

# Report to Full Council

19 September 2013

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## **Bid for UK City of Culture 2017**

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Decision to be taken by: Full Council  
Lead director: Liz Blyth

## Useful information

■ **Ward(s) affected: All**

■ **Report author: Liz Blyth, Director of Culture and Neighbourhoods**

■ **Author contact details: 373501**

■ **Report version number: vs 1.0**

### 1. Summary:

This report seeks approval for Leicester to bid to become UK City of Culture 2017.

In June 2013, Leicester was confirmed as one of four cities shortlisted for the title of UK City of Culture 2017, selected from eleven applications from cities in the first round of the process. The bid consortium, led by the City Mayor, was invited to submit a full bid to the Department of Culture Media and Sport by 30 September 2013.

The bid consortium has been working to prepare a full and final bid to meet this timetable, engaging stakeholders and the general public in the development of Leicester's bid.

The final decision will be announced in late November 2013.

A copy of the summary of the first stage bid submitted at the end of April 2013, which forms the basis of the full bid, is attached as Appendix 1 for information.

### 2. Recommendations

The Council is recommended to:

- endorse Leicester's bid to be UK City of Culture 2017 recognising the cultural, economic and social benefits to the city.
- confirm the revenue and capital commitments made by the Council in support of the programme as detailed in section 3.1 of the report, which will be factored in to the Council's medium term financial strategy and future years' revenue budget and capital programme
- note that the Council takes responsibility for the delivery of the programme, including underwriting key events and associated activities to ensure their successful delivery
- note the work to put in place robust delivery and governance mechanisms as detailed in section 4.6 of the report
- note the emerging legacy proposals set out in the benefits section 4.4 of the report

### 3. I have received the following financial, legal and other advice:

#### **3.1. Financial Implications**

Leicester's UK City of Culture bid is predicated on a budget for the artistic programme of

£10m over and above the Council's spending, plus an additional £2m for associated delivery costs, making a total budget of £12 million of additional spend based on detailed projections of available funding. These costs are over the four year lifetime of the programme (2014/15 to 2017/18) with the majority of budget allocated to 2017.

Capital costs specific to the City of Culture bid will not exceed £0.5m out of the £10m. This recognises the substantial capital investment in the City's cultural facilities and public realm over recent years and currently underway and planned.

The Department for Culture, Media and Sport require that that the budget for UK City of Culture is underwritten by the Council. However significant contributions are expected:

- Arts Council England has confirmed that they will commit in principle £3m to the artistic programme from a successful English city. This would apply to Leicester.
- The programme costs include in kind contributions from national cultural agencies that would bring their programmes to Leicester during 2017 in the same way that the Turner Prize has been held in Derry-Londonderry this year.
- The Universities have indicated financial support and are being encouraged to be main partners rather than sponsors.
- Other funding contributions may be secured.
- A target has been set for business sponsorship.

On September 13 Leicestershire County Council's cabinet will consider the following decision:

*That a contribution from the County Council be offered to underwrite a proportion of up to £2 million of additional investment to support a successful bid and specifically to support the complementary cultural activity in the county, thereby to maximise economic and other benefits for Leicestershire.*

Whilst the Council proposes to underwrite £10m, its actual financial contribution could be significantly less once external contributions are received.

Significant value in kind support is also expected from partners and stakeholders, which will enable the greatest value to be achieved the programme and delivery costs. The Council's commitment will be factored into the medium term financial strategy and future years' revenue budgets and capital programmes.

The delivery and governance arrangements should ensure appropriate standards in the use of public funding, sponsorship, transparent procurement, robust reporting, etc.

Alison Greenhill, Director of Finance, ext. 29 7401

### **3.2 Legal implications**

Statutory powers exist to enable the Council to make this bid, including s144 Local Government Act 1972 (powers to encourage visitors to the area for recreation etc) and s1 Localism Act 2011 (general power of competence).

The main legal implications arising in this report are as follows, and in relation to each, early legal advice should be taken:

- (1) the terms upon which the Department for Culture, Media and Sport require that the budget for UK City of Culture is underwritten by the Council;
- (2) any associated funding and sponsorship from external organisations should be in a written agreement;
- (3) if the City Council are to procure any goods, works or services this must be done in

accordance with the Council's Contract Procedure Rules;  
(4) the delivery model outlined in paragraph 4.6

Beena Adatia, Principal Solicitor (Commercial & Contracts). ext 37 1417

### **3.3 Climate Change and Carbon Reduction implications**

A successful Leicester bid will have very significant carbon implications, primarily through the expected increase in visits and their associated carbon emissions from travel. However, there is much that Leicester could do to minimise these and other environmental impacts to deliver an environmentally more sustainable City of Culture year which demonstrates good practice. An outline of how this might work – sufficient to signal an intent of this kind within the bid document if desired - has been provided. Further work is now underway to produce a more detailed environmental proposal.

Duncan Bell, Senior Environmental Consultant, Environment Team. Ext. 37 2249

## **4. Report**

### **4.1. Supporting information**

Priority 98 in the City Mayor's 100 Day Plan in 2011 was to reach a decision through discussions with Leicester's Culture Partnership Board on whether exploratory work should proceed on a bid for UK City of Culture 2017. There had previously been an exploratory civic visit to Derry-Londonderry, the city awarded the title for 2013, by a delegation led by a Leicester City Councillor and business leaders. The delegation had at the time recommended that Leicester bid for the title in 2017 (the title is awarded every four years).

Leicester's Culture Partnership Board undertook further exploratory work as tasked by the City Mayor and in January 2013 the DCMS announced the details of the selection process for UK City of Culture 2017. Leicester's Culture Partnership Board advised the City Mayor and Executive that Leicester should bid. A report was taken to the City Mayor and Executive in February 2013 with this recommendation setting out the expected benefits to the city and the estimated costs. On this basis the Council submitted an expression of interest on behalf of the city.

In April 2013, Leicester completed a first stage bid, under the direction of a bidding consortium, chaired by the City Mayor. The Council have funded 50% of the total bid development costs, with the other 50% matched by Leicestershire County Council, De Montfort University and the University of Leicester. The bid development phase has a budget of £100k.

### **4.2. The bid team**

The bid team is led by the City Mayor, who chairs an advisory board comprising of senior leaders from both city universities, the business sector, Council of Faiths, voluntary and cultural sectors. They are supported by an operational team leading the development of various aspects of the bid. The bid team has been supported by external experts with experience of bidding for, winning and delivering similar programmes. Stakeholder engagement has been significant with an extensive programme of stakeholder meetings and briefings, roadshows from a 'Back the Bid' team, public sessions, online and social media and media engagement.

Although it is Leicester as a city that is bidding for the title, there has been close collaboration with Leicestershire County Council and strong support from the Leicestershire District Councils. MP's and House of Lords Peers with a Leicester and Leicestershire connection have also provided active support for Leicester's bid. Leicester has a very tight urban boundary and so the benefit from winning the bid will be experienced in both city and county alike, with a spotlight on the market towns and county cultural attractions, increased business confidence and many more visitors to both city and county.

In addition there has been endorsement from a vast range of individuals and organisations living, working, studying and associated with Leicester. Celebrity backers include Sir Richard Attenborough, Bali Rai, Akram Khan, Sue Townsend among others and Leicester's bid is welcomed by the Arts Council England and Sport England and supported by our connections with national cultural institutions like the Tate, British Film Institute (BFI), the Royal Society of Literature and the British Museum.

Members from the bid team have visited Derry-Londonderry to meet representatives of their delivery team, gain further insight into their experience and learn from their summer blockbuster performance of 'The Return of Colmcille'. This was staged over 3 days with 800 local people taking part and a carnival procession, pyrotechnics, and an incredible performance on the river and across the Peace Bridge, with the whole city acting as the stage for a series of outdoor performances.

In July, the team was pleased to host a visit by the Secretary of State for Culture, Media and Sport, the Rt Hon. Maria Miller, MP. The purpose of the visit was for the Secretary of State to find out more about Leicester's bid for UK City of Culture 2017. It included meeting young arts entrepreneurs and the cast of the community production of Sweeney Todd at Curve as well as a visit to the Richard III exhibition at the Guildhall and the archaeological dig at Greyfriars.

### **4.3 Aims of the programme**

The overall aim of the UK City of Culture programme is to encourage the use of culture and creativity as a catalyst for change, to promote the development of new partnerships and to encourage ambition, innovation and inspiration in cultural and creative activity.

This builds on the positive experience of European Capital of Culture and in particular the success of the Glasgow and Liverpool tenures.

Derry-Londonderry is the first city to be awarded the UK City of Culture title in 2013.

### **4.4 Benefits and Legacy to Leicester**

Leicester's City of Culture bid is built around four 'step changes' which will happen as a result of the programme:

- Create a strong sense of place and unifying civic identity for Leicester which is "owned" by residents and recognised locally, nationally and internationally
- Realise the inherent potential of the city's cultural infrastructure to strengthen capacity and leadership and increase participation
- Deliver significant long term economic benefits, with key growth in the creative industries and visitor economy sectors
- Improve the way young people connect with culture and engage with the city

The UK City of Culture programme will help to deliver the priorities of a range of key city priorities including the Economic Action Plan, the Cultural Ambition Statement, health and wellbeing strategy and provide an opportunity for the city to connect differently with children and young people. It will support the delivery of priorities set out in the City Mayor's Delivery Plan, in particular those in relation to 'A Place to do Business', 'Natural and Built Environment', 'Our Children and Young People', 'A Healthy and Active City' and 'Neighbourhoods and Communities'.

#### **The legacy for Leicester will be to:**

- Put Leicester on the map for the UK, Europe and the World
- Deliver a 12 month programme showcasing the best in culture and creativity
- Celebrate diversity with Leicester a beacon for the rest of the UK
- Forge stronger connections between city, county and residents
- Create more confidence and deliver economic benefit via an enhanced tourism profile, employment and inward investment

The UK City of Culture competition does not include a financial prize or award from DCMS, However Arts Council England has confirmed that they will commit in principle £3 m to the artistic programme from a successful English city. This would apply to Leicester.

The European the Capital of Culture (ECoC) programme helps provide a benchmark for the value to a city, albeit it not on the same scale in terms of cost of the programme or the financial benefits.

As Derry-Londonderry has not yet completed their year for the first UK City of Culture it is difficult to draw conclusions from their tenure. However, when members of the bid consortium visited they found the significant benefits in terms of civic pride, increased visitors numbers (a 20% reported increase in visitors) and increased numbers of creative, cultural and other businesses, for example 40 new food businesses.

Experience from the UK and Europe shows that investment in cultural/ arts activities yields an economic return on investment of at least 6 to 1.

The research into Liverpool ECoC, found that it attracted 9.7 million additional visits to Liverpool, constituting 35% of all visits to the city in 2008, and a 34% rise on the previous year. This had a direct economic impact of £753m in additional direct visitor spend, with 2.6 million European and global visits motivated by ECoC and 97% of these first-time visits to the city. The overall cost of the programme was £130 million. The ECoC generated an additional 1.14 million visitor nights in Liverpool hotels and 1.29 million in the rest of Merseyside and 1.7 million in the rest of the North West. The value of the media profile alone was judged to be in the region of £100 million.

Leicester's UK CoC bid anticipates an uplift during 2017 of 10% visitor spend and an increase in hotel occupancy from 62% to 75%, with occupancy rates remaining above 70% post 2017.

According to the Business Register and Employment Survey (BRES) only 4.3% (compared to a national average of 7%) of employment locally is in the Arts, Entertainment, Recreation and other sectors, accounting for 7,000 jobs. Our ambition is to reach a total of 13,000 jobs in the sector by 2020. Liverpool experienced a growth in creative industries of 8% between 2004 and 2008.

In addition to the economic and social benefits there have been extensive studies, including from Liverpool and Turku in Finland, on the positive impacts that this type of programme has on individual and community wellbeing and civic pride in a place, through volunteering and participation.

#### **4.5. Funding and sponsorship**

The bid development costs of £100k have been met by Leicester City Council, Leicestershire County Council, De Montfort University and the University of Leicester. Support in kind has also been provided from a large number of organisations, with many key stakeholders spending one or more days a week leading aspects of work associated with the bid. This momentum has been critical to the successful development to date with strong and committed partnership relationships in place across these organisations, all determined that Leicester should win the title in 2017.

The Department for Culture, Media and Sport's guidance for UK City of Culture suggests that around £10m of funding above a Local Authority's baseline budget for culture would be needed to deliver the artistic programme. Leicester's cultural and artistic programme for UK

City of Culture is therefore predicated on a budget of £10m, over and above the Council's current spending.

This figure includes some capital costs specific to the City of Culture bid. These are not expected to exceed £0.5m out of the £10m because of the substantial capital investment in the City's cultural facilities and public realm, both in recent years and currently underway and planned.

An additional £2m of associated delivery costs will also be required.

These costs are over the four year lifetime of the programme (2014/15 to 2017/18) with the majority of budget allocated to 2017.

Whilst the Department for Culture, Media and Sport require that that the budget for UK City of Culture is underwritten by the Council, significant contributions are expected:

- Arts Council England has confirmed that they will commit in principle £3m to the artistic programme from a successful English city. This would apply to Leicester.
- The programme budget reflects in kind contributions from national cultural agencies that would bring their programmes to Leicester during 2017 in the same way that the Turner Prize has been held in Derry-Londonderry this year.
- The Universities have indicated financial support and are being encouraged to be main partners rather than sponsors.
- Other funding may be secured.
- A prudent target has been set for business sponsorship.

On September 13 Leicestershire County Council's cabinet will consider the following decision:

*That a contribution from the County Council be offered to underwrite a proportion of up to £2 million of additional investment to support a successful bid and specifically to support the complementary cultural activity in the county, thereby to maximise economic and other benefits for Leicestershire.*

Therefore whilst the Council proposes to underwrite £10m, its actual financial contribution could be significantly less once external contributions are received.

The figure for business sponsorship is deliberately cautious based on the experience of Derry-Londonderry and local experience in the current financial climate. In addition to sponsorship, the business community will be encouraged to offer "in kind" support.

#### **4.6. Delivery and Governance**

The UK CoC programme will be established with a governance model which draws on the experience of Liverpool and Derry-Londonderry and which has responsibility for overall leadership of the programme. The likely delivery model is an arms-length partnership with a management board. The final structure will be finalised and established once a decision on the bid has been taken by the DCMS, with appropriate legal advice from the Council's lawyers.



## **5. Details of Scrutiny**

On 17 April 2013 the Director of Culture and Neighbourhoods reported on the progress of Leicester's bid for the UK City of Culture 2017 to the Economic Development, Culture and Tourism Scrutiny Commission and the Heritage, Culture, Leisure and Sport Scrutiny Commission. This included Scrutiny into aspects of Leicester's first stage bid and consideration of the guidance manual issued by the Department for Culture, Media and Sport.

A verbal update on progress in bidding for UK City of Culture was provided to the Heritage, Culture, Leisure and Sport Scrutiny commission on 1 July 2013 by the Head of Arts and Museums and the bid writers.

On 22 August 2013 a presentation on progress and approach in bidding to be UK City of Culture 2017 was given by the Director of Culture and Neighbourhood Services to Overview Select Committee.

On 10 September 2013 this report was scrutinised by the Heritage, Culture, Leisure and Sport Scrutiny Commission. The Commission supported the submission of Leicester's bid.

## **6. Background information and other papers:**

There are none.

## **7. Summary of appendices:**

Appendix 1: Summary of Leicester's stage 1 bid.

## **8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?**

No.

## **9. Is this a "key decision"?**

Not applicable.