

DECISION-MAKER:	COUNCIL
SUBJECT:	BID TO BE UK CITY OF CULTURE: FUTURE COUNCIL SUPPORT
DATE OF DECISION:	17 MARCH 2021
REPORT OF:	COUNCILLOR KAUR CABINET MEMBER FOR CULTURE AND HOMES

<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY
<p>Appendix 1 of this document is confidential under the Constitution, Access to Information Procedure Rules, section 10.4, category 3 Information relating to the financial or business affairs of any particular person (including the Authority holding that information). It is not in the public interest to disclose this information as the appendix contains commercially sensitive information in relation to Southampton's UK City of Culture Bid. It would prejudice Southampton 2025 Trust's ability (on behalf of Southampton) to fairly and competitively bid to become UK City of Culture 2025 if this information were to be in the public domain at this time.</p>
BRIEF SUMMARY
<p>At the Southampton City Council (the Council) Annual General Meeting in May 2019, a joint motion was carried to support and progress a UK City of Culture 2025 bid ('the bid') for Southampton.</p> <p>Members agreed that Southampton should invest in bidding to be the UK City of Culture in a meaningful way, given the long term economic benefits; opportunities for young people; regional, national and international profile raising for the City as well as helping to address the social needs of our city, using culture as a catalyst to bring the City together and drive change. Since this agreement, the impact of the coronavirus pandemic has been felt by all, making this investment even more timely, as becoming the UK City of Culture 2025, would also be an important element in Southampton's recovery from the Covid19 pandemic.</p> <p>Throughout 2017, the value of tourism to the city of Hull, as a result of being awarded UK City of Culture status was £300M, with over 6 million visits to the city. One in four businesses within the city employed new staff and more than 800 new jobs were created in the cultural and visitor economy sector leading up to the year itself. During</p>

Hull's year of being the UK City of Culture in 2017, 9 out of 10 residents engaged with at least one cultural event and over 56,000 school children took part in activities, with 34% reporting improvements in their self-esteem.

The Southampton 2025 Trust is responsible for delivery of the bid on behalf of the city and any winning bid's; programming, marketing and communications, fundraising, community engagement and legacy for Southampton's UK City of Culture 2025. The Trust (in its current form) was established in early 2020 by founding partners Southampton City Council, University of Southampton, Solent University Southampton and GO! Southampton.

In addition to the resources directly provided by Southampton City Council, the development of the bid is supported by significant dedicated resources provided by the bid partners, GO! Southampton, Solent University and University of Southampton, as well as the resources of many business, creative and third sector partners across the City.

As the primary partner to Southampton's bid to be UK City of Culture in 2025, the Council is asked to make a financial commitment to the delivery of the UK City of Culture programme and associated activity in the event that the bid is successful, clearly underlining the support already in place for the bidding process. Demonstrating its ongoing commitment to supporting the bid's development and submission.

Based on the experience of previous UK City of Culture processes, it is anticipated, that the Council will be asked to enter into a memorandum of understanding (MOU) with the Department of Digital, Culture, Media and Sports (DCMS) on behalf of the city. This MOU would have the Council commit to acting as a guarantor for delivery of the programme and other contractual arrangements made by the Trust with Sponsors and other funding bodies. This is in line with the commitments made by previous winning city's such as Hull and Coventry.

The leadership and financial commitment from the Council will demonstrate the continued value and support the Council has, for the development and submission of a successful bid. This will in turn strengthen the Bid and enable the team to cite the Council and other partners as examples to lever further investment from a wide range of organisations, agencies and individuals.

Both the funding requested within this paper and the requirement for the Council to act as guarantor will only be triggered if Southampton wins the UK City of Culture 2025 title.

RECOMMENDATIONS:

	(i)	To approve a one-off drawdown of reserves for 22/23 financial year and then the inclusion of the UK City of Culture funding into the medium-term financial plan as per appendix 1 of this report, should Southampton be awarded the title of UK City of Culture for 2025.
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	(ii)	To approve the Council acting as guarantor for the UK City of Culture 2025 programme, should Southampton be awarded the title of UK City of Culture for 2025.
	(iii)	To grant the Executive Director for Community, Culture & Homes the delegated authority to award a grant to Southampton 2025 Trust up to the value of the requested funds in appendix 1, over the period April 2022 – March 2027 (subject to Council Budget process) only if Southampton is successful in its bid to become UK City of Culture 2025 and subject to consultation with the Cabinet Member for Culture and Homes.

REASONS FOR REPORT RECOMMENDATIONS

1	The UK City of Culture competitions in 2013 and 2017 have evidenced the significant tangible and intangible social, economic and environmental impact that winning this accolade can have on cities, through the prism of Culture and as an agent for investment and change. The recent City Survey showed that 82% of respondents supported Southampton's bid to become UK City of Culture.
2	Throughout 2017, the value of tourism to the city of Hull as a result of being awarded UK City of Culture status was £300M, with over 6 million visits to the city. 1 in 4 businesses within the city employed new staff and more than 800 new jobs were created in the cultural and visitor economy sector leading up to the year itself. During Hull's year of UK City of Culture in 2017, 9 out of 10 residents engaged with at least one cultural event and over 56,000 school children took part in activities, with 34% reporting improvements in their self-esteem.
3	As the primary partner of UK City of Culture 2025 bid the Council is asked to make a financial commitment to the UK City of Culture process to demonstrate its ongoing commitment to supporting the bid's development and submission. The leadership and financial commitment from the Council will demonstrate the value and support it has given to the bid. This will strengthen the Bid and enable the team to cite the Council and other partners as examples to lever further investment from a wide range of organisations, agencies and individuals. Should Southampton win the title of UK City of Culture, provision of funds from the Council and through fundraising would place the city in a strong position to bid for match funding grants by organisations such as Arts Council England and Heritage Lottery Fund, in the past both organisations have held ringfenced funding for the winning city.
4	The details behind the proposed funding model can be found in appendix 1.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5	No financial Contribution from the council – This option is not recommended as it would significantly damage the potential for the city to win the competition. This option would be seen as a lack of commitment to the process and would damage the potential for securing funding from other sources.
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6	<p>Lower financial contribution – This option is not recommended as it is anticipated that a lower financial contribution would be damaging to the bid application and would not be seen as favourable during the judging process, showing a lack of ambition to win the title.</p>
7	<p>Higher financial contribution – This option is not recommended. While a higher contribution than that which has been requested is possible, it was determined that this was not justified. A higher contribution could be used positively, but the model to develop the funding request focused on using comparator data to develop an evidence-based request and the justification for a higher contribution was not considered to be viable.</p>
8	<p>Delay the decision on funding until post the Award of the Title – The Council could defer its decision on providing funding until post the award to the winning location. However this option is not recommended as it would significantly damage the potential for the city to win the competition. This option would be seen as a lack of commitment to the process, provide no underwriting of the bid programme (a requirement of the bid) and would damage the potential for the city to win the competition. Other competitors with confirmed Local Authority funding would be placed in a stronger position than Southampton within the bid process.</p>
DETAIL (Including consultation carried out)	
9	<p>At the Southampton City Council (the Council) Annual General Meeting in May 2019, a joint motion was carried to support and progress a UK City of Culture 2025 bid (“the bid”) for Southampton. It was agreed that Southampton should bid for UK City of Culture in a meaningful way, due to the economic benefits it can bring; opportunities for young people; putting Southampton on the map and its ability to help address the social needs of our city. The UK City of Culture process will also be an important element of the city’s post Covid recovery.</p> <p>The bid team has formed over the past 12 months, building on the preparatory and restructuring work Council colleagues and city partners (Southampton City Council, University of Southampton, Solent University Southampton, GO! Southampton) undertook in order to create the conditions for a successful and collaborative bid, through the ongoing work of the Southampton 2025 Trust and its partners. The team is led by Bid Director Claire Whitaker OBE.</p> <p>Following the Council joint motion on submitting a UK City of Culture 2025 bid, a budget was put in place during the 20/21 financial year to support the initial development of the bid. Ongoing funding for the development of a comprehensive and winning bid was included in the Council budget for the 21/22 financial year, considered at the 24th February 2021 Council meeting.</p> <p>In addition to the resources directly provided by Southampton City Council, the development of the bid is supported by significant dedicated resources provided by the city partners, GO! Southampton, Solent University and University of Southampton, as well as the resources of many business, creative and third sector partners across the City. These commitments and the work completed to date, demonstrate the depth of commitment and passion</p>

	that is being galvanised by Southampton’s ambition to become UK City of Culture in 2025, and the legacy benefits that it brings.
10	<p>To date the bid team have undertaken significant consultation activity and received a large number of survey responses from the city and wider region. This has included stakeholder engagement sessions with: Artists, Cultural and Creative Sectors, Businesses, Residents, Councillors, statutory partners and key institutions in the city. Most importantly, the consultation continues to focus on reaching residents from across the City, encouraging participation from underrepresented groups to ensure that many city-wide voices are heard and contribute towards shaping Southampton’s bid. The outcomes of the consultation activity are in the process of final analysis and have been added to the extensive baselining research already undertaken by colleagues at the University of Southampton and the Council.</p> <p>Using the data gathered to date, the themes for Southampton’s bid are developing and will inform the programme of activity for 2025. This information is critical to shaping the bid application which will be submitted when the new process has been announced (likely to be early 2022, but this is yet to be confirmed).</p> <p>The work being undertaken is driven by a passion to meet the Council’s and the City’s ambitions to become Greener, Healthier and Fairer, and improve outcomes for residents, businesses and visitors to the City for many years to come by delivering a comprehensive bid.</p> <p>The ability to deliver social and economic change have been documented by previous UK City of Culture title holders and with legacy planning as a consideration through all stages of planning, there is the ability to embed these changes for the long term.</p>
11	<p>Social impact for previous winners</p> <p>During the 2013 Derry-Londonderry UK City of Culture, 91% of local residents rated the value of UK City of Culture as 7/10 and 83% of the most deprived parts of the city attended a UK City of Culture event.</p> <p>During 2017 Hull built on the experiences of Liverpool (European City of Culture) and Derry-Londonderry. During Hull’s year of culture 9/10 residents engaged with at least one cultural activity. 100+ schools engaged in the “No Limits” learning programme which taught teachers how to use culture and creativity within their lessons to inspire, engage and innovate how students engaged with their studies. Throughout Hull’s year of culture 56,000 young people took part in activities with 34% reporting improvements in self-esteem.</p>
12	<p>Economic impact for previous winners</p> <p>Derry-Londonderry reported a financial impact of £500M, with over 1M people visiting the city during its year of culture, with 40 new businesses opening in the city during this period.</p>

	<p>Hull reported a total of £300M+ value of tourism during 2017 with over 6M visits to the city. Since being awarded the 2017 title for UK City of Culture in 2013, over 800 new jobs were created in the cultural and visitor economy sector. Hotel occupancy in the city increased by +10.5% and 1 in 4 businesses employed new staff in 2017.</p>
13	<p>Legacy potential</p> <p>While benefits during the year of culture itself are important, so are the long-term changes that come from winning the competition. Previous winners such as Hull and Derry-Londonderry have not managed to leverage the competition to deliver the longer term change possible. The legacy element of the competition is a vital part of any bid and this is reflected in the financial contribution requested for 2026, which will be used to embed the legacy programme of the 2025 UK City of Culture year.</p>
14	<p>As part of the City's bid to be the UK City of Culture 2025, there will be an expectation that there is commitment from the City to host and deliver a programme of events to build capacity throughout the Cultural sector in the years leading up to 2025; a year of City wide cultural activities in 2025 and a final 'legacy year' that will cement the outputs of our programme in 2026. Whilst the bid is expected to be supported by commercial and other agreements that will enable this work to take place, there is an expectation that key anchor institutions within the City will commit resource to support the bid delivery during this period.</p> <p>Southampton City Council is in the process of reviewing all existing and planned programmes of work including; infrastructure, place shaping and engagement activities to identify how they do or could work alongside and with UK City of Culture in 2025. Should the city be successful in the bid to become 2025 UK City of Culture, the Council will be responsible for the city's readiness, including: infrastructure, Destination Management Plan, liaison with statutory services and Culture and Heritage strategy. The Council will also review any other relevant policies and strategies to ensure that they are aligned to the successful delivery of the City of Culture Programme, with any proposed changes to local policy identified as part of this review following appropriate governance procedures.</p> <p>Southampton 2025 Trust is responsible for delivery of the bid and any winning bid's programming, marketing and communications, fundraising, Community Engagement and legacy for Southampton's UK City of Culture 2025.</p> <p>The financial responsibility for the Trust's activities as a business and charity, lie with the Chair and Trustees. However, it is anticipated based on the experience of previous UK City of Culture processes, that the Council will be asked to enter into a memorandum of understanding (MOU) with the Department of Digital, Culture, Media and Sports (DCMS) on behalf of the city. This MOU would have the council commit to acting as a guarantor for delivery of the programme and other contractual arrangements made by the Trust with Sponsors and other funding bodies. Cllr Satvir Kaur (Cabinet Member for Culture and Homes) is a Trustee of Southampton 2025 Trust providing oversight on behalf of Southampton City Council. Quarterly reporting on the</p>

	<p>bid's development and financial position is provided to the Trust, to the Director for Communities Culture and Homes and the lead Cabinet Member.</p> <p>This paper will summarise the requested funding to be allocated in the Medium-Term Financial Strategy for the remainder of UK City of Culture process by the Council, should Southampton win the competition.</p>
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
15	All financial implications are considered in appendix 1.
<u>Property/Other</u>	
16	N/A
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
17	Subject to certain restrictions, none of which apply here, Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything that individuals may do, including making financial contributions to activities which contribute to the wellbeing or benefit of its community and residents.
<u>Other Legal Implications:</u>	
18	None
RISK MANAGEMENT IMPLICATIONS	
19	<p>A Risk Register is in place which identifies the key risks, together with the associated actions and mitigations, in respect of the development and delivery of the bid. The risk register has been developed by the bid team and is reviewed on a bi-monthly basis by the bid team or as required. The key risks are summarised below and in Appendix 1.</p> <p>An identified risk is that Southampton does not win the UK City of Culture competition. In relation to this report (including the requested funding and guarantor request), this risk is low as the funding and guarantor status would be subject to the city winning the bid only. In regard to the bid itself a requirement of the bid process is the development of a plan in the event that the City is not successful to ensure that the City capitalises on the bidding process and still reaps benefits from this process. Options for this will be developed in the coming months.</p> <p>A significant risk aligned with this paper, is that the Council does not commit to the required funds and/or does not agree to act as guarantor to the bid. This would be seen as a lack of commitment to the process, provide no underwriting of the bid programme (a requirement of the bid) and would damage the potential for the city to win the competition. Other competitors with confirmed Local Authority funding would be placed in a stronger position than Southampton within the bid process. The mitigating action for this risk is the</p>

	completion of this paper to highlight the importance of this commitment by the City Council in the bid process.
POLICY FRAMEWORK IMPLICATIONS	
20	<p>A successful City of Culture Bid will deliver positive impacts for the city in line with the Policy Framework, as set out at Article 4.01 of the Council's Constitution.</p> <p>The Bid will support the delivery of the Health and Wellbeing Strategy outcomes:</p> <ul style="list-style-type: none"> • Inequalities in health outcomes are reduced – helping reduce inequalities through access to culture • Southampton is a healthy place to live and work with strong, active communities – the Bid will bring communities together as part of the citywide activity <p>It will support the achievement of the following aspects of the Transport Vision in the Local Transport Strategy 2040 'Connected Southampton':</p> <ul style="list-style-type: none"> • Improving the attractiveness of public spaces and streets to support growth, improve health and wellbeing and enable sustainable growth; • Tackling inequalities through improving accessibility and by designing transport improvements so that they meet the needs of everyone in society and that everyone can get around more safely and easily;
21	A successful Bid will also support the delivery of the Council Corporate Plan 2020 – 2025, and its commitment to delivering a greener, fairer and healthier city. The Bid will support the focus on communities, culture and homes, including the commitment to developing a cultural city.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All wards
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1	Financial modelling and funding request
Documents In Members' Rooms	
	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	Yes/No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	Yes/No

Other Background Documents		
Other Background documents available for inspection at:		
	Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
29		
30		