

Bath & North East Somerset Council

DECISION MAKER:	Cllr Francine Haerberling, Leader of the Council	
DECISION DATE:	On or after 26 th February 2011	EXECUTIVE FORWARD PLAN REFERENCE: E 2171
TITLE:	Bath Festivals: Contract for Services 2011-2014	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
1. Bath Festivals, Contract for Services 2011-2014		

1 THE ISSUE

1.1 A new contract for the three years 2011-2014 for services to be delivered by Bath Festivals is to be agreed. The contract is managed and monitored by the Council's Senior Arts Development Officer. The contract is attached as Appendix 1 to this report.

1.2 Services to be delivered by Bath Festivals comprise:

Bath International Music Festival

- including varied programme of high quality events with a wide range of appeal, participatory events and activities, and events and projects for and with young people;

Bath Literature Festival

- including varied programme of high quality events with a wide range of appeal, participatory events and activities, and events and projects for and with young people;

Year-round Education programme

- for both these festivals, and advocacy and leadership for joint education activity between local cultural organisations.

2 RECOMMENDATION

The Cabinet member is asked to agree that:

2.1 The Council awards a three-year contract to Bath Festivals for the financial years 2011-2014 for delivery of the services specified in the contract.

3 FINANCIAL IMPLICATIONS

3.1 The Council's budget provides for support to Bath Festivals in each of the three years as follows:

Contract fee:

2011-12 £221,000 per annum

2012-13 £201,000 per annum

2013-14 £151,000 per annum

Members will note that the fee reduces in year 2 and again in year 3. Bath Festivals has planned for this decrease, and has assured officers that the specified services can be delivered within the contract fee.

The continuation of the contract, and the fee in each year, is subject to satisfactory performance by the contractor, and is agreed following the setting of the Council budget for the year.

Additional benefits from the Council:

Payment of rent for occupation of Council-owned office premises: £25,000 per annum

Value of discount provided for room hires in Council-owned buildings: £16,000 per annum

These amounts are subject to review as part of the Council's budget process and may vary.

The Council may also and at its discretion and subject to available resources, pay an additional amount to Bath Festivals for additional work that the Council may require it to deliver.

The total value of the support provided each year will therefore total:

2011-12 £262,000 per annum

2012-13 £242,000 per annum

2013-14 £192,000 per annum

This amount is allocated within the Arts Development budget for 2011-12 and provisionally for the two years 2012-13 and for 2013-14, subject to the annual budget setting process.

4 CORPORATE PRIORITIES

The contracted services to be delivered by Bath Festivals make a significant contribution to our Vision:

“to make the authority a distinctive place – outstanding built and natural environment, dynamic economy, connectivity, world class arts and culture”

The services also contribute to the following Corporate Priorities which help to “Make Bath & North East Somerset an even better place to live, work and visit”:

- *Building communities where people feel safe and secure*
Contributing significantly to the cultural and artistic life of the city and surrounding area, ensuring that the district continues to attract people to live and work here and that Bath’s reputation as a visitor destination is enhanced.
- *Promoting the independence of older people*
Providing opportunity for older people to work as volunteers. Total volunteers in 2009-10 = 1,824, of whom the majority were older people.
- *Improving life chances of disadvantaged teenagers and young people*
Delivering a year-round education programme with local schools, which has included targeted projects with ‘hard to reach’ young people. Schools worked with in 2009-10 = 17. Number of children & young people worked with in 2009-10 = 1,069.
- *Sustainable growth*
Contributing significantly to the local economy, generating £534,500 in 2009-10 from sponsorship and external funding. Attendances at Bath Festivals’ festivals and events in 2009-10 = 52,382 (7% increase on previous year).
Bath Area Cultural Forum commissioned an independent study from the University of Bath in 2009-10, examining the economic impact of arts and cultural organisations. The report indicates that in 2009, customers of the Bath International Music Festival and Bath Literature Festival spent in excess of £755,000 in the locality, with a multiplier effect equating to a further £1.88m of additional spending in the local economy.
- *Improving transport and the public realm*
The Bath International Music Festival in particular makes use of Bath city centre for live music performance on the ‘Party in the City’ opening night. This enhances the use of our public spaces and encourages residents and visitors to explore and participate in an evening of outdoor musical celebration.

5 THE REPORT

- 5.1 This report recommends the award of a three-year contract 2011-2014 to Bath Festivals for the delivery of the services specified in the contract (Appendix 1 refers).
- 5.2 Bath Festivals is a company limited by guarantee and a registered Charity and accordingly its Board of Directors acts in compliance with Company law and Charity law.
- 5.3 The organisation’s current Business Plan was adopted by the Board in 2010 and is updated annually (most recently in January 2011), a copy being supplied to the Divisional Director for Tourism Leisure & Culture. The Board acts with good governance and has an up-to-date risk assessment and management document which is reviewed quarterly at Board meetings.
- 5.4 Bath Festivals is a tenant of the Council and occupies the top floor of Abbey Chambers. The organisation is a key contributor to the ‘mix’ of arts and cultural organisations in this building, a focus for activity which includes Bath Tourism

Plus, the City Centre Manager, and the Council's Arts Development team and Film Office.

Performance monitoring

- 5.5 The previous contract ran for two years 2009-2011. It has been managed through a rigorous performance management regime of monthly contract monitoring meetings and an annual review attended by the Cabinet Member and the Divisional Director for Tourism Leisure & Culture. The performance of Bath Festivals against the contract service targets has been satisfactory, and indeed has shown significant improvement and development over the past two years. It is proposed that the same monitoring procedures are continued for the duration of the new contract period 2011-2014.
- 5.6 In addition to the monitoring described above (5.5), representatives of Bath Festivals have made presentations to meetings of the Enterprise & Economic Development Overview & Scrutiny Panel on several occasions (most recently 9 November 2010), and Council officers observe at all Board meetings.

Consultation with key stakeholders

- 5.7 In the process of preparation for this contract, officers have consulted in detail with two key stakeholders.

Arts Council England is the main public funder of Bath Festivals, other than the Council. In 2010-11 a total of £204,316 was invested, and £190,218 is confirmed for 2011-12. Officers from Arts Council England south-west office attend the annual contract review meeting and also conduct their own annual review process. Arts Council England recognises Bath Festivals as an important cultural organisation in the SW region and also nationally. Significant investment by Arts Council England is normally subject to continued commitment by the local authority.

Future Bath Plus is a public/private sector partnership company set up by the Council and the local business community to address city centre improvement. Whilst the focus of Future Bath Plus is on issues such as street cleansing, managing anti-social behaviour, and working with local businesses, it also has a wider interest in promoting the city as a desirable tourist and visitor destination and consequently works in partnership with Bath Tourism Plus and Bath Festivals to promote cultural activity in the city.

Both Arts Council England and Future Bath Plus have had the opportunity to study drafts of this contract and to submit their comments.

- 5.8 Bath Festivals' Board, Bath & North East Somerset Council, Arts Council England, and Future Bath Plus are unanimously and jointly committed to developing and improving arts and cultural activity in Bath and North East Somerset, and to achieving positive benefits and outcomes for residents from this investment. Bath Festivals therefore has a strong basis of support and expertise on which to build.

Assessment of past performance: 2009-2011 contract

- 5.9 Throughout the duration of the 2009-2011 contract, Bath Festivals worked with Bath Tourism Plus to identify how increased benefits to customers could be delivered through joint working between the organisations. Improvements have included the development of the Bath Festivals 'what's on' website

<http://www.bathfestivals.org.uk/whatson> which links directly to the Visit Bath website, and *vice versa*, so that customers can see the whole range of entertainment, festivals and arts activities on offer in the district and book their tickets online.

5.10 The comprehensive 'what's on' listings also ensure promotion and visibility for the 70-plus arts and cultural organisations which are members of Bath Area Cultural Forum. Bath Area Cultural Forum is a membership group whose purpose is to champion and advocate for culture and cultural development in Bath and North East Somerset. Its membership is enthusiastic and committed to using its collective knowledge and expertise and to working with the Council to improve and develop the cultural offer in the district. Bath Festivals provides some administrative support for Bath Area Cultural Forum.

5.11 Overall, Bath Festivals has made very substantial improvement in its performance over the past two years, and in 2010 appointed Jane Drabble as Chair and Belinda Kidd as Chief Executive.

Recommendation

5.12 Officers therefore advise that the Council awards a three-year contract to Bath Festivals for the financial years 2011-2014 for delivery of the services specified in the contract.

6 RISK MANAGEMENT

6.1 The report author and Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance.

6.2 See section 9 below for further discussion of risk assessment for this report.

7 EQUALITIES

7.1 Bath Festivals is required to demonstrate that it: has a current and relevant equal opportunities policy; meets the aims of the Council's Sustainable Community Strategy; has in place effective marketing and promotion for its services so that wide participation is achieved; and monitors and evaluates its services so that their reach and impact can be measured.

7.2 Bath Festivals is continuously assessed on the degree to which it successfully demonstrates that it will widen participation in the arts and provide opportunity for people to engage in arts development activity. In addition, a formal contract review takes place annually. The most recent review (October 2010) satisfied officers that the organisation is making good progress to ensure equality of opportunity and to widen access and participation.

7.3 There are three strategic priorities for the Council's Arts Development service for the period 2011-14: Narrowing the Gap; Health, Mental Health & Wellbeing; and Organisational Development. As the 'flagship' arts organisation in Bath and North East Somerset, officers expect Bath Festivals to demonstrate good practice and provide leadership to the rest of the sector in relation to all three priorities, and the organisation is continuously challenged to improve its practice.

8 RATIONALE

- 8.1 The Council has allocated an Arts Development budget and staff to administer and deliver the activity. The Council has a published commitment to ensuring that the majority of its Arts Development budget is used for commissioning external organisations through contracts (Bath Festivals) or grants (smaller voluntary arts organisations).
- 8.2 Officers advise that Bath Festivals is the organisation best-placed to deliver a significant and sustainable programme of festivals and related activity for public benefit (as specified in the contract, Appendix 1 refers), being the unique supplier of the two named festivals and their associated education programme. Bath Festivals will do this by working in partnership with other arts organisations and the private sector.
- 8.3 Since 2003, the Council has worked closely with Bath Festivals and its predecessor, Bath Festivals Trust, to ensure that the organisation is fit for purpose, financially robust, supported effectively by its Board with good governance, and delivering on Council priorities. Officers will continue to set, and enforce, high expectations of performance and contract compliance throughout the new contract period.
- 8.4 As a consequence of the Council's previous investment of time and resources, Bath Festivals has performed well on all service targets and shown positive progress and development over the past two years.
- 8.5 The award of this contract for 2011-2014 represents a timely and appropriate investment of resources, procured from the most appropriate contractor, which will enable the Council to derive both direct and indirect benefit from the services provided.

9 OTHER OPTIONS CONSIDERED

- 9.1 Bath Festivals is the sole supplier of the services specified in this contract (Bath International Music Festival, Bath Literature Festival, Year-round Education programme) and has intellectual copyright on the titles of both festivals. If the contract were not awarded to Bath Festivals, it would be very likely that the two festivals and their associated activity would cease to exist, certainly in their present form and scale. This would attract negative press coverage at local and national level, would result in considerable public outcry, and could significantly damage the Council's reputation.
- 9.2 If the contract were not awarded to Bath Festivals, the Council could decide to re-allocate the resultant saving of resources to procuring contracted services from other arts organisations and/or providing grants to arts organisations. Whilst this is clearly an option, Officers advise that the risks outlined above (9.1) are too significant for this option to be considered at the present time.
- 9.3 The contract would again be renewable for 2014 onwards, and a mid-way review of the contractor's performance will take place in autumn 2012 which will enable officers to consider all risks and options in light of Council priorities and the likely available resources for 2014 onwards.

9.4 A further option at the present time might be to award the contract but to further reduce the fee, below the figures budgeted (see 3.1). Officers advise that this would be counter-productive, since the ongoing financial climate already adversely affects the ability of Bath Festivals to achieve increased income from ticket sales and from other sources such as sponsorship and private donations. Consequently further disinvestment by the Council would be unnecessarily damaging.

9.5 Officers therefore advise that the recommendation put forward will ensure both the best value for money and a high quality of work to be delivered to residents of the local authority area.

10 CONSULTATION

10.1 Cabinet members; Overview & Scrutiny Panel; Other B&NES Services; Service Users; Stakeholders/Partners; Section 151 Finance Officer; Monitoring Officer

10.2 Officers have discussed their advised recommendations in detail with the Cabinet member.

10.3 Decisions about allocation of resources from the Arts Development budget are taken with reference to the Council's Arts Development Strategy 2011-2014. The Strategy was developed with service users during 2010-11 and widely consulted upon with other B&NES services and stakeholders/partners.

11 ISSUES TO CONSIDER IN REACHING THE DECISION

11.1 Social Inclusion; Customer Focus; Sustainability; Young People; Corporate

12 ADVICE SOUGHT

12.1 The Council's Monitoring Officer (Council Solicitor) and Section 151 Officer (Strategic Director - Support Services) have had the opportunity to input to this report and have cleared it for publication.

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Background papers	Arts Development Strategy 2011-2014
Please contact the report author if you need to access this report in an alternative format	