

CABINET

ITEM OF URGENT BUSINESS

2008 Maritime Festival Urgent Business Decision

Report of the Head of Cultural Services

PURPOSE OF REPORT				
To seek Cabinet's approval to address a deficit identified in organising the 2008 Maritime Festival.				
Key Decision		Non-Key Decision	X	Referral from Officers
This report is public				

RECOMMENDATIONS

(1) That consideration is given to the options available.

1.0. Background

- 1.1 In 2004/5 as part of its deliberations on the Council's Medium Term Financial Strategy, Cabinet reviewed the former Arts & Events Service's Festivals Programme. Cabinet resolved (minute 83 [04/05]) refers;-
- (1) *That a Festivals Innovation Fund of £10,000 in 2005 be established to be targeted at facilitating small - scale events and festivals in Morecambe to support tourism and that the events and festivals be developed by the private sector or community organisations.*
 - (2) *That the Festivals Innovation Fund from 2006 onwards be increased to £20,000 and be available across the whole District.*
 - (3) *That the existing budget for Community Festivals be increased from £6,000 to £10,000.*
 - (4) *That the Maritime Festival planned for Easter 2005 run as planned but be integrated with the Sea Britain Festival Programme celebrating the bicentenary of the Battle of Trafalgar.*

- (5) *That from 2005 onwards, the core festival and events programme consists of: -*
- *The Punk Festival;*
 - *The Heritage Gala;*
 - *Lancaster Fireworks Spectacular;*
 - *The Jazz Festival;*

subject to an annual review in September each year.

- (6) *That the subsidy for the Programme of guided walks be withdrawn.*
- (7) *That charges be introduced for the Lunchtime Concerts at a level to be agreed in the budget process with the aim of significantly reducing the level of subsidy.*
- (8) *That the Festivals Marketing Budget be reduced from £15,800 to £12,000.*
- (9) *That staffing levels required to run the revised programme be reviewed and a further report be brought back to a future meeting of Cabinet.*
- (10) *That the Revenue Budget and budget projection be updated.*

1.2 The Festival Innovations Fund has proved successful in that it has led to a number of new events within the District, such as;- Jazz in the Park, Step into the past, Nice 'N' Sleazy, Heritage Gala Weekend, Catch the Wind - Kite Festival, Hurdy Gurdy, Tutti Frutti, and One Planet. Although not a directly funded Council event, the 2006 Maritime Festival was undertaken by a partnership of various interests (commercial, voluntary and public) who secured contributions from various grant awarding bodies and sponsors, including a contribution from Lancaster City Council's Festivals Innovation Fund.

1.3 During 2006 the City Council continued to actively seek other potential event organisers to take a more significant role in introducing and staging events within the District. Part of the reasoning, by those organising a 2007 Maritime event, for relocating to Glasson Dock was that a number of the external funders, sponsors and organisers had an association with Glasson Dock and as such a rationale for aligning with the 2007 Glasson Maritime Weekend. On that basis the 2007 Glasson Maritime Weekend was eligible for and received support via the City Council's Festivals Innovation Fund.

1.4 The expenditure on the 2007 Maritime Festival was in the region of £30,000. It covered its cost on the basis of a range of income streams including;- contributions from sponsors, various funding applications (including a contribution from the City Council's Festivals Innovations Fund), and charged entry to some of the events. No application in respect of a 2008 Maritime Festival was received as part of the 2008/2009 Festivals Innovation Fund (FIF).

2.0 Current position

2.1 In late 2007 Cultural Services was approached by a potential "sponsor" who enquired about staging a 2008 Maritime Festival. The sponsor was Seatruck Ferries based in Heysham, who were interested in raising their company profile via such an event. Following discussions over a period of weeks, just prior to Christmas Seatruck Ferries confirmed an offer of significant sponsorship towards staging a Maritime Festival in 2008, based in and around Glasson Dock. On the basis of the above, with effect from the New Year the Festivals and Events Team within Cultural Services set about organising a 2008 Maritime Festival.

2.2 With hindsight the short lead in period to organising a 2008 Maritime Festival has proved problematic particularly with the Easter weekend falling so early in 2008 (21st to the 24th March). Regrettably, although the 2008 Maritime Festival benefited from the single largest commercial sponsorship ever to any of the Council's events programme, via Seatruck Ferries, external income cannot cover the expenditure. Having scrutinised the expenditure and income and made significant reductions and adjustments to both, budgeted expenditure and income to-date for the 2008 Maritime Festival stand at £31,867 and £21,620 respectively, representing a current deficit of £10,247. Although there are outstanding sponsorship and funding requests, as well as donations, at this stage within what was a very short timescale to organise the 2008 event, the receipt of any further significant support funding is unlikely. A number of potential sponsors and external funders advise that although they have previously supported the event, based on earlier press report that the event was not going to be organised they have directed their marketing and sponsorship to other projects.

3.0 Options

3.1 Following from the above Cultural Services has investigated a range of options, ranging from;-

- A. Organising the 2008 Maritime Festival to a reduced net budget (based only on the income generated).
- B. Cancelling the event.
- C. Seeking approval, via Cabinet, for the event to go ahead with funding being found from other budgets.

3.2 Option A. As stated in paragraph 2.2 above the expenditure and income have already been scrutinised and significant reductions and adjustments made to both. It is not expected that the deficit can be reduced significantly further. This is therefore not an option that can be taken forward.

3.3 Option B. Although the event could be cancelled there would be repercussions both financially and reputationally. Much of the expenditure is contractually committed and not staging the event would lead to a loss of income (including sponsorships and donations, etc). At this late stage, cancellation of the event is potentially more expensive than holding the event. However, there would be a freeing up of officer time that could be spent on other activities.

3.4 Option C. Seeking approval, via Cabinet, for the event to go ahead with funding being found from alternative budgets, as set out in the Financial Implications section below. This would clearly result in the Council incurring extra net costs in holding the event, but would help avoid reputational repercussions and maximise external sponsorship to provide a Festival over the Easter weekend.

4.0 Officer Preferred Option (and comments)

4.1 Officers' preferred option is Option C as set out in paragraph 3.4 above.

5.0 Conclusion

5.1 In light of the circumstances arising from this report the matter is the subject of an investigation to establish how the situation arose.

RELATIONSHIP TO POLICY FRAMEWORK

The proposal supports the following Corporate Priority;-

To promote and encourage Tourism within the District.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability etc)

There are no direct implications as a result of this report.

FINANCIAL IMPLICATIONS

For option B, given timescales the exact implications cannot be quantified but in view of the current position it is likely that this could cost more than option C, but without actually staging the event.

For Option C, the report identifies that approximately £10,200 is needed in order to fund the estimated deficit for the event. As part of reviewing this year's budgets, a potential saving of around £10K on Member Training was identified in the current year, but not actually taken. Should Members support Option C, it is proposed that this be used as the initial source of funding. From now until closure of accounts, however, other savings opportunities within Cultural Services would be explored, to help offset the costs associated with the event.

SECTION 151 OFFICER'S COMMENTS

As highlighted in the conclusion, this matter is subject to an investigation, and this will cover all related financial aspects.

At this stage, therefore, the Section 151 Officer has considered only the financial implications of the options put forward and on these, she has no further comments to add.

LEGAL IMPLICATIONS

In the case of options A and C there are no legal implications identified. However should option B be recommended there is the potential for claims against the Council for breach of contract, but there is insufficient information to give a detailed response to this situation.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer would anticipate that the investigation will cover any contractual or legality issues, and on that basis has no further comments on the options put forward in this report.

BACKGROUND PAPERS

2008 Maritime Festival File

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