function / policy / plan strategically important?	(Strategic plans include major investment plans, new strategic frameworks or plans such as annual budgets, locality plans or corporate plans).
State who is, or may be affected by this function / policy / plan, and how.	<p>Cultural organisations based in Orkney, non-cultural organisations based in Orkney who wish to deliver their service through creative and cultural activity and organisations based outwith projects entirely for the benefit of Orkney.</p> <p>Aim for members of the public to be positively affected by the outcomes of the projects and programmes funded through Culture Fund, in line with Orkney Island Council's Values and Priorities.</p>
How have stakeholders been involved in the development of this function / policy / plan?	<p>Stakeholders were involved in the original review of the Council's cultural funding, which lead to the development and introduction of the Culture Fund.</p> <p>In 2017 eligibility was amended to exclude Key Culture Fund organisations from being able to apply to the Open Pot, due to a £10K cut in funding to the Open Pot in favour of the Key organisations. This was discussed with Key Culture Fund Organisations who accepted the reasoning behind the change.</p> <p>There is ongoing dialogue between the Arts Officer and Team Leader (Culture) and Key Culture Fund organisations, including attendance of Board meetings.</p> <p>In addition, a number of individual artists and creatives have been part of ongoing conversations around arts development needs going forward.</p> <p>There are anticipated development plans for a more robust evaluation system for the Key Culture Fund organisations to be considered in 2023 for roll out in 2024.</p>
Is there any existing data and / or research relating to equalities issues in this policy area? Please summarise. E.g. consultations, national surveys, performance data, complaints, service user	Over the lifespan of the Culture Fund there is clear evidence that the Fund is welcomed and the Open Pot is usually significantly oversubscribed. In the last three years a Council contribution of £59,667 through the Open Pot has enabled £285,607 of activity to take place.

feedback, academic / consultants' reports, benchmarking (see equalities resources on OIC information portal).	
Is there any existing evidence relating to socio-economic disadvantage and inequalities of outcome in this policy area? Please summarise. E.g. For people living in poverty or for people of low income. See <a href="#">The Fairer Scotland Duty Guidance for Public Bodies</a> for further information.	(Please complete this section for proposals relating to strategic decisions).
Could the function / policy have a differential impact on any of the following equality areas?	(Please provide any evidence – positive impacts / benefits, negative impacts and reasons).
1. Race: this includes ethnic or national groups, colour and nationality.	Several projects over the years have focussed activity and awareness raising on areas such as Black History Awareness and other cultures such as Japanese.
2. Sex: a man or a woman.	There is always the possibility of projects being funded which explore and highlight equality issues.
3. Sexual Orientation: whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.	There is always the possibility of projects being funded which explore and highlight equality issues.
4. Gender Reassignment: the process of transitioning from one gender to another.	There is always the possibility of projects being funded which explore and highlight equality issues.
5. Pregnancy and maternity.	There is always the possibility of projects being funded which explore and highlight equality issues.
6. Age: people of different ages.	There is always the possibility of projects being funded which explore and highlight equality issues.
7. Religion or beliefs or none (atheists).	There is always the possibility of projects being funded which explore and highlight equality issues.
8. Caring responsibilities.	There is always the possibility of projects being funded which explore and highlight equality issues.

9. Care experienced.	There is always the possibility of projects being funded which explore and highlight equality issues.
10. Marriage and Civil Partnerships.	There is always the possibility of projects being funded which explore and highlight equality issues.
11. Disability: people with disabilities (whether registered or not).	There is always the possibility of projects being funded which explore and highlight equality issues.  Access has been a key aims and changes were made to the Funding guidance in 2014/15 to require applicants to undertake reasonable steps to ensure that events and activities supported by Culture Fund are accessible.
12. Socio-economic disadvantage.	There is always the possibility of projects being funded which explore and highlight equality issues.

### 3. Impact Assessment

Does the analysis above identify any differential impacts which need to be addressed?	No
How could you minimise or remove any potential negative impacts?	n/a
Do you have enough information to make a judgement? If no, what information do you require?	Yes

### 4. Conclusions and Planned Action

Is further work required?	No.
What action is to be taken?	n/a
Who will undertake it?	n/a
When will it be done?	n/a
How will it be monitored? (e.g. through service plans).	The Culture Fund was internally reviewed by Officers in 2020-2021 at the behest of the Executive Director, and specific recommendations are presented at Education, Leisure and Housing Committee for consideration as part of the annual cycles and ratification at Full Committee.  The Fund is reviewed in general by Education,

	Leisure and Housing Committee every three years.
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Signature:



Date: 14.9.22

Name: Emma Gee

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Arts Development Officer

Please sign and date this form, keep one copy and send a copy to HR and Performance. A Word version should also be emailed to HR and Performance at [hrsupport@orkney.gov.uk](mailto:hrsupport@orkney.gov.uk)