How can property developers support local cultural decision making?

INSIGHT PAPER

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An open policy development programme led by Culture Commons and Partners





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This Insight Paper explores policy implications arising from a roundtable discussion that took place on 8th May 2024 exploring '**how can property developers support local cultural decision making?'**

The roundtable formed part of a Knowledge Exchange session associated with <u>'the future</u> <u>local cultural decision making'</u>, an open policy development programme led by Culture Commons and a coalition of UK-wide partners.

The Knowledge Exchange sessions have been designed by Culture Commons to bring programme partners and external experts together, build links, share insights and broaden perspectives on a range of subjects relevant to the programme's core research themes.

In-keeping with the open and transparent approach of the programme, Culture Commons is committed to publishing an Insight Paper after each Knowledge Exchange session. This Insight Paper will be formally reviewed as part of the growing evidence base that will inform the policymaking phase of the programme.

At the time of publication 'the future of local cultural decision making' open policy development programme partners were: LOCAL AUTHORITY PARTNERS CAMBRIDGESHIRE oca Belfast & PETERBOROUGH COMBINED AUTHORITY Government City Council Association CAERDYDD SOUTH YORKSHIRE GMCA Harlow Wigan SYMCA Durham MAYORAL Combined Authority AUTHORITY Counci Working together for Harlow SECTOR PARTNERS AMGUEDDFA BRITISH Art Fund_ CYMRU COUNCIL Association of Leading Visitor Attractions



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Culture Commons bring the creative, cultural and heritage sectors together with the research community and policymakers to co-design new policy and influence decision making at the local, regional and national levels. We are leading **'the future of local cultural decision making'** on behalf of a consortium of UK-wide partners.

You can find out more about us at <u>www.culturecommons.uk</u>

The Programme

<u>'the future of local cultural decision making'</u> is an open policy development programme led by Culture Commons and a coalition of partners made up of local governments, sector representatives, arm's length bodies, grant giving bodies and leading research institutions.

Together, we are exploring how further 'devolution' and/or increased local decision making might impact on the creative, cultural and heritage ecosystem in different nations and regions of the UK.

More information about the programme can be found on the dedicated digital hub.

Open Policymaking

Open Policymaking was described by UK Government in 2014 as a process that 'opens up the formation of public policy to a wider variety of stakeholders'.

Culture Commons have adopted some of the key principles sitting behind this approach and elaborated on them when designing this programme, particularly the commitment to transparency.

Disclaimer

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Background

As major investors in the physical environment, the private property sector is a key stakeholder in social, economic, and environmental outcomes of local spaces and places and therefore, by extension, within the local cultural ecosystem.

Yet conversations between property developers and those advocating for civic infrastructure, community and/or creative, cultural and heritage sector-based use of spaces can often focus on the frictions caused by our land development system and centre around achieving a difficult balancing act between scheme viability on the one hand and facilitating civic/cultural infrastructures on the other.

However, there is an ever-growing understanding within the wider urban development field (including in architecture, urban design, planning and development) that the provision of cultural infrastructures alongside the facilitation of cultural programming and events can significantly increased the long-term quality and sustainability of schemes.

Architects and planners are always searching for new approaches to design and policy that support inclusive, mixed-use development, and some developers are now piloting 'socially aware' financial models that can bring forward civic and cultural infrastructures while keeping the development viable in commercial terms.

Likewise, artists and community-led groups in the creative, cultural and heritage sectors continue to explore models such as artist-led approaches to housing and managed spaces, that put themselves in the driving seat within the traditional development process¹.

As a recent strong cultural presence at the <u>UKREIIF 2024</u> attests, the creative, cultural and heritage sectors are being increasingly viewed as vital contributors to the land development and place making agenda.

Therefore, as part of our programme's 'Culture-led place shaping' research theme, we're using the final Knowledge Exchange in our series to explore **the role that the development sector can play in local cultural decision-making processes, as well as** what models and mechanisms might support better dialogue between all agents in the land and property development process.

Learning Outcomes

Before the session, we set out a series of questions that we hoped to cover in discussion with our contributors - they were:

¹ See for example, Artist-led housing initiatives explored by organisations like East Street Arts

- What partnership approaches are already supporting positive dialogue between property developers, local authorities and the creative and cultural sectors in local areas?
- What partnership development models enable the private and public sector to deliver physical creative, cultural and heritage infrastructures and/or programmes in mutually beneficial ways?
- What more can be done nationally to challenge unhelpful perceptions between the creative, cultural and heritage sectors and the property development industry?
- What policies could be implemented to ensure the creative, cultural and heritage sectors are appropriately positioned within development processes?

Agenda

The session was chaired by Culture Commons Director, Trevor MacFarlane FRSA.

Time	Contributor(s)
17:00	Trevor MacFarlane FRSA Welcome and introductory remarks
17:05	Martin McKervey Chair of Sheffield Property Association & Vice Chair of Sheffield's Culture Collective
	A view on the ground from Sheffield
17:20	Paul Clark Co-founder and Head of Land and Partnerships for Stories
	What are 'socially responsible' property development models?
17:35	Tom Bloxham MBE Chairman Founder, Urban Splash
	How might we support dialogue between the property development and creative sectors?
17:50	Open discussion
18:15	Close

About the Contributors

Sheffield Property Association

The Sheffield Property Association (S-PA) brings together a group of businesses committed to improving Sheffield's built environment. As the only property association outside London, S-PA are committed to ensuring the private property sector plays a role in building a stronger, greener and fairer economy in Sheffield that benefits local people and communities we well as promoting the city nationally and internationally. Members include *Arup, Bam, Barratt homes, British Land, Knight Frank, Mace, Mott Macdonald* as well as the *Sheffield Yorkshire Housing Association*.

Uniquely, S-PA are members of, and are the accountable body for, the Sheffield Cultural Compact, <u>Culture Collective</u>. Sheffield is home to one of 33 Art's Council England funded 'cultural compacts', a cross sector governance body, recommended by the work of the <u>Cultural Cities Enquiry</u> in 2019. In 2021 Sheffield Collective launched Sheffield's Cultural strategy, which was formally adopted by the council in 2023. Uniquely, Sheffield's Culture Collective are only culture compact to include the private property sector, in their membership.

SPA are contributors to the <u>'Culture Collective Pledge Pot'</u>. This pot is a contribution made by members of the Culture Collective, Sheffield City Council, Sheffield Business Improvement District, University of Sheffield, Sheffield Hallam and wider property sector firms, that are contributing to support eight NPOs based in Sheffield.

Martin McKervey

With a background in the legal profession working in the built environment and, former Partner of global law firm CMS Cameron McKenna Nabarro Olswang LLP, Martin is now Chair of the Sheffield Property Association, Vice-Chair of the Sheffield Culture Collective and Chair of the Castlegate Partnership.

Stories

<u>Stories</u> is a socially responsible property development company committed to creating long term sustainable value. Stories approaches new projects either as principal developer, development manager or in a strategic advisory role. Through B Corp certification, Stories hold themselves accountable to the principle that doing good is good business and we collect the data to measure our output against a triple bottom line of social, environmental and economic returns.

Stories have recently agreed a JV partnership with *Aviva Capital Partners*, for an initial equity commitment of £100 million that will enable them to partner with charities, the

public sector and the ever-growing number of private organisations to deliver socially impactful projects.

Paul Clark

Co-founder and Head of Land and Partnerships of Stories. Paul is a chartered town planner (MRTPI) and a chartered surveyor (MRICS) and is also a Fellow of the Royal Geographical Society and the Royal Asiatic Society. Paul is also a member of the Cambridge University Land Society and the International Planning History Society. Paul's story <u>on his journey to</u> <u>founding Stories</u> is worth a read!

Urban Splash

Urban Splash are specialists in commercial, residential and regeneration development. Over the past 30 years urban space have created more than 6,000 new homes and 2 million sq ft of workspace in over 60 regeneration projects, across including Manchester, Liverpool, Cambridge, Milton Keynes, Birmingham, Leeds, Bradford Sheffield, Bristol, Plymouth, North Shields and Morecambe.

The <u>'Live well by design'</u> manifesto underpins all *House, by Urban Splash* (the house building wing of the company) development approaches and *Urban Splash* are well known advocates for partnering with the creative and cultural sectors in transforming communities.

"Successful regeneration is not all about bricks and mortar. Making successful places means understanding the value people bring, the role of artists as pioneers, the role of designers as facilitators and the role of every Tom, Vic and Hari in building a vibrant community" - <u>https://www.urbansplash.co.uk/art-pushers</u>

Tom Bloxham MBE

Tom Bloxham MBE is chairman and founder of Urban Splash. Tom was the Founding Chair of Manchester International Festival and Factory International before stepping down in 2024 having led the development of the organisation's £250 million Aviva Studios. Tom was also Founding Chair of the Centre for Cities think tank, Founding Chair of the Ancoats Urban Village Trust, Chair of the Arts Council NW, Chancellor of The University of Manchester, Trustee of The Tate Galleries, the Manchester United Foundation, The Big Issue in the North, Barbican Centre Trust and The Bloxham Charitable Trust.

Implications for Policy

Our Knowledge Exchange sessions are conducted under <u>Chatham House</u> rules. The observations made by contributors have therefore been quoted but not directly attributed to individuals or organisations.

The policy implications captured are those of Culture Commons and do not necessarily reflect those of the speakers or the wider programme partners. Observations made by contributors have been quoted directly and are indicated in **bold** throughout.

Cultural infrastructure builds better places

During the session, it was heartening to hear leading property developers explicitly recognising the value of culture, creativity and heritage in physical land development processes - . This is refreshing to hear, particularly when these sectors **"don't always make the best bedfellows".** in the context of market-driven land development.

The property developers we heard from positioned culture, creativity and heritage as key ingredients in the development of **"successful"** spaces and places:

"... fundamentally, we believe having culture alongside other uses like housing and workspace makes the world a richer place....it's important to house artists of all sorts, but also it makes the regeneration more successful and makes them a richer, better place, and ultimately more valuable place, for the people to live and work and invest in - albeit that value will often take many, many years, decades even to reveal itself."

Urban design theory² has espoused the merits of 'mixed use' development for decades. National Planning Policy across the four UK nations calls for schemes to facilitate 'mixed use' spaces to achieve a number of social, economic and environment outcomes that create value over the longer-term.

Contributors discussed why cultural programming, events and activities alongside physical infrastructure is so important to creating a sense of vibrancy in place:

"What you need is content...when you go to a restaurant, you're interested in where the food comes from, what the content is. And so it is with cities...It's not just about these big expensive buildings...it's about encouraging these institutions."

This kind of thinking takes us away from understanding cultural

² See, in particular the concept of <u>'new urbanism'</u>

infrastructure as merely 'bricks and mortar' towards a wider one including a range of activities associated with our ecosystem such as festivals, events and attractions. We know that these kinds of activities can encourage range of positive outcomes associated with tourism and economic growth, but also community health, mental wellbeing and skills development. Such programmes are heavily connected to the physical infrastructures that support them. However, built environment and development processes and systems are often not orientated towards supporting the activities that take place within them.

This is potentially one of the reasons why we have encountered so many examples of culture-led regeneration schemes - including new performing arts buildings, music schools and art galleries - where the delivery team describe fundraising from various pots to be something of a 'jigsaw puzzle'. For example, this could include financing the building works with a capital grant, loan or equity, and having to look to other sources of income, particularly those from Arm's length bodies (ALBs) to sustain the programming sustainably and over the longer term.

Indeed, this has been a repeated concern regarding the long-term operations of creative, cultural and heritage venues supported by the former UK's Government Levelling Up Fund. While the purpose behind the funds recognised the crucial value of cultural assets to local regeneration and 'pride in place', many local authority and sector reciprocates have shared their concern with us over the future sustainability of their new venues.

Purposeful partnerships

A crucial theme that then begun to run through the rest of our discussion was a focus on the importance of place-based partnerships throughout a development process.

Given the multiple stakeholders involved in any land development scheme (regardless of scale) and the features of contemporary land development processes, formal partnership are vitally important. This was described as being particularly important between developers and creative, cultural and heritage stakeholders in a place to coordinate projects that aim to deliver both assets and content.

For *Stories*, a B-Corp development partner, this looks like starting the development process from conception, design to completion in a **"purposeful partnership"**:

"To give a chance for things like cultural facilities, community value, stakeholder value rather than shareholder value, the relationships have to be *real* partnerships. And by that, I mean you have to go on that journey together...I think wherever you see anyone looking for fixed minimum land values, where you see scores judged and the highest land value gets 100% and everyone else is judged accordingly...Those are just races to the bottom"

Instead of working around rigid land value driven parameters set by the landholder at procurement stage, *Stories* are working with the likes of landowners (whether public, private or third sector) strategic investors, builders and community interest groups to:

"Take the vision, take a 'North Star', agree on it, and try and wrap all of the structure and all of the decision making, all the commercial structures, in a way that focuses on that and kind of puts the capital in it's place up alongside social, environmental objectives"

A great example of this type of partnership is *Stories* current collaboration with Mansfield college, University of Oxford. As the development partner *Stories* are developing the business case alongside Mansfield for a new college estate development campaign; designed to encourage enrolment from a more diverse range of students, staff and visitors³ These types of early approaches seem to move beyond the arbitrary 'battle lines' often drawn up between stakeholders in the development process that focuses on what individual stakeholders can 'get out of the project' (including levels of 'planning gain' or community investment).

With a well-established and purposeful partnership approach, stakeholders can be challenged to work together, even when they have different priorities, to achieve the same, greater end-goal.

"It's actually about finding credible partners who want to contribute something and find funding streams...we also often find it's community groups, arts groups that have access to funding we don't have as a private sector company"

Of course, such approaches require a healthy level of risk appetite from all partners to achieve these outcomes. Certain processes, such as procurement, may need reform to enable more open and balanced expectations that focus on social, economic objectives rather than short term returns.

For example, our speakers reflected on the limitations of overly prescriptive information requirements

³ https://www.stories.partners/projects/mansfieldcollege%2C-oxford

at procurement stage in the context of community engagement:

"So there's that sense of, how do you bake the capacity for those conversations to happen in a meaningful way in those contracts? [...] if you're holding people's feet to the fire on timetables and price and land value...you're not incentivizing or enabling that developer to go and have really meaningful conversations such that the feedback could be even considered."

This approach requires procurers to move away from requiring fixed schemes up front that can only be delivered 'at pace', so that local communities have more of an opportunity to have a say on the overall shape and feel of a scheme and contribute meaningfully to both the design and delivery. It was felt by our contributors that such an approach with clear community involvement and support can help in delivering long-term sustainability and value of the scheme over time.

Such an approach is summed succinctly in Tom Bloxham's advice to organisations running such procurement processes: **"pick teams, not schemes".**

Partnership development

Of course, such partnerships can take time to develop and nurture -

developing a shared 'north star' vision for a place takes time, commitment and mutual reciprocity amongst local stakeholders. Governance initiatives like the Sheffield Culture Collective are crucial for building relations and shared vision across both the sectors. In the same way, entrepreneurs with experience across both sectors can be crucial in leading the year for new development approaches and unlocking new perspectives on complex ventures.

Partnership funding

As our speakers explored the different schemes they had developed over the years, particularly mixed use developments containing creative, cultural and heritage infrastructures, they began to propose new ways of working with blended financing models, including within combined authority contexts.

"We're always having multiple conversations with different funding bodies, all with different criteria - very hard to get it joined up. I think there's real opportunity now with combined authorities...I think combined authorities are large enough to actually develop the expertise and manage regional priorities of where they want to actually spend the money."

For one contributor, it was clear that bidding in piecemeal to several pots

to try and deliver cultural infrastructure was not optimal.

"...we cannot achieve our true potential if we're only working in the context of centralised pots of cash"

While the speakers repeatedly acknowledge the limitations on current UK Government spending, our speakers identified an opportunity at a regional spatial scale, pointing to the leadership that metro mayor can bring, for tying these disparate 'jigsaw puzzle' funding pot pieces together and coordinating investments.

For our speakers, there were two main components to this approach: firstly, it is crucial that these decisions were made in partnership with national arm's length bodies:

"I think regional mayors having a say in where big, certainly capital funding is spent, is important. But...I'm also...very aware that the Arts Council [England] are really the only institution who have got the capacity to decide where the, if you like, where the real quality of the arts are."

This reveals that developers see ALBs as important interlocutors with the local creative, cultural and heritage ecosystem and therefore, crucial players in the above mentioned 'purposeful partnerships'. In line with numerous other conversations we've had as part of the wider programme, our speakers and other attendees articulated a desire to see a regionally situated and partnership focussed funding pot for culture-led place shaping. It is proposed that such a mechanism could enable regional leaders to make clear decisions on capital priorities that can then be more easily supported by the experience sitting within DCMS Arm's Length Bodies and open up pathways to more coordinated revenue streams and arants.

"doing something that puts a funding pot together to tie everything together and share best practice and expertise could be really interesting."

A purposeful partnership approach to funding could lead to a more appropriate blend of funding in an area which could lead to both shorter term physical infrastructure and longer term programming needs well supported.

The speakers tentatively explored how funding might be allocated taking this approach: some shared concerns about previous UK Government spending schemes such as **"City Challenge, City Grant, HCA, English Partnerships, Northern Powerhouse, to Levelling Up"** where money was considered to be **"spread too thin" or "competitive,** **complex, bureaucratic".** Coupled with the reality that many local authorities are underfunded to deliver on significant infrastructure projects in the first instance, this can lead to delays (which in turn can see falls in capital value due to inflation) and means that projects can end up not delivering the promised 'Levelling Up' impact hoped for in their area.

As part of this discussion, we explored whether a **"larger allocation, for fewer projects",** or even a different allocation based on the needs of an area, could be alternative approaches to consider. We discussed whether metro mayors could sit alongside devolved administration leaders as part of the UK Government's proposed new <u>Council of Regions and Nations</u>, to identify different spending priorities for different regions that would enable areas to grow based on their distinctive strengths and potential.

To conclude, our seventh and final Knowledge Exchange was both a heartening reminder that members of the property development community do actively understand the value of the creative, cultural and heritage sectors contribution to place shaping and that increased localised decision making could present an opportunity to shape more flexible, joined up purposeful partnerships and funding approaches that can realise these ambitions.





