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**Tel:** 0114 2734125

**Report of:** *Laraine Manley*

**Report to:** *Cabinet*

**Date of Decision:** *18<sup>th</sup> September*

**Subject:** *Sheffield Doc/Fest 2020-2022 – Approval of sponsorship funding*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input checked="" type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? <i>Culture Parks and Leisure</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? 620		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" 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:-		
<p><i>“The (<b>report/appendix</b>) is not for publication because it contains exempt information under Paragraph (<b>insert relevant paragraph number</b>) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>		

**Purpose of Report:**

- To inform the Cabinet of the benefits of the Council's continued sponsorship of Sheffield Doc/Fest ("**Doc/Fest**").
- To request approval for the continued sponsorship of Doc/Fest for a further three years in 2020, 2021 and 2022
- To request delegated authority for the Director of City Growth in consultation with the Director of Legal and Governance and the Director of Finance and Commercial Services to enter into a grant agreement with Sheffield Doc/Fest.

**Recommendations:**

*That the Cabinet:*

- a) *approves the Council's commitment to fund Sheffield Doc/Fest as outlined in the attached Financial Appendix;*
- b) *delegates authority to the Director of City Growth in consultation with the Director of Legal and Governance to:*
  - *enter into a grant agreement with Sheffield Doc/Fest (including negotiation and agreement of the relevant contractual terms of the grant agreement); and*
  - *take all other necessary steps not covered by existing delegations to achieve the outcomes outlined in this report.*

**Background Papers:**

*(Insert details of any background papers used in the compilation of the report.)*

- *Sheffield Doc/Fest report 2019*
- *Financial appendix*

Lead Officer to complete:-							
1	<table border="1" style="width: 100%;"> <tr> <td style="width: 45%;">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.</td> <td>Finance: Catherine Murray</td> </tr> <tr> <td></td> <td>Legal: <i>Rachel Ma</i></td> </tr> <tr> <td></td> <td>Equalities: <i>Annemarie Johnson</i></td> </tr> </table> <p><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></p>	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: Catherine Murray		Legal: <i>Rachel Ma</i>		Equalities: <i>Annemarie Johnson</i>
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	Legal: <i>Rachel Ma</i>						
	Equalities: <i>Annemarie Johnson</i>						
2	<b>EMT member who approved submission:</b> <i>Laraine Manley</i>						
3	<b>Cabinet Member consulted:</b> <i>Cllr Mary Lea</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.						
	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;"><b>Lead Officer Name:</b> <i>Carly Stratford</i></td> <td style="width: 50%;"><b>Job Title:</b> <i>Senior Programme Manager</i></td> </tr> </table>	<b>Lead Officer Name:</b> <i>Carly Stratford</i>	<b>Job Title:</b> <i>Senior Programme Manager</i>				
<b>Lead Officer Name:</b> <i>Carly Stratford</i>	<b>Job Title:</b> <i>Senior Programme Manager</i>						

**Date:** 09/09/19

## 1. PROPOSAL

- 1.1 In the decision report dated 12 April 2017, the Cabinet approved the Council to provide grant funding to Sheffield Doc / Fest for 3 years between 2017 – 2019. The current grant agreement is due to expire in March 2020. It is proposed that Sheffield City Council continues to sponsor Sheffield Doc / Fest in the total sum of £450,000 over 3 years between 2020 - 2022. . Full financial details of the agreement are contained in the attached 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. In 2020, it will be the 27<sup>th</sup> Doc / Fest. Doc/Fest’s analysis and our monitoring of hotel bookings demonstrate that it brings almost 3,500 delegates to Sheffield each year from around 60 countries to view upwards of 180 documentaries over a six day period, including 36 world premieres. Spread over a proposed 30 venues, it provides a valuable contribution to Sheffield’s cultural offer (audience figures included 28,000 members of the public last year in addition to the delegates) and national and international reputation. The festival includes a marketplace (the Meet Market) 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 ?

*(Explain how this proposal will contribute to the ambitions within the Corporate Plan and what it will mean for people who live, work, learn in or visit the City. For example, does it increase or reduce inequalities and is the decision inclusive?; does it have an impact on climate change?; does it improve the customer experience?; is there an economic impact?)*

- 2.1 The proposal contributes to the Strong Economy theme of the Corporate Plan. Sponsoring Doc/Fest ensures that the festival, which brings in almost £1,750,000 delegate spend per year to the city, 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 one of Sheffield's largest and most high profile events, and is used as a showcase to encourage other conferences to come to Sheffield. From 2019 onwards, additional work is taking place with Doc/Fest to maximise the marketing opportunities and promotion of Sheffield through linking in with Sheffield (Sheffield Makes) 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 Doc/Fest held in 2019 were 28, 098 and the proposed grant funding will support Sheffield Doc/Fest to reach out and increase the number of audience. 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. On the other hand, the Council will also be able to review its position in 2022 and decide whether it may wish to continue any further sponsorship to Doc/Fest.

### **3. HAS THERE BEEN ANY CONSULTATION?**

*(Refer to the Consultation Principles and Involvement Guide. Indicate whether the Council is required to consult on the proposal, and provide details of any consultation activities undertaken and their outcomes.)*

- 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.
- 4.1.2 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 2019 to target people from areas of Sheffield with high BAME populations to help audiences who might be less likely to engage with Doc/Fest 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 2020/21-2021/22, as outlined in the financial appendix. The monies for 2019/20 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 Contracts 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 The Council may award the grant by virtue of Section 1 of the Localism Act 2011 (the so called "the General Power of Competence") that allows the Council "to do anything that individuals generally may do".

#### State Aid

4.3.3 In any decision of this nature, the Council must consider the State Aid rules and whether these may be engaged. It is not clear yet about the situation of Brexit. However, the Competition and Markets Authority will take on the role of enforcement and supervision for the whole of the UK to continue controlling of anti-competitive subsidies. The EU state aid rules will be transposed into UK domestic legislation under the European Union (Withdrawal) Act after Brexit. This will apply to all sectors; and will mirror existing block exemptions as allowed under the current rules.

4.3.4 Doc/Fest is a world leading festival and marketplace, celebrating, sharing and debating the stories of our time, through documentary and non-fiction storytelling. Some of the Doc/Fest activities are provided free of charge to general public. However, the festival has become bigger in size and scale. It has also developed its own commercial momentum attracting acts and audiences from other EU countries.

- 4.3.5 In view of the above, the new proposed grant funding to Doc/Fest may constitute state aid as it may possibly give rise to distortion of competition and impact on trade between Member States. There are a number of documentary festivals organised in different EU countries.
- 4.3.6 General Block Exemption Regulations (GBER) contains a number of measures which can be used to provide lawful state aid without going through the normal notification and approval processes. In the event that the Sheffield Doc / Fest activities funded by the Council may give rise to state aid, the Council may apply Article 53 of GBER which permits aid for a wide range of cultural purposes.
- 4.3.7 There is also Article 54 of GBER which is the aid schemes for audio visual works. *“Difficult audio visual works”* as referred to in Article 54 of GBER includes films whose sole original version is in a language of a Member State with a limited territory, population or language area, short films, films by first time and second-time directors, documentaries, or low budget or otherwise commercially difficult works. One of the purposes of Sheffield Doc/Fest is to promote and distribute documentaries, in particularly those produced by less-experienced or young producers or directors. The grant to the Doc/Fest project could therefore be considered as distribution aid under Article 54 for the purpose of promoting audio visual works.
- 4.3.8 The company organising Sheffield Doc/Fest is Small Medium-sized Enterprise according to the definition by the EU and the proposed grant outlined in this report is within the relevant threshold under GBER.
- 4.3.9 The proposed grant may therefore be awarded as a legal aid under GBER. Officers responsible for Sheffield Doc/Fest will work closely with Legal to comply with the relevant GBER requirements for notification, monitoring and recording.

#### Grant agreement

- 4.3.10 A grant agreement has been drafted and will be signed by both parties if the recommendation in this report is approved. The agreement includes monitoring and clawback provisions to ensure that the use of funding is monitored and state aid compliance ensured. The Council retains the right to clawback, suspend or terminate payments of the grant funding (in part or in whole) should this become necessary.

#### 4.4 Other Implications

*(Refer to the Executive decision making guidance and provide details of all relevant implications, e.g. HR, property, public health).*

- 4.4.1 There is a risk that Sheffield Doc/Fest fails to meet its aims and objectives or the anticipated key performance indicators. Marketing Sheffield will mitigate this risk by monitoring Sheffield Doc/Fest closely.
- 4.4.2 The grant agreement requires Sheffield Doc/Fest to take out appropriate insurance to protect against itself and the Council.



## **5. ALTERNATIVE OPTIONS CONSIDERED**

*(Outline any alternative options which were considered but rejected in the course of developing the proposal.)*

### **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 £1,749,342 (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.

### **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 develop a long term plan for the festival.

## **6. REASONS FOR RECOMMENDATIONS**

*(Explain why this is the preferred option and outline the intended outcomes.)*

- 6.1 It is recommended that Sheffield Doc/Fest will be awarded a grant for three years, as outlined in the financial appendix and that the Director of City Growth, in consultation with the Director of Legal and Governance and the Director of Finance and Commercial Services, 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 over 30,000, 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.