

**CEO DECISION – CD 188**

**Title: Creative Enterprise Zone Funding**

**Executive summary**

Following delegation for the approval of expenditure of up to £355,000 on additional projects developed to support the Regeneration and Economic Development programme to the Chief Executive Officer at the March 2022 Board meeting, this decision seeks approval for expenditure towards an open call process for the Acton and Park Royal Creative Enterprise Zone (CEZ).

The CEZ is delivered in collaboration with the London Borough of Ealing to provide affordable creative space, improve access to creative sector skills and employment, and increase the visibility of the creative community. The open call process will provide grant funding to projects and initiatives supporting CEZ objectives across three priorities: Creating space, Developing Skills and Promoting Place.

**Decision**

That the Chief Executive Officer approves:

- Expenditure of up to £145,000 to grant fund projects and initiatives to support the delivery of the Acton and Park Royal Creative Enterprise Zone action plan.
- Receipt of £40,000 of grant funding from the LB Ealing towards the delivery of the programme.

**Chief Executive Officer**

I do not have any disclosable interest in the proposed Decision. It is consistent with OPDC's priorities and has my approval.

**Signature:**



**Date:** 04/10/2022

## **PART 1: NON-CONFIDENTIAL FACTS AND ADVICE**

### **Background and context**

- 1.1 Creative Enterprise Zones (CEZ) are a Mayoral initiative to designate areas of London where artists and creative businesses can:
  - a) find permanent affordable space to work;
  - b) be supported to start-up and grow; and
  - c) help local people to learn creative sector skills and access pathways to employment.
- 1.2 In December 2021, the Mayor of London accredited Acton and Park Royal as one of the newest Creative Enterprise Zones. The CEZ is led in joint partnership by the London Borough of Ealing (LBE) and OPDC. The Zone provides the opportunity to support and enable growth within the local creative sector, responding to specific pressures upon the creative industry including skills, business support, affordable creative space, community engagement and policy.
- 1.3 The Acton and Park Royal CEZ will deliver against a three-year action plan that includes project delivery against the four pillars of the programme:
  - Space – creating permanent, affordable, creative workspace;
  - Providing skills and business support;
  - Community engagement and socially inclusive places; and
  - Policy.
- 1.4 Park Royal has more than 1,700 businesses and over 40,000 employees, including the emerging creative sector. Park Royal is currently home to 13 artists' studios and creative workspaces, three large film studios, 14 smaller film, photography and recording studios, three rehearsal spaces, over ten creative manufacturing businesses, and approximately 520 creative practitioners and artists. In addition, there is a rich ecosystem of fabricators, wholesale, hire firms, studios and freelancers that service London's £52bn creative economy.
- 1.5 The objective of the Acton and Park Royal CEZ is to work closely with the local Creative Industries, placing them at the heart of the ongoing regeneration and development in the area by:
  - helping to increase creative employment opportunities through working with young people as well as local businesses
  - supporting access to and use of affordable workspaces needed by smaller makers, fabricators, freelancers, sole traders and artists who contribute to the larger creative industries ecosystem
  - ensuring that the creative industries are representative of the local community to which they belong

- 1.6 At the March 2022 Board Meeting, expenditure of £255,000 was approved on new projects forming part of the Regeneration and Economic Development (RED) programme, with approval of the remaining unallocated expenditure of £355,000 delegated to the Chief Executive Officer.
- 1.7 This decision seeks approval for expenditure of £145,000 towards a grant funding programme to support delivery of the CEZ action plan, funded by £105,000 of the unallocated budget and £40,000 from LBE.
- 1.8 This is further supplemented by expenditure being incurred by LBE (funded by the Greater London Authority (GLA)) to support with the delivery and management of a physical CEZ 'Hub' (£40,000) and CEZ network platform (£30,000); two key objectives within the CEZ Memorandum of Understanding signed by all parties in May 2022.

### **The proposal and how it will be delivered**

- 2.1 An official launch for the CEZ will be held during the Park Royal Design District on 23 September 2022, as part of the London Design Festival. During the event we will be launching a grant funding programme seeking ideas in order to:
  - a) support industry and community-led projects;
  - b) develop partnerships with local stakeholders;
  - c) build awareness and engagement with those that live and work in the area; and
  - d) deliver on the strategic priorities of the RED Delivery Plan (see Strategic Fit).
- 2.2 The application process is designed to be straightforward and accessible, with a short application to be completed via the RED online consultation and engagement platform, Bang The Table. The webpage will be jointly branded by OPDC and LBE.
- 2.3 The open call for ideas asks for organisations to submit applications, building on the extended engagement carried out as part of OPDC's Great Place Scheme project, which concluded in September 2021, as well as CEZ-focussed engagement, which began in April 2022. These have included a series of workshops with local stakeholders on the CEZ priorities: Creating Space, Developing Skills and Promoting Place. The engagement sessions have revealed a pipeline of potential projects from businesses, community groups, workspace providers and others that have the potential to deliver immediate and tangible improvements to the area.
- 2.4 The open call will also cover four challenges: Creating Space, Developing Skills, Promoting Place and CEZ Platform  
*Creating Space Call*
- 2.5 The Creating Space call will work with landowners, workspace operators, businesses and residents to create a meanwhile workspace for the CEZ. The workspace will provide access to shared affordable workspace for local creatives, access to shared equipment and facilities, bookable meeting space and flexible space to host various local events, workshops and other programmes. We will

seek to 'match make' property owners that have suitable property, as well as businesses and workspace operators interested in managing the space. The open call will prioritise projects that creatively address the climate crisis, reduce waste and promote the circular economy.

#### *Developing Skills Call*

- 2.6 The Developing Skills call will work with projects that:
- a) create pathways into creative jobs for local people;
  - b) create opportunities into the creative industries; and
  - c) provide business support for existing and new creative businesses.
- 2.7 Projects will support skills development, link creative organisations to emerging talent, and initiatives that will help creative businesses grow and thrive in the area. Projects can be a one-off event or a programme of activity.

#### *Promoting Place Call*

- 2.8 The Promoting Place call will develop creative community and increase the visibility of the creative industries in the area, as well as promoting the diverse skills and talent Acton and Park Royal has to offer.
- 2.9 Projects will have community at their heart. They will offer creative experiences to bring local communities together and support people with connecting to the growing creative industry. Projects should respond directly to specific needs and pressures in the community and creative industry, raising the profile of makers, creatives and the creative network, as well as the influence Acton and Park Royal have in London and more broadly.
- 2.10 Projects can include public art programmes which support small creatives, artists, community groups and others to showcase an idea that would benefit the local area.

#### *CEZ Platform*

As part of the Open Call we are asking organisations to express their interest to manage the CEZ Platform. The delivery of the project will ultimately be managed by Ealing via a separate procurement process.

- 2.11 The Open Call will run for a maximum of eight weeks, closing mid-November 2022. The expenditure of up to £145,000 is proposed to be broken down as follows:

Theme	Funding	Sources
Creating Space	Up to £90,000	£50,000 RED programme, £40,000 LB Ealing
Developing Skills	Up to £30,000	£30,000 RED programme
Promoting Place	Up to £25,000	£25,000 RED programme
CEZ Platform	Expression of interest	To be funded via a separate procurement, managed by LB Ealing

- 2.12 Applications will be assessed by OPDC and LBE officers according to the Open Call criteria (see Objectives and expected outcomes). Successful projects and initiatives will need to meet CEZ criteria and align with CEZ objectives in order to be successful in receiving funding.
- 2.13 The process is designed to lower barriers to participation through a light touch application process. Applications will be managed via the Bang The Table platform with a simple form asking applicants to set out their project, as well as some background on the organisation submitting the bid.
- 2.14 To ensure that projects are robust and deliverable, an extended grant negotiation period will be followed. This will allow OPDC and LBE officers to help projects develop a robust project plan, with realistic milestones and agreed Key Performance Indicators (KPI) and ensure that projects are delivering good value for money.
- 2.15 As projects will be entering into grant agreements towards the last financial quarter of 2022/23, there is potential for the achievement of deliverables to slip into the new financial year. For example, projects submitted for Creating Space will require capital works, and depending on the space, this could include fit-out, repairs and operational costs, deliverables which may be achieved after March 2023. These delivery slippages represent several contingent factors that make reliable measurement difficult, as reflected in 9.1 below.
- 2.16 OPDC will lead on Creating Space, Developing Skills and Promoting Place projects. LBE will lead on project the CEZ platform. The following timeline of delivery is proposed:

<b>Milestone</b>	<b>Delivery Date</b>
CEZ launch and announcement of open call	September 2022
LBE and OPDC host networking and matchmaking event	October 2022
Open call closes	November 2022
Assessment of submissions	November – December 2022
Grant agreements negotiated and signed	December 2022 – February 2023
Projects begin delivery	February 2023 onwards

## **Objectives and expected outcomes**

- 3.1 The open call criteria will invite applications from legally constituted entities to support the ambitions of the CEZ through the delivery of projects and initiatives that advance the following outcomes:
- helping to increase creative skills and employment opportunities;
  - matchmaking young people and people interested in creative careers with appropriate support, placements, internships and jobs;
  - working with local businesses and creatives to support start up and growth in the creative sector through schemes, projects events etc;
  - supporting access to and use of affordable workspaces needed by smaller makers and artists who contribute to the larger creative industries ecosystem;

- using space to promote the circular economy, sustainability, reducing waste and equipment share; and
  - ensuring the creative industries is a representation of the local community it belongs.
- 3.2 Projects can be either new or expansion of existing work. The funding can be used for a range of project types such as training, upskilling, events, creative activity, advocacy or use of space to name a few examples.
- 3.3 In year one of the Acton and Park Royal CEZ programme, at least five projects / initiatives across the three themes will be supported with funding.
- 3.4 The following target KPIs have been outlined:
- support at least 20 creative businesses;
  - support at least 30 young people involved in pre-employment creative skills programmes, with beneficiaries matching local demographics;
  - at least 40 per cent of recipients from pre-employment creative programmes going on to secure jobs, placements or work experience in the creative industries;
  - stakeholder support from at least 5 large organisations, businesses or employers in the Acton and Park Royal CEZ area;
  - curation of a new, affordable, flexible and diverse creative workspace, no smaller than 50sqm; and
  - ongoing delivery of a CEZ Network Platform, including 100 website visits and evidence of positive impact to overall CEZ.

#### Open Call criteria

- 3.5 Submissions to the Open Call will be assessed against the criteria outlined in the paragraphs below.

#### *Project description (25 per cent)*

- 3.6 Applicants will need to show a good fit with the themes and outcomes of the CEZ and have clearly defined outputs and outcomes. An understanding of the creative sector and the extent to which proposed project delivery meets needs must be demonstrated. An assessment will be made of the project's potential to deliver high-quality provision / activity.

#### *Partnership (25 per cent)*

- 3.7 Applicants should demonstrate appetite to work collaboratively and intentions to work in partnership with other organisations, businesses, partners and creatives.

#### *Deliverability (25 per cent)*

- 3.8 Applicants should have a clear plan for delivery, underpinned by how the capacity and skills of the team will deliver on time and budget. For applicants submitting under the Creating Space theme, they need to demonstrate that their proposals

are deliverable, and will be a success. Projects which have progressed furthest towards identifying a suitable space are likely to be able to make the strongest case for funding on deliverability grounds.

*Value for money (25 per cent)*

- 3.9 Applicants should clearly identify and describe all costs associated with the project and why they believe the costs to be reasonable.

## **Strategic fit**

- 4.1 The creative industry is rapidly growing in Park Royal. However, despite this, the area is not widely recognised as strategically important for the wider creative economy.
- 4.2 The Acton and Park Royal CEZ will deliver on the OPDC's Local Plan policies; Strategic Policy (SP) 2: Good Growth, SP5: Economic Resilience and SP6: Places and Destinations.
- 4.3 In March 2022, the OPDC Board agreed the Regeneration and Economic Development strategic principles. These include to:
- a) work with and celebrate our existing business base and strengths - Food manufacturing, Creative industries, Film and media, and Logistics;
  - b) work with local anchor institutions, including boroughs and larger employers to deliver a coordinated response to the needs of the local area;
  - c) know our patch and our people - developing good relationships and owning and managing good data;
  - d) ensure that the right employment, training, and skills offer is in place; and
  - e) deliver an adequate supply of the right type of workspace for businesses to start-up, grow, move-on and thrive.
- 4.4 The Open Call will directly deliver on these objectives, working in partnership with the local community. By funding local organisations, we will ensure that OPDC can maximise its impact by helping to develop the experience and capacity of these organisation to deliver impactful projects. We will include KPIs that encourage organisations to source goods and services from within the OPDC area, ensuring that as much of OPDC funding as possible is directly benefiting the local economy.
- 4.5 The Acton and Park Royal CEZ will aim to meet the core objectives of the recently published Equity, Diversity and Inclusion (EDI) strategy. The open call for funding will support diverse groups and community initiatives which meet the criteria and celebrate the rich diversity of the Acton and Park Royal area. Applicants are encouraged to have EDI practices embedded in projects and organisation.

## **Project governance and assurance**

- 5.1 The CEZ is managed by the OPDC Economic Development Project Manager, who reports to the Head of Regeneration and Economic Development within the Delivery Directorate. The project will provide bi-monthly dashboard updates to the

RED Programme Board ensuring that risks and issues are appropriately escalated to OPDC Senior Management team.

- 5.2 The open call, assessment, allocation of grant and monitoring and evaluation of successful projects will be managed by OPDC's Regeneration and Economic Development Lead, Economic Development Project Manager and LBE colleagues leading on the CEZ.
- 5.3 CEZ project management is through normal management structures, with weekly meetings between the OPDC Project Manager and Head of RED, who in turn reports to the Director of Projects.
- 5.4 OPDC and LBE hold bi-weekly meetings as joint partners for the CEZ. Furthermore, project review meetings will be held with successful grant recipients in accordance with the grant agreements, held by OPDC.
- 5.5 Officers will assess project deliverability, including the ability for projects to deliver at pace. Officers will prioritise well-developed projects that are ready to deliver and have the necessary skills to deliver them.
- 5.6 Where appropriate officers will review requests to forward fund projects, specifically projects delivered by smaller organisations that would otherwise struggle with cashflow issues. OPDC officers will ensure that funding agreements include clearly defined milestones for projects to claim funding, with the ability to clawback funding where projects fail to deliver on the agreed aims of the project.
- 5.7 The grant funding of £40,000 received from LB Ealing must be committed by 31 March 2024.
- 5.8 The LB Ealing will be responsible for managing a separate procurement process for suppliers to manage the CEZ Platform. The open call will ask suppliers to express their interest to run the platform.

#### *Risks and issues*

- 5.9 The following risks and issues have been identified along with mitigation and resolution:

Risk description	Inherent Score	Mitigations	Target Score
Low response to the open call	Likelihood: 2 Impact: 3 Total: 6	OPDC is currently aware of appropriate opportunities, which meet CEZ objectives, that can benefit from funding.	Likelihood: 1 Impact: 3 Total: 3
High level of interest in open call beyond funding available	Likelihood: 4 Impact: 3 Total: 12	OPDC will play a matchmaking role, connecting projects that are unable to be funded through the CEZ with potential funders. OPDC may also consider projects	Likelihood: 3 Impact: 2 Total: 6



		for year two of the programme.	
Inadequate resource to manage and assess the open call submissions	Likelihood: 3 Impact: 5 Total: 15	OPDC and LBE have agreed to assess submissions and allocated appropriate time for doing so. Additional resource can be scoped.	Likelihood: 2 Impact: 3 Total: 6
Projects funded by OPDC will not be committed before year end 2022/23	Likelihood: 4 Impact: 4 Total: 16	OPDC and LBE will prioritise well-developed projects that can be delivered at pace..	Likelihood: 3 Impact: 3 Total: 9
Forward funding reduces OPDC's ability to control the outputs of the project and results in under delivery against agreed outputs	Likelihood: 4 Impact: 4 Total: 16	Forward funding will be used only in projects where recipients can demonstrate that claiming in arrears would impede delivery (e.g. cashflow issues). Clawback clauses will be included in all grant funding agreements.	Likelihood: 3 Impact: 3 Total: 9

## Equality comments

- 6.1 Under Section 149 of the Equality Act 2010, as a public authority, OPDC must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to the need to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.<sup>1</sup> [OBJ]
- 6.2 Park Royal's creative businesses appear to be reflective of wider structural issues, including a lack of diversity, within the creative industries. This is a context where 58 per cent of residents in the OPDC area and 51 per cent in the wider region are Black, African, Caribbean, Black British, Asian, or British Asian.
- 6.3 Unemployment rates are higher than surrounding areas (10.4%) and household incomes in the area are lower by around one-quarter when compared to London-

<sup>1</sup> The protected characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status. Fulfilling this duty involves having due regard to: the need to remove or minimise any disadvantage suffered by those who share a protected characteristic or one that is connected to that characteristic; taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low. Compliance with the Equality Act may involve treating people with a protected characteristic more favourably than those without the characteristic. The duty must be exercised with an open mind and at the time a Decision is taken in the exercise of the OPDC's functions.

wide incomes. There are high contrasts between different neighbourhoods locally, with marked shifts in demography from one residential enclave to the next.

- 6.4 The creative industries generate £58.4 billion for the London economy every year, and accounts for one in six jobs. However, there are still fewer women and people from BAME backgrounds working in the creative economy than the economy at large. In 2016, women made up 35 per cent of the creative workforce compared to 44 per cent across the wider economy, while 23.4 per cent of jobs in London's creative economy are held by people from BAME groups compared to 33 per cent in the economy as a whole. In the creative and cultural workforce in England, only 12 per cent of workers classify themselves as disabled.
- 6.5 The Acton and Park Royal CEZ has the opportunity to address these structural inequalities through targeted programmes of training, mentoring, events and investment, giving disadvantaged communities improved access to the cultural sector, and in turn increasing diversity within the industry. KPIs will be included that require successful projects to break down barriers which restrict under-represented groups from entering into the creative sector and encourage participation from groups with protected characteristics. Quotas and metrics are encouraged to ensure diverse and inclusive participation.
- 6.6 The Cultural Infrastructure map only captures a small percentage of the creative economy in Park Royal. Although there is some recognition of Park Royal within particular industries (e.g. film and media), many local residents are only partially aware of what is happening on their doorstep and the opportunities that exist in the area. The Acton and Park Royal CEZ provides the opportunity to raise the visibility of the creative industry, allowing greater access into the sector, especially by those with protected characteristics.

## **Other considerations**

### *Communications and engagement*

- 7.1 OPDC's Communications team will provide support with promotion of the open call including social media presence. The Engagement team will provide support for the networking and matchmaking event and any other bespoke outreach opportunities.

### *Sustainability*

- 7.2 The Acton and Park Royal CEZ is an opportunity to demonstrate OPDC's commitment to environmental sustainability and promote environmentally sound and innovative green space management and maintenance approaches. Successful projects will need to demonstrate how they will integrate and deliver OPDC's sustainability and environmental policies and standards and set clear targets.

### *Safeguarding and data protection*

- 7.3 Successful applicants will need to demonstrate they have appropriate safeguarding policies and insurances in place in accordance with OPDC and GLA requirements. They must demonstrate capability of managing personal data in compliance with current GDPR policies.

- 7.4 There are no other considerations that need to be considered in the taking of this decision.

### **Conflicts of interest**

- 8.1 No one involved in the preparation or clearance of this Decision, or its substantive proposal, has any conflict of interest.

### **Financial comments**

- 9.1 The expenditure of up to £145,000 on the CEZ grant programme, as detailed in the body of the report, will be funded from the existing RED 2022/23 budget (£105,000) and grant funding from LB Ealing (£40,000). The grant from the LB Ealing will be held on the balance sheet as income in advance and must be spent by 31 March 2024 in line with the conditions of funding.
- 9.2 The launch of the programme is subject to review and clearance of the application, award and monitoring process for the grant funding and associated grant agreement by the Chief Finance Officer.
- 9.3 To support their cash flow requirements, the recipients may receive some or all of the grant funding at the point that the agreement is made. The lead officer will need to ensure that robust monitoring is in place to administer the scheme and to reduce the risk that it fails to achieve its objectives.

### **Legal comments**

- 10.1 The foregoing sections of this report indicate that the decisions requested of the Chief Executive Officer concern the exercise of the OPDC's general powers, falling within the OPDC's statutory powers to do such things considered to further or that are facilitative of, or conducive or incidental to, the promotion of economic development and wealth creation, social development or improvement of the environment, in Greater London.
- 10.2 In implementing the proposals in respect of which a decision is sought, officers should comply with the OPDC's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people
  - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom
  - consult with appropriate bodies.
- 10.3 In taking the decisions requested, as noted in section 6 above, the Chief Executive Officer must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010, namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010; to advance equality of opportunity between persons who share a relevant protected

characteristic (race, disability, gender, age, sex, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment) and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. To this end, the Chief Executive Officer should have particular regard to section 6 (above) of this report.

- 10.4 Section 1 of this report indicates that part of the sought budget will amount to the provision of grant funding, and not payment for services. Officers must ensure that the funding is distributed fairly; transparently; in accordance with the OPDC's equality policy and subsidy control rules; and in a manner that affords value for money in accordance with the OPDC Contracts and Funding Code. Officers must ensure that an appropriate funding agreement is put in place and executed by the OPDC and the recipient before any commitment to funding is made.

## Summary timeline

- 11.1 The following proposed timeline is suggested:

Activity	Date
CEZ Launch	September 2022
Announcement of open call out	September 2022
OPDC host matchmaking network opportunity	October 2022
Open call out closes	November 2022
Assessment of submissions	November 2022 – December 2022
Announcement of successful projects	December 2022
Successful projects enter into a grant agreement	December 2022 – January 2023
Projects begin delivery	February 2023 onwards
Evaluation and monitoring period	March 2023 onwards

## Appendices

None

## Other supporting papers

None

## PUBLIC ACCESS TO INFORMATION

Information in this Form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA). OPDC aims to publish the Form within three working days of approval.

If immediate publication risks compromising the implementation of the Decision (for example, impacting a procurement process), it can be deferred until a specific date (when it will be published). Deferral periods are kept to the shortest length strictly necessary.

### Part 1 – Deferral

Publication of this Part 1 is to be deferred: **Yes**

The deferral is until: 23 September 2022

This is because: The Launch event for the CEZ is due to hold on 23 September 2022 when the open call announcement will be made public.

### Part 2 – Confidential information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in or attached to any separate Part 2 Form, together with the rationale for withholding the information at this time.

There is a separate and confidential Part 2 Form: **No**

## DECLARATIONS

**Drafting officer:** Temitope Moses has drafted this Form in accordance with OPDC procedures, including for handling conflicts of interests, and confirm that: ☒

**Advice:** The Finance and Legal teams have commented on the proposal. ☒

## CONFIRMATIONS

**Section 106 funding:** N/A

**SMT review:** This Decision was circulated to the **Senior Management Team** for review on Thursday 15 September 2022.

### Chief Finance Officer

Financial and legal implications have been appropriately considered in the preparation of this Form.

**Signature:**



**Date:**

30/09/2022

### Director of Projects

I do not have any disclosable interest in the proposed Decision. It is consistent with OPDC's priorities and can be referred to the CEO for final approval.

**Signature:**



**Date:**

04/10/2022