

DECISION-MAKER:	CABINET
SUBJECT:	BUDGET MATTERS GRANT FUNDING FOR SOUTHAMPTON CULTURE TRUST
DATE OF DECISION:	14 MARCH 2023
REPORT OF:	COUNCILLOR KAUR LEADER

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director – Corporate Services Executive Director - Place	
	Name:	Mel Creighton Adam Wilkinson	Tel:
	E-mail:	mel.creighton@southampton.gov.uk adam.wilkinson@southampton.gov.uk	
Author:	Title	Head of Culture & Tourism Finance Business Partner	
	Name:	Carolyn Abel Vicki Remsbery	Tel:
	E-mail:	carolyn.abel@southampton.gov.uk vicki.remsbery@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
N/A	
BRIEF SUMMARY	
<p>The purpose of this report is to set out Southampton City Council's funding arrangements with Southampton Cultural Trust with the recommendation to approve the award of grant funding to the Trust.</p> <p>Southampton Culture Trust has been set up to build upon the momentum achieved through the UK City of Culture 2025 bid and provide strategic place-based leadership for culture, festivals and events and destination and attract inward investment.</p>	
RECOMMENDATIONS:	
(i)	To approve the award of grant funding of £0.07M in 2022/23, £0.35M in 2023/24, £0.044M in 2024/25 and £0.40M in 2025/26 towards the operation of the Southampton Culture Trust as per the allocations in the Council approved budget report and detailed in paragraph 12.
(ii)	To delegate authority to the Head of Culture & Tourism to conclude the grant funding arrangements with the Trust as per paragraph 12.
(ii)	To approve a £50k contribution to the Trust to carry out a Tourism audit and action plan as per paragraph 12.

REASONS FOR REPORT RECOMMENDATIONS

1. The Council's Corporate Plan 2022-2030 and its strategic plans alongside those of those of stakeholders such as Solent LEP's 2050 Vision committed to establish and help fund the Culture Trust. This investment unlocks economic, social and environmental benefits for the city and a multitude of stakeholders. The Corporate Plan states:
Become a destination place to be proud of that puts Southampton on the map, encouraging more visitors to visit, enjoy and spend within Southampton:
 - *Support Southampton's Cultural Trust to help deliver the Cultural Strategy, Destination Management Plan, and Festival and Events Strategy to grow our citywide destination aspirations and increase visitor numbers*
 - *Maximise economic and social benefits by working with partners to build on the legacy of being finalists in the City of Culture 2025 bid. Invest in Southampton's heritage, helping to tell Southampton's story.**Alongside:*
 - *Work to make sure Southampton gets its faire share of resources, securing more external funding*The requirement for this investment was recognised in the 23/24 budget report, agreed at Full Council on the 22/2/2023.
2. To capitalise on the momentum achieved for the city and wider region by becoming the first city in the south to reach the finals in the UK City of Culture competition, and to realise current and future investments which to date (12 months since the bid submission) have secured £15.3m, reflecting the benefits and opportunities secured by previous bidding cities such as Plymouth and Sunderland.
3. A key part of developing and implementing this strategy is to formulate a tourism audit and action plan to increase the number of tourists and spend in the city from the 2019 baseline for visitor spend (£422m), visitors (8.273m) and jobs (10,800). Tourism and hospitality are growth industries for Southampton and it is vital we harness the economic, social and cultural benefits for the city.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4. Not to award the grant to the Trust – rejected
The Culture Trust with the continued investment of its founding partners (SCC, University of Southampton, Solent University and GO! Southampton Paris Smith LLP and Mayflower Theatre Trust) and track record of delivery is best positioned to deliver on the city-region ambitions. The Trust has already secured £1.57M from Arts Council England (ACE) to match the funding of the Council and partners and been part of creating the environment in which Southampton is benefiting from an additional investment of £15.3m to date, with opportunities to attract more investment to benefit residents, businesses and wider stakeholders. This £15.3m would be at risk if grant was not awarded to the trust.
5. Invest Council resources in another third-party organisation – rejected
As no existing organisation fulfils the city-region role in this arena; has the financial matrix of funding; support from strategic partners; and the ability to unlock further investment from a range of sources. Led by the Culture Trust, conversations are already underway with third parties for significant long-term investment in Southampton that will lead to positive economic, social and cultural outcomes.

6.	<p>Retain the funding within the Council – rejected</p> <p>The Culture Trust is best positioned as an entrepreneurial and collaborative arms-length organisation with its co-investors and extensive relationships to deliver on the ambitions of the city and the region especially in the current pressing financial environment. The Culture Trust is in a better position to lever in more funding into the city with other organisations funding them and the track record with ACE.</p>
DETAIL (Including consultation carried out)	
7.	<p>A requirement of the UK City of Culture competition was to develop a ‘Plan B’ scenario if the title was won by another finalist. This was developed for the bid document and signed off by the Council’s Executive and Members as well as the Culture Trust’s Board of Trustees.</p>
8.	<p>Plan B involved the founding partners (SCC, University of Southampton, Solent University and GO! Southampton) investing in Southampton Culture Trust so that it would become a viable entity to deliver on culture, festivals & events and destination, and realise the economic, social and cultural ambitions of the city and the region.</p>
9.	<p>This formed the basis for an ACE Place application by the Culture Trust, drawing upon key programmes developed for the UK City of Culture bid, albeit at a different scale and pace. This programme was built on the extensive public consultation undertaken in the development of the bid with stakeholders across the city and the region. Confirmation of the successful ACE bid was announced in January 2023, ahead of the Culture Conference in February 2023.</p>
10.	<p>The Culture Trust is currently focused on going live from 1 April 2023. This includes the awarding of the Council’s grant as match fund to draw down the investment from ACE and the other partners (SCC, University of Southampton, Solent University, GO! Southampton and Mayflower Theatre) to sustain the Culture Trust over the next three years and beyond.</p>
11.	<p>The grant unlocks and attracts current and future external investment in Southampton to support economic growth, development and regeneration of the destination and tourism, delivering initiatives around mental health and social isolation and growing local talent to meet the needs of the city. Businesses and stakeholders identify this as critical to supporting recruitment to jobs and universities, attracting new businesses and helping to maximise tourism spend including cruise passengers. This investment aligns to the Council’s Corporate Plan, Economic Strategy, Cultural Strategy, Destination Management Plan, Festivals and Events Strategy as well as the strategies of partners including Solent LEP’s 2050 Vision.</p>
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
12.	<p>The 2023/24 Budget and MTFs was approved at Full Council on 22 February 2023, which included £1.2M assumed to fund a grant contribution to Southampton Culture Trust.</p> <p>The current culture budget includes a sum of £50k to be paid to the Trust to commission a Tourism audit and action plan on behalf of the Council and the city.</p>

	<p>This has been included below for transparency and has been included at recommendation 3 above.</p> <p>The grant will be paid over four financial years as set out in table 1 below.</p> <p><u>Table 1</u></p> <table border="1"> <thead> <tr> <th></th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Grant</td> <td>£67,621</td> <td>£345,000</td> <td>£436,156</td> <td>£402,301</td> <td>£1,251,079</td> </tr> <tr> <td>Tourism audit and action plan</td> <td>£50,000</td> <td>£0</td> <td>£0</td> <td>£0</td> <td>£50,000</td> </tr> </tbody> </table> <p>Grant funding will be continually reviewed along with all Council expenditure to ensure a balanced budget is maintained.</p>		2022/23	2023/24	2024/25	2025/26	Total	Grant	£67,621	£345,000	£436,156	£402,301	£1,251,079	Tourism audit and action plan	£50,000	£0	£0	£0	£50,000
	2022/23	2023/24	2024/25	2025/26	Total														
Grant	£67,621	£345,000	£436,156	£402,301	£1,251,079														
Tourism audit and action plan	£50,000	£0	£0	£0	£50,000														
13.	As one of the finalists for City of Culture, the Trust was awarded £0.13M from the Department for Digital, Culture, Media & Sport (DCMS) to be spent in 2022/23. There is an expectation, that the UK City of Culture bid commitment to support a sustainable Southampton Culture Trust will be honoured as part of this funding.																		
14.	The Council's contribution forms part of the match funding, along with other partner contributions, for the ACE funding of £1.57M.																		
15.	The Trust has set a balanced budget to see them through setup and into the initial years of running until the end of 2025/26. This budget will be monitored and updated as the Trust develops to ensure it remains financially viable. This budget will be reported to the Trustees, for which the Council is represented.																		
<u>Property/Other</u>																			
16.	N/A																		
LEGAL IMPLICATIONS																			
<u>Statutory power to undertake proposals in the report:</u>																			
17.	The legal power for the Council to award grants is provided by the Localism Act 2011. Subject to certain statutory restrictions, Section 1 gives the Council 'power to do anything that individuals may do' which includes making grant funding contributions to projects and activities that supports the work of the Council and / or contributes to the wellbeing or benefit of the community or city residents.																		
<u>Other Legal Implications:</u>																			
18.	Localism Act 2011 and S101 Local Government Act 1972																		
RISK MANAGEMENT IMPLICATIONS																			
19.	Not awarding this grant will jeopardise the investment made by Arts Council England directly to the Culture Trust and the financial commitments of the founding partners to sustain the UK City of Culture legacy.																		
20.	Not awarding this grant will jeopardise future investments in Southampton by: (1) negating the opportunities that the Culture Trust has for influencing, attracting and securing a broad range of potential investors to the city (2) undermining the confidence of investors in Southampton's commitment to realising its ambitions and delivering transformational change (3) putting more financial pressure on the Council to direct deliver on these ambitions within the challenging economic environment (4) undermining the willingness of prospective funders to invest in the cultural, creative and other organisations in the city due to a lack commitment																		

	by the Council. This could add to more political, reputational and financial pressure on the Council as organisations look to the Council to find solutions.
21.	Payment of grant funding to the Trust will be made on a quarterly basis to minimise the risk to the authority that payment will be made to fund a going-concern. This will be accompanied by regular review meetings with the CEO and Chair of the Culture Trust, the Head of Culture & Tourism and relevant colleagues.
POLICY FRAMEWORK IMPLICATIONS	
22.	Corporate Plan 2022-2030, Cultural Strategy 2021-2031, Destination Management Plan 2021-2031, Festivals and Events Strategy 2023, Economic Strategy 2021-2031

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	N/A

Documents In Members' Rooms

1.	N/A
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Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
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Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
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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)
1. None	