

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2807

Title: Mayoral Creative Enterprise Zones Programme

Executive Summary:

This decision seeks approval to continue and expand the Creative Enterprise Zones programme using an accreditation process, supported by the London Plan, to recognise new zones and renew the status of existing zones.

The Mayor approved the creation of the programme under cover of MD2196 as part of his commitment to maintaining London's position as a leading capital for cultural and creative industries. The Creative Enterprise Zones work to ensure that artists and small creative businesses can thrive in London, supporting the long-term provision of affordable workspace, enabling vital business support, providing a pro-culture policy environment and developing skills and enterprise to create routes to employment.

The expansion aims to enable the delivery of three new Creative Enterprise Zones in 2021-22 and a further three new zones in 2022-23, as well as continuing to support existing Zones. The programme will assist Creative Enterprise Zone delivery by providing access to grant funding, resources, networking and expert advice.

Decision:

That the Mayor approves:

1. that the Creative Enterprise Zones programme moves to an annual accreditation model from Summer 2021;
2. expenditure of £1,570,000 to support the ongoing delivery of the programme and the accreditation of up to three additional Creative Enterprise Zones in 2021-22; and
3. expenditure of £1,144,000 in 2022-23 to support the ongoing delivery of the programme and up to three further zones, bringing the total to up to 12 zones.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

10/6/21

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. In 2018-19, before COVID-19, the creative industries were the most rapidly growing part of the UK economy, creating jobs three times faster than in the wider economy. Despite this artists and creative businesses continued to be low paid and to face escalating rents and rising business rates. Without effective action these issues will become still more entrenched by the impacts of the pandemic.
- 1.2. Access to affordable workspace is a particular challenge. Demand for studios remains very strong with 95 per cent of spaces occupied and nearly 14,000 places on waiting lists with 27 site providers. Diminishing availability continues to impact the ability of the creative sector to set down roots. Nonetheless current Mayoral policies are beginning to have an impact, with Greater London Authority research indicating that the number of artists' workspaces at risk of closing in the next five years up to 2023 has fallen from 28 per cent to 17 per cent over a three-year period.
- 1.3. The impact of COVID-19 on London's culture and creative industries together with their supply chains has been estimated at losses of £16.3bn GVA and 152,000 jobs by the end of 2020 alone. GLA research suggests that the post-Brexit EU and UK Trade Deal will cost London's economy £9.5 billion a year. Service sectors, which include the creative industries, will bear the brunt of this loss¹.
- 1.4. Creative Enterprise Zones are a Mayoral initiative launched in 2018 to nurture creative enterprise and harness its social and economic value to stimulate local economic growth and job creation. Creative Enterprise Zones are placing cultural production at the heart of local regeneration strategies, providing affordable studios and workspace and wider support so that creative businesses and artists can put down roots.
- 1.5. The six first Creative Enterprise Zones were designated in 2018. They are specified geographic areas in Croydon, Haringey, Hounslow, Lambeth, Lewisham, with a single zone across both Hackney and Tower Hamlets. The first six zones will have completed their contracted first phase of delivery by October 2021.
- 1.6. Despite the immediate and harsh economic impact of successive lockdowns on the creative sector, which was amongst the first to shut and will be one of the last to reopen, the Mayor's first six Creative Enterprise Zones remain on track to deliver 40,000 square metres of affordable creative workspace and 1,000 training opportunities (as approved under cover of MD2196).
- 1.7. Furthermore, their ability to access hyper-local networks of creative businesses has enabled them to deploy support quickly and stimulate recovery. For example, they have done this by targeting rent relief and business rates grants within zones, as well as through dedicated funding programmes to support freelancers and creative businesses with new contracts and through guidance on how to adapt business models. During the first lockdown, the current cohort leveraged an additional £1.6m, supported nearly 1,000 jobs and helped to sustain 300 creative businesses.
- 1.8. As a result of the success of the first six zones, there has been significant appetite from London boroughs to develop new Creative Enterprise Zones and reflect this within Local Plans in line with London Plan Policy HC5, Supporting London's Culture and Creative Industries. However, while supportive planning policy is a key component of any zone, it is just one part of the programme. To achieve maximum impact, Mayoral Creative Enterprise Zones must also respond to a local need to

¹ https://www.london.gov.uk/sites/default/files/brexit_deal_analysis_2021_-_04.02.pdf

create affordable space, provide business support, engage with communities and offer skills opportunities to create pathways to jobs.

- 1.9. In the first phase of the programme, a feasibility study was commissioned which worked with borough partners to test an annual accreditation model. This model looked at how to respond to the demand to establish a zone from boroughs, the London Plan policy context and substantially reduced GLA and local authority resources due to COVID-19, whilst ensuring that the high quality and impact of the original Mayoral programme could continue to be met.
- 1.10. This resulted in an accreditation model design, the testing of which was carried out with London Borough of Waltham Forest (as approved under cover of MD2196) and which is the subject of this Mayoral Decision. Waltham Forest participated in a full pilot of accreditation during the research phase and will be the first borough to go through the resulting assessment process.
- 1.11. All existing and new Creative Enterprise Zones will have access to a unique package of support to assist with delivery. Grant funding will be made available to enhance delivery of key elements of their Creative Enterprise Zone Action Plans and the Knowledge Exchange Forum, established in the first phase, will provide an opportunity to share learning and network for Creative Enterprise Zone staff. Zones will also have access to expert advice and guidance to support the delivery of their action plans.
- 1.12. The programme will include a core workstream to ensure that the impact of the zones is robustly evidenced. This will provide resource which will work across the GLA and up to nine zones to establish a framework for consistent evidence gathering, lead the collection and collation of this information and deliver analysis and reporting. Whilst zones can support the collection of data, their focus is on delivery and the move to accreditation requires the GLA to centralise this work to ensure consistency and high-quality reporting. Delivery partnerships with higher education institutions will be explored. Monitoring will feed directly into the High Streets for All mission and the Spatial Development foundation to support the GLA's understanding of recovery. The programme also represents an area of interest to UK and world cities, with the GLA positioned as a thought leader in this area, and it is therefore essential to ensure that learning from the programme can be disseminated.
- 1.13. To achieve Creative Enterprise Zone accreditation, boroughs will need to participate in a competitive application process assessed against the programmes' four pillars of space, skills and support, policy and community. Zones will be led and resourced by boroughs and stakeholders with support and guidance from the GLA. They will be expected to reflect local circumstances and priorities and meet the needs of a range of creative businesses and workers. The accreditation will ensure that the core criteria and standards required of a Mayoral Creative Enterprise Zone are upheld.
- 1.14. London boroughs will be able to apply for grant funding to support delivery of their proposals as part of the accreditation process. Any such applications will be assessed by a GLA panel, with up to nine grants available in 2021-22 and up to 12 in 2022-23. If posts are included within any proposal match funding will be required.
- 1.15. The existing cohort of Creative Enterprise Zones will also be taken through the accreditation process, and if successful will be able to continue as accredited zones and access resources accordingly, by continuing to deliver against the four pillars and implementing a new Action Plan. Outcomes required for the second phase of their delivery as a Zone will be proportionate with the transition to a locally resourced programme.
- 1.16. A budget of £196,000 has been allocated to cover the costs of three fixed term contract posts, subject to approval through the GLA's Chief Officer processes (including those related to restructures) to support successful delivery of the programme. These posts are for a Programme Manager, a Stakeholder and Communications Officer and a Senior Policy Officer. Two of these are existing posts delivering the current Creative Enterprise Zone programme.

1.17. The table below sets out the proposed expenditure on the programme:

	2021-22	2022-23
Phase two Impact Grant Fund, borough support resources, research, evaluation, data and impact	£924,000	£498,000
Capital Grant Fund	£400,000	£400,000
Core budget to cover cost of running programme, including conferences and marketing costs	£50,000	£50,000
Delivery support: Programme Manager, Senior Policy Officer and Stakeholder and Communications Officer, specialist consultancy	£196,000	£196,000
TOTAL EXPENDITURE	£ 1,570,000	£ 1,144,000

2. Objectives and expected outcomes

2.1. The objectives of this investment are to support boroughs to contribute to London's recovery through creating a resilient creative industries sector by:

- supporting culture and the creative industries into recovery post COVID-19;
- providing skills opportunities and partnerships which create routes to employment in the creative industries;
- providing places for Londoners to work, through the provision and protection of affordable creative workspace;
- developing policy which has a long-term impact on supporting Londoners and the cultural and creative industries;
- engaging communities with Creative Enterprise Zone activity; and
- accessing inward investment.

2.2. The GLA investment over two years will deliver the following outputs:

- baseline evidence and data to support development of up to six new Creative Enterprise Zones;
- up to three new accredited Creative Enterprise Zones in 2021-22; and up to a further three new accredited Zones in 2022-23;
- up to six second stage Creative Enterprise Zones, from the initial cohort;
- up to 12 boroughs supported with training, grant funding, resources and advice to guide their Creative Enterprise Zone development and delivery;
- Creative Enterprise Zone Exchange Forum events to promote learning and sharing of knowledge between participants; and
- continuous data collection, and an evaluation and impact report on the Creative Enterprise Zones programme.

2.3. The Creative Enterprise Zones will provide the following outputs:

- local training and skills programmes;
- increased affordable workspace;

- no net loss of workspace in zones;
- new pro-culture local policy; and
- opportunities for community engagement.

2.4. This will achieve the following outcomes:

- Londoners develop skills that will support them to access employment in the creative industries;
- artists and creative businesses can put down roots and develop their work, business and supply chains;
- freelancers and businesses within the Creative Enterprise Zone are more skilled and sustainable;
- local communities are engaged and actively participating in Creative Enterprise Zones; and
- Londoners are aware of and value creative businesses and their role in communities.

3. Equality comments

- 3.1. Under Section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have 'due regard' of the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.
- 3.2. The Creative Enterprise Zone programme has local communities and London residents at its heart.
- 3.3. The proposed programme will support Local Authorities to aid the recovery of those who have been particularly vulnerable to the impact of COVID-19 by providing accessible and affordable opportunities for Londoners, including skills programmes, training opportunities and affordable workspace. This will include freelancers, 60 per cent of whom lost all of their work since the start of lockdown last March.
- 3.4. Zones also seek to ensure that all Londoners regardless of whether they have protected characteristics or not are able to enjoy, experience and benefit from being creative and taking part in London's cultural offering, however, some programmes of business support operated by zones will specifically support diverse-led businesses.
- 3.5. The Knowledge Exchange Forum will run a specific Equality, Diversity and Inclusion policy strand sharing examples of good practice and supporting Creative Enterprise Zones to lead by example.
- 3.6. Existing Creative Enterprise Zones are working alongside the Mayor's Culture and Community Spaces at Risk Office to protect spaces which are vulnerable and which marginalised communities are using, for example cultural venues such as libraries, LGBTQ+ venues and community centres.

4. Other considerations

- 4.1. The programmes and activities outlined in this decision play an important role in supporting London's Recovery Missions and the GLA's Recovery Foundations established in June 2020, to help Londoners recover from COVID-19.
- 4.2. This programme particularly delivers on the following missions and foundations:
- High Streets for All, by promoting local employment and near home working as well as protecting existing community and cultural spaces; and

- Helping Londoners into Good Work, by providing skills programmes, business support and pathways to employment.

4.3. The Creative Enterprise Zone programme outlined in this decision also links to the following Mayoral strategies:

- A City for All Londoners, wherein culture is seen as the golden thread, key to our future success, both for integrating and strengthening communities and supporting more liveable and successful places;
- Culture for all Londoners, the Mayor's landmark strategy for culture, which outlines an ambitious vision to ensure all Londoners can engage with and contribute to the capital's rich cultural offering on their doorsteps;
- the Mayor's vision for London as 24-hour city, including diversifying London's night-time, promoting all forms of cultural, leisure, retail and service activity; supporting flexible lifestyles; taking account of future global and domestic trends in leisure, migration, technology, employment and economics;
- the London Plan which includes strategic policies for supporting London's culture and creative industries; affordable workspace; and supporting London's night-time economy; and
- the Mayor's Social Integration Strategy which aims to improve social integration in London. This means enabling people to have more opportunities to connect with each other positively and meaningfully and supporting Londoners to play an active part in their communities and the decisions that affect them. It involves reducing barriers and inequalities, so that Londoners can relate to each other as equals.

Impact assessments and consultations

- 4.4. The GLA's Cultural Strategy Group for London (known as the Mayor's Cultural Leadership Board) is a statutory group comprising of senior leaders from across the creative and cultural industries. These ambassadors shape the Mayor's Culture Strategy and represent diverse voices across the industry. The Board has continued to meet over the past year and has advised on the development of Creative Enterprise Zones.
- 4.5. During 2018-19, the Mayor's Culture Strategy was subject to a 12-week consultation with stakeholders and the public. The Unit delivered events and roadshows to consult with a wide range of community organisations, agencies and groups about key issues raised in the draft strategy and plans to address them. Nearly 100 organisations provided written feedback. In addition, a public consultation programme was delivered via Talk London which elicited over 1,600 responses on the priorities of the strategy.
- 4.6. The Culture Strategy also underwent an Integrated Impact Assessment (IIA) during the initial drafting, and a further review following consultation feedback. The IIA comprised an Equality Impact Assessment, Health Impact Assessment and Community Safety Impact Assessment and an assessment of due regard for sustainable development in the capital. Independent analysis found that one policy had a neutral impact while all others had a positive impact. Following consultation feedback and revisions to the policies, the status of all areas is positive. Some of the key positive findings from the strategy consultation included that:
- arts and culture have a positive influence on health and wellbeing. This link should be promoted and better facilitated; and
 - participation in culture supports social cohesion, inclusion and sense of identity, and creates vibrant places and communities.

Risks

4.7. Risks and issues related to this decision are set out below:

Risk	Mitigations in place	RAG rating
Financial mismanagement by any organisation in receipt of GLA grant funding.	Responsible GLA Officers overseeing grant funded programmes will closely monitor delivery and meet regularly with delivery partners. Robust funding agreements will be put in place, payments will be made against clearly defined milestones and where appropriate in arrears.	GREEN
The activities set out in this Mayoral Decision do not meet their specific aims and goals.	Programmes detailed in this decision have evolved from delivery of the first cohort of Creative Enterprise Zones. A feasibility study was undertaken to align an Accreditation approach with the core objectives of the programme.	GREEN
Continuing impact of COVID-19 further delays progress with delivery.	The impact of the pandemic has been considered as part of the development of this programme of work. Some Creative Enterprise Zones have experienced delays due to the pandemic. The programme will be continually monitored and adjusted to respond to developing circumstances.	AMBER
Reduced capacity from boroughs impacts on interest in joining the programme	As government cuts impact Local Authorities, a significant risk is that boroughs are not able to respond to the opportunity to put forward a Creative Enterprise Zone for consideration. However, there is strong evidence that the current CEZs were ideally positioned to offer targeted support to creative businesses in response to the pandemic, resulting in additional leverage of £1.6m and support for 300 businesses. This supports prioritisation within boroughs to support recovery. There is a significant pipeline of boroughs seeking to apply to the programme.	AMBER

Conflicts of interest

4.8. There are no conflicts of interest to note for any of the officers involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. Approval is being sought for expenditure on the next phase of the Creative Enterprise Zone (CEZ) programme. The next phase of the programme will span two financial years, with the estimated expenditure (a combination of revenue and capital expenditure) being phased as follows:
- 2021-22: £1,570,000 (£1,170,000 revenue & £400,000 capital); and
 - 2022-23: £1,144,000 (£744,000 revenue & £400,000 capital).
- 5.2. The programme costs of £1,570,000 for 2021-22 will be funded from the Culture & Creative Industries Programme budget, specifically the revenue and capital allocations earmarked for the Creative Enterprise Zone programme as approved as part of the 2021-22 budget setting process.
- 5.3. In relation to the estimated programme costs of £1,144,000 for 2022-23, these are containable within the indicative budget allocations set out for the CEZ programme for 2022-23 as part of the 2021-22 budget setting process. However, these budgets are not yet formally approved, and this would constitute a pre-existing commitment against these budgets when the formal budget setting exercise is undertaken.
- 5.4. To mitigate any risk of the programme not being sufficiently resourced in future years to cover costs following the budget setting process, all contracts and grant agreements will include the usual break clauses that could potentially be exercised if required. All appropriate budget adjustments will be made.

6. Legal comments

- 6.1. The foregoing sections of this report indicate that:
- 6.1.1. the decisions requested of the Mayor concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London; and
- 6.1.2. in formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:
- (a) pay due regard to the principle that there should be equality of opportunity for all people;
 - (b) 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; and
 - (c) consult with appropriate bodies.
- 6.2. In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, sex, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 of this report.
- 6.3. Should the Mayor be minded to make the decisions sought officers must ensure that:
- 6.3.1. to the extent that any of the proposed expenditure concerns the award of grant funding, such funding is awarded on a fair and transparent basis in accordance with the GLA's

Contracts and Funding Code and appropriate funding agreements are entered into and executed by the GLA and counterparties before commencement of the same;

6.3.2 to the extent that any of the proposed expenditure concerns the purchase of works, services or supplies, those works, services or supplies must be procured by TfL procurement in accordance with the GLA's Contracts and Funding Code and appropriate contracts are entered into and executed by the GLA and counterparties before commencement of the same;

6.3.3. all such funding agreements and contracts for works, services or supplies contain GLA termination for convenience rights as per paragraph 5.4 above, and are managed pro-actively so as to mitigate risks of recipient and contractor costs being incurred which exceed the approved budget; and

6.3.4. they comply with all relevant GLA HR protocols to the extent applicable to the proposed staffing matters.

7. Planned delivery approach and next steps

Activity	Timeline
Launch Creative Enterprise Zone Accreditation prospectus and announcement of Waltham Forest as a new zone	Summer 2021
Commission monitoring and evaluation tender and baseline study	Summer 2021
Expressions of Interest received	Summer 2021
Full applications submitted and assessed	Autumn 2021
New Creative Enterprise Zones announcement	Autumn 2021
Creative Enterprise Zone Accreditation applications open	Spring 2022
Expressions of Interest received	Summer 2022
Full applications submitted and assessed	Autumn 2022
New Creative Enterprise Zones announcement	Autumn 2022

Appendices and supporting papers:

None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason: Pending public launch of programme announcement, expected in June 2021.

Until what date: 30 June 2021

Part 2 - Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form - NO

ORIGINATING OFFICER DECLARATION:

Drafting officer
to confirm the
following (✓)

Drafting officer:

Rachael Roe has drafted this report in accordance with GLA procedures and confirms the following: ✓

Sponsoring Director:

Philip Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities. ✓

Mayoral Adviser:

Justine Simons has been consulted about the proposal and agrees the recommendations. ✓

Advice:

The Finance and Legal teams have commented on this proposal. ✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 7 June 2021.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

D. Gane

Date

7 June 2021

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Zellan

Date

7 June 2021