

1 – SCHEME DETAILS

Project Name	Children's Capital of Culture 2025	Type of funding	Grant
Grant Recipient	Rotherham Metropolitan Borough Council	Total Scheme Cost	£5,776,341
MCA Executive Board	MCA	MCA Funding	£959,122
Programme name	Gainshare - Revenue	% MCA Allocation	17%
Current Gateway Stage	BJC	MCA Development costs	£117,958
		% of total MCA allocation	12%

2 – PROJECT DESCRIPTION

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

The Childrens Capital of Culture is a programme events, activities, engagements and opportunities for the people of Rotherham. It was developed by the children and young people of the town.

The programme began in 2019 and building on those successful early stages this project is the delivery of the next phase of planned interventions.

The project will be funded through a mix of public and private finance from a number of sources. The MCA Contribution will demonstrate to funders the commitment to the programme locally and will be used overall to unlock that match funding. The breakdown of the spend includes:

GAINSHARE - Proposed Expenditure	Totals
SALARY COSTS	
Programme Manager Salary (Band L)	184,983
Strategic Partnership & External Relations Manager (Band K)	110,188
Marketing & Sales Manager (Band K)	96,414
Creative Learning Manager (Band J)	87,299
Creative Skills Manager (Band J)	99,770
Programme Coordinator (Band H)	90,468
Subtotal	669,122
CREATIVE PROGRAMME COSTS	
Guest Director/Producer - Opening Programme	50,000
Operating budget	20,000
Partner seed funding (match)	20,000
Support to Partners for R&D programme	60,000
Subtotal	150,000
MARKETING COSTS	
Marketing Budget	90,000
Website Development	50,000
Subtotal	140,000
Total Expenditure:	959,122

The applicant has provided a very clear description of the programme, its very laudable aims and the well documented issues for the young people of Rotherham that it is seeking to address. There is though at times throughout the BJC, a blurring of the overall programme objectives and outcomes and the rationale and clarity of specific delivery of this next phase of project for which MCA funding is sought.

3. STRATEGIC CASE

Options assessment

Is there a clear rationale for the selection of short-listed options and the choice of the Preferred Way Forward?

The project provides a clear justification for public good in addressing the issues and challenges that Rotherham has faced over recent years, from reputational damage to a declining industry and town centre and lack of inward investment to support regeneration of its communities. The private sector alone would not address this market failure and so the project is to be funded through a mix of funding sources both public and private. MCA commitment will

	<p>demonstrate to the other funders that the programme has secured local investment demonstrating the buy-in and commitment from local delivery partners.</p> <p>The Preferred Option based on the above level of funding has been considered against the Do minimum option in which the activities would have to be scaled back/delayed without the MCA funding. There is a clear rational for the rejection of this option. The alternative viable options are limited to higher levels of gainshare allocation above the Preferred Option and whilst there is no rational as to why the alternative figures were arrived at, it is clear that they would impact on Rotherham’s wider strategic priorities if more gainshare funding was allocated to this project.</p>	
<p><i>Statutory requirements and adverse consequences</i></p>	<p><i>Does the scheme have any Statutory Requirements?</i> The project does not have any statutory requirements.</p> <p><i>Are there any adverse consequences that are unresolved by the scheme promoter?</i> In the dependencies section the applicant has set out the sequence for applying for the required investment which is part of a mixed funding model across a rolling programme of interdependent funding. The securing of the full funding package for the project is one of the key risks that will persist throughout the delivery phase of the project.</p>	
<p><i>FBC stage only – Confirmation of alignment with agreed MCA outcomes (Stronger, Greener, Fairer).</i></p>	<p>The applicant has demonstrated a very clear illustration of how the intervention will result in increased, jobs, startup businesses, skills and health and wellbeing and therefore a good alignment across the SEP.</p>	
<p>4. VALUE FOR MONEY</p>		
<p>Monetised Benefits:</p>		
<p>VFM Indicator</p>	<p>Value</p>	<p>R/A/G</p>
<p><i>Net Present Social Value (£)</i></p>	<p>£5.2m</p>	<p></p>
<p><i>Benefit Cost Ratio / GVA per £1 of SYMCA Investment</i></p>	<p>2.07</p>	<p></p>
<p><i>Cost per Job</i></p>	<p></p>	<p></p>
<p>Non-Monetised Benefits:</p>		
<p><i>Non-Quantified Benefits</i></p>	<p>None provided.</p>	
<p>Value for Money Statement</p>		

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

Basic economic modelling has been done.

The costs are based on the real costs of the project without allowances for indexation, optimism bias or discounting.

The benefits are made up of two elements:

- 1) For the large scale events a return on investment for the expected costs of those events. This is based on a value determined from independent evaluation carried out on the initial programme events and therefore would seem reasonable.
- 2) A translation of the investment in the other interventions as a direct economic benefit. There has not been any adjustment made for additionality.

In the main therefore, the VfM calculations do not follow the Green Book standard methodology. The applicant has stated that the Green Book does not provide specific guidance relating to methodologies for cultural and creative programmes. Whilst it is acknowledged that this is not a traditional investment project, the Green Book does recognise methodologies for valuing well-being which may have been appropriate to consider.

Based on the above calculations and assumptions as to monetised values, this indicates that the project could produce a positive BCR. The figures though have not been arrived at using traditional methodologies and have not been moderated or sensitivity tested.

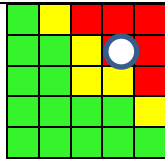
The rest of the BJC sets out a compelling case for the project, but the applicant has not set out in the economic analysis the qualitative social benefits of the project, which could have made the VfM case more robust.

5. RISK

Within the BJC, the applicant has included a number of risks but they are quite high-level strategic risks of the programme rather than the more operational ones in relation to the actual delivery of the project. It is these delivery ones that we would expect to see extracted from the risk register (as set out below). The risk register provided is set out so that risks are assessed as a group of risks to the delivery of each of the objectives and so are given a combined risk rating rather than at an individual level for the specific risk. However, whilst this is set out in an unconventional format it does seem to capture all of the key risks related to the delivery of the project and its outputs and outcomes.

Business Objective (What is it you would like to	Risk Detail (What is the problem/hazard?)	Consequence / Effect (What would happen as a result? How much of a	Existing actions/controls (What are you doing to manage this now?)	Score with existing measures	Current Risk Rating Heat Map	Further Mitigating Actions (What would you like to do in addition to your existing controls?)
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achieve/need to deliver?)		problem would it be? To whom and why?)		Impact	Likelihood	Risk Rating		
REPUTATIONAL RISKS								
Generate a positive local, regional and national narrative for Rotherham	<p>Media narrative remains focused on CSE</p> <p>Potential offence/upset caused to victims of CSE</p> <p>Community voice not buying in to the programme e.g., negative comments on social media</p> <p>Potential loss of confidence from key partners.</p>	<p>CCoC brand becomes associated with CSE and therefore loses credibility, potential access to funding and loss of opportunity for reputational change and profile.</p>	<p>External PR Agency appointed to engage with the media through positive content generation.</p> <p>Key messages agreed and FAQ response including robust reactive response to questions regarding CSE.</p> <p>Media training given to CCoC spokespeople</p> <p>Programme is delivered in partnership with children and young people with their voice central to the narrative.</p> <p>Connections built at grass roots community level through on the ground engagement activities.</p> <p>Partnership Delivery Model in development to build wider advocacy across the sector</p>	4	5	20		<p>Development of an Ambassador Programme to build greater advocacy from respected sources.</p> <p>Develop a targeted engagement programme with victims of or people who are at risk of CSE to ensure that the benefits of the programme are felt by these communities of interest.</p> <p>Develop a targeted engagement programme with young people from the Pakistani/South Asian community to ensure that the benefits of the programme are felt by these communities of interest.</p>
Demonstrate Council buy-in/Leadership	<p>Partners lose confidence in the programme due to lack of leadership</p> <p>Funders do not have confidence in the</p>	<p>Reputational damage at local, regional and national level.</p> <p>Erosion of trust with children and young people.</p>	<p>Creation of an RMBC Readiness & Legacy Group</p> <p>Joint scrutiny meeting every six weeks with CEX, SD for</p>	4	4			<p>Agreement of Feasibility Fund allocations</p> <p>Appointment of a Strategic Partnerships & External Relations Manager post to</p>

	<p>programme due to lack of leadership</p> <p>Funding opportunities are reduced due to lack of investment from the lead partner providing match funding</p> <p>Children and Young People do not feel that the Council is supportive of their needs</p>	<p>Loss of credibility with funders.</p>	<p>R&E, SD for CYP and SD for F&CS</p> <p>Revenue investment proposal developed for budget setting 2024/25 & 2025/26</p>				<p>Impact</p> <p>support internal and external advocacy for the programme</p> <p>Reporting in to CYPS DLT Quarterly</p> <p>Develop a shared role with CYPS focused on schools programmes</p> <p>Agreement of investment from Council budgets for core operations</p>
<p><i>Build a strong and credible reputation for Rotherham as a cultural destination</i></p>	<p>Failure to create a sufficiently high quality, high impact programme</p> <p>Failure to reach and engage audiences on a large scale</p> <p>Failure to engage cultural and creative partners within Rotherham</p> <p>Failure to engage with national partners</p> <p>Lack of external media interest in the programme</p> <p>Programme doesn't reflect the interests of CYP and therefore lacks credibility with the key target audience</p>	<p>Reputational damage at local, regional and national level.</p> <p>Loss of credibility with funders.</p> <p>Missed opportunity to develop strong legacy through the Cultural Partnership Board</p>	<p>Establishment of Cultural Partnership Board as the governance vehicle for the programme</p> <p>Build up programme over three years establishing experience, knowledge and audiences for key programme events and experiences</p> <p>Establishment of recognisable brand and social media channels.</p>	4	4		<p>Likelihood</p>  <p>Impact</p> <p>Development of website and investment in marketing and advertising campaigns</p> <p>Retention and investment in PR support</p> <p>Development of further test programmes with partners via Cultural Partnership Board and Youth Programming Panel</p> <p>Development of strategic partnerships with high quality, national cultural partners</p>

6. DELIVERY

Is the timetable for delivery reasonable?

Yes, although high level the timetable looks reasonable. The applicant has provided a project plan which sets out the plan for each element of the project and the source and expected timescales for securing that funding. The plan is reasonable but does illustrate the dependency on securing additional funding and that dependency will continue through the delivery phase.

Is the procurement strategy clear with defined milestones?

Yes, the procurement strategy is clear and appropriate for this scale of project.

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 at 60% which is lower than would be expected for the submission of the BJC. This is not consistent with another section of the financial case where they have said only 10% of their costs are liable to change.

The applicant has pointed to their previous experience in delivering the programme of events as being the basis of the costs estimates which seems reasonable.

The applicant has stated that they have allowed levels of contingency, but it has not been possible to verify the level of risk applied as this has not been provided in the cost breakdown.

The applicant has not said they would cover cost overruns but has said the initiatives will be scalable within the available budget.

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

Yes, the applicant has set out clearly how the project will be managed with an organogram provided. The SRO has been identified who is the Strategic director of regeneration & the Environment.

The BJC shows clearly how the governance of the project sits within the RMBC structure but also who it will be governed collaboratively with partners and beneficiaries.

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

Whilst formal statutory public consultation has not been necessary for this project, the applicant has been able to demonstrate a significant level of stakeholder engagement. Throughout the first phase of programme delivery, children, young people and their families, carers and key workers were given opportunities to feedback about their experiences in different ways, including:

- Surveys
- Focus groups
- Creative methods, such as poster making
- Interviews
- Observations

That positive feedback was used to shape the remaining delivery project.

Are monitoring and evaluation procedures in place?

A logic model for the Children's Capital of Culture is currently being developed by an external evaluator who has worked with partners from culture, education, community and children and young people to set out the 'theory of change' that the overall programme will achieve. The model is expected to be completed by March 2024 and will provide a framework for the evaluation which will test the assumptions made within the logic model. The bases of the M&E/Logic plan set out in the BJC are very clear and comprehensive.

7. LEGAL

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

The applicant has considered Subsidy Control in relation the funding that the project will receive and has come to the view that a subsidy does not exist on the basis that the programme as a whole in receiving public funding, is providing a wholly unique good or service with no relevant competition, in line with the UK Subsidy guidance.

However, the information provided in support of the economic outputs suggests that the applicant will be giving grants and other support to private sector organisations. As those organisations could be operating in commercial markets then this could be classed as Subsidy. The applicant has not demonstrated how it will ensure that support to such organisations (and taking into account any other public assistance received by them in the applicable periods) are Subsidy Control compliant?

8. RECOMMENDATION AND CONDITIONS

Recommendation	Full Approval and award
Payment Basis	Defrayal
Conditions of Award (including clawback clauses)	
<p>The following conditions must be satisfied before contract execution.</p> <ul style="list-style-type: none">• Evidence of prudent risk allowance to be provided.• Evidence of Subsidy Control mechanism with regard to providing financial assistance to third party organisations.	