

A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it contains information relating to the financial and business affairs of any particular person (including the authority holding that information) and the amount of expenditure proposed to be incurred by the Council under a particular contract for the supply of goods or services. The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

Cabinet
Council

28th November 2017
5th December 2017

Name of Cabinet Member:

Cabinet Member for Community Development - Councillor Bigham

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

All Wards

Title:

Coventry's Bid for UK City of Culture 2021 – Council Commitments

Is this a key decision?

Yes. The potential financial implications for the City Council of the recommended financial support for the Coventry City of Culture 2021 Bid and acting as guarantor for a successful Bid programme will exceed £1,000,000.

Executive Summary:

On 14 July 2015, Council unanimously approved that the Coventry City of Culture Steering Group lead on the development of a whole-city bid for the title of UK City of Culture 2021, in doing so putting together a realistic and credible bid budget and creating a special delivery vehicle to manage the bid process. As a consequence of these decisions, the Coventry City of Culture Trust ('the Trust') was established to lead the bid. The Trust was subsequently formally incorporated and in February 2016 received charitable status.

In January 2017, the Department for Digital, Culture, Media and Sport (DCMS) formally launched the competition for the title of UK City of Culture 2021. In July 2017, Coventry was selected as one of five destinations shortlisted for the title and in September 2017 the Trust submitted the city's final bid document, since which members of the Independent Advisory Panel and DCMS visited the city. The report proposes the Council's financial commitments for the UK City of Culture programme if the Bid is successful, and recommends a reduced contribution towards bid legacy if the city is not selected as UK City of Culture 2021.

Recommendations:

Cabinet is requested to recommend to the Council:

1. To commit £4.75m of Corporate Reserves for the UK City of Culture 2021 build-up programme, title year and legacy programme (across the period 2018 – 2024), to be drawn-down if the city is awarded the title.
2. To commit £0.75m of Corporate reserves for cultural capacity funding as a legacy from the bidding process and commitment to the Coventry Cultural Strategy 2017-2027, should the city not be awarded the UK City of Culture 2021 title, to provide leverage to secure other partner commitments through the City of Culture Trust.
3. To approve the Council act as guarantor for the UK City of Culture 2021 programme, should Coventry be awarded the title for 2021.
4. To delegate authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services to finalise the terms and condition of the Guarantee

Council is recommended to:

1. Commit £4.75m of Corporate Reserves for the UK City of Culture 2021 build-up programme, title year and legacy programme (across the period 2018 – 2024), to be drawn-down if the city is awarded the title.
2. Commit £0.75m of Corporate reserves for cultural capacity funding as a legacy from the bidding process and commitment to the Coventry Cultural Strategy 2017-2027, should the city not be awarded the UK City of Culture 2021 title, to provide leverage to secure other partner commitments through the City of Culture Trust.
3. Approve the Council acting as guarantor for the UK City of Culture 2021 programme, should Coventry be awarded the title for 2021.
4. Delegate authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services to finalise the terms and condition of the Guarantee

List of Appendices included:

None

Background papers:

None

Other useful documents:

The following papers are posted for reference on the Coventry City Council website:

<http://democraticservices.coventry.gov.uk/mgListCommittees.aspx?bcr=1>:

1. UK City of Culture and European Capital of Culture – Briefing Note of the Executive Director of Place (Communities and Neighbourhoods Scrutiny Board (4), 14 January 2015).
2. Coventry Bid for UK City of Culture 2021 – Cabinet Report (14 July 2015)
3. Appointments of the City Council: Coventry City of Culture Trust (8 September 2015)

4. Coventry's Bid for UK City of Culture 2021: Progress Update (December 2015) - Cabinet Report (9 February 2016)
5. Destination, Events and UK City of Culture - Business, Economy and Enterprise Scrutiny Board (3) (13 April 2016)
6. Coventry's Bid for UK City of Culture 2021: Progress Update (June 2016) – Cabinet Report (5 July 2016)
7. Coventry's Bid for UK City of Culture 2021: Progress Update (December 2016) – Cabinet Report (3 January 2017)
8. Coventry 2021 UK City of Culture Bid - Communities and Neighbourhoods Scrutiny Board (4) (6 September 2017)

Has it been or will it be considered by Scrutiny?

No.

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No.

Will this report go to Council?

Yes – 5th December 2017

This page is intentionally left blank

Report title: Coventry's Bid for UK City of Culture 2021 – Council Commitments

1. Context (or background)

- 1.1 The UK City of Culture programme was developed by the UK Government to build on the successes that Liverpool enjoyed as the UK's second European Capital of Culture in 2008, through giving more cities the opportunity to access the benefits derived from bidding for a prestigious cultural title and the opportunity to be centre stage nationally. The UK City of Culture programme is focused on creating a national cultural event, spread over the course of a title year, concentrated in a particular city or area. Derry-Londonderry was the first city to be awarded the UK City of Culture title (for 2013) and Hull is the second UK City of Culture in 2017.
- 1.2 In July 2015, Council approved that the Coventry City of Culture Steering Group lead development of a whole-city bid for the title of UK City of Culture 2021, in doing so putting together a realistic and credible bid budget and creating a special delivery vehicle to manage the bid process. Council further agreed that the Coventry City of Culture Steering Group would report back to Cabinet on progress in developing the bid in December 2015, June 2016 and December 2016.
- 1.3 The Coventry City of Culture Trust ('the Trust') was established in 2015 to lead the UK City of Culture bid on behalf of the city. The Trust was subsequently formally incorporated and in February 2016 received charitable status.
- 1.4 In January 2017, the Department for Digital, Culture, Media and Sport (DCMS) launched the competition for the title of UK City of Culture 2021 and published its Guidance for Bidding Cities.
- 1.5 In February 2017, Coventry (along with ten other destinations) formally confirmed its intention to bid for the title. In April 2017, on behalf of the city, the Trust submitted Coventry's initial bid document.
- 1.6 In July 2017, Coventry was one of five destinations shortlisted for the title UK City of Culture 2021 – along with Paisley, Stoke-on-Trent, Sunderland and Swansea. In September 2017, the Trust submitted Coventry's final bid document and in October the city welcomed representatives of the Independent Advisory Panel and DCMS Project Team on a day's visit to the city.
- 1.7 In December 2017, representatives of Coventry's Bid Team will have a final chance to present and answer questions on the city's bid at a panel interview in Hull. The final decision is also expected to be announced in December, once the panel have considered the representations of all five shortlisted destinations.

2. Options considered and recommended proposal

- 2.1 Option 1 – Do Not Make Financial Commitments Concerning the Bid Programme Prior to Receiving a Decision on Award of the Title (**Not Recommended**)
- 2.2 Coventry's final bid for UK City of Culture 2021 sets out a significant build-up programme of events, an ambitious range of artistic residencies, a varied and engaging programme and a clear commitment to generating a transformative legacy. As a Principal Partner for the Bid, Coventry City Council has already committed up to £250,000 towards the bidding process and through previous budget setting for 2017/18 has made provision for a further £250,000 to fund expenditure to develop the city's plans from January 2018.

- 2.3 The award of City of Culture 2021 to Coventry is projected to offer around £350m of economic benefit to the city and to have a catalytic impact on regeneration proposals (as referenced in the Private Report). As a Principal Partner, the Council would be expected to invest in Coventry's City of Culture programme, and to ensure good governance around City of Culture delivery.
- 2.4 The Council could defer making decisions on its financial commitments until after the judging process has concluded, thereby only addressing these considerations if the city were awarded the title. This approach is not recommended, as it would affect the scoring of Coventry's bid and leave uncertainty over what level of financial commitment the Council is prepared to make to support the programme, and whether a suitably secure guarantor for the programme has been identified for the city. Other competitors with confirmed local authority funds would be more likely to be selected ahead of Coventry, despite its other strengths and success of fundraising. The winning city will need to act immediately to recruit staff and draw-down other national partnership funding from the likes of Arts Council England and Heritage Lottery Fund. Match funding must be in place to do so.
- 2.5 Option 2 – Approve a Financial Commitment to the Bid Programme, and to act as Guarantor for the Programme, Prior to Receiving a Decision on Award of the Title (**Recommended**)
- 2.6 The award of UK City of Culture represents more than a title. As the bidding process has already demonstrated, it is an opportunity to create new partnerships, to bring communities together and to celebrate the rich heritage and unique qualities of a city. It is also an opportunity, through culture, to raise the profile of a city, to attract new investors and to enable significant regeneration in and of the place. The city effectively has the benefit of the title for seven years from announcement, through delivery year to three years legacy.
- 2.7 Work on Coventry's UK City of Culture Bid has been underway for nearly three years. The Council has already demonstrated significant commitment to the process of bidding, but it is considered advantageous to provide certainty of that ongoing commitment, and the security of all the title stands for, should UK City of Culture 2021 be awarded to Coventry.
- 2.8 Coventry has developed a partnership Cultural Strategy 2017-2027 which will endure and remain vibrant, whether or not the city is successful in its bid for UK City of Culture. The Council has, over the past three years, directly invested in the city's independent cultural sector and through Great Place and Cultural Destinations awards, to work that has commenced to reposition the city as a destination for tourism and events will progress. However, by demonstrating a clear financial commitment to (i) the City of Culture build-up programme (ii) the comprehensive programme for 2021, and (iii) the legacy period to 2024, the Council can signal its commitment for the next seven years, until a new city would deliver UK City of Culture 2025. Through phasing such investment, the Council secures sustainability in such arrangements and provides for a stable period of planning and delivery.
- 2.9 The recommendation for the Council to act as guarantor for the City of Culture 2021 programme hints at the scale of the city's aspirations and plans for the title, which is referenced in more detail in the Private paper. Through confirming its commitment to act as guarantor at this early stage, the governance processes for delivery and legacy can be implemented with some certainty.
- 2.10 Finally, should Coventry's bid for City of Culture not be successful, the commitment of the city to its Cultural Strategy remains. Coventry would not realise the significant benefits outlined in the bid documentation, nor would it achieve the profile and recognition so many consider it should. However, by committing to a £1m investment in legacy, the Council would continue to demonstrate its commitment to the transformative power of culture and the strength of new partnerships formed through the bidding process. The scale of emerging

work could not compete with that which would be realised by a successful bid, but the Council's commitment would be likely to lever additional investment and the foundations for cultural growth, investment and impact in the city would be strengthened.

3. Results of consultation undertaken

- 3.1 Through Coventry's City of Culture bidding process, over 13,000 people have been directly consulted concerning the Bid plans, which has shaped and influenced programme, messaging and marketing. Over 109,000 people have already engaged in the city's advance programme and Coventry's Bid film has had over 150,000 online viewings to date as well as screening and workshops in schools across the city. Social media reach has been extensive with over 18,000 people backing the bid online.
- 3.2 During their October visit to Coventry, representatives of the Independent Advisory Panel and DCMS Project Team had lunch with over 200 people from across the city's communities, with a diversity of representation from the cultural sector, communities, the public sector and private sector businesses. Such conversations have, over the past two and a half years, shaped the bid and steered its priorities.
- 3.3 The proposed programme reflects the voice of communities. For example, if selected as the UK City of Culture 2021, Coventry will plan to run the first Streets of Cultures competition, celebrating 21 Coventry neighbourhoods. Producers will support and empower local communities to curate festivals and commissions that showcase their culture: a street band, a public art commission, a storytelling festival – individual streets will be reinvented as new cultural spaces to be shared with the city.

4. Timetable for implementing this decision

- 4.1 The award of the title of UK City of Culture 2021 will be made in December 2017. Whether successful or unsuccessful, plans would be implemented with immediate effect to respond to the decision.
- 4.2 By already committing through the 2017/18 budget setting process to £250,000 of funding for development from January 2018, the city can move with immediate effect to implement plans for delivery and/or bid legacy. If successful, Coventry would then have three years to deliver its build-up programme and to plan to deliver on its bid commitments as the UK City of Culture 2021.
- 4.3 The financial commitments recommended in this report would not be realised until the new financial year from April 2018. As outlined in Section 5, the Council's financial commitments would be phased across the period from 2018-2024.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

In 2015, the City Council committed up to £250,000 to support the bidding process for UK City of Culture 2021.

The award of the title of UK City of Culture 2021 will be made in December 2017. Whether the bid is successful or unsuccessful, plans would be implemented with immediate effect to respond to the decision. By already committing through the 2017/18 budget setting process to a further £250,000 of funding for development from January 2018, the city can move with immediate effect to implement plans for delivery (if successful) and/or bid legacy (if not successful).

If the city's bid were successful, Recommendation 1 within this report would commit the City Council to a further £4.75m contribution from Corporate Reserves, to be drawn down broadly as follows:

Year	Amount	Finance
2018/19	£500,000	Staffing core costs and development of programme
2019/20	£750,000	Staffing, core costs and advanced tourism marketing
2020/21	£1,000,000	Staffing, marketing and programme
2021/22	£1,500,000	Staffing, marketing, programme and legacy (+Q1 of 2022)
2022/23/24	£1,000,000	Legacy programme covers 2022, 2023 and 2024

The Coventry City of Culture Trust would be responsible for programming; marketing and communications; fundraising and financial management; and community engagement. Final programme costs and commitments will be confirmed in the build-up to 2021, but the current projected programme costs are outlined in the Private Report.

Financial responsibility for the Trust's activities lie with the Chair and Trustees, with an independent Audit Committee already having been appointed to provide scrutiny and oversight. However, it is the Council's expectation that it would be asked to enter into a Memorandum of Understanding with DCMS on behalf of the city for delivery of UK City of Culture 2021. Therefore, whilst the Trust would lead on the above matters, if approved, Recommendation 3 would commit the Council to act as guarantor for delivery of the programme in line with the anticipated MoU, and other contractual arrangements made by the Trust with sponsors and other funding bodies.

If the city's bid for the title of UK City of Culture 2021 were not successful, Recommendation 2 within this report would commit the City Council to £0.75m of Corporate reserves for cultural capacity funding as a legacy from the bidding process and commitment to the Coventry Cultural Strategy 2017-2027, to provide leverage to secure other partner commitments through the City of Culture Trust. This would be drawn-down as follows:

Year	Amount	Finance
2018/19	£250,000	Capacity building in the cultural sector
2019/20	£250,000	Capacity building in the cultural sector
2020/21	£250,000	Capacity building in the cultural sector

5.2 Legal implications

The Council has discretionary powers, in particular under section 145 Local Government Act 1972, to promote the arts and the crafts that support those arts as well as providing entertainments, libraries museums and art galleries. The promotion of a UK City of Culture bid and programme sits within these powers. It also has powers to promote economic development in its area and the creation of jobs and business opportunities and the- making a bid and delivering a successful bid programme fits with this power.

The Council is not being asked to secure funding to the project, but act as a guarantor on the financial obligations of the Trust in delivering the City of Culture. The guarantee by the Council would be an appropriate use of the General Power of Competence under the Localism Act 2011.

The underwriting by the Council of Coventry City of Culture Trust's financial obligations to deliver the City of Culture may constitute State Aid (i.e. any benefit the Council grants to another organisation will be State Aid if the benefit confers an advantage on that

organisation, the organisation operates in a market, and it effects trade between member states).

It should however be noted that the State Aid rules apply only where aid is provided to an 'undertaking'. An 'undertaking' is broadly described as an entity engaged in an economic activity, i.e. offering goods and services on a market. The activities of the Coventry City of Culture Trust tasked with delivering the City of Culture (if successful) will not fall within the description of an undertaking and as this State Aid test is not met, the guarantee by the Council will not be deemed to breach the State Aid Regulations.

6. Other implications

6.1 How will this contribute to achievement of the Council Plan?

As previously reported to Cabinet and Council, a successful City of Culture bid from Coventry would make wide-ranging contributions to delivery of the Council's key objectives and corporate priorities. The following are only a selection of potential contributions the bid could make:

- ***A prosperous Coventry*** – The City of Culture title can bring significant economic benefit to a city and its surrounding area. Hull has attracted major national investment towards its planned programme budget for 2017, with Arts Council England, Heritage Lottery Fund, Big Lottery (via Spirit of 2012), British Council and the University already committed to the programme. The initial estimated economic benefit from tourism for Hull from the programme was £60 million, anticipated to be generated through employment and attendance during the City of Culture year itself. In reality this is now estimated to be much higher (Hull exceeded visitor targets within three months and has seen over 90% of its population engage with the year. Over £200m of additional benefit has been secured through the extra investment in capital and regeneration programmes. Derry/Londonderry reported more than 1 million visitors to the city in 2013 and an increase of 20% in bed and breakfast and hotel bookings. The city also attracted 30 business conferences to the city and 40 new business starts were supported by the Business Opportunities Fund.
- ***Healthier, independent lives*** – Cultural services play a vital role in addressing social challenges, reducing isolation and improving outcomes for individuals and communities (Local Government Association). A review of medical literature undertaken in 2004 cited nearly 400 papers showing the beneficial impact of the arts on a wide range of health outcomes (Staricoff, 2004) – demonstrating involvement in or exposure to the arts positively impacting on diagnosed conditions as diverse as dementia, anxiety, depression and rheumatoid arthritis, whilst also contributing more generally to physical and mental wellbeing; reducing requirements for pain relief; shortening periods of recovery; and reducing levels of required medication. A well-conceived bid should therefore have a significant contribution to generating a range of positive health outcomes.
- ***Making Coventry an attractive and enjoyable place to be*** – Derry/Londonderry reported positive impacts on civic confidence and pride in its creative and cultural offer. The city further saw physical assets created or refurbished in the city. In the build-up to its City of Culture year in 2017, Hull experienced the acceleration of significant regeneration schemes and projects. A public survey in the Hull Daily Mail identified that City of Culture was the single thing most people thought was putting Hull 'on the map' In depth surveys by Lottery funder Spirit of 2012 have shown a positive impact on well-being, happiness and local pride in Hull's population. Hull's final evaluation will be available in March 2018.

- ***Ensuring that children and young people achieve and make a positive contribution*** –The Warwick Commission on the Future of Cultural Value (2015) noted that “the extraordinary cultural and creative talents that we share contribute to the well-being of our society, our economic success, our national identity and to the UK’s global influence.” The Commission noted that not enough was being done to realise the creative potential of individuals, despite the workforce in this sector growing over four-times faster than the UK’s workforce as a whole. Were Coventry to be awarded the City of Culture title, the programme (and three year lead-in time) could generate a step-change in opportunities for young people and new graduates in the city across culture and the creative industries.
- ***Encouraging a creative, active and vibrant city*** – The process of developing a City of Culture Bid has stimulated a new cultural narrative in Coventry and has supported the creation of a new partnership Cultural Strategy 2017-2027. Over 13,000 people have responded with enthusiasm to the opportunities the process has presented, and over 53,000 people have already engaged with the city’s build-up programme to date. A successful bid from Coventry will open the city up to new artistic collaborations and investment. The opportunity to generate a step-change around cultural tourism is apparent from baseline data, along with a unique opportunity to stimulate a more diverse and vibrant cultural offering within the night-time economy of the city.
- ***Developing a more equal city with cohesive communities and neighbourhoods*** – A City of Culture bid can bring communities together and generate a greater sense of civic pride in the host city. Liverpool reported that over two thirds of the city’s residents participated in their Capital of Culture programme of events and 85% of residents said the city was a better place to live as a consequence of hosting the year. Hull is already reporting that 90% of residents have engaged with their City of Culture Programme. The Warwick Commission (2015) further calls for a strategic shift in addressing unrepresentative levels of diversity and participation in the arts and culture. Coventry’s City of Culture programme could create a powerful platform for such a step change at a local level, where evidence suggests participation in the arts remains uneven across the city.

6.2 How is risk being managed?

The Coventry City of Culture Trust has led the Coventry bid, with direct input from partners and Elected Members on the Steering Group and from the lead Cabinet Member and officers on the Executive Group.

The Council’s financial contribution to the bid costs have been drawn down from reserves in stages and transferred to the Trust, based on programme development and the overall budget profile of the bid. This would continue in line with the schedule outlined in Section 5 of the report.

A Bid Adviser has been contracted to support development of the bid and a Trust Manager and team have been appointed to the Trust to manage the detailed monitoring and coordination of the project plan. Coventry’s final bid document outlines the governance and employment structures that a successful bid would transition into under delivery, with a 100 day mobilisation plan and longer term timetable for delivery outlined in some detail.

In acting as guarantor for the delivery programme, the Council would increase its representation on the Trust Board to include the Leader and Chief Executive. Regular briefings would be established to review city readiness, delivery plans and budget progress. Additionally, cabinet will receive a formal report every 6 months updating on the Trust’s progress against programme, including any variations in funding and spend levels.

6.3 What is the impact on the organisation?

The Council is not the lead agency for the bid, but is a Principal Partner and plays an important leadership role. The Council commits Elected Member and officer support to the Steering Group and Executive Group.

The Council is also providing some communications support to the bid process, with additional dedicated support further being contracted from Advent PR.

If Coventry's bid is successful the Council would take lead responsibility for city readiness; infrastructure; tourism and cultural strategy; and providing advice on events safety and infrastructure, including transport and liaison with statutory services. If the recommendations of the report are approved, the Council would also act as guarantor for the delivery programme in the event that the Coventry City of Culture Trust failed in the delivery programme obligations set out in the bid submitted to the DCMS or any Memorandum of Understanding entered into with the DCMS concerning UK City of Culture 2021 delivery.

6.4 Equalities / EIA

The City of Culture Guidance for Bidding Cities requires cities to demonstrate a high quality cultural programme that reaches a wide variety of audiences and that uses culture and creativity to lead to lasting social regeneration through building engagement, widening participation, supporting cultural diversity and cohesion, contributing to the localism agenda and reaching out to sectors of the community who are disenfranchised and isolated.

The DCMS has further explicitly required that bids engage a wide range of audiences and participants, especially children and young people and under-represented groups and communities.

No potential adverse impact from bidding has been identified for any specific group. However, capacity assessment work for the bid indicated that a successful bid from Coventry could significantly and positively deliver equalities outcomes for a range of protected groups including young people; vulnerable people (economically disadvantaged); disabled people; people of black, Asian and minority ethnicity; women and older people. Open events and workshops in Coventry have therefore purposely focused on engagement with wide and diverse audiences, and an outcomes framework has been developed (underpinned by baseline data).

The Coventry bid has a central focus on tackling inequalities and in reaching diverse communities in the city.

6.5 Implications for (or impact on) the environment

None.

6.6 Implications for partner organisations?

If Coventry's bid is successful, the City of Culture Trust will transition to a new delivery structure, which is outlined in the final stage bid. However, it is not the only organisation that will be significantly impacted. The bid process has already embraced and engaged the professional cultural sector, local artists and amateur groups. A number of these partners would be engaged in developing and implementing the proposed programme. Furthermore, the two universities and over 100 local businesses and partners have pledged funding for both the bidding phase and also the delivery phase of a successful programme. This investment, and these partnerships (including those between the principal partners), will be

critical to supporting delivery. Ultimately, a successful bid would be expected to have positive economic impact for all of the above sectors and partners.

Report author(s):

Name and job title:

David Nuttall, Head of Service – Sports, Culture, Destination and Business Relationships

Directorate:

Place

Tel and email contact:

Tel: 024 7683 2362

Email: david.nuttall@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
David Cockroft	Director of City Centre and Major Projects Development	Place	26.10.17	01.11.17
Lara Knight	Governance Services Co-ordinator	Place	26.10.17	27.10.17
Oluremi Aremu	Major Projects Lead Lawyer	Place	26.10.17	31.10.17
Mark Williams	Lead Accountant Business Partner	Place	26.10.17	31.10.17
Names of approvers for submission: (officers and members)				
Phil Helm	Finance Manager (Place Directorate)	Place	26.10.17	01.11.17
Julie Newman	Legal Services Manager and Acting Monitoring Officer	Place	26.10.17	01.11.17
Martin Yardley	Deputy Chief Executive (Place)	Place	02.11.17	02.11.17
Councillor Linda Bigham	Cabinet Member for Community Development		02.11.17	06.11.17