



Author/Lead Officer of Report: Victoria Penman
(Economic Policy Officer)

Tel: 27(32368)

Report of: *Laraine Manley, Executive Director, Place*

Report to: *Cllr Julie Dore (Leader)*

Date of Decision: *12th April 2017*

Subject: *Doc/Fest grant funding*

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|---|-----|-------------------------------------|----|-------------------------------------|
| Is this a Key Decision? If Yes, reason Key Decision:- | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| - Expenditure and/or savings over £500,000 | | <input type="checkbox"/> | | |
| - Affects 2 or more Wards | | <input type="checkbox"/> | | |
| Which Cabinet Member Portfolio does this relate to? <i>Business and Economy</i> | | | | |
| Which Scrutiny and Policy Development Committee does this relate to? <i>Economic and Environmental Wellbeing</i> | | | | |
| Has an Equality Impact Assessment (EIA) been undertaken? | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| If YES, what EIA reference number has it been given? | | | | |
| Does the report contain confidential or exempt information? | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:- | | | | |
| <ul style="list-style-type: none">The financial appendix is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended). | | | | |

Purpose of Report:

- To inform the Leader of the benefits of the Council's continued sponsorship of Doc/Fest.
- To request approval for the continued sponsorship of Doc/Fest for a further three years, 2017/18-2019/20.
- To request delegated authority for the Director of City Growth (Creative Sheffield) in consultation with the Director of Legal and Governance to enter into a grant agreement with Sheffield Doc/Fest.

Recommendations:

- *That the Leader approves the commitment to fund Doc/Fest as outlined in the Financial Appendix.*
- *That the Director of City Growth (Creative Sheffield) in consultation with the Director of Legal and Governance is granted delegated authority to enter into a grant agreement with Sheffield Doc/Fest.*

Background Papers:

N/A

| Lead Officer to complete:- | |
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| 1 | I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required. |
| | Finance: <i>Chris Nicholson</i> |
| | Legal: <i>Sarah Bennett/ Hannah Greaves</i> |
| | Equalities: <i>Annemarie Johnson</i> |
| <i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i> | |
| 2 | EMT member who approved submission: <i>Laraine Manley</i> |
| 3 | Cabinet Member consulted: <i>Cllr Julie Dore, Leader</i> |
| 4 | I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1. |
| | Lead Officer Name: <i>Victoria Penman</i> |
| | Job Title: <i>Economic Policy Officer</i> |
| Date: <i>6th April 2017</i> | |

1. PROPOSAL

- 1.1 It is proposed that Sheffield City Council should enter into a three year grant agreement to provide funding to Sheffield Doc/Fest. A previous three year agreement to grant fund Sheffield Doc/Fest expired in 2016 and a new agreement is required to continue the sponsorship for a further three years. Full financial details of the agreement are contained in the financial appendix.
- 1.2 Sheffield Doc/Fest is a world leading and the UK's premier documentary festival and conference, celebrating the art and business of documentary and all non-fiction storytelling. 2017 will be its 24th year. Doc/Fest's analysis and our monitoring of hotel bookings demonstrate that it brings over 3,500 delegates to Sheffield each year from around 60 countries to view upwards of 150 documentaries over a six day period, including 27 world premieres. Spread over a proposed 30 venues, it provides a valuable contribution to Sheffield's cultural offer (audience figures included almost 30,000 members of the public last year in addition to the delegates) and national and international reputation. The festival includes a marketplace (the MeetMarket) where typically over £7,000,000 of deals are done, and Sheffield Doc/Fest also has a year-round programme of training, workshops, mentoring and networking as well as internships and volunteering opportunities for young people.
- 1.3 Sponsorship of the event is legally discretionary. Funding will support Sheffield Doc/Fest to maintain a programme of international significance, in an environment of reduced funding from national bodies such as UK Film Council etc and uncertainty in the context of Brexit. It will support Sheffield Doc/Fest to unlock further funding from outside the UK to directly benefit local filmmakers and audiences, as well as providing the resources to secure commercial funding.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The proposal contributes to the Strong Economy theme of the Corporate Plan. Sponsoring Doc/Fest ensures that the festival, which brings in over £1.2m delegate spend per year to the city (with a target to increase spend to £1,750,000 by 2019/20), takes place.
- 2.2 In addition to the delegate spend, the Council's sponsorship contributes to Sheffield Doc/Fest's ability to develop its programme so that the festival continues to maintain and develop its international standing.
- 2.3 Hosting the festival adds to the city's reputation as a cultural and creative destination, enhancing its appeal both to visitors, businesses and those who may wish to move to Sheffield to work. This is in line with our Economic

Strategy and aims to make Sheffield a 'magnet city'.

- 2.4 Doc/Fest is Sheffield's largest and most high profile conference, and is used as a showcase to encourage other conferences to come to Sheffield. From 2017 onwards, additional work is taking place with Doc/Fest to maximise the marketing opportunities and promotion of Sheffield through linking in with Welcome to Sheffield branding. Increased PR activity is also proposed to bring relevant conference and trade press into Sheffield.
- 2.5 As well as contributing to the city's economic well-being, the sponsorship of the festival provides direct benefits to Sheffield residents. Public audience figures for 2016 were 29,235, and the proposed grant funding will support Sheffield Doc/Fest to increase this to a targeted 34,000 by 2019. An outreach programme takes documentaries to communities which might not otherwise have the opportunity to engage with the festival (see section 4.1.1.)
- 2.6 Providing a three year agreement ensures both that the festival is held in Sheffield annually for that period, and that the festival organisers are in a position to plan ahead and develop the festival. 2018 will be the 25th anniversary of Doc/Fest and there are significant opportunities to capitalise on this to maximise financial benefit, promote Sheffield and expand the cultural offer.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 There are no requirements to consult on sponsorship decisions and there has been no consultation. Doc/Fest are proposing to research audience preferences to enable them to increase inclusion over the three year period.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 There are no negative equality implications of the decision. Doc/Fest are proposing to conduct audience research to try to enable them to increase their reach and inclusivity within the city. They have targets to increase their BME and LGBT industry delegate representation by 1% point each and disabled delegates by 2% points, and to increase the number of countries represented by delegates by four countries. Outreach activities took place in 2016 to target people from areas of Sheffield with high BAME populations to help audiences who might be less likely to engage with the Festival to take part. A similar programme of outreach to groups who are less likely to engage will be continued.

4.2 Financial and Commercial Implications

4.2.1 The recommended option will have financial implications for the financial years 2017/18-2019/20, as outlined in the financial appendix. The monies for 2017/18 are already allocated within the Major Events budget, and will continue to be found from this budget.

4.2.2 Commercial Services have confirmed that a grant is exempt from standing orders if it does not result in the provision of services on behalf of the Council, which is the case for this grant.

4.3 Legal Implications

4.3.1 Encouraging the continuance of Doc/Fest accords with the provisions of the Council's Sustainable Community Strategy (the Sheffield City Strategy) prepared pursuant to Section 4 of the Local Government Act 2000. One of the key ambitions of the City Strategy is that Sheffield should be a "vibrant" city, "celebrating the diversity, creativity, energy and innovation in Sheffield and ensuring that the City continues to be an international destination of choice, offering the highest quality cultural, shipping and sporting activities."

4.3.2 If the Leader wishes to accept the proposals in this report she may do so relying on section 145 of the Local Government Act 1972, which gives the Council the power to do or contribute towards the expenses of doing anything necessary or expedient for the provision of an entertainment.

4.3.3 To the extent the proposals are not covered in this piece of legislation, power to proceed is also provided through the General Power of Competence in Part 1 of the Localism Act 2011.

4.3.4 In any decision of this nature, the Council must consider the State Aid rules and whether these may be engaged. Analysis suggests that the test for unlawful use of State funding is not met in this case.

4.3.5 A grant agreement has been drafted and will be signed by both parties. Under this agreement SCC retains the right to suspend or terminate payments should this become necessary.

4.4 Other Implications

4.4.1 There is a risk that Sheffield Doc/Fest fails to meet its aims and objectives or key performance indicators. Marketing Sheffield will mitigate this risk by monitoring Sheffield Doc/Fest, and more stringent performance management is being introduced from 2017. Provision is made for terminating the agreement should the targets and objectives fail to be achieved.

4.4.2 There are no other direct implications or significant risks. The grant agreement requires Sheffield Doc/Fest to take out appropriate insurance.

5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 Alternative option 1 – Do nothing.

Providing no sponsorship for Doc/Fest would be likely to result in the permanent withdrawal of Doc/Fest from Sheffield or, at best, a significant reduction in the quality and breadth of the event, risking its international reputation and/or future relocation to an alternative city. This would be likely to mean the approximate £1,260,000 (minimum) delegate spend per year would be lost to the city, and would also have the effect of reducing the city's profile and reputation within the creative community inside and outside of Sheffield. As the conference is the city's largest conference, maintaining presence and scale is important for PR purposes.

5.2 Alternative option 2 – Enter into a grant agreement for a period of one year

Annual grant arrangements would limit Sheffield Doc/Fest's ability to develop their programme in line with their three year strategy. A single year agreement would be likely to require a higher level of grant funding to achieve the same outcomes and so a higher cost over the three year period. A single year grant arrangement would risk Sheffield's opportunity to host the festival during its 25th anniversary year in 2018.

6. REASONS FOR RECOMMENDATIONS

6.1 It is recommended that Sheffield Doc/Fest should receive a grant for three years, as outlined in the financial appendix and that the Director of City Growth (Creative Sheffield), in consultation with the Director of Legal and Governance, is granted delegated authority to enter into a grant agreement with Sheffield Doc/Fest.

6.2 Providing a three year fixed grant provides both Sheffield Doc/Fest and Marketing Sheffield with certainty that the festival can continue in Sheffield and develop its programme and reputation over the time period. It allows Sheffield to continue to benefit from the wide range of economic and other benefits described in section two.

6.3 The proposed outcomes of the funding are to contribute to Sheffield's economy and status as a cultural and conference destination through assisting Sheffield Doc/Fest in delivering its strategy to:

- Become a world leading A list documentary film festival known for all game-changing non-fiction, all durations, all platforms
- Continue to grow the Doc/Fest film and alternative realities funding markets into the most successful in the world, with idea to screen tracking and messaging
- Increase its general public audience to 31,000 by 2018, with a stand out reputation for inclusiveness and outreach
- Discover, nurture and celebrate diverse new and emerging talent

- Continue to significantly contribute to the local economy, including creating further activities for delegates and public audiences to engage with business and cultural activities.