

## **Growth Committee**

13 October 2016

### **Creative Kingston Group - CIC Proposal**

Director of Place

#### **Purpose**

To consider the establishment of Creative Kingston as a cultural Community Interest Company (CIC) with a view to enabling its ambition to develop Kingston's profile as a creative place to do business. Great Place strand of the Our Kingston programme.

#### **Recommendations of the Portfolio Holder For Growth and Identity**

##### **To resolve that :**

1. Support for establishing the CIC be approved and to affirm the scope of its objectives as set out in paragraph 7.
2. The Head of Culture in, consultation with the Portfolio Holder for Growth and Identity, be authorised to further develop proposals for this initiative.

#### **Key Points**

- A. Creative Kingston comprises stakeholders from the University, College, Rose Theatre, Community Brain , BalletBoyz, Creative Youth and Kingstonfirst. Its aim is to harness collective capabilities and to drive innovation and regeneration to ensure the borough develops a good infrastructure that supports its creative industries.
- B. Creative Kingston's mission is to support and advocate for a strong creative economy through talent development, business incubation and a programme of creative and cultural activities that enhance Kingston's reputation as a centre of innovation and heritage.
- C. The intention is for the CIC to focus on place shaping, feeding into the Local Plan as a critical friend, ensuring current and future cultural assets support growth and are developed to retain and attract creative talent - accentuating culture's role in regeneration and growth
- D. At this point in Creative Kingston's development, it is envisaged that the CIC will strengthen and widen the borough's cultural programme rather than deliver services and activities already commissioned by RBK and its partners.
- E. As the CIC establishes and alternative service delivery models are explored through the Our Kingston programme, then the role of the CIC will also be reviewed.
- F. Subject to Creative Kingston developing sustainability plans, a bid will be submitted later in 2016 to Arts Council England to support a two year programme of cultural activity that will support the development and regeneration programme across the Borough. The programme of cultural activity will align with the regeneration themes focusing on a Royal Borough, river & trade and innovation.

## Context

1. Creative Kingston was established in 2013. The partnership represents a group of key organisations who wish to capitalise on collaborative working following Kingston's successful Cultural Olympiad.
2. At this time the Mayor of London's Plan acknowledged that Outer London's Economic "performance had given rise to concerns that it may have been relegated to a dormitory role and that its economy and infrastructure have been neglected."
3. The Outer London Fund, Arts Council England, the new London Plan and Destination Kingston (Outcomes 5 and 8) expressed the potential value and role culture and heritage can play in regeneration and place shaping.
4. Creative Kingston formed as a partnership to respond to the above developments .To date the group has worked to unlock Kingston's potential by using their profile and lobbying power to establish Kingston's profile as a creative place to do business. It has brought together key stakeholders who are able to identify themes, priorities and activities in order to engage with the growth and regeneration agenda and with a track record and of securing external funding.
5. Current membership of Creative Kingston includes the Dean of faculty for Art, Design and Architecture, Chief Executive of the Rose theatre, Chief Executive of Kingston First , Principal of Kingston College, Head of Cultural Services RBK . It is proposed that this current membership including the portfolio holder for Growth and Identity , will form the board of Creative Kingston CIC going forward.
6. So far each membership organisation has secured agreement in principle for establishing Creative Kingston as a CIC .

## Proposal and Alternative Options

7. The proposal to form a CiC has grown as Creative Kingston developed and wanted to strengthen and formalise their position as a strategic advisory group. It is proposed that forming a CiC will provide Creative Kingston with a stronger platform for lobbying and crucially formalising the partnership will enable the group to come together as a consortia of equal parts - working to secure external funding and support Kingston's growth agenda via the following programme:
  - develop a creative industries network
  - provide a critical forum to develop and test out new ideas, including utilising Creative Kingston's extensive networks for engagement and consultations
  - ensure the Local Plan harnesses the potential of Kingston's heritage , culture and the creative industries to drive innovation and place-shaping
  - develop an evidence-based case for support, brokering funding, applying for grants and consortia bidding
  - deliver a programme of activities that build Kingston'S reputation as a centre for innovation and creativity

8. An alternative option considered that Creative Kingston continue to operate within its existing partnership arrangements which the Council has supported since 2013 .
9. This option was rejected by Creative Kingston as it was felt the partnership had developed overtime and its potential to harness cultural capital across the borough would be better realised by key stakeholders coming together under a more formal, equitable arrangement.
10. In addition alternative service delivery arrangements were explored with stakeholders , including Creative Kingston delivering elements of Council services .This proposal was felt to be premature at this stage in Creative Kingston's development.
11. As the Our Kingston programme and the CIC develops alternative delivery models will be re visited and explored across RBK partnerships including Creative Kingston.

## **Consultations**

12. All key stakeholders have been consulted as well as the wider creative networks that sit within each partner body .
13. Arts Council England have also been consulted and their advice has helped to frame the approach and recommendations.
14. The portfolio holder for Growth and Identity has been consulted and played a key role in leading and brokering agreements across the partnership .

## **Timescale**

15. The CIC would be established by October/November 2016 with the Grants for Arts bid submitted to Arts Council England later in 2016.

## **Resource Implications**

16. Creative Kingston wish to secure RBKs support for this initiative via a one off financial investment of £20K . This would be drawn from within the Arts Service commissioning budget to provide match funding for a two-year funding bid to Arts Council England of £160K. In addition this investment from the Council would release match funding of £40K from the other stakeholders.
17. Staff time (Head of Culture/Arts Commissioner) and leadership from portfolio holder for Growth and and Identity will be required to support the development of the CIC and ensure activity is aligned with the regeneration and growth agenda within Destination Kingston and Kingston Futures .
18. Since its partnership inception, staff time has been committed to working with this partnership. Kingston Council would on behalf of the CIC , submit the ACE bid as the lead organisation for the consortia. As the lead applicant the Council would have overall responsibility for managing the budget and ensuring the terms of the grant are met in consultation with the CIC.
19. A contract between Kingston Council and the CIC would need to be drawn up to agree the roles and responsibilities for administering the grant to ensure the CIC

meets its obligations and to mitigate any risks for RBK. A similar model has been used to progress the consortia project for 'The Streets' programme with each stakeholder assigned key responsibilities

20. No assets, ICT or HR resources are required to set up the CIC. Once established it will operate as an independent entity. All stakeholders will be required to develop the CIC's operational and organisational plans.

## **Legal Implications and Governance**

21. Kingston College Legal Services has drawn up draft governance for the CIC which will be further developed with RBK. RBK's Legal Team will be required to sign off the operating model and legal framework, along with other CIC members. The CIC will be responsible for its own tax and insurance arrangements and for implementing safeguarding and equalities policies.
22. Representation from RBK, the Portfolio Holder for Growth and Identity would need to be nominated by the Council to sit on the Board of the CIC.
23. There are no personal or organisational penalties should the CIC fail or Board members wish to withdraw. Member institutions nominate a person to represent their institution as a director on an annual basis. In the case of RBK this would be the portfolio holder for Identity and Growth. A separate steering group will be responsible for advising the directors on the allocation of funding.
24. All members subscribe to a guarantee of one pound which is the extent of the member's liability in the event of insolvency of the company. The CIC will appoint a Company Secretary and Financial Director to oversee governance arrangements.
25. The CIC is required to submit on a yearly basis a report detailing the activities it has undertaken which will be reported back to Growth Committee.

## **Risk Assessment**

26. The stakeholders involved have developed a strong partnership over time and are committed to the development of Creative Kingston. Key stakeholders have stated they will commit to the CIC if Kingston Council approves its vision, programme of activities and is represented on the Board. Failure to secure support from the Council at this stage could impact on the long term relationships and there is potential reputational risk to the authority.
27. The CIC will need to evidence plans for ongoing sustainability and commit to developing both human and financial capacity in order to secure ACE funding. ACE funding is highly competitive with a 35% chance of success. Even though funding is competitive it is important that Kingston continues to lobby for investment. The CIC needs to develop a long term fundraising strategy, this aspect of Creative Kingston will be scrutinised by prospective funders.
28. Failure to comply with the ACE Terms and Conditions could result in the grant needing to be repaid. For grants of over £50K a qualified accountant must certify

a statement of Income and Expenditure. The project budget will be managed by the independently appointed project manager, reporting on a weekly basis to the CIC Board. Risk – such as project overspend - would be shared by the respective CIC Members.

### **Quality (Social Value and Return on Investment)**

29. Supporting Creative Kingston to establish a CIC sits at the core of the realising the Council's ambition of an enabling Council. The proposal has been developed through wide consultations as part of the outcome based budgeting processes and is now embedded in the Great Place strand of Our Kingston transformation programme .
30. Return on investment would also be realised by supporting Kingston Futures outcomes through enabling the CIC and utilising the knowledge and skills of Creative Kingston's Board Members to improve access and opportunities within the creative industry sector. This would be enhanced through progression pathways, work experience, talent retention, apprenticeships and the development of creative spaces and programmes.
31. The above approach would be predicated on an evidence-based H.E. evaluation methodology working with Kingston University, and Kingston College.

### **Equalities Impact Assessment**

32. Following discussions with ACE, the CIC will need to work with its wider creative network to ensure a diverse representation of creative practitioners, gender, age and ethnicity with a view to giving its membership a representative voice and to ensure smaller organisations can play an equally significant role in its development. This will need to be embedded in its Constitution.

### **Road Network Implications**

33. None

### **Environmental Implications**

34. None

**Background papers-** None other than those referred to in this report

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