

## Report to the Assurance Audit and Risk Committee

At the meeting of the Assurance Audit and Risk Committee (the Committee) on 10<sup>th</sup> January 2019 two members raised issues regarding the Council's bid for the European Capital of Culture Bid 2023. It was agreed the Local Government Auditor would consider the comments raised and report back.

We have since examined documentation in respect of the bid and noted the following.

1. In 2017, 2023 was the next opportunity for a UK city to hold the Capital of Culture designation in association with the winning city in Hungary.
2. In February 2017 Council agreed that officers should review the opportunity of submitting a joint bid with Belfast and as part of this several council officials visited the winning city in Hungary, in order to get useful information in support of any bid.
3. On 11 April 2017 a report was submitted to the Business and Culture committee to provide members with an overview of the due diligence completed and to seek members approval to advance a joint bid with Belfast City Council. The report included details of the process and also included the multiple risks associated with the bid. A specific risk re ineligibility was identified as follows;

“The key major risk is the cancellation of the bid process due to UK and EU Brexit negotiations. At this stage the Department of Culture, Media and Sport ( DCMS) cannot give a commitment to whether the UK 2023 designation is absolutely secure. However DCMS have made it clear that all financial and resource investment, by a bidding city/ region, is undertaken at risk. DCMS will not reimburse any cost incurred in the event that the UK 2023 designation is removed.”

4. On 11 April 2017 the Business and Culture committee recommended to Council that it “approve the joint progression of a Stage 1 bid as a joint submission with Belfast City Council and the allocation of £300k from the DCDSC budget”.
5. On 27<sup>th</sup> April 2017 the minutes of the Business and Culture Committee were adopted by Council as a true record of the Meeting (on 11<sup>th</sup> April). At the Council meeting discussion took place on the Bid concerning the Bid name and branding, most parties and a number of members took part in that debate.
6. 4 UK local authorities entered the bidding process. Hence potentially the Council's joint bid with Belfast would only have a 25% chance of success.
7. We note that Council were made aware of ineligibility in November 2017.
8. Council set up a cost centre to capture costs in respect of this bid. We have performed a high level review of these costs, which total £154k, and nothing looks unusual.

Our conclusions on the review of the documentation we have carried out;

- Key risks of the Bid were identified at the outset of the project and these were brought to the attention of the Business and Culture Committee. Included within this was the risk of ineligibility due to Brexit.
- We have not carried out an audit of the expenditure incurred but a high level review of the costs would lead us to conclude these are reasonable based on the description of the costs recorded.
- Council would contend it has derived some lasting benefits from the Bid process through the establishment of collaborations, identification of projects and stakeholder engagement which can be used going forward including for the City Deal.
- We have no recommendations to make from our review of this.