



<b>Subject:</b>	Cultural Strategy - Implementation and Investment
<b>Date:</b>	9 October 2019
<b>Reporting Officer:</b>	Alistair Reid, Strategic Director of Place and Economy
<b>Contact Officer:</b>	John Greet, Director of Economic Development

<b>Restricted Reports</b>	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

<b>Call-in</b>	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	The purpose of this report is to provide Members with further detail on the implementation of the new ten year cultural strategy for Belfast, <i>A City Imagining</i> including the financial and resource implications.
<b>2.0</b>	<b>Recommendations</b>
2.1	It is recommended that Members:

	<ul style="list-style-type: none"> <li>- Note the contents of this report and agree to recommend to the Strategic Policy and Resources Committee the growth proposal outlined in the report as part of the rate setting process.</li> <li>- Note the requirement to recruit additional staff resources in order to ensure that the ambition set out in the strategy is achievable specifically to enable the council to secure new levels of partnership funding.</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	<p><u>Background</u></p> <p>Members will be aware that at a meeting of City Growth and Regeneration Committee in August 2019 the new ten year cultural strategy for Belfast, <i>A City Imagining 2020-30</i> was agreed. This strategy is the culmination of extensive public engagement and consultation over a 2 year period and is a consolidation of the foundation, commitments and achievements of several preceding strategies and frameworks. <i>A City Imagining</i> sets out a long-term commitment to facilitating a new integrated phase of culture-led progress and development for Belfast. The strategy brings together the culture, events and tourism functions within Council as well as identifying areas of cross departmental working to support the Belfast Agenda. This requires a new cross-cutting approach within Council including the design and delivery of:</p> <ul style="list-style-type: none"> <li>– A series of new programmes to support 16 priorities set out in the strategy</li> <li>– Support for a number of flagship strategic projects including bidding for major events.</li> <li>– A new investment model including launch of cultural multi-annual grants.</li> </ul>
3.2	<p>Culture, arts and festivals make a city a great place to live in, invest in and visit. Culture is also vital to retaining young people. The most successful cities plan for the long term, have the most effective mix of local and international programmes and then in turn attract investment and sponsorship from the private sector. There is significant evidence of economic return from ambitious long term programmes that include international events and attractions. Many cities have also embedded their cultural strategies within their economic growth plans as they seek to ensure skills development, employability programmes and significant outreach work.</p>
3.3	<p>From the outset it has been recognised that a transformation programme of this nature would require an increase in investment however this should be driven by the need to develop a new sustainable model that would also be supported by securing additional</p>

investment from public and private partners. In addition existing departmental budgets would be realigned to ensure maximum efficiency and meet the agreed priorities.

#### 3.4 Implementation and Investment

Given that the strategy makes a long-term commitment over a ten year period, the approach to take it forward is based on a number of strategic implementation phases. Phase one is for the period 2020-2023 and is set out in the draft implementation plans at Appendix 1.

3.5 The implementation plans address seven key areas of work in order to present a comprehensive programme over the initial 3-4 years delivery of the strategy. This includes:

- Actions required to deliver strategic priorities agreed in the strategy
- Actions required to support a number of significant strategic projects such as:
  - New approach to Events and Festivals culminating in a year long, international programme of events in 2023.
  - UNESCO City of Music designation in 2021
- Priority areas and actions for tourism development (including neighbourhood tourism)
- Evaluation and research
- Communications and marketing
- Development of a new governance model
- The proposed investment model

3.6 A four year financial forecast has been completed to assess the level of investment required to deliver the high level commitments set out in the strategy that are subsequently detailed out in the implementation plans. This forecast includes:

- Design and deliver of annual work programmes
- Bidding and securing major international and peripatetic events
- Establishing homegrown Belfast signature events
- Supporting greater sustainability for the cultural sector including new funding schemes
- Delivery of key tourism priorities and targets

3.7	It should be noted that discussions have begun with Derry and Strabane District Council and with Tourism NI on developing a significant regional programme for 2023. Specific reports will be brought back to Committee as this develops.
3.8	<p>The approach to financial planning follows the overall principles of the strategy and the need to understand that a long view and commitment by Council is required for a number of reasons:</p> <ul style="list-style-type: none"> <li>– To maximise the return on Council investment by ensuring a level of transformation and sustainable growth that is not achievable through shorter term approaches or interventions.</li> <li>– To establish a new public-private investment model that leverages significant funding from other public and additional private sources similar to successful models adopted in other cities.</li> </ul>
3.9	The extensive research undertaken in developing the strategy including in depth understanding of models of best practice in cultural policy and development supports the proposed approach. In addition the detailed and robust evaluation framework that will be established over the period ensures new levels of accountability and a strong evidence base for any future investment.
3.10	<p><u>Financial &amp; Resource Implications</u></p> <p>Expenditure on delivering the Cultural Strategy for the period 2020-21 to 2023-24 will be both recurrent and non-recurrent in nature. Table One below shows the financial position in relation to the Cultural Strategy. From the table it is clear that the existing budget is insufficient to cover planned recurrent expenditure. In 2020-21 the deficit is £126k and this rises to £525k by 2023-24. For non-recurrent expenditure which primarily relates to the 2023 programme, this will be funded from specified reserves. At the start of the financial year 2020-21 there will be £1,948k in the specified reserve. As previously agreed by Members this reserve has been built up over a number of years in line with good financial management practice. This have been the approach used in the past to fund major events such as Tall Ships in order to avoid a substantial increase in rates in a single year. However, from the table it can be seen that by 2021-22 there will be a shortfall in the reserve of £715k and this grows to £6,943k by 2023-24.</p>

**Table One: Cultural Strategy Current Financial Position**

	2020-21	2021-22	2022-23	2023-24
<b>Recurrent Budget</b>	6,227,282	6,227,282	6,227,282	6,227,282
<b>Expenditure</b>	6,353,864	6,434,764	6,590,319	6,752,868
<b>Balance</b>	<b>- 126,582</b>	<b>- 207,482</b>	<b>- 363,037</b>	<b>- 525,586</b>
<b>Specified reserve</b>	1,948,000	1,386,418	- 715,164	-3,963,746
<b>Non - recurrent spend</b>	435,000	1,894,100	2,885,545	2,453,996
<b>Deficit</b>	- 126,582	- 207,482	- 363,037	- 525,586
<b>Balance</b>	<b>1,386,418</b>	<b>- 715,164</b>	<b>- 3,963,746</b>	<b>-6,943,328</b>

3.11

It is therefore clear that Members will need to enhance the rate support to the Cultural Strategy over the required period. It is recommended that an additional £394k through the district rate is added to the recurrent budget each year for the period 2020-21 to 2023-24. This equates to a 0.25% increase on the rate each year. The impact of this increase on the financial position of the Cultural Strategy is outlined in Table Two below. The recurrent budget is now sufficient to cover recurrent expenditure and also make a contribution each year to non-recurrent expenditure. Whilst there is still a deficit in the specified reserve in the last two years of the programme, the financial plan would be to obtain other public funding from central government and sponsorship income from third parties. The budget includes provision for two additional posts which will be dedicated to securing this external funding.

**Table Two: Revised Cultural Strategy Current Financial Position**

	2020-21	2021-22	2022-23	2023-24
<b>Recurrent Budget</b>	6,621,773	7,016,264	7,410,755	7,805,246
<b>Expenditure</b>	6,353,864	6,434,764	6,590,319	6,752,868
<b>Surplus</b>	<b>267,909</b>	<b>581,500</b>	<b>820,436</b>	<b>1,052,378</b>
<b>Specified reserve</b>	1,948,000	1,780,909	468,309	-1,596,800
<b>Non-recurrent Spend</b>	435,000	1,894,100	2,885,545	2,453,996
<b>Surplus</b>	267,909	581,500	820,436	1,052,378

	<table border="1"> <tr> <td><b>Balance</b></td> <td><b>1,780,909</b></td> <td><b>468,309</b></td> <td><b>-1,596,800</b></td> <td><b>-2,998,418</b></td> </tr> </table> <p>Members are also asked to note that funding the strategy as proposed will ensure that the Council will be in a position to provide sustainable financial support to the cultural development of the city for years to come. <u>Equality or Good Relations Implications/ Rural Needs Assessment</u></p> <p>The cultural strategy, <i>A City Imagining</i> has been subject to an Equality Impact Assessment (EQIA) and a Rural Needs Assessment (RNA). Any further investment or significant programmes will include equality screening as appropriate.</p>	<b>Balance</b>	<b>1,780,909</b>	<b>468,309</b>	<b>-1,596,800</b>	<b>-2,998,418</b>
<b>Balance</b>	<b>1,780,909</b>	<b>468,309</b>	<b>-1,596,800</b>	<b>-2,998,418</b>		
<b>4.0</b>	<b>Appendices – Documents Attached</b>					
4.1	Appendix 1: <i>A City Imagining</i> Draft Implementation Plans					