

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD1316

Title: Culture Major Projects 2014/15 -2015/16

Executive Summary:

This document concerns the delivery of the Cultural Programme for the period 2014/15 to 2015/16 to deliver:

- a) a series of major cultural projects;
- b) major cultural programmes as part of large scale supporting and commemorative events taking place in London building on the legacy of the Olympic and Paralympic Games;
- c) The Cultural Strategy from 2014-16 including new initiatives such as developing an international cultural diary.

This strategic programming consolidates London's reputation as a leading cultural destination and production centre with a unique and powerful cultural offer. It will increase jobs and growth, encourage tourism and widen access for Londoners.

Decision:

That the Mayor approves:

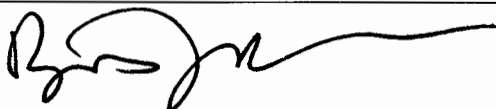
- A. The Culture Major Projects Programme and the gross expenditure of £5,602,000 (£4,315,000 – net) over 2 years from 2014/15 to 2015/16 (subject to annual budget approval) towards:
 - 1. Grant Funding for the Creative Industries: Film London – £2,600,000 and London Design Festival – £500,000
 - 2. Gigs – £447,000
 - 3. Big Dance – £1,123,000
 - 4. Delivery of projects linked with major commemorative and sporting moments – £200,000
 - 5. Cultural Strategy – £472,000
 - 6. Scoping for strategic high profile events – £260,000
- B. Acceptance of a grant from the British Council of £285,000 over 3 financial years to deliver the International Culture Diary and related expenditure from January 2014 to March 2016.

Mayor of London

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

The above request has my approval.

Signature:



Date:

14.2.2014

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

Decision required – supporting report

1. Introduction and background

The Mayor and Greater London Authority play a key role in ensuring that London remains a centre for creativity and innovation, catalysing jobs and growth whilst also ensuring that the capital's rich cultural offer is accessible to more Londoners.

Since 2010, the Cultural Strategy has delivered against 56 out of its 57 commitments.

Under the 2014/16 programme, the most successful projects (funding for the Creative Industries – Film and Design, Big Dance, Gigs, Cultural Strategy including new developments in Cultural Tourism) will continue, while a number of new projects will be developed to deliver major cultural programmes as part of specific sporting and commemorative events (WW1 Centenary Project, Commonwealth Baton, scoping for the 2017 IAAF and IPC Athletics Championships) aiming at achieving growth in the cultural sector. In addition specific scoping work will be carried out to explore the feasibility of new strategic high profile events for London.

The Mayor's Investment Performance Board meeting on 16 January 2014 endorsed the proposed Culture Major Projects Programme and approved in principle the proposed expenditure set out in the report's Budget Breakdown.

2. Objectives and expected outcomes

Overall objectives

The major projects portfolio comprises scalable projects which have already proved a success, and which have the best chance of encouraging further investment and driving up participation amongst Londoners as well as developing exceptional projects to strengthen London's position as a world city of culture.

Through the Major Projects portfolio, London will demonstrate its commitment to becoming "capital of content", an international city of creativity that invests in skills and talent, and uses culture effectively to unlock a range of social and economic benefits.

The updated Cultural Strategy will be presented in March 2014, reporting on progress so far and setting out the objectives and outcomes for the next three years. Through the strategy, the Mayor will consolidate his role as a steward and champion of culture and strengthen London's international position as a world-class cultural city and tourist destination.

In addition to supporting the Cultural Strategy, the Major Projects portfolio promotes economic development and wealth creation, social development and tourism throughout London.

Creative Industries: Film and Design

Objectives

- Become the capital of content through continued investment in key agencies Film London and the London Design Festival.
- Ensure that London continues to attract new business through inward investment into film, animation series and high end television production.

- Ensure that London remains internationally competitive over other cities.
- Ensure the annual Festivals happen each year which are essential for achieving sales, developing business leads and networking in London.

Outcomes

Based on previous year's results against target:

- (i) 2,500 film crew jobs per annum
- (ii) £110m in film spend in the capital
- (iii) £89m of new business for 1,200 design SMEs
- (iv) The annual London Design Festival in September each year bringing an estimated £41m to the wider London economy
- (v) Grant agreement for 2 years to Film London
- (vi) Grant agreement for 2 years to London Design Festival

Gigs

Objectives

Gigs is the public facing element of the Mayor's Music Education Strategy and the only programme of its kind in London, which last year attracted 1,800 entries from young music acts in 2013 (300% up on 2012) with 40,000 people casting online votes last year. Demand for the programme is growing fast. The investment will enable Gigs to take place in 2014 and 2015.

The health and future of a vibrant and economically sustainable music sector is reliant on a continuous stream of new and young talent. The music sector provides the equivalent of 34,000 full-time jobs in London and creates added value of over £1 billion. The London music business has net foreign earnings of over £400 million per annum.

Nevertheless, it is very difficult for new and experienced talent to break into the music industry. The GLA's investment will identify 500 young people a year who have the potential to succeed in the market, and provide them with a platform to showcase their ability. The programme improves the marketability of the cohort of musicians by giving each young person repeated opportunities to perform live before an audience, building their skills and confidence. The winners of the competition are provided with tailored business support (from TFL licences to studio time) to help them improve their skills and competitiveness.

The Gigs programme has provided a pathway for many young people to enter a notoriously competitive industry. Qualitative data on a number of participants has shown that many of them have been booked for gigs or have gone on to record albums as a direct result of their participation in the programme.

Outcomes

- (i) an estimated annual public audience of 1.5 million
- (ii) support for 500 talented musicians aged 11-25 per year
- (iii) volunteering opportunities for a minimum of 40 Team London volunteers per year
- (iv) leverage approx. £300,000 in funding and in-kind support from 10-15 sponsors and partners over the 3 years. (Based on participation and leverage figures for 2013).

Big Dance

Objectives:

Big Dance makes a strong contribution to the Mayor's sports and health agendas and is an exemplar programme which reaches every demographic, all 33 boroughs and connects across the UK. 1.8 million people in London participated in 2012.

Big Dance is the biggest dance initiative in the world reaching over 5 million people in 2012 in 25 countries, including Olympic cities such as Beijing and Rio. Dance is currently the second most popular physical activity in schools after football and equally is very popular with older people.

Big Dance is a biennial programme and a major Olympic legacy project, maximising the value of previous partnerships with the consortium of 5 Big Dance Hubs which provide the glue across 33 London Boroughs. It is a key cultural and sport initiative, meeting physical activity and health agendas. Big Dance underpins a UK wide programme with Trafalgar Square as global event. GLA investment is crucial in providing leverage of £720k for the whole London programme. Previous media coverage has been valued at £5.3 m (2010). 2016 will be the culmination of GLA's involvement in the Big Dance programme after a decade. Further Dance programmes will then be led by Foundation for Community Dance.

Outcomes:

- (i) deliver Big Dance 2014 and planning in 2015/16 for Big Dance 2016
- (ii) deliver 2015 Momentum programme
- (iii) engage with an estimate 500,000+ Londoners of all ages in a capital-wide cultural participation programme
- (iv) Volunteering opportunities for a minimum of 100 for each Festival.

Projects linked with major events in 2014

Objectives:

Following the success of the Olympic and Paralympic Games, it is essential that London continues to build on its reputation for delivering a world-class cultural programme alongside major showcase opportunities.

These projects seek to strengthen London's international position as a world-class cultural city and tourist destination through a distinct and unique cultural offer in order to maintain our competitive advantage to attract visitors, new businesses and inward investment.

Outcomes:

- (i) a key event to commemorate the WW1 Centenary, providing global media coverage and profile during a central London event.
- (ii) PR events to be staged during the 3 days the Queen's Baton is in London in June 2014 in the build up to Commonwealth Games in Glasgow.

Cultural Strategy – delivering on the actions from the updated 2014 Culture Strategy 2014-16

Objectives

The Mayor's Cultural Strategy is a statutory requirement and key deliverable in the Strategic Plan. The Greater London Authority Act 1999 (the "Act") establishes the Cultural Strategy Group for London ("LCSC"), with its primary function to advise the Mayor on the development and implementation of his statutory Cultural Strategy. The investment is required in order for the Mayor to fulfill his statutory obligation.

The Mayor will update the Cultural Strategy in March 2014, reporting on progress so far and setting out the objectives and outcomes for the next three years.

Cultural Tourism – A strategy is needed to co-ordinate the activity of key tourist agencies to promote London's cultural offer to overseas markets to continue to provide a competitive offer to national and international tourists. The strategy will include a cultural tourism toolkit for London to support local boroughs and SME cultural organisations to promote themselves more to international visitors.

Outcomes

- (i) Deliver a Cultural Tourism Strategy
- (ii) Deliver and co-ordination of projects to meet the updated Cultural Strategy Action Plan

Scoping for strategic high profile events

Objective:

During 2014/15 work will take place to explore the feasibility of a new London Children's Festival. This new initiative would be a real Olympic legacy story. The Festival would target the international family market particularly those countries identified as having more than 50% growth potential (USA and Canada, Middle East and China). The initiative is backed by the Mayors Cultural Strategy Group and many major arts institutions.

As a significant legacy of the 2012 Olympic and Paralympic Game, the Culture Team will commission external consultants to work on the opening ceremonies of the 2017 Athletics as part of the Mayor's commitment to 'deliver the best ever World Athletics and Paralympic Championships in 2017'.

GLA Culture Team will work with external partners to commission feasibility studies and commission development work for the London Lido Project which has the potential for leveraging significant funding, job creation, volunteering opportunities, and would generate significant media value.

Outcomes

- (i) Research and development for the London Children's Festival including developing the artistic programme and marketing research
- (ii) Deliver a fundraising and/or partnership strategy for the new Festival
- (iii) Scoping for opening and closing ceremonies of the World Athletics and Paralympic Championships in 2017. The ceremonies will deliver huge media coverage for London, a high profile event with mass participation and volunteer opportunities
- (iv) Scoping for a major new initiative on the River Thames – a London Lido.

International Culture Diary

Objective

GLA has secured external funding from the Great campaign (Visit Britain, UKTI, No.10, British Council and the Foreign Office), to promote London and Britain internationally) to fully fund the development of an **International Culture Diary** using the existing Culture Diary run by GLA as a starting point.

The total grant is for £290,000, and will be paid as follows:

(£5,000 already paid and approved by DAR in November 2013)

£85,000 to be paid in February 2014

£100,000 in 2014/15

£100,000 in 2015/16

The Culture Team will work in partnership to deliver the Diary which will provide strategic planning opportunities and create new opportunities for new business/collaborative partnerships. London & Partners will provide a combination of marketing and digital initiatives to support small and medium sized businesses who do not have large marketing budgets to increase UK audiences and international visitors.

Outcome

- (i) launch phase 1 in April 2014
- (ii) launch phase 2 by March 2016
- (iii) create a new post of Culture Diary Manager until March 2016

3. Other considerations

a) Key risks are (i) the potential for damaging London's reputation if major projects are poorly run, cancelled or significantly scaled down, (ii) inability to raise sufficient external finance; and (iii) financial mismanagement.

Long term planning is essential for the success of large scale project delivery specifically World Athletics. The Culture Team has a track record of delivering large scale high profile projects during the Olympics and working with external partners and production companies or producers and artists.

The Culture Team has a strong track record of leveraging external investment. Over the past few years, the Culture Team has leveraged an average of 58% across the portfolio of Cultural Strategy projects and in many cases significantly higher – the leverage for Big Dance is 95%. Fundraising targets are built into many of the projects, to ensure that GLA's investment is as cost effective as possible and maximises the potential for external finance. Culture Team uses its funding to leverage sponsorship from a range of partners to ensure scalability and quality. Partners have strong track record.

The Culture Team will undertake open procurement procedures in line with GLA requirements. All budgets will be subject to the annual budget process and officers will ensure full compliance with the GLA's Financial Regulations, Expenses & Benefits Framework, Contracts & Funding Code and Funding Agreement toolkit (wherever applicable). Projects will not be launched until full funding is in place. The Culture Team has a strong record of managing budgets and has continuously kept within budget on projects.

b) Links to Mayoral strategies and priorities

The Cultural Programme contributes to a range of mayoral agendas from volunteering, education, health and sport to tourism, business policy, public realm and regeneration. By helping to drive

economic growth in the cultural and creative industries and maximising the legacy of the 2012 Games, the Cultural Strategy supports the delivery of the Mayor's Economic Development Strategy.

The Cultural Programme has been drawn up in consultation with the statutory London Cultural Strategy Group.

c) Impact assessments and consultations

This investment represents more than the sum of its parts and will enable GLA to provide a rounded cultural programme and to lever in further significant additional funding. It will allow successful projects to continue and will enable GLA to scope and develop new programmes that are likely to deliver the most impact and strategic benefit in 2014 and beyond.

4. Financial comments

Background

- 4.1 Approval is being sought for the delivery of a series of Major Cultural projects for a period of two financial years from 2014-15 to 2015-16. This will include grant funding schemes, contract for services and the seeking and receipt of external sponsorship and / or grant funding to supplement Gigs, Big Dance and Cultural Strategy projects.
- 4.2 In addition to above, a grant from the British Council of £285,000 over three financial years from 2013-14 to 2015-16 has been secured - £85,000 in 2013-14, which will be utilised by the end of March 2014 and £100,000 in each of the 2014-15 and 2015-16 financial-years. This secured income will form part of the income target for the overall programme for which approval is being sought via this report.

Cost & Budget

- 4.3 The gross cost of this programme is estimated at £5.687m and the net cost to the GLA is £4.315m. The Culture Team will be seeking sponsorship and / or grant funding to supplement the programme and fund the balance of £1.372m. (This includes the cultural strategy expenditure and associated receipt of British Council income in 2013-14 for which approval is also being sought). An estimated project budget is summarised below:

	2013-14 £000	2014-15 £000	2015-16 £000	Total £000
Project Expenditure				
Creative Industries: Film	0	1,300	1,300	2,600
Creative Industries: Design	0	250	250	500
World War 1 Commemoration	0	150	0	150
Queens Baton	0	50	0	50
2017 Athletics	0	160	0	160
Children's Festival of London	0	100	0	100
Gigs	0	222	225	447
Big Dance	0	895	228	1,123
Cultural Strategy	85	241	231	557
Total Project Expenditure	85	3,368	2,234	5,687

Income Target

Gigs	0	(86)	(94)	(180)
Big Dance	0	(717)	(160)	(877)
Cultural Strategy - British Council	(85)	(100)	(100)	(285)
Cultural Strategy - Other	0	(20)	(10)	(30)
Total Income Target	(85)	(923)	(364)	(1,372)

Net Cost to GLA	0	2,445	1,870	4,315
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- 4.4 With regards to the GLA contribution for the proposed duration of the programme (£4.315m); £2.445m has been included in the Authority's spending plan for 2014-15 and will be subject to formal approval of the Authority's 2014-15 budget. The allocation of budgets for 2015-16 will be subject to the annual budget setting process for 2015-16.
- 4.5 As noted above, sponsorship and grant income will be sought to supplement the programme, specifically for the GIGS, Big Dance and Cultural Strategy projects totalling in the region of £1.372m. To date a grant from the British Council has been secured. In the event that the income target is not met, project expenditure will be reduced accordingly. Consequently, officers are reminded that to commit to any expenditure for which income is to fund until formal conformation of income streams have been received.
- 4.6 All project expenditure and the receipt of income will be accounted for within the Culture Programme budgets held within the Health & Communities Unit. Any changes to this proposal, including budgetary implications will be subject to further approval via the Authority's decision-making process. All appropriate budget adjustments will be made.

Project Management

- 4.7 The Culture Team (Health & Communities Unit) within the Communities & Intelligence Directorate will be responsible for managing this programme of work and must ensure that all activities comply with the Authority's Financial Regulations, Contracts & Funding Code, Expenses & Benefits Framework and Funding Agreement Toolkit.

5 Legal comments.Approval of Budget

- 5.1 Under section 30 of the Greater London Authority Act 1999 (the 'Act') the mayor, acting on behalf of the GLA, and after appropriate consultation, is entitled to do anything that the mayor considers will further the promotion, within Greater London, of economic development and wealth creation, social development and the improvement of the environment.
- 5.2 Section 34 of the Act allows the mayor, to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA. In the instant case, the approval of the Culture Major Projects Programme budget for 2014/15 and 2015/16 and the approval of the receipt of £285,000 from the British Council in support of the International Culture Diary may be viewed as calculated to facilitate social development in Greater London.

Grants in Support of Various Projects

- 5.3 The budget will be allocated to, inter alia, grants in support of a number of projects including film and design projects. To this end, the officers are reminded of the requirements of

paragraphs 4.7 and 4.8 of the GLA's Contracts and Funding Code; in particular, that funding must be distributed fairly, transparently and in accordance with the GLA's equalities obligations.

- 5.4 In carrying out the projects, which are listed in decisions A and B, the officers are reminded of the requirements set out in section 30(5) of the Act. Namely, that in exercising the GLA's general power under section 30 of the Act, the GLA must do this in a way, which is considered best calculated to:
- 5.4.1 promote improvements in the health of persons in Greater London;
 - 5.4.2 contribute towards the achievement of sustainable development in the United Kingdom; and
 - 5.4.3 contribute to the mitigation of, or adaptation to, climate change in the United Kingdom.
- 5.5 As stated in decision A, although the budget is stated to be £5,602,000, the GLA intends to contribute only £4,315,000 of this amount. As noted by the officers, this creates a £1,372,000 gap in the budget. Officers are advised to secure up-front funding rather than funding in arrears in order to reduce the risk that the GLA will have to meet expenditure in excess of its £4,315,000 contribution.

6 Investment & Performance Board

The Board received a report in January 2014, including a combined business case and investment proposal, seeking, for 2014-2015, an investment of £2,455,000 to fund activities in support of the Mayor's forthcoming Cultural Strategy.

Following a query, the team confirmed their continuing work with the delivery partners to ensure that jobs and apprenticeship opportunities are maximised.

The board endorsed the proposed Culture Major Projects Programme be endorsed; and the proposed expenditure set out in the report's Budget Breakdown.

7. Planned delivery approach and next steps

These projects will be managed through the GLA Culture Team, within the Communities and Intelligence Directorate, and working to the lead of the Deputy Mayor for Education and Culture. The Cultural Team will be responsible for developing and negotiating all terms of agreement and monitoring performance progress against objectives in order to ensure that all conditions and targets are met for the duration of the delivery period.

	Milestones, deliverables and promotional activity	GLA lead	Planned date
1	Creative Industries grant agreements signed for film and design	Culture	1 Mar 2014
2	New International Culture diary launched Phase 1	Culture	April 2014
3	MOU with L&P re Cultural Tourism	Culture	April 2014
4	Big Dance 2014 – Launch of countdown programme/bus tour/festival guide	Culture	16 May 2014
5	Commonwealth Baton in London	Culture/Sport	June 2014
6	Mayoral Big Dance launch event / London Design Festival press preview / London UK Film Focus 2014	Culture	3 July 2014
7	Big Dance 2014 Festival Week – delivery including Channel 4 broadcast/Trafalgar Square live link up with Glasgow and Sydney	Culture	5-13 July 2014
8	WW1 Centenary Programme 2014 launch event	Culture	July/Aug 2014

9	London Design Festival 2014 / Big Dance 2014 Evaluation	Culture	Sep 2014
10	Gigs 2014 including recruitment campaign, live completion and grand final	Culture	Mar-Sep 2014
11	London Film Festival 2013 /London Production Finance Market (film) 2014	Culture	Oct 2014
12	Launch a Cultural Tourism Strategy	Culture	March 2015
13	Big Dance 2015 – Momentum programme / Design Festival press preview / London UK Film Focus	Culture	15 May – July 2015
14	Gigs 2015 including recruitment campaign, live completion and grand final	Culture	March – Sep 2015
15	International Culture diary launched Phase 2	Culture	March 2016

Appendices and supporting papers: None

Public access to information

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

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

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form -NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Jackie McNerney has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Assistant Director/Head of Service:

Amanda Coyle has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Sponsoring Director:

Jeff Jacobs has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Munira Mirza has been consulted about the proposal and agrees the recommendations.

✓

Advice:

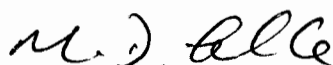
The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

10.2.14

CHIEF OF STAFF:

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

Signature



Date

14:02:2014

