

## 1 – SCHEME DETAILS

<b>Project Name</b>	Crossed Wires Podcast Festival	<b>Type of funding</b>	TBC
<b>Grant Recipient</b>	CROSSED WIRES LTD	<b>Total Scheme Cost</b>	£325,000
<b>MCA Executive Board</b>	MCA Board	<b>MCA Funding</b>	£300,000
<b>Programme name</b>	Gainshare Revenue	<b>% MCA Allocation</b>	92%
<b>Current Gateway Stage</b>	BJC	<b>MCA Development costs</b>	£42,000
		<b>% of total MCA allocation</b>	14%

## 2 – PROJECT DESCRIPTION

*Is it clear what the MCA is being asked to fund?*

Yes, it is clear what the MCA is being asked to fund which is start-up costs for the Crossed Wires Festival. The festival will bring the best podcasting talent in the country to handpicked, iconic venues in Sheffield across an exciting weekend of events in the summer of 2024 opening up Sheffield's festival season. The ambition is for this festival to be the go-to, annual event for podcast fans around the UK and beyond. The aim is for it to become podcasting's version of the Edinburgh Festival. The project will showcase the best of South Yorkshire, working with national podcasts but involving Sheffield institutions such as Warp Films and big-name celebrities like Jarvis Cocker, Joe Root and Jess Ennis. To add to the festival vibe and to add extra engagement for people from the city and be an information point for visitors to Sheffield, the applicant will run a bar operation to ticket holders on Barker's Pool.

<b>Activity</b>	<b>Y1</b>
Venue hire: City Hall and Crucible	£20,000

8 shows @ £2.5k p/show	
Staffing Festival Director (Business Case development, festival organisation & management) Branding & Design – Sheffield Based graphic designer Website design and build	£50,000
Artist bookings 8 high profile podcast shows (e.g. Tailenders, Rest is Politics) @ £20k per act	£105,000 (50% of this required in deposit asap)
<b>Total</b>	<b>£175,000</b>
<b>SYMCA investment (of which £42,000 has been paid up front through Project Feasibility fund)</b>	<b>£150,000</b>
SCC investment	£25,000

As the scale of the festival increases and it becomes more financial sustainable then the MCA funding will reduce.

**Year 2: £100,000 (SYMCA funding)**

**Year 3: £50,000 (SYMCA funding)**

**The applicant is willing to explore different funding options - with the opportunity to provide working capital through a loan facility, a convertible grant to loan / equity arrangement if the project becomes commercially successful. This is to be explored further by MCA and external advice will be sought.**

### 3. STRATEGIC CASE

*Options assessment*

	<p><i>Is there a clear rationale for the selection of short-listed options and the choice of the Preferred Way Forward?</i></p> <p>The SMART objectives are based on numbers of tickets sold in the first year and then increased attendance targets for subsequent years which maps the growth and success/sustainability of the festival.</p> <p>Because this is a unique project the options open to it are limited, however the viable alternative of combining with another festival such as Doc Fest has been considered and is appropriate. There is a clear rationale for the selection of the standalone option and its scale and of the selection of the venues and timing of the event to compliment other activities in and around the City.</p>
<p><i>Statutory requirements and adverse consequences</i></p>	<p><i>Does the scheme have any Statutory Requirements?</i></p> <p>N/a</p> <p><i>Are there any adverse consequences that are unresolved by the scheme promoter?</i></p> <p>No</p>
<p><i>FBC stage only – Confirmation of alignment with agreed MCA outcomes (Stronger, Greener, Fairer).</i></p>	<p>There is a clear alignment with the SEP as the festival enhances SY reputation and attracts more businesses to the area. It will increase economic activity through jobs created within the festival and its supply chains and the visitor numbers that the event will attract into the region.</p> <p>The value of cultural projects has a personal and positive impact on people which creates a sense of wellbeing. Research suggests that it could be the social aspect of cultural activities which may improve their well-being.</p> <p>The applicant is working with Cowboy E-bikes to sponsor the festival and run cycling tours for delegates, also we will encourage cycle-to-work for all employees.</p> <p>The bars will operate with reusable plastic glasses, where an incentive will be put in place to ensure the festival goers are recycling.</p>

**4. VALUE FOR MONEY**

**Monetised Benefits:**

<b>VFM Indicator</b>	<b>Value</b>	<b>R/A/G</b>
<p><i>Net Present Social Value (£)</i></p>	<p>£24,397</p>	
<p><i>Benefit Cost Ratio / GVA per £1 of SYMCA Investment</i></p>	<p>1.16</p>	

<i>Cost per Job</i>		
<b>Non-Monetised Benefits:</b>		
<i>Non-Quantified Benefits</i>		

**Value for Money Statement**

*Taking consideration of the monetised and non-monetised benefits and costs, and the uncertainties, does the scheme represent value for money?*

The applicant has undertaken an impact evaluation assessment of the project based on the year 1 target of 25000 admissions per year for the first three years and on the assumption of 45% of visitors being from outside Sheffield. Based on this then the BCR for the MCA investment is 1.16. If the SCC funding is included, then this produces a BCR for the public sector investment of 1.08. This does represent low Value for money. However, this is based on grant funding and using prudent attendance figures over the three-year period. The expectation is that those attendance figures will increase, and the benefits continue to accrue long after the public sector funding ends and so would represent a sound investment. Additionally, should the funding be structured such that the MCA receives a degree of recompense for the future success of the project then this will increase the value to the public purse.

The justification of the selection of the preferred option is clear based on quantified/monetised benefits. The alternative viable option has not been considered from an economic perspective. However, given that the costs is stated to be the same it is unlikely that combining the pod cast festival with Doc Fest would result in as many additional visitors to the city and therefore the VFM would be lower.

**5. RISK**

*What are the most significant risks and is there evidence that these risks are being mitigated?*

Only the risk below only have been provided but these do capture the main aspects of the project. Risk 3 is a key one and given that this is new event, the probability and impact ought to be high at this embryonic stage.

No.	Risk	Likelihood (High, Med, Low)	Impact (High, Med, Low)	Mitigation	Owner
1	Lack of availability of suitable venues	Med	Med	Crossed Wires have successfully secured early funding to allow for cash deposits on chosen venues.	HB

2	Unable to secure chosen podcast artists	Med	Med	Crossed Wires have successfully secured early funding to allow for cash deposits on chosen artists.	HB
3	Low ticket sales	Med	Med	Crossed Wires have good contacts and expertise in publicity and marketing	HB
4	Artists cancel attendance at shows	Med	Med	Spread of 8 shows plus fringe events means a single cancellation will not derail the festival. Crossed Wires will have cancellation insurance.	HB

*Do the significant risks require any contract conditions? (e.g. clawback on outcomes)*

- Year 2 funding should only be released if year 1 objective is achieved or bettered.
- No specific outputs/outcomes have been set out in the BJC or supporting appendices.
- Other contract conditions will depend on whether grant or some other form of funding.

*Are there any significant risks associated with securing the full funding for the scheme?*

No

*Are there any key risks that need to be highlighted in relation to the procurement strategy?*

No

## 6. DELIVERY

*Is the timetable for delivery reasonable?*

Yes, the timetable for delivery is reasonable with early-stage key activities having been undertaken using feasibility funding from MCA. The proposed timing of the event is explained fully and is proposed to be the optimum to fit in with/avoid other events in the city and elsewhere.

*Is the procurement strategy clear with defined milestones?*

As bookings of venues and artists will be negotiated with a single provider in each case and as the applicant has carefully chosen venues and acts, then as such there will be no competitive process in procuring venues and services.

*What is the level of cost certainty and is this sufficient at this stage of the assurance process? Has the promotor confirmed they will cover any cost overruns?*

The cost certainty is 95% which is based on the fact that the prices for venues and acts are confirmed. The spend profile provided broadly aligns with the key milestones but all of year 1 funding is assumed to be spent in 23/24 but given that the event does not start until Jun 24 then it is possible that some of the expenditure slips into 24/25 financial year.

The promoter has confirmed they will cover any cost overruns.

*Has the promoter demonstrated clear project governance and identified the SRO? Has the SRO or other appropriate Officer signed of this business case?*

The applicant is a newly formed company Crossed Wires Ltd. The applicant has set out the backgrounds of each of the company directors who each have a breadth of experience in the podcast/entertainment fields. The company will be led by festival director Hannah Bennett and the SRO is James Ohara one of the co-founders.

The BJC has not yet been signed.

*Has public consultation taken place and if so, is there public support for the scheme?*

n/a

*Are monitoring and evaluation procedures in place?*

The applicant will gather data from attendees, both on the ground and via electronic feedback. They will also seek to gather data around local economic benefits such as hotel stays to inform future festival planning. Crossed Wires Ltd will share all data and information gathered with Sheffield City Council as co-funder. There are no additional monitoring requirements for the SCC investment.

## 7. LEGAL

*Has the scheme considered Subsidy Control compliance or does the promoter still need to seek legal advice?*

The project has considered subsidy control and has submitted a letter of confirmation that the company will not breach the £315k Minimal Financial Assistance level. However, that is only considering the MCA funding. The funding from SCC is also part of the subsidy and so would take the funding over the limit.

The preference for the MCA is that the funding would be by way of a loan convertible to Equity and that this be on commercial terms so as not to be subsidy. However, it is not clear whether such terms will be acceptable to the applicant and whether they would seek softer terms that would constitute subsidy.

## 8. RECOMMENDATION AND CONDITIONS

<b>Recommendation</b>	Approval of BJC subject to satisfactory pre-conditions
<b>Payment Basis</b>	Convertible Loan/Equity (terms to be agreed)
<b>Conditions of Award (including clawback clauses)</b>	

**Pre-conditions to BJC Approval**

- Confirmation regarding agreed form of investment
- Inclusion of relevant outputs/outcomes to form part of the funding contract

**Conditions of Contract**

- Year 2 & 3 funding only released if applicant can demonstrate that the previous year's objective has been achieved or bettered.
- Loan/Equity Investment Terms to form part of contract