North East Mayoral Strategic Authority

Delegated Decision report

Date: 5 August 2026

Title: Small Venues Fund
Report of: Phil Whitcherley
Portfolio: Culture, Creative, Tourism and Sport

Summary

Following the North East Mayoral Strategic Authority (North East MSA) Cabinet meeting in March 2026, North East Mayor Kim McGuinness announced a package of £104 million to turbocharge the region's creative industries, driving new jobs and opportunities for local people. As part of that fund, North East MSA Cabinet members endorsed a £25 million Creative Industries Investment Plan. Following that endorsement and as part of that plan, the Mayor announced her intention to launch a Small Venues Fund, committing to invest in small venues across North East England, in turn supporting local people to build their creative careers and businesses.

The North East of England benefits from a distributed network of small-scale creative venues located across urban, coastal and rural communities, forming an important part of the region's cultural, creative, visitor and evening economy infrastructure. This network plays a critical role in providing access to creative and cultural activity giving access to opportunities in some of the region's most rural and deprived areas as well as supporting talent development, inward touring, skills progression and business sustainability within the creative industries. However, in recent years, these venues have found it challenging to operate and it is important that there is an intervention to ensure they continue to be vibrant.

This report sets out our ambition for the Small Venues Fund (SVF), which will offer both revenue and capital grants to support creative grassroots venues, providing them with the resources and capacity to host events and provide space and a platform for creatives to thrive. It is not a recovery fund to support failing venues with little to no prospect of viability. It will support a wide range of interventions such as repairs, the purchase of new equipment, website development or business planning, all leading to improved venue sustainability and growth, increased footfall and more and better regeneration impact within local communities and the regional creative industries sector.

It sets out the case to implement a phased approach enabling us to continue to work alongside sector partners and stakeholders from across the region, ensuring that the fund is fit for purpose, supporting an array of regional venues across the creative industries. Consultation with sector organisations and our Local Authority partners, in particular Culture leads, have supported the shaping of this proposal.

Recommendations

The Chief Executive is recommended to:

i) Approve the request for £2.5 million from the North East MSA Integrated Settlement (Economic Development and Regeneration Pillar) for delivery of the Small Venues Fund.
ii) Approve the procurement and commissioning of capacity to support the delivery of the Small Venues Fund.

1. Background

The North East has been identified as one of the UK's highest potential regions for creative industries growth by the Creative Industries Council, the Creative Policy and Evidence Centre (Creative PEC) and the Department for Culture, Media and Sport (DCMS) within its Creative Industries Sector Plan. In response to this, DCMS awarded North East MSA £25 million to drive growth, innovation and investment in the sector, through the North East MSA Integrated Settlement (Creative Places Growth

Fund). This project is part of the North East MSA Creative Industries Investment Plan, outlining planned activity, being endorsed, with a remit to proceed into delivery, by Cabinet in March 2026.

We know that North East creative organisations and artists are less likely to apply for funding to support business growth. For example, Arts Council England's (ACE) Grassroots Music Fund recently received only 34 grant applications from North East grassroots venues against 975 nationally of which, only 9 were awarded grant. A lack of awareness and confidence in completing application forms and processes has been cited as the main reason for the lack of funding awarded to North East organisations and individuals. Our proposal seeks to address that issue.

The North East has a network of around 70 small-scale cultural and creative venues across the seven Local Authority areas. Ranging from grassroots music venues and studio theatres to arts centres and community spaces, these venues typically accommodate between 50 and 500 people. Together, they form a vital part of the region's creative and visitor economy, supporting talent development, touring activity, skills growth and creative businesses. They provide spaces for performance, rehearsal and production, helping artists and performers develop their careers, engage audiences and strengthen pride in place across the North East.

2. The Investment Proposal

The Small Venues Fund will lead to improved venue sustainability, retained talent, increased footfall, regeneration impact and stronger local creative infrastructure. It is a key element of the North East MSA's Creative Industries Investment Plan and will primarily support the development and sustainability of small venues across the North East of England.

Small Venues Fund - Venue Eligibility Criteria

The following criteria relating to eligible venue types have been developed in consultation with sector organisations and Local Authority partners. Our expectation is that there will be a significant level of interest in this fund, and these criteria provide guidance to applicants and will ensure that the fund is appropriately targeted. Consultation has highlighted the importance of retaining some flexibility in the application of these criteria to support exceptional bids on a case-by-case basis.

The following venue types will be considered for support:

- Permanent venues i.e. not pop up or temporary fixtures
- Primary business activity is dedicated to hosting live creative events/performances:
  - Performance and Stage including (but not limited to) independent theatres, concert halls and specialised stages that host live creative shows including music, dance, theatre and immersive art.
  - Multi-use venues including space for creative artists to work and/or rehearse as well as exhibit, perform and host live creative events
- Size:
  - Venues with a capacity of between 50 and 300 seated and 50 and 500 standing
- Ownership:
  - Privately owned for commercial gain e.g. limited company, partnership, sole trader
  - Not for profit e.g. Community Interest Company (CIC), charitable trust
  - Public sector owned venues that are managed by an independent operator

Venues that are both owned and managed by the public sector will not be eligible for support.

Venues must be able to demonstrate that because of grant support, additional footfall and revenue will be generated to support the ongoing growth of the venue, for example, developing, scaling up or diversifying their programming.

Initial implementation

Following consultation with the sector and other partners, it is proposed that we should have a phased approach to introduce a small venues fund. This will test the market and use those findings to provide a longer-term fund that is fit for purpose.

This proposal sets out a two phased approach with delivery of Phase 1 over the initial 12 month period. During that time, we will:

- Actively seek feedback with sector organisations including small venues, other funders and operators, delivery organisations and stakeholders.
- Undertake a formative evaluation during the latter months (month 9) to help inform progress and applicability of parameters to support delivery of Phase 2.
- Develop Phase 2 model during months 9-12 making revisions to reflect the emerging needs of the market.

As a result of intervention, we expect to see the following outcomes:

- improvement and development of small venues in terms of their capability, capacity and ongoing sustainability
- wider cultural regeneration activity aligned with town centre vitality
- creative practitioner and business development
- support for access to work and creative spaces

The Model
£2.5 million is required to deliver the Small Venues Fund over a three-year period. We will procure delivery to an external fund administrator with some knowledge and expertise of the Creative Industries sector, who will manage processes including enquiry and application management including facilitation of assessment of applications against the criteria, convening of an independent panel and award and monitoring of grants.

Up to £250,000 will be allocated to the cost of procuring a fund administrator for the lifetime of the project and £50,000 will be allocated to internal costs which will cover activity such as promotion and events (including the launch event), networking, consultation, and marketing materials. The remaining £2.2 million will be allocated to small venues as grant support across the North East.

The fund will deliver both revenue and capital grant support as follows:

Revenue grants will support activity and services including:

- mentorship and consultancy services
- business planning and development
- website development
- bid writing
- feasibility studies
- market research
- marketing and promotional tools.

Capital grants will support costs associated with infrastructure works and capital equipment including:

- Construction works and associated costs
- Sound equipment
- Lighting equipment
- Back line
- Staging
- Furniture
- Green energy solutions
- Accessibility improvements
- Retrofit/refurbishment costs.

Proposed parameters:
Revenue Grant

Average grant £11,500
Maximum Intervention rate 100%
Phase 1 allocation £100,000
Phase 2 allocation £200,000

	Phase 1	Phase 2	Total
Minimum grant	£3,000	£3,000	
Maximum grant	£20,000	£20,000	
No. of grants (indicative)	9	17	**26**

Capital Grant
Average grant £55,000
Maximum Intervention Rate 100%
Phase 1 allocation £700,000
Phase 2 allocation £1,200,000

	Phase 1	Phase 2	Total
Minimum grant	£10,000	£10,000	
Maximum grant	£100,000	£100,000	
No. of grants (indicative)	13	22	**35**

Programme Delivery
Management of the Small Venues Fund will be provided by an external fund administrator who will be responsible from the point of enquiry through to the point of contracting, with monitoring for the duration of the delivery period.

The fund administrator will approve grants up to £20,000, with an Independent Panel established to consider grants over that value.

Panel members will meet monthly and will include North East MSA representation, fund administrator representation and a range of members from within the creative industries sector.

Creative Community Payback
Due to the rise in cost of living, people in underserved communities are unable to afford accessing opportunities to experience creative art and live performances. North East MSA is committed to reducing child poverty, providing inclusivity and more opportunities for people across the whole region to experience creative art and culture, be that through attendance at live performances or through other routes.

To support those commitments, this proposal aims to incorporate opportunities for people from disadvantaged backgrounds, to attend events at no cost.

To enable this, we propose that because of grant funding, for those venues that generate revenue from ticket sales, we will set the expectation that a request to donate a proportion of **unallocated** tickets for at least six events in one year, be offered to people in underserved communities with a priority given to young people.

Recyclable kit
In addition, we propose to explore an opportunity to support recycling of equipment and kit. For example, where venues are purchasing replacement equipment and fixtures and fittings, we propose that redundant equipment be offered to other venues by way of a marketplace scheme, affording other small venues the opportunity to acquire assets and also supporting the circular economy within the region.

We also believe there is the potential here to link to schools and wider community venues who may otherwise struggle to afford or access this level of equipment. This will further contribute to the overarching ambitions of the child poverty reduction action plan and contribute to increasing further collaboration between the creative sector and education partners.

2.1 Outputs and Outcomes

Outputs	26/27	27/28	28/29	29/30	Total
The number of enterprises provided with financial support in the form of a non-repayable grant	10	23	22	6	**61**
Creation or safeguarding of space for shared community and/or business activities	1,500	6,000	6,000	1,500	**15,000**

2.2 Timetable for Implementation

Milestone	Forecast Date
Proposal Start Date	13/07/2026
Financial Completion Date	02/08/2029
Anticipated Proposal Completion Date (date by which all outputs/outcomes will have been achieved)	02/02/2030
Mayoral launch event	16/07/2026
Appointment of external fund administrator	03/08/2026
Phase 1/expressions of interest open	01/09/2026
First grant award	05/10/2026
Phase 1 completion	31/08/2027
Phase 2 launch	01/09/2026
Phase 2 completion	31/08/2029

2.3 Evaluation

As we are proposing a phased approach, we propose to conduct an evaluation of Phase 1, pre completion, to support the delivery model for Phase 2. A final evaluation of the project will be conducted upon closure.

2.4 Appraisal

An appraisal has been completed with the overall case being rated as green. The commercial case returned an amber rating with the appraiser citing that demand is not supported by a market assessment and that the case would have been strengthened with its inclusion. However, the appraiser also noted that other external reports, from organisations such as the BBC and DCMS, all acknowledge the struggles that grassroots venues face and that introduction of such support is appropriate.

2.5 RAG Assessment

Overall RAG assessment		
Risk Rating	Strategic case	**Green**
	Commercial case	**Amber**
	Economic case	**Green**
	Financial case	**Green**
	Management case	**Green**
	Overall rating	**Green**

Subsidy Control

Subsidy Control advice has been sought through North East MSA Legal Team. There is no subsidy to the fund administrator given that services will be procured. Grant recipients will be in receipt of subsidy and treated under Minimum Financial Assistance route.

2.6 Recommended Conditions of Funding
None at this stage but will be addressed, if appropriate, during procurement of a fund administrator.

2.7 Communications and Publicity

A communications and publicity plan has been produced by North East MSA communications team.

An official launch event is planned for 16th July with attendees including small venue owners and operators, sector organisations with press and media invited.

A website has been developed to support promotion and enquiries from small venue owners and operators.

B. Potential Impact on North East Mayoral Strategic Authority Objectives
The North East Local Growth Plan (LGP) identifies Creative Industries as one of the six priority sectors identified where the North East has unique economic assets and opportunities. The plan aims to 'Establish the North East as a centre for music, supporting new musicians, the music industry and the visitor economy' and states that 'creative industries could provide an annual UK GVA boost of around £10 billion by 2030'. This proposal aligns with those ambitions and will support the achievement of them.

In addition to the LGP, growing our cultural and creative industries, the visitor economy and unlocking economic and social impact from our sporting assets is a Mayoral Manifesto commitment and a strategic objective within the Culture, Creative, Tourism and Sport portfolio. As such, we are developing the Mayors Culture, Creative Industries and Sport Strategic Framework, due to be published later in the Sumer 2026. This proposal directly aligns with that and will proactively contribute to regional inclusive economic growth, capitalising on the values and opportunities that are unique and specific to this portfolio.

Following North East MSA's Cabinet meeting in March 2026, the Mayor announced her intention to launch a Small Venues Fund. Mayor Kim, committed to spend millions more back to small venues across North East England, providing financial support for local people to build their creative careers and businesses. This proposal directly addresses the Mayor's ambition and commitment.

C. Key risks
The key risks centre around Procurement, Delivery and Demand.

- Procurement and delivery – timescales to procure fund administrator
  - Mitigation - interim measure in place to support pipeline development of enquiries.
- Demand - risk to uptake
  - Mitigation - deliver in a phased approach, working closely with internal comms colleagues and external stakeholders to ensure promotion and exposure of the fund.
  - We anticipate a strong degree of interest in the fund. Management of communications around eligibility criteria, application process and communication of investment decisions will be needed.

D. Financial and other resource implications

Funding source	26/27	27/28	28/29	29/30	Total
North East MSA Integrated Settlement (Economic and Regeneration Pillar)	£469,554	£855,332	£892,332	£282,782	£2,500,000

Total (£)	£469,554	£855,332	£892,332	£282,782	**£2,500,000**

Status of match funding:
We have not identified match funding for this bid; however, we will be encouraging larger applications to provide match/leverage, while there are ongoing discussions with external stakeholders around potential future collaboration, such as with the Live Music Trust.

E. Legal implications

We will procure an external fund administrator to deliver the programme on our behalf. Timing is key with an ambition to launch the fund mid-July 2026, post approval. Advice for approach to procurement is being sought from North East MSA procurement colleagues with the current preferred route being through Planned Procurement Notice and UK3. Discussions are continuing in order to ensure compliance and a timely process.

The comments of the monitoring officer have been included in this report.

F. Equalities implications

This programme will support the ambitions of venues to be more resilient, to prosper, and to develop and grow, leading to an increase in events and performances therefore opening up additional opportunities for creative participation by North East residents either through direct participation or attendance. Please also see also the Creative Community Payback section of this report that supports equality and inclusion objectives.

G. Consultation and engagement

Significant stakeholder engagement and consultation has taken place during the development of this proposal and will continue as we deliver Phase 1 and develop Phase 2.

The approach to delivery, timescales, value and outline criteria have all been presented and discussed with the seven Local Authority Culture leads as well as with the Culture, Creative Industries and Sport Advisory Board.

The idea of a Small Venues Fund has been well received by Local Authorities, sector delivery organisations including ACE and Live Trust, sector organisations including small venue operators and the Culture, Creative Industries and Sport Advisory Group, with ongoing consultation taking place during further development of the business case, and beyond into Phase 2 development.

H. Appendices

None

I. Background papers

North East MSA Cabinet – 17th March 2026: Delivering the Mayor's Culture, Creative and Sport Strategic Framework and Creative Industries Investment Plan
The UK's Modern Industrial Strategy - CREATIVE INDUSTRIES Sector Plan
music_venue_trust_Report_V5-1.pdf
Newcastle electronic music venues still struggling despite growth - BBC News
UK's first live music census finds small venues struggling | Music | The Guardian

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K. Glossary

CA – Combined Authority

DCMS – Department for Culture, Media and Sport
MFA – Minimum Financial Assistance
MSA – Mayoral Strategic Authority
North East MSA – North East Mayoral Strategic Authority

L. Consultees

Cabinet Member: Yes	Director/Head of Service: Yes	Director of Finance and Investment: Yes	Monitoring Officer: Yes