

## Manchester City Council Report for Resolution

**Report to:** Executive – 15 November 2017

**Subject:** Outcome of consultation on closure of AGMA Section 48 grants scheme

**Report of:** City Solicitor

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### Summary

The purpose of this report is to inform the Executive of the outcome of the consultation exercise into the proposed closure of the AGMA-run Section 48 grants scheme. This follows on from a previous report in June that addressed consultation on this proposal. A successor scheme, the GMCA Culture and Social Impact Fund, has been agreed by the GMCA in September 2017.

### Recommendations

Members are asked to:

1. Note the outcome and mitigating actions of the completed consultation on the proposed closure of the AGMA-run Section 48 grants scheme.
2. Agree to the closure of the Section 48 Grants scheme, noting that it will be replaced by the GMCA Culture and Social Impact Programme.

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### Wards Affected - All

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Grant funding allocated by the S.48 Scheme helps promote economic growth within the city.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Grant funding allocated by the S.48 Scheme contributes to developing the skills and employability of Manchester residents.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	Grant funding allocated by the S.48 Scheme contributes to the cultural life of the city.

A connected city: world class infrastructure and connectivity to drive growth	
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**Full details are in the body of the report, along with any implications for**

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

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### **Financial Consequences – Revenue**

Closure of the S.48 Scheme would mean that the Council would no longer contribute funding towards it.

### **Financial Consequences – Capital**

None.

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### **Background Papers:**

None

## **1. Background**

- 1.1 In December 2016, the Joint GMCA and AGMA Executive Board agreed to recommend to the ten Greater Manchester district councils that consideration be given to the closure of the Section 48 AGMA grants scheme and that approval be sought from the districts for AGMA to undertake a consultation on the formal closure of the Section 48 scheme. The Joint Board also asked for a report to be brought back to it setting out detailed proposals for a new funding programme for culture, to be operated under the GMCA.
- 1.2 The Greater Manchester Grants Scheme, known as Section 48, was established in 1986 and is administered by AGMA on behalf of the ten Greater Manchester district councils. Since the scheme was established priorities and criteria for the scheme have changed, but its core purpose - to support organisations to deliver cultural, social or community activity and services across the ten districts of Greater Manchester - has remained. Between 2015/16 and 2017/18 (the current three year funding cycle) AGMA invested, on behalf of the districts, £9.9m in the Grants programme.
- 1.3 A report to the GMCA on 29 September 2017 outlined the outcome of a consultation (which closed on 16 September 2017) into the creation of the new GMCA Culture and Social Impact Fund. The creation of this new fund was agreed by the GMCA and the call for projects was launched on Friday 6<sup>th</sup> October and is currently live. The September report to the GMCA also provided interim results on the consultation on the proposed closure of AGMA Section 48 scheme. The Section 48 consultation closed on 20<sup>th</sup> September and is detailed in this report.
- 1.4 On 27 October 2017 the Joint GMCA and AGMA Executive Board members recommended that Greater Manchester district councils should agree to close the Section 48 Grants programme, noting that it will be replaced by a new GMCA Culture and Social Impact Fund from April 2018.

## **2. Consultation**

- 2.1 By August 2017 AGMA had received approval from all ten Greater Manchester districts to consult on the possible closure of the AGMA Section 48 grants programme. As the both the potential closure of Section 48 and the establishment of a new GMCA fund were interlinked, consultations on both were aligned and opened on 9 August 2017.
- 2.2 A targeted consultation process was followed where Cllr Morris, GMCA Portfolio Lead for Culture, Arts and Leisure contacted current recipients of the fund and members of the AGMA Statutory Functions Committee. Cllr Morris also contacted lead cultural officers in all ten LAs asking them to respond and forward through their networks. This communication was followed up by further targeted communication from the GMCA who also promoted the survey through voluntary and third sector networks in Greater Manchester. Consultation took the form of an online questionnaire and four open events.

- 2.3 The online consultation was in two parts: a six week consultation for the closure of the AGMA Section 48 grants programme, that ended on 20 September (20 responses received); and a four week consultation for the new Culture and Social Impact Programme, that ended on 16 September (29 responses received).
- 2.4 In late August and early September 2017, GMCA officers also arranged and facilitated four consultation events in Wigan, Bolton, Oldham and Manchester giving attendees the opportunity to feedback in person on the proposals. Almost 50 people attended the events in total, a mixture of current recipients, cultural officers, GM Councillors and cultural and social impact organisations not currently in receipt of Section 48 funding. Additionally five email responses were received.

### **3. Consultation Response – Section 48**

- 3.1 Of the 20 online responses to the question *“what are your views on the proposed closure of Section 48 and the opening of a new GMCA-run culture and social impact fund”*, 16 are supportive, stating that the move is sensible and welcome; three positive with reservations; and just one stating categorically that Section 48 should not close without wider consultation.
- 3.2 This general support was replicated in the consultation events, with the majority supportive of the closedown of Section 48 and a move to a GMCA Cultural and Social Impact Fund as long as transition was carefully handled and the impact of any change to the funding landscape is properly considered. Respondees asked that GMCA be mindful of the impact, on staff and participants to currently funded organisations if funding levels are reduced or not awarded under any new scheme.
- 3.3 Other responses focussed on the relative strengths and weaknesses of the existing fund and how delivery might be improved if the launch of a new fund was approved.
- 3.4 Respondees were largely happy with the Section 48 application form, noting improvement since the previous iteration. Several responses, both online and at events, noted that the application form could be quite off-putting for smaller, more diverse organisations who might not have capacity to collect and analyse data in the same way as larger organisations and asked that in appraisal of projects coming through a new GMCA funding programme, the level of detail required should be proportionate to the level of funding requested.
- 3.5 When asked about the monitoring relationship, responses were mixed. Respondees overwhelmingly praised Manchester City Council monitoring staff, describing them as ‘efficient, personable and supportive’. The level of detail required for monitoring purposes was less well-received, however, with one respondent stated that monitoring requirements could be ‘daunting and inflexible’.

- 3.6 When asked about previous funding decisions, responses were again mixed, with some stating that ‘the funding supports a strong cultural offer for the region and brings significant additional resource to Greater Manchester.’ Other responses referenced the perceived lack of ‘churn’ in the portfolio, noting that ‘the fund seems to go to the same recipients every time’. This tension, between protecting the current cultural infrastructure across GM, and genuinely ‘opening up’ the new fund to new applicants, was particularly acute at the consultation events.
- 3.7 When asked about perceptions of the impact of Section 48 there was a general split between the views of current recipients and those not in receipt, both online and at the events. Those respondents in receipt of Section 48 grant, with a more in-depth understanding of the scheme were much more positive about the impact of the fund. Those not in receipt or connected in some way knew very little about activity funded by Section 48 indicating the need for much clearer, more regular communication about the work funded across GM.
- 3.8 When asked what successful elements of Section 48 should be carried into the new fund, respondees noted the need for GM-wide impact across the portfolio. There was much discussion about the value in local delivery (across more than one district, but not necessarily across all ten) with general agreement that geography was one of the most important balancing criteria, but that depth of impact should be treated as equally important as breadth.
- 3.9 Consultation respondees were asked specifically about any equality and diversity implications to the proposed closure of Section 48. Both online and at the events, respondees noted the importance of diversity as a balancing criteria. There was also discussion about the need to bring smaller, more diverse organisations into the portfolio and the need to simplify the new GMCA Cultural and Social Impact Fund application process to allow this to happen.

#### **4. Consultation Summary and Responding Actions**

- 4.1 There is general support for closure of the AGMA Section 48 grants, as long as it is replaced by a suitable alternative. Consultees considered the proposed GMCA Culture and Social Impact Programme to be a suitable alternative.
- 4.2 If closure of Section 48 is agreed by a majority of Greater Manchester’s districts the impact of this closure will be largely dependent on the funding decisions made in relation to the new GMCA Culture and Social Impact Fund. Care has been taken to manage expectations but also to ensure the call window and application process are clear and transparent that they address any concerns raised during the consultation process.
- 4.3 Consultees put forward a number of suggestions on process in order to identify the most successful elements of Section 48 and changes to processes that don’t work as well.

- 4.4 Consultation responses were closely considered in the drafting of the new Culture and Social Impact Fund application form and applicant guidance. These were then tested with potential applicants of various size, art-form and a mixture of current Section 48 recipients and potential applicants to the new GMCA fund. Feedback on these sessions was overwhelmingly positive, with many welcoming the opportunity to feed in at the development stage, noting the consultative nature of the process and feeding back positive comments on the new form and guidance.
- 4.5 Now the call for projects to the GMCA Cultural and Social Impact Fund is live, three sessions have been held throughout October to further explain the fund and application process to applicants, one in Tameside, one in Rochdale and one in Salford.
- 4.6 The appraisal process was designed in tandem with the application form. The most important next step is to develop a balancing process that recognises the challenges within this process and empowers GMCA Leaders to deliver a funding portfolio that provides the greatest possible impact for residents across GM.
- 4.7 Project appraisal will be conducted using a simplified and updated scoring matrix similar to previous Section 48 scoring, amended to reflect the level of detail required during application proportionate to the funding amount requested.
- 4.8 There is no separate equality impact of the decision to close this scheme per se as it is being replaced by a similar scheme, and all current recipients/projects funded under the current scheme could potentially be funded under the new scheme (subject to funding decisions). Therefore an equality impact assessment will be undertaken as part of the decision making on funding with the new GMCA scheme.
- 4.9 A report will be submitted to December 2017's GMCA meeting to agree which applicants will be funded, to what scale and the grant fund monitoring costs.
- 4.10 Early in 2018, GMCA and Manchester City Council staff will work with the successful applicants to agree a programme of delivery to be reflected in the grant funding agreements.
- 4.11 A communication plan for the fund will be further developed for communication to successful and unsuccessful applicants. As part of this process, GMCA officers will investigate how to best support unsuccessful applicants, drafting a plan to manage implications of funding decisions.

## **5. Closure of the Section 48 Scheme**

- 5.1 Section 48(8) of the Local Government Act 1985 provides that a grants scheme made by councils under Section 48 "...may be revoked by those councils (or, in the absence of agreement between all of them, by a majority of

those councils) with effect from the end of any financial year after that in which the decision to revoke the scheme is made.”

- 5.2 This means that should a majority of the ten Greater Manchester districts agree to close the Section 48 scheme, it will still technically continue to exist until the end of the 2018/19 financial year. However, as that year will also be the initial year of grant funding under the GMCA Culture and Social Impact Fund, it is anticipated that the Section 48 Scheme will be zero-funded for 2018/19 to avoid duplication of grant provision. It is to be noted that a precedent has already been set for potential zero funding of particular years of the Section 48 scheme, as the second and third years of the current Section 48 cycle of funding were not guaranteed and potentially could have been left unfunded (although this did not ultimately occur).

## **6. Recommendations**

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