



GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: Northern Cultural Regeneration Fund

DATE: September 2017

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PURPOSE OF REPORT

On August 4, 2017, the Department for Digital, Culture, Media and Sport (DCMS) announced a £15m capital fund, "The Northern Cultural Regeneration Fund" to help towns and cities in the North 'build a lasting regional legacy from the Great Exhibition of the North'.

All eleven Northern Local Enterprise Partnerships are eligible to submit one application of up to £4m each. This paper provides background to the fund and outlines a proposed approach to identifying and prioritising one project from Greater Manchester for submission to the Northern Cultural Regeneration Fund for the deadline of 30 November 2017.

RECOMMENDATIONS:

The GM LEP is asked to:

- Note the context and DCMS eligibility for the Northern Cultural Regeneration Fund;
- Discuss and agree the proposed approach to project selection as outlined in Section 4 onwards; and
- Nominate three LEP Board members to sit on the panel which will appraise GM bids.

BACKGROUND

1. In April 2016 the Department of Digital, Culture, Media and Sport (DCMS) launched a competition to host a two-month exhibition, celebrating the best of art, culture and design across the northern region. Newcastle/Gateshead were successful in securing £5m funding for The Great Exhibition of the North, beating other shortlisted bids from Blackpool, Bradford and Sheffield. The Great Exhibition of the North will take place between June 22nd and September 2018. The festival aims to 'reveal to the world how the North of England's great art, design and innovation has shaped all our lives and is building the economy of tomorrow.'
2. Alongside the £5m allocated for the Festival, DCMS announced a £15m capital legacy fund - the Northern Cultural Regeneration Fund (NCRF), to "attract further cultural investment in the Northern Powerhouse". Details of the NCRF were announced on August 4th, 2017, with a bid submission deadline of 30th November, 2017. Successful projects will be announced by the end of April 2018.
3. The Fund will make capital grants up to a total of £5 million in each of the financial years 2018-19, 2019-20 and 2020-2021. This will be made up of three or four large grants over the three years of around £3-£4 million each.

Funding Conditions

4. The fund is open to bids from the eleven LEPs in the North of England, with each LEP area allowed to identify and submit **one** proposal only up to a maximum value of £4m of NCRF.
5. A key purpose of the fund is to encourage sustainable cultural and creative regeneration in areas of the North of England that have historically had low levels of investment. Bids should look to maximise the impact of the NCRF grant through partnership funding; this may encompass public and/or private investment, and grant and/or repayable finance. The expectation is that NCRF will only fund 70% of the eligible project costs, therefore bids must identify at least 30% match funding (although we understand this can be non-capital funding). Projects must be able to demonstrate long term financial sustainability, and it is the responsibility of the LEP to ensure that the non-capital costs of bids are fully funded.
6. In submitting a project, LEPs must be able to demonstrate how they have involved local partners in the cultural, creative, digital and technology sectors in their decision making process.
7. It is the responsibility of LEPs to ensure their bid is state aid compliant.
8. DCMS will accept bids that span more than one LEP area but the total number of bids submitted should be equal to the total number of LEPs involved, so if two LEP areas choose to collaborate, two bids, outlining benefits to individual LEP areas, should be submitted, which may be ranked if desired.

NCRF Priorities

9. Bids submitted to the fund should contribute to both of the primary funding goals:
 - Encourage sustainable cultural and creative regeneration in the North of England; and

- Benefit areas in the North of England that have historically had low levels of cultural and creative investment.

10. Projects should also lead to one of the following outcomes:

- Increased opportunities for people, including children and young people, to experience and be inspired by culture and creativity;
- Better quality of life and wellbeing within local communities;
- More resilient and sustainable cultural and creative organisations;
- Innovative and effective partnerships between the cultural and creative sector and other sectors, especially digital and technology sectors;
- Increased investment and economic growth; and
- Support for a Local Enterprise Partnership’s cultural growth strategy, where such a strategy exists.

11. DCMS will fund projects for up to three years (2018/19, 2019/20, 2020/21) with the strict stipulation that funds must be spent in the year they are allocated at application stage. DCMS staff have indicated that, given the nature of capital projects, and the restrictions applied to the distribution of this particular fund, projects with an annual spend profile that is larger in year one/two will be viewed favorably.

The GM approach

12. As above, the NCRF guidance identifies two primary funding goals. The first of these should be relatively straight-forward for a GM bid to achieve. However, the second goal is more challenging for GM. Analysis of Arts Council England capital investment shows that Greater Manchester has received significantly more capital investment than any other Northern LEP (Table 1):

Table 1: Committed Arts Council England Capital Investment by LEP area 2014/15-2017/18			
LEP Area	Population	Capital Investment	Per Capita
Cheshire & Warrington	908,800	£6,000,000	6.6
Cumbria	400,000	£603,010	1.5
Greater Manchester	2,800,000	£35,745,489	12.7
Humber	917,600	£1,775,334	1.93
Lancashire	1,468,700	£2,149,426	1.4
Leeds City Region	3,000,000	£6,370,339	2.12
Liverpool City Region	1,500,000	£10,734,294	7.1
North East	2,000,000	£7,957,835	3.9
Sheffield City Region	1,819,500	£4,773,114	2.5
Tees Valley	650,000	£2,834,067	4.36
York, North Yorkshire and East Riding	1,140,000	£3,456,382	3.03

13. Drilling down further to local authority level, it is apparent that the majority of this funding has been into Manchester, Salford and Oldham – primarily into the regional assets of the Factory, The Lowry and Oldham Coliseum respectively as Table 2 below shows. The table also demonstrates that five of GMs LA areas have had no Arts Council England capital investment over the same time period. Therefore any proposal from a district that has been comparatively well-served by capital investment previously would need to be able to explicitly demonstrate how it meets this funding goal.

Table 2: Committed Arts Council England Capital Investment by LA area 2014/15-2017/18	
GM District	Capital Investment
Bolton	£431,991
Bury	£3,045,400
Manchester	£17,725,655
Oldham	£7,181,212
Rochdale	£0
Salford	£7,361,231
Stockport	£0
Tameside	£0
Trafford	£0
Wigan	£0

14. It is proposed that in assessing and selecting a single GM project that a limited number of additional local criteria are used beyond those set out by DCMS above. These are that projects must also demonstrate strong alignment with the GMS, in particular in the contribution the project will make to:
- Putting pride back into our town centres;
 - Supporting enterprise and entrepreneurship;
 - Creating strong and productive sectors;
 - Enabling residents to get the skills needed to succeed and progress; and
 - A high quality cultural and leisure offer.
15. Initial evidence from the Great Place cultural assets mapping suggest that there are a number of gaps in cultural infrastructure across GM where capital investment could provide a solution. These include:
- Well-specified hack or makers spaces;
 - High quality, affordable rehearsal space in the music and performing arts sectors; and
 - Affordable, accessible artist studios in town centres - allowing artists to relocate when priced out of city centres across the UK (e.g. the successful NEO Studios in Bolton are a successful example of this).

16. The scale of the funding available and the relatively short timescales to bid for, and spend the funding (given the steer from DCMS officials that spend should be front loaded), suggests that eligible projects are likely seek investment in existing assets, infrastructure or projects rather than creation of a new facility.
17. Proposals for hubs or clusters that span more than one LA geography will be encouraged as long as they meet the above criteria.

GM Selection Process

18. Call for projects: It is proposed there will be a call for proposals for eligible projects via LA Culture leads and pushed through their networks as well as on the websites of GMCA and GM LEP. In line with the LEP Assurance Framework, the applicant will complete a Strategic Outline Business Case for funding.
19. Appraisal: As is the case currently with the Assurance Framework, GMCA officers will perform the appraisal based upon the criteria proposed in Section 4 above. It is proposed that the selection of the preferred project based upon appraisal recommendations should be made by a small panel of LEP Board members and Leaders (three from each leading to a total of six individuals on the panel).
20. Bid preparation and submission: Following the selection of the prioritised bid, the applicant will be supported by LA and GMCA staff to build a business case, following the Five Case Business Case Model for submission to DCMS by 30th November 2017.
21. Timeline: The timeline proposed is as follows:
 - 29th September - Deadline for Strategic Outline Business Cases submission to GMCA/LEP.
 - 2nd October – 21st October GMCA/LEP appraises bids and panel identifies preferred applicant.
 - Preferred Applicant notified – no later than 23rd October.
 - 24th October – 28th November – full business case developed by preferred applicant with support from LA and GMCA officers.
 - 30th November – Deadline for submission to DCMS.
 - Late 2017 – assessment of bids by DCMS officials.
 - Early 2018 – Consideration of bids, decision making and due diligence by DCMS Ministers.
 - By end of March 2018 – Announcement of awards.
 - From April 2018 – Drawdown of Fund award begins.