

Committee(s)	Dated:
Culture, Heritage and Libraries	23/09/2015
Subject: City of London Festival	Public
Report of: Director of Culture, Heritage & Libraries	For Information

Summary

Following discussions over the summer, delegated authority has been exercised as agreed by your committee on 13 July 2015 to confirm an allocation of £355,825 to the City Arts Trust, for delivery of the 2016 City of London Festival. This approval is subject to some changes to improve communication between the Trust and the Committee, and on the understanding that a more radical review of options may be exercised if financial sustainability, as well as artistic success, is not demonstrated. The Chairman of the Trust is keen to continue and there is broad support for the value of the Festival as a part of the Corporation's cultural offer.

Recommendation(s)

Members are asked to:

- Note the report, with the expectation that further reports will be brought during 2015-16 with updates on progress

Main Report

Background

1. The Culture, Heritage & Libraries Committee has responsibility for awarding City funding to the City Arts Trust, the separate charity which manages the City of London Festival, and for ensuring that the Festival's annual programme and outcomes are in line with corporate expectations. The Committee's budget for 2016 includes provision for a grant of £355,825 to the Trust.
2. Financial problems arising from a deficit of £170K on the 2014 Festival have been discussed at earlier meetings this year and some rescheduling of the payment cycle for the 2015 grant was agreed, to help cashflow. It was further agreed that a decision on the 2016 grant would be deferred from January 2015 (when it would normally have been approved) pending the outcome of the 2015 Festival. At the July Committee meeting, the decision on the 2016 grant was delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman, "based on confirmation of the robustness of the financial position and an assessment of the 2016 budget plans". The minutes for July 2015 noted the suggestion made in discussion that a workshop be held over the summer and that a further report be brought to September Committee.

Current Position

3. The artistic success of the 2015 Festival, with a number of sold-out performances, was noted at the July Committee meeting. The financial outcome is a deficit of £12,819, so a considerable improvement on the 2014 result, although still a deficit. The Director of the Festival, Paul Gudgin, decided to leave at the end of the 2015 season so there is now a vacancy for that post if the Festival is to continue in its current form

Options

4. A number of meetings were held during August, as recommended, to explore options going forward. As well as your Chairman, Deputy Chairman and Director, these involved the Chairman of the City Arts Trust, the Chamberlain, and the Managing Director of the Barbican Centre.
5. Michael Hofmann, the Chairman of the Trust, is keen to continue the work of the Trust and the Festival while recognising the difficulties of recent years. He has presented an outline plan for 2016 which he believes will return the Festival to a position of ongoing financial sustainability. This will depend on his being able to recruit a new Director, to carry out the planning and delivery for 2016.
6. Various alternative possibilities have been considered during discussions over the summer, including that of greater involvement by the Barbican Centre (who already provide box office functions for the Festival). The preferred option at the present time is that the Festival should be allowed to continue in its current model of operation, under the management of the City Arts Trust, but with the recognition that demonstrated financial stability as well as artistic quality will be essential if this model (and the City's grant) is to continue into future years.

Proposals

7. Taking all these things into consideration, the Town Clerk in consultation with the Chairman and Deputy Chairman have exercised their delegated authority and have confirmed the 2016 grant of £355,825 to the City Arts Trust (this comprises a core grant of £274,725 plus £81,100 for free events and a winter series). As a condition of this, the Trust is being asked that the Deputy Chairman of the Culture, Heritage & Libraries Committee (as well as the Chairman) should become a Trust Board member, and that more regular communication will take place at officer level between the Trust and the Corporation so that plans and progress can be better tracked.
8. It will be understood by the Trust that the Committee will need to monitor the financial as well as the artistic success of the 2016 Festival and that the situation will be reviewed before any commitments are made for 2017. The Committee may wish to undertake a more radical review of alternative possibilities, depending on developments.
9. It may also be noted that the Finance Committee has requested an update report on the cashflow situation of the Festival, with particular reference to the Bowler Hat loan which that Committee approved in 2014. This will be presented to their November 2015 meeting.

Corporate & Strategic Implications

10. It is broadly recognised that the Festival adds something distinctive and valued to the overall cultural offer of the City, by enlivening venues across the Square Mile, and that in raising over 60% of its income from sponsorship and ticket sales, it has a good ratio of City grant to externally raised income. It supports the aims of the Cultural Strategy and contributes to Key Policy Priority 5 of the Corporate Plan, to increase the outreach and impact of the City's cultural, heritage and leisure contribution to the life of London and the nation.

Conclusion

11. During the last two years, the Festival has undergone a period of considerable change and experimentation, which has brought mixed success. The resignation of the recent Director creates something of a watershed moment to assess options for the future. The current Chairman of the Trust believes strongly in its ongoing sustainability, subject to what is needed by way of recruitment and ongoing City funding, and there continues to be much support for the Festival as an important part of the Square Mile's cultural offer. As plans for the cultural hub mature, the Festival may become a significant adjunct to the programmes delivered there. It will be important to build on the closer links between the Committee and the Trust which have been established in recent discussions so as to shape sound plans for the future.

Appendices

- None

Background Papers

City of London Festival 2016 grant, report to the Culture, Heritage & Libraries Committee, July 2015

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