



Derry City & Strabane
District Council
Cathair Dhoire &
Cheantar an tSratha Báin
Derry Citty & Strabane
District Council

*So hope for a great sea change
On the far side of revenge.
Believe that a farther shore
Is reachable from here.
Believe in miracles
And cures and healing wells.*

Seamus Heaney

Derry City & Strabane District Council

Post Project Evaluation of City of Culture 2013

Final Report

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Executive Summary

Background to the post project evaluation

This post project evaluation of the City of Culture 2013 (CoC 2013) project represents a formal evaluation of the project undertaken in line with the Department of Culture, Arts and Leisure's guidance on evaluation and general Department of Finance guidance on expenditure appraisal and evaluation. The overall aim of the post project evaluation is to examine the extent to which the objectives of the City of Culture project were achieved and what have been the lessons learned.

The specific questions that the evaluation needs to address are as follows:

- Were the objectives met?
- Was the project delivered in line with projected costs?
- Was the projected income achieved?
- Were the projected benefits realised?
- Did any of the risks identified in the business case materialise and how were they handled?
- What wider benefits were achieved for the region?
- What are the lessons for other similar major events in the city and in Northern Ireland?

The basis for the evaluation is the DCAL July 2013 Updated Business Case and the associated Benefits Realisation Plan (BRP). Evidence for the evaluation is drawn from a number of sources including the Ilex 2014 Final Monitoring Report, the 2015 Citizens Survey, NISRA tourism statistics, Queen's University Belfast research project, other external research and various internal Council reports on the project.

In 2010, at the time of the bidding process for the UK City of Culture 2013, there was an ambition that the project had the potential to make a step change in the local economy and this was reflected in the ambitious targets set out in the bidding document. The anticipation was that the first UK City of Culture project would have a similar transformative impact on the city to the perceived impact of the much larger-scale European Capital of Culture award had on cities like Liverpool and Glasgow.

However, during the period following the award, the economic recession deepened and this affected both private and public sector investment plans, which were key to many of the projected economic impacts. It also created difficulties in accessing limited sources of public sector funding and private sector sponsorship for the programme. The national and international tourism industry was less buoyant in 2013 than it had been at the time of the bid and the subsequent business case, both of which included over optimistic projections for visitor numbers.

Despite these difficulties, as the Final Monitoring Report shows, CoC 2013 was remarkably successful in terms of the quality of the cultural programme, the level of participation and engagement by all sectors of the local community and the manner in which the city rose to the challenge of delivering a year-long programme of events. While the numbers of visitors from outside Northern Ireland may not have reached the ambitious targets inspired by the original international cultural programme proposed in the bid, there was a significant increase in tourism to the city in 2013 which has continued to grow year on year. More importantly, the project had a very positive effect on the external image of the city as a place to visit and to invest in, as well as on community and business confidence in the city.

Were the objectives met?

One of the major challenges for the post project evaluation is that the objectives in the July 2013 business case still largely reflected the ambition for the project that was associated with the bidding process of 2010 as described above and were not revised in line with the changed economic circumstances. There were ten objectives for the project set out under four headings:

Attendance & Participation
1. To increase the number of people from deprived communities who attend the arts.
Community
2. To increase sustainability and capacity in the community.
3. To improve social inclusion and understanding of diversity - particularly within the Protestant community.
Education & Employment
4. To increase the educational outcomes of young people in the city.
5. To improve employment opportunities.
6. To deliver economic benefits.
Tourism
7. To increase number of visitors and revenue, particularly from RoI, GB and internationally.
8. To increase length of visitor stay.
9. To create new tourism businesses.
10. To increase jobs in tourism sector.

A number of the targets set for the objectives, in the business case were in some cases unrealistic and difficult to measure and in other cases do not appear to be entirely consistent with the objectives. Targets for 'Attendance and Participation and Community' were focused on changing the views and attitudes of those in the most two disadvantaged communities in the city and reflected policy at the time of the bid but have proved difficult to measure. The target of improving key stage 2 outcomes in the city educational system was unrealistic in the absence of any parallel investment in the school system. The target of doubling visitor numbers in one year was unrealistic following the scaling back of the cultural programme.

Nevertheless, using various sources of evidence it is possible to conclude the following for each of the objective areas:

- **Attendance & Participation** - it is clear that there is increased participation in most forms of cultural activity in the population as a whole and that participation in the CoC 2013 events was exceptionally high by all parts of the local population including those from the most deprived communities. Surveys showed that 81% of all residents and 83% of residents living in the most deprived parts of the city attended a City of Culture event. In 2015 43% of residents of the most deprived areas rated arts & culture activities in the city as excellent or very good compared to 10% in 2009.
- **Community** – community relations are influenced by a wide range of factors but there is strong quantitative and qualitative evidence from work undertaken for the Council's Good Relations Strategy that community relations have improved over the last 5 years. There has also been a sharp rise in the perception of people who rate the city as a good place to live. Recent research by Queen's University Belfast with schoolchildren in the city showed that 84% were prouder to be from the City as a result of CoC 2013.

- **Education & Employment** – the objectives and targets set in this area were quite ambitious and were heavily based on the assumption of a public sector infrastructure investment programme that did not materialise. An estimated additional 300-400 job were created in the city during 2013 but it is too early to assess the longer-term impact on the city's economy and labour market. Targets in relation to improved educational outcomes were particularly ambitious and set without any additional investment in schools.
- **Tourism** – the ambitious tourism targets for the 2013 year were not met largely as a result of the scaling back of the original cultural programme but the more important objective of securing a step change in the attractiveness of the city to visitors has been achieved with the number of visitor trips up by over one third in 2014 compared with 2011. External perceptions of the city by potential visitors have experienced a significant positive shift. Room sales in the city rose from 124,000 in 2012 to 152,000 in 2013 an increase of 23% and fell back again in 2014 to 140,000 but still recorded a growth from the 2012 baseline and this growth has continued year on year with 2016 outperforming 2013 sales with a 6.23% growth at 161,208. There were five record performing months in 2016.

Was the project delivered in line with projected costs and income?

The original business case included a total budget of £23.25m for delivery of the CoC 2013 Programme. However, this had to be adjusted when it became clear that the Culture Company was unable to meet its targets for sponsorship, ticket sales, merchandising and other funding. Event organisers were able to leverage additional funding for their events and the Council increased its direct funding for the project.

The total costs of delivery of the project were estimated in the updated business case at £25.8m, including programming costs of £22.8m, marketing costs of £2.1m and unallocated optimism bias allowance of £0.9m. This included £7.5m of funding leveraged by event organisers so that the costs within control of the Council amounted to £18.3m. The project also excluded the running costs of the Culture Company which were the responsibility of Derry City Council.

The out-turn costs reported in the Council Closure Report in September 2014 show that project costs were almost £0.5m below those in the updated business case largely due to tight financial controls introduced by the Council. Out turn costs compared with business case budgets are shown in the table below. Furthermore, this was achieved without any increase in the DCAL contribution from the total of £12.6m approved in the original June 2012 business case, although the City Council had to increase its own direct contribution.

	Business case (June 2012) £'000k	Business case (June 2013) £'000k	Out-turn Costs £'000k
Programming (excluding leveraged funding)	18,450	14,200	13,980
Marketing	2,800	2,100	1,899
Other costs	-	-	290
Optimism Bias	2,000	2,000	1,639
Total costs	23,250	18,300	17,808

Were the projected benefits realised?

The BRP prepared for the City of Culture 2013 project was a comprehensive document which clearly describes the expected areas of benefit arising from the project. However there have been a number of practical problems with using it to monitor realisation of project benefits. These problems relate mainly to the Citizens Survey which was repeated in 2015 but with different objectives and a different methodology making comparisons with the 2009 Citiscope survey of limited use. However, the survey is only one method of data collection and other sources have been used to complete the analysis.

From all the available information, it is possible to draw some broad conclusions on the benefits achieved to date:

- In general there is positive evidence of benefit in almost all areas identified in the BRP, especially in improved perceptions of the city and increased tourism;
- Of the 53 targets listed in the BRP, 39 have been monitored of which 75% have been achieved;
- Many of the benefits of the project focus on the 'softer' areas of improved perceptions of the city by residents and in improved community relations;
- Employment and other economic benefits of the project were more limited and would be expected to flow in the longer term from improved perceptions of the city and increased tourism over time.

Post project evaluations completed by event organisers of over 200 of the projects supported reported benefits particularly in arts participation, improved perceptions of the city and enhanced community relations.

Benefits delivered by City of Culture projects with completed PPEs

Benefits	Number of projects	% of total projects (213)
Arts Participation	165	76.0%
Improved perceptions of the city	136	62.7%
Enhanced Community Relations	116	53.5%
Learning a new skill	91	41.9%
Development of the creative industries	84	38.7%
More Tourism	77	35.5%
Improved Educational Outcomes	71	32.7%
Training and Employability Opportunities	60	27.6%
Heritage	59	27.2%
Better Health and Well-Being	48	22.1%
Employment effect	42	19.4%
Improved opportunities for people with disabilities	38	17.5%
Physical Activity Participation	27	12.4%

(Source: Derry City Council, Analysis of CoC 2013 PPEs)

In addition to the expected benefits outlined in the business case and BRP, the 2014 Ilex Final Monitoring Report identified and provided evidence of some additional benefits to the city and the region. These include:

- Improvement in local business confidence
- Enhanced image of Derry as tourism destination
- Positive experience of multi-agency collaboration and community engagement
- Improvement in customer care across the service industry.

Did any of the risks identified in the business case materialise and how were they handled?

The main risks that materialised were those relating to fundraising and expenditure controls. Procedures were put in place by the Council to manage these risks

What wider benefits were achieved for the region?

The benefits to the city of CoC 2013 go beyond those identified in the business case and BRP and there are a number of elements to this legacy which are summarised as follows:

Regeneration legacy

CoC 2013 has been associated with a significant physical regeneration of the city through £160m capital investment. The completion of the Guildhall, major public realm along the river, Ebrington Square and the Peace Bridge has leveraged major renewal in formerly dilapidated areas of the city. New venue spaces have been developed including St. Columb's Park Stadium, as well as the Craft Village and the iconic St. Columb's Hall. In 2015, the Foyle Arena opened and has an indoor capacity for an audience of 2,000 people. The recently completed visitor centre at the Apprentice Boys Memorial Hall and the Museum of Free Derry are tangible signs of a city making its troubled past an asset.

Cultúrlann Uí Chanáin has secured the former Great James Street Manse and the Glassworks, both of which have undergone significant renovations as part of a continued expansion of their Irish language, arts and cultural centre. However, the most significant ongoing regeneration project is at Ebrington. The site has seen the relocation of the DoE's Planning Office headquarters, the opening of the Walled City Brewery and Ollies Restaurant and the completion of a 214-space underground car park. The regeneration of the site continues with further projects planned including the maritime visitor and genealogy attraction, Grade A office accommodation as well as significant leisure based projects including a hotel and distillery.

Leading up to 2013, the city experienced a 13% increase in accommodation stock and hotel expansion secured the development of two new city centre boutique hotels in former iconic listed buildings providing over 70 additional rooms. The hotel sector is set to expand further with a projected 40% increase in hotel capacity by 2020.

Cultural Programme Legacy

As a result of the City of Culture, many of the cultural organisations in the city have established new relationships and collaborative partnerships both locally and internationally. Examples include:

- The Centre for Contemporary Art during 2015 secured their status as a member of the Plus Tate network;
- Void Gallery extended their visual arts footprint in the city by acquiring the first floor in Patrick Street and has one of the largest visual arts exhibition spaces in Ireland;

- The first dedicated annual dance and movement festival for Northern Ireland was created in Derry by Echo Echo;
- Since 2013, Field Day have premiered their Sam Shephard play 'A Particle of Dread' in Derry before taking it on tour to New York. Sole Productions Company produced the critically acclaimed Pits and Perverts by Michael Kerrigan, and completed a hugely successful tour of the UK; it premiered in the United States in September 2015 and ran there for five weeks.
- The Verbal Arts Reading Room started in early 2013 and has grown substantially with Reading Rooms now in schools, homes, youth clubs, commercial premises and a prison and is developing a collaborative project with Hull CoC 2017;
- Music programming has continued to flourish with the City hosting the International Pan Celtic Festival both in 2014 and 2015 giving rise to the legacy of the inaugural Derry International Music Festival in February 2016 which was shortlisted for the Best NI Event in the NI Tourism Awards for 2016. Since 2013 the city has hosted each year a major concert with MTV and the City of Derry International Choral Festival attracts choirs from at least eight different countries;
- Music City Day returned in 2014, 2015 and in 2016 has now grown to a three day music extravaganza. Many of our talented young people have created career pathways in music, and one of our rising stars, SOAK (aka Bridie Monds), received the Choice Music Award as well as winning the Irish Album of the Year award;
- The Nerve Centre has carried on the outstanding Musician in Residence Programme, which brought Neil Cowley to the City in 2013. David Lyttle took up the residency in 2015; Programming such as Talent North West, Music Hothouse Programme and Jazz Masterclasses
- Since 2012, all of the city's key events have enjoyed audience growth – notably the Banks of the Foyle Halloween Festival and the St Patrick's Day Springtime Carnival which have doubled their numbers since 2012.

Community Engagement Legacy

Under DCAL Legacy, ten digital hubs were created across Derry and Strabane to extend outreach programming and provide local communities with their own cultural focal points. The hubs continue to be supported by a range of Council programmes which include digital skills training and STEM activities. A community-owned, portable marquee allows local communities to host larger scale events.

DCAL has provided financial support for developing local cultural strategies. These have helped to prioritise community activities, support new funding applications and inform discussions around the development of Local Plans under the overall Strategic Community Plan. This funding has also been used to examine the feasibility of several proposals including the provision of new cultural hubs for the Waterside and Ebrington.

The Droichead cross-community project is consolidating its 2013 success through ongoing collaborations with the Londonderry Bands Forum and other Protestant, Unionists and Loyalist community groups. Its work resulted in strong cross-community participation in the Pan Celtic Festival in 2014 and 2015 and in the Fleadh Cheoil na hÉireann in Sligo in the same years. Music City 2015 and the 2016 Walled City Tattoo hosted other showcase cross-community performances, providing further evidence of community engagement legacy.

In 2013, the Community Foundation for Northern Ireland developed a financial legacy for City of Culture through its Acorn Fund. Over a five-year period, the Fund will support projects dealing with disability, children, young people, social enterprise and those affected by rural isolation. The Big Lottery, the Paul Hamlyn Foundation and the Inner City Trust back the Fund. A local philanthropy initiative — the Giving Circle — comprises a group of women who pool personal donations and award grants annually.

The 2015/16 Science and Innovation Programme — led by Council and resulting directly from City of Culture legacy — has engaged more than 25,000 children and young people in STEM based activities. In October 2015, Derry-Londonderry hosted Maths Week Ireland which was launched by the Minister for Education. The Brick Wonders Exhibition and the Schools' LEGO educational programme have also proved hugely successful in supporting learning through maths.

Community engagement continues to be driven at local government level through the development of the Community Plan and through the European Youth Capital 2019 bid, where more than 10,000 young people were actively involved in the bidding process. The bid was shortlisted to the final five and was pipped at the post. Council is now progressing with a Year of Youth for 2019.

Economy and Tourism Legacy

A key part of Derry City Council's key objectives for its Legacy Promise following the success of 2013 was to continue to support our creative economy and work to promote cultural tourism and create a sustainable cultural environment while continuing to enhance the city's profile. There is no doubt that the positive images of Derry-Londonderry which were projected across the world in 2013, have been hugely beneficial in promoting the city and district to potential investors. More than 600 jobs have been located in the city in 2015/16. There is evidence to confirm that they are a direct result of the positive impact of the City of Culture Year.

In July 2015, the creative hub at Ebrington opened providing incubation space for creative industries and has generated in excess of 40 jobs.

Through its Legacy Fund, the Council supported Visit Derry in purchasing specialised software for researching and pursuing conference and events tourism. The city hosted many significant get-togethers in 2014 and 2015 and attracted delegates from across Ireland and the UK. The most significant events included the British Association of Cardiovascular Prevention & Rehabilitation annual conference, the Sinn Féin Ard Fheis, NIPSA's annual conference and the CoderDojo conference which formed part of CultureTECH 2015. The 30th World Congress of the International Association for Suicide Prevention will take place in the city in September 2019. It will be our largest ever international conference and is expected to generate £1.4m for the local economy.

At the 36th Tourism Awards Ceremony, the UK CoC accolade was acknowledged for redefining the city's tourism landscape and it won the Outstanding Contribution to Tourism award. In 2013, the Lonely Planet listed Derry-Londonderry as one of the world's Top Ten cities to visit.

The city has become more accomplished at combining local enterprises and events in order to develop markets and attract new customers. In 2014, Council established the inaugural Fashion Fest and Culture Craft projects, bringing businesses to audience-focused events and attracting new visitors to the city. Queen's University, Belfast reported in their research findings that 72% of respondents indicated that they were visiting Derry~Londonderry for a holiday and 90% reported that they were either very or quite satisfied with their visit.

The leisure and entertainment industry has continued to grow with many new restaurants and bars opening in the city centre and at Ebrington. During 2015, the private sector invested £2m in refurbishing licensed premises with further investment planned for additional accommodation.

Marketing and Digital Legacy

The legacy ambition for marketing was to create a new narrative for the city and to move the discourse to positive presentations of a beautiful city. There have been strong endorsements of the city and region from various international tourism media and marketing organisations most notably by the Lonely Planet Guide, United Airlines, British Airways, LateRooms.com, The Irish Times and The Sydney Morning Herald.

Since 2013, it has been clear that our success in telling 'a new story' and securing international brand awareness has converted passing interest into growing visitor and tourist numbers. The city and region have been strongly endorsed as a visitor destination, Derry-Londonderry was runner up in the Foodie Town Ireland 2015 award and beat off global competition to be designated the Best Halloween Destination by USA Today.

One of the key educational programmes within the 2013 project was Nerve Centre's creative educational programme the Digital Book of Kells project. Over 900 primary schoolchildren benefitted from the opportunity to take part in the creation of a new 'Digital Book of Kells' for the 21st century. Educators from across the city were trained and supported in delivering creative digital projects within the curriculum. The strategic nature of this project gave both teachers and learners transferable digital skills.

There is clear evidence of digital legacy in our schools with teachers reporting that they are more confident about leading digital education, and learners displaying a greater enthusiasm for it. Technology festivals have engaged ever-increasing numbers of young people. The Legacy Fund in partnership with the private sector, Ilex and the Education Authority has support the continuous development programme for teachers in the A'Level for Software Systems Design.

What are the lessons for other similar major events in the city and in Northern Ireland?

The report concludes with a number of lessons for other similar major events. These include the following:

Event strategy

- If a major event of this nature is expected to have a major impact on the local economy, it needs to be part of a broader strategy with supporting investment if the broader impacts and benefits are to be secured.

Partnership approach

- Strong partnership is essential from the outset with a clearly defined partnership between all the agencies and departments involved.

Planning & delivery stages

- In terms of the management of substantial public funds, there are core standards of governance and risk management that are mandatory and should be adopted from the outset.
- The delivery of a project of this scale requires a range of skills and it is important that the delivery vehicle has access to all these skills.

Monitoring & Evaluation

- * Monitoring and evaluation arrangements should form an integral part of the project management.
- * Objectives and targets in the BRP should be realistic, measurable and achievable and not over-complicated.

Governance

- * It is crucial that governance arrangements and delivery vehicles are carefully considered, planned and structured well in advance in relation to the delivery of all major projects.

Finance

- * It is essential that standard financial procedures put in place at an early stage including approving and recording all commitments prior to expenditure being incurred, centralised procurement procedures, tender processes, procedures for issue of letters of offer and claim verification and use of corporate credit cards.

The Vision for 2030

Derry-Londonderry's year as the first UK City of Culture is generally acknowledged as having been a triumph for the city and its people. The challenge now is to consolidate and build on that success so that the potential which was glimpsed in 2013 can be fully realised.

The legacy of City of Culture has been firmly embedded in the Community Plan. This Plan sets out the region's strategic goals for the next 10 to 15 years. It will ensure that resources are targeted in a way which maximises the positive impact of 2013 and builds on the legacy already achieved. Proposals for improved transportation, the expansion of further and higher education and the provision of all-weather family visitor attractions should be prioritised in line with the Community Plan and the forthcoming Programme for Government. Tourism growth will not be achieved through the domestic market alone. The road network which connects the region to Dublin and Belfast, and the multi-modal transport hub are critical to the growth of international tourism, skills and education, and foreign direct investment.

Council has already increased its budget for hosting major events and festivals, following its achievements in this area in 2013. The city and region should target more international accolades such as European Capital of Culture 2023 and UNESCO status for our cultural product.

1. Establish scope, purpose and objectives of the evaluation

Background to City of Culture Project¹

Following an intensive bidding process, the designation of Derry~Londonderry as the UK City of Culture 2013 was announced in July 2010. Building on Liverpool's success as European Capital of Culture in 2008, the successful city was expected to derive significant economic and social benefits and leave a lasting legacy. The objectives of the competition were that the winning city should:

- Deliver a high quality cultural programme that builds and expands on local strengths and assets, reaches a wide variety of audiences over the course of the year;
- Deliver a programme that uses culture to lead to a lasting social regeneration through engagement, widening participation and supporting cultural diversity and cohesion;
- Deliver a demonstrable economic impact from the programme; and
- Maximise the legacy from being City of Culture.

The Bid Document highlighted the economic and social benefits which being City of Culture could bring, and the considerable work which the City had already done in terms of planning and preparing for 2013. The rationale for the City seeking the award had three main components:

- **Socio-Economic Benefits** - the City faces some of the most entrenched socio economic problems and challenges in the region (which is itself underperforming). The award was considered to have the potential to catalyse significant socio-economic benefits for the long-term in skills and employment, health and wellbeing and social inclusion.
- **Cultural Benefits** - the award was also considered to have the potential to deliver major cultural benefits in terms of the creation of new cultural partnerships in the City and beyond; the establishment of a creative technologies Centre of Excellence, increased culture and arts audiences and increased broadcast and intellectual property opportunities.
- **Economic Benefits** - City of Culture status was expected to deliver significant economic benefits. Overall, econometric modelling suggested that the City of Culture award (including the preparation 'pre event' phase, the City of Culture year in 2013 and the legacy) would result in 2,800 net additional workplace jobs, 2,300 of which would be for residents, including almost 1,000 from the bottom half of the most deprived wards. In monetary terms, it was anticipated that £98 million in additional wages would be realised by 2020.

Additionally, it was proposed that there were other benefits which could not be quantified but which could be derived as a consequence of the City of Culture status. These included improved retail health, improved public image, potential acceleration of capital projects and reduced segregation costs.

At the time of the bid, anticipations of the impact of CoC 2013 on the local economy were high. This was the first ever UK City of Culture award and there was a widespread expectation that it would be on the same scale and have similar results to the more established and larger scale European Capital of Culture. There was also a high expectation of what 'culture' could deliver for the economy in terms

¹ The background to the City of Culture Project is set out in the Updated Business Case dated July 2013, which should be read in conjunction with this document.

Department of Culture, Arts & Leisure, *Derry~Londonderry UK City of Culture 2013, Updated Business Case, Cultural Programme Support*, 3 July 2013

of jobs and business growth, based on the perceived experience of cities like Liverpool and Glasgow which had been European Capitals of Culture.

The original bid document promised that the delivery of the cultural/arts programme and associated infrastructural investment in Derry~Londonderry would contribute to meeting the step changes outlined within the One Plan up to 2020. An ex-ante evaluation of the project, carried out by Oxford Economics in 2010, provided estimates of the potential impact on jobs and GVA which formed part of the bidding process. However, these estimates were over optimistic for a number of reasons:

- The economic climate and the public expenditure environment deteriorated sharply between the time of the bid and the year of delivery which constrained the availability of both public and private sector funding sources;
- The bid document assumed that the build up to CoC 2013 would be accompanied by a major capital investment programme of over £300m which would have contributed to significant job creation and associated economic benefit but in fact this programme was limited to less than £90m;
- The scale and reach of events associated with the bid was more ambitious than the programme that was eventually confirmed in early 2013; and
- The national and international tourism industry was less buoyant in 2013 than it had been at the time of the bid leading to over optimistic projections for visitor numbers.

The Derry~Londonderry City of Culture partners included Derry City Council, Ilex, the Strategic Investment Board and a Culture Company created specifically and for a finite time to develop, manage and deliver the City of Culture Cultural Programme. The roles of the partners can be summarised as follows:

- Derry City Council² was the official licence-holder for the City of Culture title and played a core role in delivery of the City of Culture. The Council set up a Culture Company to develop and manage the Cultural Programme for City of Culture, although the Council administered all funding, it was the intention that the Culture Company would attract funding for the programming costs;
- Ilex's role was to monitor City of Culture targets and objectives as part of its monitoring and evaluation of the Derry~Londonderry One Plan regeneration plan;
- Strategic Investment Board provided a supporting role in project delivery, providing advice to the City of Culture project partners;
- The Culture Company was set up by Derry City Council and its role and responsibilities were to:
 - Facilitate partnership working
 - Approve individual elements of the artistic programme
 - Deliver events under the Cultural Programme
 - Secure and manage resources, funding and sponsorship for the programme
 - Manage commercial activities (income from sponsorship and merchandising)
 - Provision of finance and administrative support to fulfil these roles

The original business case for the project was completed and approved in June 2012 at a total project cost of £23.25m of which £12.6m came from DCAL. The original business case included a suite of

² On 1st April 2015 the new Council structure came into place in Northern Ireland and the responsibilities of the former Derry City Council were transferred to the new Derry City & Strabane District Council

proposed events, benefits and budget assumptions, including objectives for attracting income from sponsorship, trusts, other funders and ticket/merchandising.

However, the suite of events originally proposed changed following negotiations with 3rd party events providers and competitive applications for grant schemes to deliver community projects and events. Overall, objectives and targets remained the same but the project partners (Derry City Council and Culture Company) expected to receive less income from other sources such as sponsorship and ticket income. This reduction was offset, however, by third party project delivery organisations leveraging funding directly from other funding sources, resulting in an increased overall spend on the cultural programme, but with the same contribution from DCAL.

As a result, an updated business case was prepared and approved in July 2013 and the total project cost in the revised business case was £25.792m although the DCAL contribution remained at £12.6m. Despite these changes to the programme, many of the objectives and targets set out in the updated business case did not change from those incorporated in the original bid.

The updated business case included a commitment to undertake a Post Project Evaluation in the financial year 2015/16 two years after completion of the project.

Aim of evaluation and evaluation questions

This post project evaluation of the City of Culture 2013 project represents a formal evaluation of the project undertaken in line with the Department's guidance on evaluation³ and general DFP guidance on expenditure appraisal and evaluation⁴. The overall aim of the post project evaluation is to examine the extent to which the objectives of the City of Culture project were achieved and what have been the lessons learned.

The specific questions that the evaluation needs to address are as follows:

- Were the objectives met?
- Was the project delivered in line with projected costs?
- Was the projected income achieved?
- Were the projected benefits realised?
- Did any of the risks identified in the business case materialise and how were they handled?
- What wider benefits were achieved for the region?
- What are the lessons for other similar major events in the city and in Northern Ireland?

Methodology

The evaluation was carried out in line with DCAL and DFP guidance and the evidence base for the evaluation consists of the following:

- The detailed Benefits Realisation Plan (BRP) prepared for the project – the final BRP was agreed in July 2013 although it still reflects much of the ambition of the original bid and many of the indicators chosen are not capable of being easily monitored. A copy of the BRP with the latest data available is attached at Annex A.
- The City of Culture Monitoring Report prepared by Ilex – this report which was finalised in late 2014 records all the data available to Ilex in its monitoring role and also includes a

³ Department of Culture Arts & Leisure, *DCAL Evaluation Guidance*, June 2011

⁴ Department of Finance & Personnel, *Northern Ireland Guide to Expenditure Appraisal & Evaluation*, 2009

number of case studies of projects and programmes illustrating the impact of CoC 2013. A copy of the Monitoring Report is attached at Annex B.

- The results of the Citizen Survey 2015 – this survey was undertaken with the primary purpose of providing a baseline for the community planning in the new Council area and there are difficulties in making comparisons with data from the 2009 Citizen Survey and the 2012 Citi-scope Survey which were undertaken for different purposes (see discussion below). A summary of the Citi-scope survey 2009 is attached at Annex C and the results of the 2015 Survey are included in the report.
- Recent NISRA tourism data that has become available showing performance up to 2015 – this data includes visitor numbers and visitor spend before during and after the City of Culture year.
- Post Project Evaluations of events collated by the Council – all projects and events delivered under CoC 2013 were required to submit a post project evaluation and 213 (just over 50%) of these project PPEs were submitted to the Council. A copy of the Council Report on the first 183 of these project evaluations is attached at Annex D.
- Three Working Papers prepared by Queens University School of Planning, Architecture & Civil Engineering on the City of Culture – in 2014 the University instigated a research project ‘From Plantation to Peace: Derry/Londonderry as the UK’s first City of Culture’ funded by Leverhulme Trust with the following research question: “To what extent can culture become a transformative vehicle for peace-making and conflict resolution in Derry/Londonderry?” Three working papers have been produced and are attached at Annex E:
 - Cities of Culture: context and comparative analysis;
 - Schools Survey – a survey of 743 children aged 13-18 from local schools;
 - Tourism Survey – a survey of 424 tourists in the city during July & August 2014
- An assessment prepared by the Council of the impact of the City of Culture in terms of its legacy. This report is attached at Annex G.

Use of the 2009 Citizen Survey as a baseline for UK City of Culture 2013 bid and Benefits Realisation Plan

One of the challenges faced by the evaluation was the use of data from the 2009 Citizen Survey as a baseline for the BRP.

The primary purpose of the 2009 Citizen Survey was to inform the development of the One Plan Regeneration Plan for the city and to assist in the application of the Equality Impact Assessment of the draft Regeneration Plan.

Given the emphasis within the One Plan on inequality it concentrated on the 10% most deprived areas within the Derry City Council (DCC) area, oversampling these to ensure that the results were robust. The 10% results were then published independently of those for the 20% most deprived areas, the rural area and any output areas not already sampled (more affluent areas). The differing sampling frameworks across the groups meant that it would be difficult to produce composite survey results for the DCC area as a whole and this was not attempted.

When the UK CoC call was made, the existing 2009 survey was interrogated for data relevant to support a bid to DCMS, with individual results highlighted where they were useful.

The rationale for the 2012 Citi-Scope Survey was again to provide information on the impact of the One Plan, however, once the designation of UK CoC was achieved a number of additional questions relevant to UK CoC 2013 were inserted into the 2012 Citi-Scope Survey but as they were entirely new there were no baseline questions in the 2009 survey to derive comparable results. Thus, these results are restricted in their ability to inform the 2013 Benefits Realisation Plan.

As the One Plan transitions to the Community Plan for the new Derry City and Strabane District Council (DCSDC) area, the emphasis of the survey became focused on Community Planning across a new larger geography, i.e. the old Strabane District Council in addition to the old DCC area.

In order to provide a robust baseline for Community Planning in relation to the new DCSDC it was essential that a representative sample across the DCSDC area be used as a base for the 2015 Citizen Survey. Inevitably this meant fewer households overall being sampled within the previous 10% most deprived areas of the old DCC area. Therefore, given the small numbers within the 10% in the old DCC area sampled in 2015 comparing results between 2009 and 2015 should be treated with extreme caution.

2. Review the strategic context

Introduction

The business case for CoC 2013 set out the strategic context under the following headings:

- Programme for Government (PfG)
- Department for Culture, Arts & Leisure (DCAL) Aims & Objectives
- Office of First Minister and Deputy First Minister (OFMDFM)
- Department for Social Development (DSD)
- Derry~Londonderry Urban Regeneration
- Culture Company Aims & Objectives

The extent to which the programme delivered on these strategies is considered in subsequent sections of the PPE.

Programme for Government

The Executive Office gave the City of Culture Programme 'Priority One' status in the Programme for Government (PfG) 2011 - 2015. The PfG set out a specific key commitment to 'Provide financial and other support across government to ensure the success of the Derry~Londonderry City of Culture 2013'. The extent to which these milestones have been met will be explored in subsequent sections of this PPE.

Key Commitments	Milestones/ Outputs		
	2012/ 13	2013/ 14	2015/ 16
Provide financial and other support across government to ensure the success of the Derry~Londonderry City of Culture 2013	Creative industries hub in place at Ebrington	Visitor numbers to the City and visitor spend doubled	City of Culture programme supported and delivered
Outcomes	Work ongoing on creative industries hub	Evidence in next section shows that visitor numbers increased by 55% and spend by 75% in 2013	CoC 2013 successfully supported and delivered. (Creative industries hub opened in July 2015.)

⁵DCAL Aims & Objectives

CoC 2013 was considered to contribute directly to DCAL's Strategic Vision, Mission and Objectives.

	DCAL	CoC 2013
Strategic Vision	A confident, creative, informed and healthy society	To provide cultural access for all and confidently and creatively

⁵ DCAL is now absorbed within Department for Communities

		connect Derry~Londonderry with the wider world
Mission	To deliver economic growth and to enhance the quality of life in Northern Ireland by unlocking the full potential of the culture, arts and leisure sectors	To provide cultural access for all within the City and its hinterland and confidently and creatively connect with the wider world.
Objectives	<p>DCAL's corporate plan objectives:</p> <ul style="list-style-type: none"> • ECONOMY: Enhance the contribution of the culture, arts and leisure sectors in growing and rebalancing the economy • SOCIAL INCLUSION AND EQUALITY: Enable the population to enhance their quality of life through participation/engagement in culture, arts and leisure activities • HEALTH: Enable as many people as possible to develop healthy lifestyles through regular participation in sport and leisure activities • EDUCATION: Maximise the benefits of learning visits and experiences through our culture, arts and leisure infrastructure 	<p>The Culture Company's objectives:</p> <ul style="list-style-type: none"> • ECONOMY: To drive an economic renaissance transforming levels of prosperity in the City and wider region • QUALITY OF LIFE AND SOCIAL INCLUSION: To deliver step changes in equality, good relations and social cohesion through culturally led regeneration • To build a sustainable cultural environment which will nourish and enhance a unique world class experience • EDUCATION: To unleash talent to build a proud, ambitious, creative, connected community and • To tell the world a new story

OFMDFM

Delivery of the City of Culture programme, along with the associated infrastructure improvements needed to deliver it, was considered to support the achievement of OFMDFM's objectives of driving forward investment, tackling disadvantage and promoting social inclusion. It was specifically linked to the creation of jobs and stimulation of investment through the One Plan for the City and the regeneration of the Ebrington site.

DSD

The City of Culture programme was considered to have the potential to contribute to the achievement of its priorities relating to tackling disadvantage and revitalising towns and cities. A key element of the programme was expected to be the involvement of local communities in the city, including those from marginalised areas, in order to ensure that all in the city gain from the expected economic, social and community benefits. The programme was also expected to leave a legacy of an enhanced cultural and physical infrastructure.

Derry~Londonderry Urban Regeneration

The One Plan - 'One City, One Plan, One Voice' is the Regeneration Plan for Derry~Londonderry developed by the Derry~Londonderry Strategy Board. It sets out how the City will achieve growth

and development in the coming years. It represents an opportunity to move towards a joint economic development and regeneration strategy for all sectors in the North West.

The mission of the Plan is: *"To deliver renewal - economic, physical and social, building a stronger and more vibrant economy with increased prosperity for our City and Region, in ways which ensure that opportunities and benefits from regeneration are targeted towards the most deprived groups in our communities"*.

The Plan sets out five transformational themes: Employment and Economy; Education and Skills; Building Better Communities; Health and Well-Being and Sustainable and Connected City Region. The City of Culture project is a key driver as a means to achieve outcomes under these themes.

Culture Company Aims & Objectives

The vision of the Culture Company was *'to provide cultural access for all and confidently and creatively connect Derry~Londonderry with the wider world'*. The Company defined the following objectives and outcomes:

- To deliver steps changes in equality, good relations and social cohesion through culturally led regeneration;
- To drive an economic renaissance transforming levels of prosperity in the City and wider region;
- To build a sustainable cultural environment which will nourish and enhance a unique world class experience;
- To unleash talent to build a proud, ambitious, creative connected community; and
- To tell the world a new story.

The legacy of the Programme was expected to be shown as:

- A Digital Cultural Capital
- An exemplar of culturally led regeneration
- An exemplar of peace-building through culture.

3. Review the rationale, aims and objectives of the project

Introduction

This section considers the original rationale for the project as set out in the needs section of the business case to see if the need still exists and if rationale remains valid. It then examines the objectives of the project from the business case to see the extent to which they have been achieved, drawing on the monitoring data and the Benefits Realisation Plan for the project.

Review of rationale

The original DCAL Business Case in June 2012 identified and examined a range of needs that the Cultural Programme intended to address:

- Quality of Life – The NISRA Multiple Deprivation Measures estimate that 43% of the Derry~Londonderry population are resident in wards defined as deprived, with 13 of the 30 wards in the area lying within the worst wards in NI.
- Economic Activity – The working age employment rate is 8.6% lower than NI as whole, mean annual earnings are 2.7% less than the NI average.
- Education – high percentage of residents have no qualifications (61%), low number with degrees as compared to NI as a whole, 2nd lowest proportion of working age population qualified to level 4 and above in NI.

It is interesting that there were not considered to be any health-related impacts of the project, although there were a number of sports projects and there has been an increase in the number of physical events in the city and in the number of participants.

The original Business Case concluded that the Derry~Londonderry area was in need of regeneration due to high degrees of deprivation, poor educational attainment levels, a poorly skilled workforce, with limited opportunities for employment. The decline of traditional manufacturing industries creates a need for new employment opportunities to be developed. The City One Plan had been developed to address the problems of the city in a coordinated way and the City of Culture designation was an important element of this Plan.

The business case also examined the market failures which support government intervention in the provision of arts and culture. The Business Case undertook a benchmarking exercise to consider the benefits derived from European Cities of Culture in Liverpool 2008, Cork 2005 and Glasgow 1990. It found that the cities benefitted from a number of social and economic impacts which could be attributed to the City of Culture title and cultural programmes delivered during the City of Culture year:

- Significant economic benefits can be derived;
- Significant social benefits can be realised;
- A cultural legacy can be embedded; and
- The award had become a keystone in arguments for culture-led urban regeneration.

Finally, the business case identified a need to promote the region as a destination for tourists through improving the quality of tourist provision.

The updated business case in July 2013 confirmed this overall assessment:

“The need identified in the original business case to address the City’s regeneration, high levels of deprivation, poor educational attainment levels, a poorly skilled workforce, and limited opportunities for employment remains current and justifies continued support.”

The latest economic data available suggest that there has been some slight improvement in the overall economic situation in the area since 2012. Claimant count unemployment in Derry City & Strabane District Council area peaked in 2013 and has fallen since although this is in line with the NI average and the gap has not closed.

Table 3.1: Claimant Count Unemployment in Derry City & Strabane District Council area, 2011-2015

	Derry & Strabane		N Ireland	% point difference
	Number	%	%	
2011	7,447	7.7%	5.1%	+2.6
2012	7,871	8.2%	5.4%	+2.8
2013	8,027	8.4%	5.4%	+3.0
2014	7,687	8.0%	4.6%	+2.4
2015 (Dec)	6,035	6.3%	3.3%	+3.0

(Source: NISRA Labour Market Statistics)

However, the economic activity rate for Derry & Strabane in 2014 was 66.5%, well below the NI average of 72.5% and the lowest of any Council area. The employment rate of the working age population for Derry & Strabane in 2014 was 56.6%, also well below the NI average of 67.7%. The total number of employee jobs in the Council area in 2013 was just over 50,000 which was slightly less than two years earlier, although there was a slight increase in the number of full time jobs.

Table 3.2: Employee Jobs in Derry City & Strabane District Council area, 2009, 2011 and 2013

	Full-time	Part-time	Total jobs
2009	33,016	18,263	51,278
2011	31,852	18,606	50,458
2013	32,345	17,907	50,253

(Source: NISRA Labour Market Statistics)

It was not anticipated in the business case that the City of Culture would result in an immediate transformation of the economic fortunes of the city but that this was just the first step in a longer-term process of economic regeneration. The evidence from other cities is that while there is a short-term spike in the local economy during the year of the events, these broader labour market impacts take some years to be realised.

Even though an immediate transformation was not envisaged, the evaluation has considered if the needs identified in the business case have been addressed to any extent.

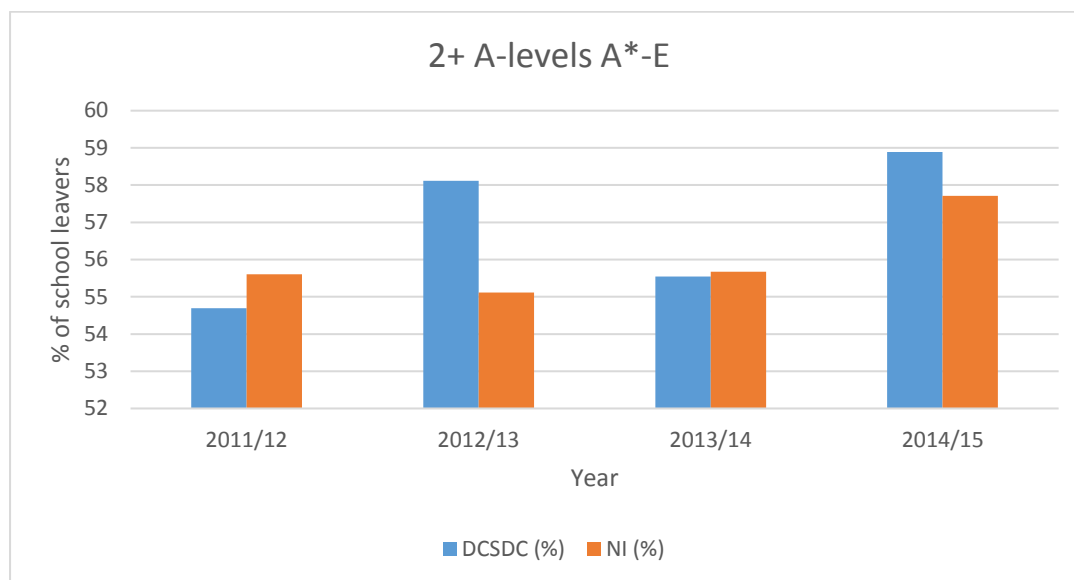
High levels of deprivation

The most recent measured levels of deprivation in Northern Ireland are for the year 2010. NISRA are currently reviewing the deprivation measures with a view to update in 2017. It is therefore too early to assess if this need has been addressed.

Poor educational attainment levels

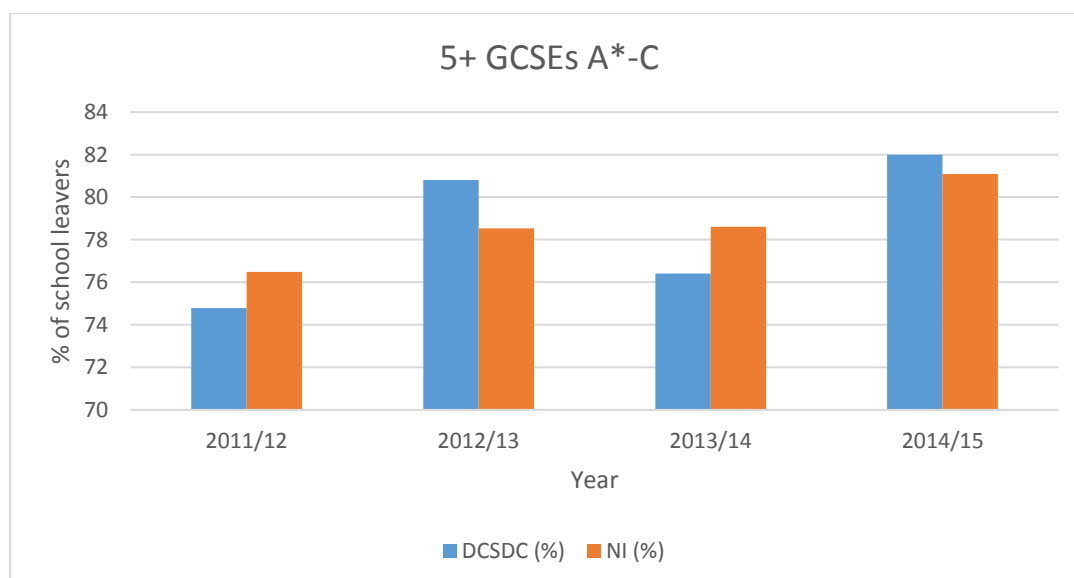
The most common measure of educational attainment levels is the qualifications of school leavers and the charts below show proportions of students achieving various levels of qualifications over the past 4 years up to 2014/15 for Derry City & Strabane District Council compared with Northern Ireland as a whole.

Chart 3.1: Proportion of school leavers achieving 2 or more A levels at Grades A* to E



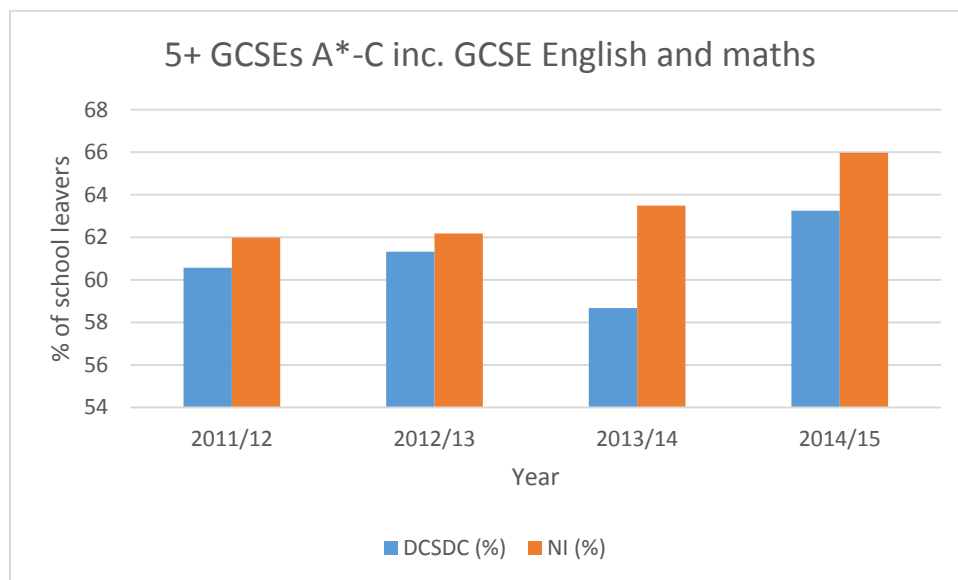
(Source: Department for Education)

Chart 3.2: Proportion of school leavers achieving 5 or more GCSE's at Grades A* to C



(Source: Department for Education)

Chart 3.3: Proportion of school leavers achieving 5 or more GCSE's at Grades A* to C including GCSE in English & Maths



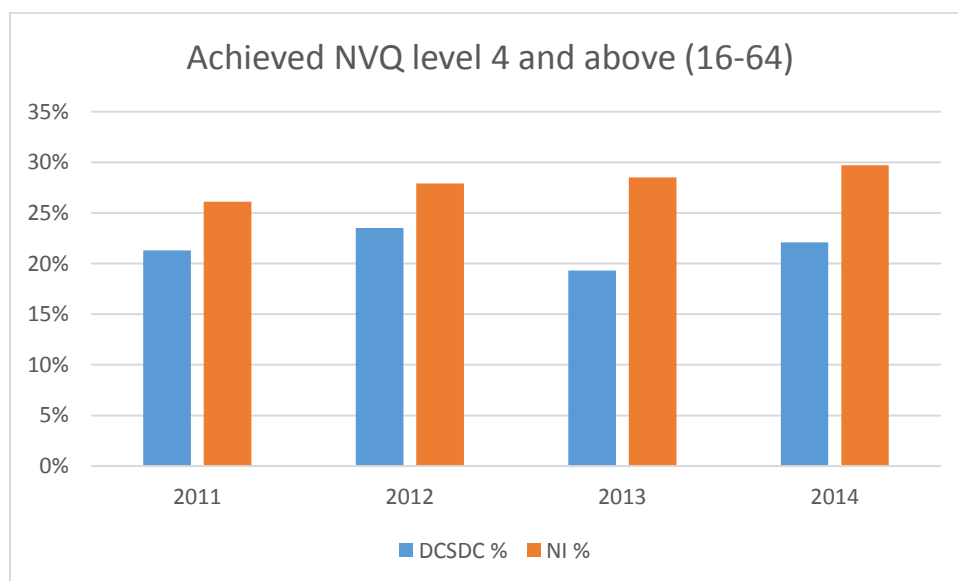
(Source: Department for Education)

These data suggest that there has been an improvement in performance in 2014/15 compared with 2013/14, although performance in 2013/14 appears to be below trend for both the Council area and Northern Ireland. Performance in the Council area in 2014/15 was above the Northern Ireland average in both A Levels and GCSE's although the proportion getting A*-C grades in GCSE including English and Maths was below the NI average. This suggests that this need is being addressed.

Poorly skilled workforce

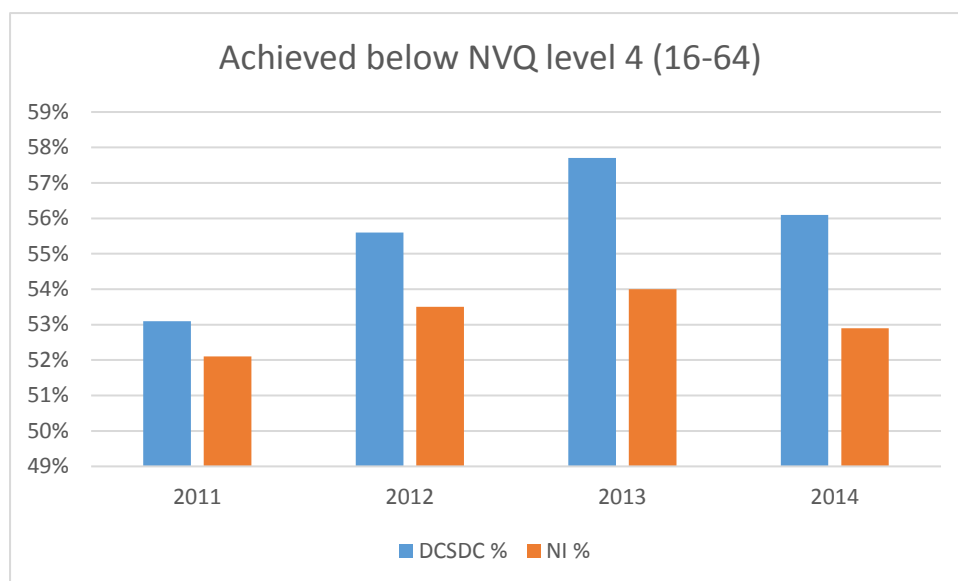
The most relevant measure of workforce skills is the annual Labour Force Survey which reports levels of qualifications of the population aged 16-64. The levels of achievement for Derry City & Strabane District Council compared with Northern Ireland as a whole for the last 4 years are shown below.

Chart 3.4: Qualifications of those aged 16-64: NVQ Level 4 and above



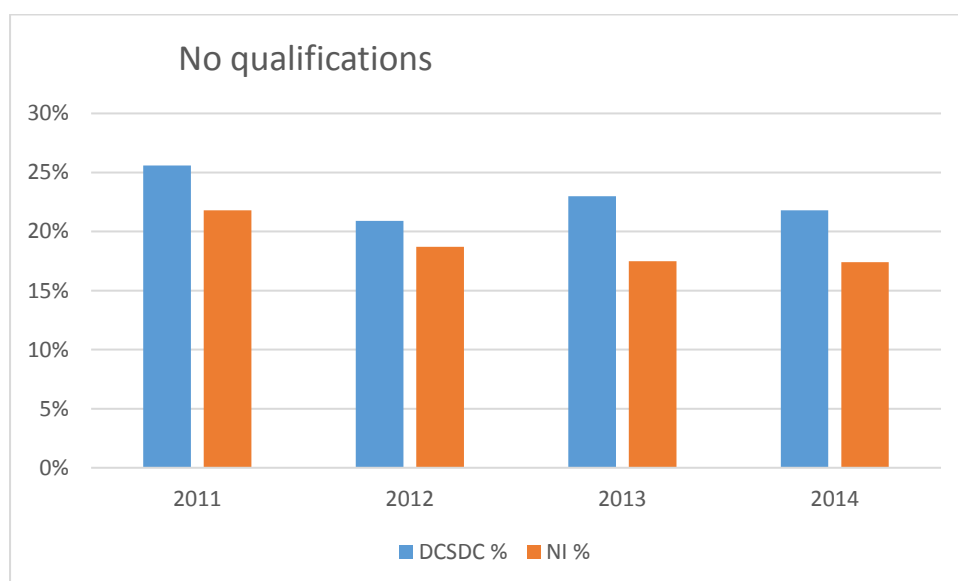
(Source: Labour Force Survey)

Chart 3.5: Qualifications of those aged 16-64: below NVQ Level 4



(Source: Labour Force Survey)

Chart 3.6: Proportion of those aged 16-64 with no qualifications



(Source: Labour Force Survey)

These charts suggest that the skill levels of the population of the Council area still lags behind those of elsewhere in Northern Ireland. The proportion with no qualifications (21.8%) fell slightly in 2014 but is still above the NI level of 17.4% and is the highest of any Council area in Northern Ireland.

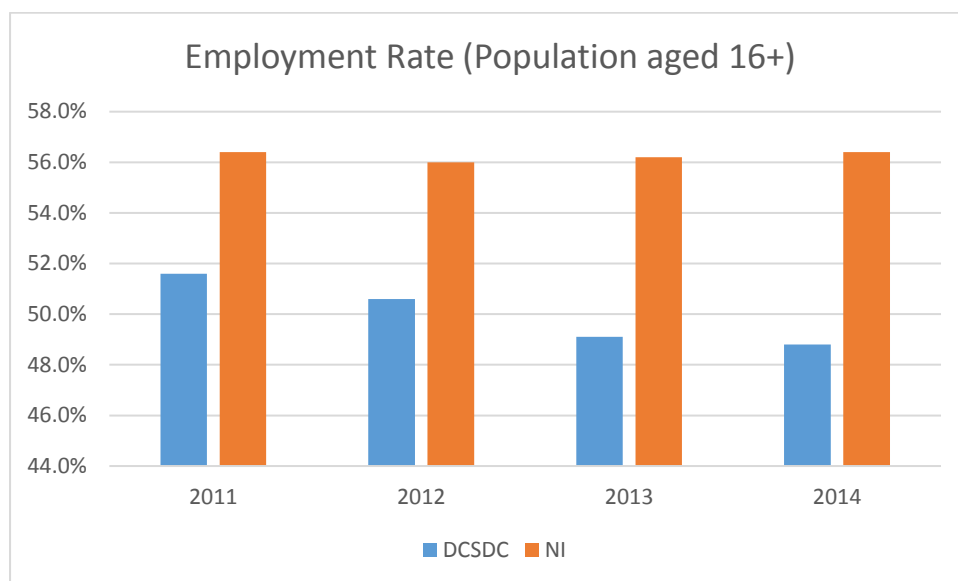
It is clear that this need has still not been addressed.

Limited opportunities for employment

As Table 3.2 above shows the number of jobs available in the Council area remained fairly static between 2011 and 2013. As the chart below shows the employment rate for the Council area (the proportion of the population aged 16 or over who are in employment) has actually fallen between

2011 and 2014 and at 48.8% remains below the NI average of 56.4%. This need has not yet been addressed.

Chart 3.7: Employment rates for population aged 16 and over



(Source: Labour Force Survey)

Business Case Objectives & Constraints

The objectives of the project were set out in the original business case and remained unchanged in the July 2013 updated business case. They are set out in the table below along with the relevant targets.

Table 3.3: Objectives & Targets for City of Culture Programme

Area	Objective	Target
ATTENDANCE AND PARTICIPATION	<ul style="list-style-type: none"> To increase the number of people from deprived communities who attend the arts. 	The percentage of those living in 10% most deprived areas who never attend cultural events will be reduced from 33% to 25%
COMMUNITY	<ul style="list-style-type: none"> To increase sustainability and capacity in the community. To improve social inclusion and understanding of diversity - particularly within the Protestant community. 	<p>Significant improvements will be delivered in community relations, perceptions of the City, equality and social cohesion (measured by Citiscope Model and Citizen Survey)</p> <p>The percentage of citizens who are very satisfied with living in the City will have risen from 17% to 30% by 2020</p> <p>Derry~Londonderry urban current benchmark rank of 49th for cultural and</p>

		tourist employment, to equal Nottingham and York (around 20th in UK)
EDUCATION & EMPLOYMENT	<ul style="list-style-type: none"> To increase the educational outcomes of young people in the city To improve employment opportunities Deliver economic benefits. 	<p>Increase Key Stage 2 success rates for Maths and English.</p> <p>Reduce number of people with no or low qualifications.</p> <p>An additional £98m in wages and profits (Gross Value Added) will be realised by 2020</p> <p>2,300 more residents will be employed, including 1,000 from the bottom half of the most deprived wards</p>
TOURISM	<ul style="list-style-type: none"> To increase number of visitors and revenue, particularly from RoI, GB and internationally. To increase length of visitor stay. To create new tourism businesses. To increase jobs in tourism sector. 	<p>Overnight visitors to the City will have increased by 223,000 by 2013 (double 2010 level)</p> <p>Overnight visitor spend will have increased by £39.8m by 2013 from 2005 baseline</p> <p>Day trip visitors to the City will have increased by 339,000 by 2013</p>

Looking back at these objectives, with the benefit of hindsight, a number of observations can be made in advance of measuring the actual performance against the objectives that is presented later in this section:

- The objectives and the targets still very much reflect the ambition of the original bid despite the changed strategic, economic and funding circumstances that prevailed when the updated July 2013 version of the business case was prepared;
- Some of the targets are not linked clearly to the objectives, for example, the objective of 'improving social inclusion and understanding of diversity - particularly within the Protestant community' does not appear to have a target;
- The target of increasing Key Stage 2 results in local schools seems exceptionally ambitious especially without any additional resources to the programme from the Department of Education;
- An objective that is missing from the list is the potential of CoC 2013 to increase confidence by improving both internal and external perceptions of the city and this has been one of the most important impacts of the City of Culture.

The business case also listed a number of constraints that might impact on the ability of the programme to deliver the above objectives. These were as follows:

- **Staffing** – The original business case highlighted the risk that levels of staffing may impact the capacity of the Culture Company which had a core team of 18 staff to deliver the proposed programme of events. While the scale and complexity of the project and the cultural programme presented significant challenges to the Culture Company team, the programme was delivered successfully with the assistance of delivery support from Strategic Investment Board.
- **Finance** – The original business case assumed 32% of the project funding would come from private sector sponsorship and ticket sales. It became clear that this was not possible in the economic climate at the time and this in turn put further pressure on public sector funding sources. It also resulted in constraints on the scope, scale and quality of the programme offering and presented Culture Company staff with significant challenges in dealing with multiple funders' requirements and central government processes for delivery of business cases and governance and accountability structures.
- **Timescale** – The award of the City of Culture was made in July 2010 leaving 30 months to put in place the structures and programme required to run it. This was a major undertaking for the Council and the Culture Company which it established to deliver the programme. In the event it was successfully delivered on time.
- **Attendance** - A key objective for DCAL support for the project was to increase participation in and attendance at arts events and the Culture Company aimed to deliver a suite of events targeted at achieving an 8% increase in attendance amongst the most deprived wards. However, risks surrounding potential for lower attendance than expected, 'burn out' from the numerous 2012 events and potential for international visitors to travel to events in 2013 were all outside the Culture Company's control.
- **Regeneration** - The Cultural Programme focused on attendance, participation, community, education, employment and tourism. Although targets for these areas were likely to achieve overall regeneration, the business case recognised that their short-term impact would be difficult to quantify.
- **Interdependencies** – Achievement of the objectives was also dependent on a number of interdependent capital projects and this was reflected in the employment projections from the original modelling. Some of these capital projects were delivered – 'The Venue' was constructed as a temporary venue and was used successfully for a number of events. The venue for the Turner Prize was also completed within the necessary timeframe. However other capital projects were not completed, including the projected increase in hotel accommodation for tourist visitors.

Review of Objectives & Targets

The table overleaf sets out a summary of the extent to which the objectives and targets of the business case have been met. Some of these targets are also included in the Benefits Realisation Plan and information has been drawn from there on targets and outcomes. The main sources of information for measurement of the targets include:

- Ilex, *2009 Citizen Survey* (see Annex C)
- Ilex, *2012 Citiscope Survey*

Post Project Evaluation of City of Culture 2013

- Ilex, *2015 Citizens Survey*
- Ilex, *Monitoring Report on City of Culture 2013*, September 2014 (see Annex B)
- Queens University Belfast, *From Plantation to Peace: Dissemination Reports 2015, Working Paper 2: Schools Survey*, School of Planning, Architecture & Civil Engineering, 2015 (See Annex D)

The difficulties associated with using the 2009, 2012 and 2015 Surveys for comparative purposes has already been noted. Different methodologies were used to reflect the different objectives of the two surveys and this limits the comparisons that can be made.

Table 3.4: Delivery of objectives of City of Culture

Area/Objective	Target	Outcomes								
ATTENDANCE AND PARTICIPATION To increase the number of people from deprived communities who attend the arts.	The percentage of those living in 10% most deprived areas who never attend cultural events will be reduced from 33% to 25%	<p>It was anticipated that this target would be measured using the citizen surveys carried out in 2009 and 2015. However, there have been difficulties with measurement as noted previously in pp13-14.</p> <p>The information available from the surveys for this indicator that can be used is set out below:</p> <table><tr><th></th><th>Baseline 2009 survey</th><th>2014 target (BRP)</th><th>2015 survey</th></tr><tr><td>% that rate the Derry Arts and Culture activities as excellent or very good [1st decile]</td><td>9.7%</td><td>12%</td><td>43.7%</td></tr></table> <p>Note: See comments on Pages 13-14</p> <p>This suggests that the target of increasing the proportions in the lowest decile who rated arts & culture activities as excellent or very good was exceeded, although this is based on a very small sample in the 2015 survey.</p> <p>Evidence on participation by those living in the most deprived areas in events during the City of Culture is also available from two other sources:</p> <ul style="list-style-type: none">• The Ebrington Square / Peace Bridge survey estimated that 81% of those who lived in the Council area had attended a City of Culture event. This survey also indicated that 33% of those who attended an event lived in those Derry-Londonderry Super Output Areas (SOA's) that are within the top 10% deprived SOA's in NI areas. This means that 83% of Derry-Londonderry residents living in an SOA ranked within the top 10% deprived SOAs in NI attended a City of Culture event illustrating the inclusivity of the CoC programme of events• Event surveys were carried out by Ilex during 2013 on participation in specific City of Culture events by those living in the 10% most deprived areas in the city and referenced in the City of Culture Monitoring Report. This shows that 22% of those who attended		Baseline 2009 survey	2014 target (BRP)	2015 survey	% that rate the Derry Arts and Culture activities as excellent or very good [1st decile]	9.7%	12%	43.7%
	Baseline 2009 survey	2014 target (BRP)	2015 survey							
% that rate the Derry Arts and Culture activities as excellent or very good [1st decile]	9.7%	12%	43.7%							

		<p>surveyed events resided within the top 10% most deprived SOAs in the city. Given that these surveys did not include neighbourhood-based events it is likely to be an underestimate.</p> <ul style="list-style-type: none"> • Research by Queen's University⁶ with children in secondary schools in the city reported that 85% of them had attended City of Culture events as part of an audience and 21% had taken part as a performer or helper. <p>Although it is impossible to say if participation in cultural and arts activities by those from the most deprived areas of the city has increased, it is clear that there is increased participation in most forms of cultural activity in the population as a whole and that participation in the City of Culture events was exceptionally high by all parts of the local population including those from the most deprived communities.</p>
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⁶ Queens University Belfast, *From Plantation to Peace: Dissemination Reports 2015, Working Paper 2:Schools Survey*, School of Planning, Architecture & Civil Engineering, 2015

COMMUNITY To increase sustainability and capacity in the community. To improve social inclusion and understanding of diversity - particularly within the Protestant community.	Significant improvements will be delivered in community relations, perceptions of the City, equality and social cohesion (measured by Citiscope Model and Citizen Survey)	<u>Community relations</u> The limited evidence from the 2015 Citizen Survey suggests that while there has been an improvement in the view that Derry is a place where people get on well together, the proportion <u>in the lowest decile</u> who think that relations between Protestants & Catholics are better than they were 5 years ago has fallen: <table><tr><th></th><th>Baseline 2009 survey</th><th>2014 target (BRP)</th><th>2015 survey</th></tr><tr><td>% that agree with statement 'Derry is a place where people from different backgrounds get on well together' [1st decile]</td><td>43.75%</td><td>46%</td><td>74.4%</td></tr><tr><td>% that feel relations between Protestants and Catholics are BETTER than they were 5 years ago [1st decile]</td><td>57.8%</td><td>60%</td><td>53.8%</td></tr></table> Note: See comments on Pages 13-14 Community relations are influenced by a much broader range of factors than just the City of Culture experience and it is not possible to conclude from this evidence that the City of Culture has had an impact on community relations. There is other evidence available on the state of community relations in the city: <ul style="list-style-type: none">• The Queen’s University research with secondary school children in 2014/15 reports that when the children were asked if they thought the City of Culture had made relations between Protestants and Catholics better, worse or had no effect, 41% thought it had no effect but the next most common answer was that it had made community relations better (31.7%).• The Ilex 2013 Monitoring Report noted that there was strong qualitative evidence that CoC 2013 had contributed positively to improving good relations in the city and strengthening community cohesion.		Baseline 2009 survey	2014 target (BRP)	2015 survey	% that agree with statement 'Derry is a place where people from different backgrounds get on well together' [1st decile]	43.75%	46%	74.4%	% that feel relations between Protestants and Catholics are BETTER than they were 5 years ago [1st decile]	57.8%	60%	53.8%
	Baseline 2009 survey	2014 target (BRP)	2015 survey											
% that agree with statement 'Derry is a place where people from different backgrounds get on well together' [1st decile]	43.75%	46%	74.4%											
% that feel relations between Protestants and Catholics are BETTER than they were 5 years ago [1st decile]	57.8%	60%	53.8%											

		<ul style="list-style-type: none">Derry City Council as part of its Good Relations Strategy undertook surveys of the population in 2010 and 2013. The 2013 survey showed a significant improvement in perceptions of prejudice																							
		<table><tr><td></td><td></td><td>Decreased</td><td>No change</td><td>Increased</td></tr><tr><td rowspan="2">How do you believe prejudice in the Derry City Council area has changed in the past 5 years? <i>Against Protestants</i></td><td>2010</td><td>6.1%</td><td>55.3%</td><td>38.6%</td></tr><tr><td>2013</td><td>50.5%</td><td>42.2%</td><td>7.3%</td></tr><tr><td rowspan="2">How do you believe prejudice in the Derry City Council area has changed in the past 5 years? <i>Against Catholics</i></td><td>2010</td><td>15.8%</td><td>60.5%</td><td>23.7%</td></tr><tr><td>2013</td><td>54.7%</td><td>44.3%</td><td>0.9%</td></tr></table>			Decreased	No change	Increased	How do you believe prejudice in the Derry City Council area has changed in the past 5 years? <i>Against Protestants</i>	2010	6.1%	55.3%	38.6%	2013	50.5%	42.2%	7.3%	How do you believe prejudice in the Derry City Council area has changed in the past 5 years? <i>Against Catholics</i>	2010	15.8%	60.5%	23.7%	2013	54.7%	44.3%	0.9%
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		Note: See comments on Pages 13-14																							
		<u>Perceptions of the City</u>																							
		Perceptions of the city by residents were also measured by the Citiscope and Citizens Surveys. The results are contradictory as there has been a slight fall in the proportion of residents in the bottom decile who are content with their area as a place to live but an increase in the proportion who would not be embarrassed to bring people to their area.																							
		<table><tr><td></td><td>Baseline</td><td>2014 target (BRP)</td><td>2015 actual</td></tr><tr><td>% that are satisfied with their local area as a place to live [1st decile]</td><td>62.7%</td><td>59%</td><td>61.6%</td></tr><tr><td>% that disagree with statement 'I'm embarrassed to bring people to this area' [1st decile]</td><td>64.6%</td><td>61%</td><td>76%</td></tr></table>		Baseline	2014 target (BRP)	2015 actual	% that are satisfied with their local area as a place to live [1st decile]	62.7%	59%	61.6%	% that disagree with statement 'I'm embarrassed to bring people to this area' [1st decile]	64.6%	61%	76%											
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		<p>Again there is other evidence in relation to perceptions of the city which is positive:</p> <ul style="list-style-type: none">• The Queen’s University research with secondary school children in 2014/15 reports that when the children were asked if the City of Culture made them feel more proud of being from the city, 84% said that they were ‘very much’ or ‘a bit’ more proud. This confirmed what the researchers discovered from the interview respondents ‘who articulated that the City of Culture had cultivated strong enthusiasm and been extremely well received’.• Business perceptions of the city also improved as a result of the City of Culture. The Ilex Monitoring Report reports that a survey by the Londonderry Chamber of Commerce in early 2014 found that just over 70% of businesses felt that there had been some or a lot of additional benefit to their business, although this was based on a very small sample.								
	<p>The percentage of citizens who are very satisfied with living in the City will have risen from 17% to 30% by 2020</p>	<p>In 2015 in Derry City Council area the Citizen Survey reported that 24.4% of individuals were very satisfied with their local area as a place to live, an increase of over 7 percentage points on the 2009 baseline figure of 17%. The target of 30% however is a 2020 target.</p> <table><tr><td></td><td>Baseline</td><td>2020 target</td><td>2015 actual</td></tr><tr><td>% that are very satisfied with their local area as a place to live [DCC area residents]</td><td>17%</td><td>30%</td><td>24.4%</td></tr></table> <p>Note: See comments on Pages 13-14</p> <p>The young people surveyed as part of the Queen’s University research were very positive about the impacts of the City of Culture and 56.7% of them agreed that the “City of Culture has made the city a better place for young people to live”, with less than 10% disagreeing with this statement. However, this does not appear to have converted into a personal enthusiasm to stay in the city - over 30% disagreed with the statement that it has ‘made me want to stay and work/study in the city’ and only 22% agreed with this statement.</p>		Baseline	2020 target	2015 actual	% that are very satisfied with their local area as a place to live [DCC area residents]	17%	30%	24.4%
	Baseline	2020 target	2015 actual							
% that are very satisfied with their local area as a place to live [DCC area residents]	17%	30%	24.4%							
	<p>Derry~Londonderry urban current benchmark rank of 49th for cultural and tourist employment, to equal</p>	<p>The benchmarking exercise to rank the city in terms of cultural and tourist related employment was undertaken by Oxford Economics as part of the economic modelling exercise prior to 2013 and this benchmarking exercise has not been repeated.</p>								

Post Project Evaluation of City of Culture 2013

	Nottingham and York (around 20th in UK)	However an analysis of the two main SIC codes 'Accommodation and Food Service' and 'Arts, Entertainment and Recreation' for the Council area as a whole shows a 6% increase in employee jobs between 2011 and 2013. Given that these sectors make up approximately 9% of employment it seems unlikely that an increase of 6% would be sufficient to move Derry~Londonderry from 49 th to 20 th in rank position. This might be a longer-term aspiration.
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EDUCATION & EMPLOYMENT To increase the educational outcomes of young people in the city To improve employment opportunities Deliver economic benefits.	Increase Key Stage 2 success rates for Maths and English.	There is no up to date information on Key Stage 2 success rates for Maths and English since 2013 at either Council area or Northern Ireland level so it is too early to measure this target, which may be more of a long-term goal. Furthermore, these rates are likely to be subject to a large number of variables and it may be difficult to attribute any change in rates for the city directly to the City of Culture project.										
	Reduce number of people with no or low qualifications.	<p>The main source of official data on the numbers of people with no or low qualifications is the Census and the change can therefore only be measured between 2011 and 2021. The Department of Education also publishes the number of children leaving school with one or more GCSEs at D-G grades or with no formal qualifications. In the latest year for which data are available is 2012/13 and in that year in Northern Ireland less than 5% of children left school in one of these categories. Data is not available by Council area as the numbers are very small and there would be disclosure issues.</p> <p>The BRP included a target benefit of reducing the number of people with low or no qualifications but no baseline or target was set in the BRP. However, there was a target of reducing the proportion of residents who feel that education is not important in their life. The results of this are shown below. This suggests a significant improvement but caution is needed given the differences in methodology.</p> <table><tr><td></td><td>Baseline</td><td>2014 target (BRP)</td><td>2015 actual</td></tr><tr><td>% that feel education is not important in their life [1st decile]</td><td>22.6%</td><td>20%</td><td>2.4%</td></tr></table> <p>There is also evidence that the City of Culture provided training opportunities in some areas that resulted in qualifications being awarded. For example, the World Host programme undertook the training of over 3,500 people as tourism hosts.</p>				Baseline	2014 target (BRP)	2015 actual	% that feel education is not important in their life [1 st decile]	22.6%	20%	2.4%
		Baseline	2014 target (BRP)	2015 actual								
% that feel education is not important in their life [1 st decile]	22.6%	20%	2.4%									
An additional £98m in wages and profits (Gross Value	It is too early to assess the overall impact if any of the project on GVA for the city and the target of an additional £98 million is set for 2020.											

	Added) will be realised by 2020	Initial labour market data for 2014 and 2015 quoted in the previous section show clear signs of improvement through falling unemployment but only in line with NI averages. Employment in the Council area rose in 2013 but no more recent data is available.
	2,300 more residents will be employed, including 1,000 from the bottom half of the most deprived wards	<p>As already indicated, official employment data for 2014 by Council area are not yet available so it is not yet possible to quantify the impact of the project on employment. The economic modelling undertaken in advance of the City of Culture assumed that there would be a significant capital investment programme undertaken as part of the City of Culture including investment in new hotel accommodation and in public sector infrastructure. The employment projections in the model were based heavily on the employment arising from these construction projects most of which did not happen. The proposed target of 2,300 additional jobs needs therefore to be interpreted with caution.</p> <p>Research in other cities that have run City of Culture programmes⁷ has highlighted the difficulty in measuring the tangible impact on employment from programmes of this nature. This has also been the case in assessing the employment impact of CoC 2013. However, on the basis of available evidence the Monitoring Report has estimated that 300 to 400 full time equivalent jobs were created during 2013, which will have led to further jobs created as a result of multiplier effects. The main economic impacts of the City of Culture are expected to be in the long run as a result of the change in perceptions of the city.</p>

⁷ Liverpool, Glasgow, London

<p>TOURISM</p> <p>To increase number of visitors and revenue, particularly from RoI, GB and internationally.</p> <p>To increase length of visitor stay.</p> <p>To create new tourism businesses.</p> <p>To increase jobs in tourism sector.</p>	<p>Overnight visitors to the City will have increased by 223,000 by 2013 (double 2010 level)</p> <p>Overnight visitor spend will have increased by £39.8m by 2013 from 2005 baseline</p>	<p>The tourism targets set out in the business case anticipated a significant increase in tourist visitors to the city in 2013 as a result of the City of Culture, including a doubling of visitor numbers from the 2010 level. As a result of budget restrictions, the original programme of events had to be scaled back significantly with fewer major international events and more community events and activities.</p> <p>CoC 2013 delivered more than 400 events and the Monitoring Report has estimated that these events generated up to 1 million attendances and participants. The Report also estimates that the majority (over 60%) of these audiences/participants were from the Derry City Council area, with a further 25% from the rest of Northern Ireland and the remaining 13% from outside Northern Ireland. The proportion of those visiting from outside for the six major NI Tourist Board sponsored events was double this at 25%.</p> <p>Other estimates of the tourism impact of CoC 2013 in the year from the Monitoring Report are as follows:</p> <ul style="list-style-type: none"> • There were increases of between 14% and 85% to the main visitor attractions in the city during 2013 and the number of enquiries at the Tourist Information Centre rose by 17% in the year. • Hotel occupancy was also significantly higher during 2013 than the previous year despite an increase in the rooms available. During the months of May to August 2013 occupancy rates were in excess of 80%, higher than Belfast rates. • An estimated £30-35m was spent by individuals attending the various events throughout the year. <p>However, it is assumed that the main objective of the project was to build a sustained increase <u>over time</u> in the number of visitors to the city rather than just in the designated year of 2013. The latest figures for visits to Derry City & Strabane District Council area show that there was an increase of 54.8% in the number of visitor trips to the area and an increase of 33% in the number of nights spent in 2013 compared with 2012. The total spend by visitors in 2013 increased by 75.2%. While these figures may be less than the doubling in visitor numbers anticipated by the target, they still demonstrate a significant impact on tourist visitor numbers in the City of Culture year of 2013.</p> <p>This shows that both visitor trips and visitor spend in 2014 were 43.7% higher than in 2011, showing that the improvement in the tourism economy of the area has been sustained. It also shows that the increase in</p>
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		tourism to the Council area from 2011 to 2014 has been significantly greater than in Northern Ireland as a whole.																																				
		Visitor trips, nights and spend, Derry City Council & Strabane District Council area, 2011-2015																																				
		<table><tr><td></td><td>2011</td><td>2012</td><td>2013</td><td>2014</td><td>2015</td><td>Change 2012-13</td><td>Change 2011-15</td><td>NI Change 2011- 2015</td></tr><tr><td>Trips</td><td>168,064</td><td>164,264</td><td>254,315</td><td>230,983</td><td>223,172</td><td>54.8%</td><td>32.8%</td><td>14.1%</td></tr><tr><td>Nights</td><td>767,880</td><td>704,042</td><td>936,200</td><td>810,310</td><td>889,416</td><td>33.0%</td><td>15.8%</td><td>5.1%</td></tr><tr><td>Spend (£)</td><td>29,582,184</td><td>26,718,843</td><td>46,814,887</td><td>39,744,803</td><td>42,502,028</td><td>75.2%</td><td>43.7%</td><td>18.6%</td></tr></table>		2011	2012	2013	2014	2015	Change 2012-13	Change 2011-15	NI Change 2011- 2015	Trips	168,064	164,264	254,315	230,983	223,172	54.8%	32.8%	14.1%	Nights	767,880	704,042	936,200	810,310	889,416	33.0%	15.8%	5.1%	Spend (£)	29,582,184	26,718,843	46,814,887	39,744,803	42,502,028	75.2%	43.7%	18.6%
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(Source: NISRA Tourism Statistics)																																						
Day trip visitors to the City will have increased by 339,000 by 2013	Official tourism statistics for day trippers, i.e. Northern Ireland residents visiting the city for the day, are not currently available.																																					

A number of the targets set for the objectives in some cases were unrealistic and difficult to measure and in other cases do not appear to be entirely consistent with the objectives. Nevertheless, using various sources of evidence it is possible to conclude the following for each of the objective areas:

- **Attendance & Participation** - it is clear that there is increased participation in most forms of cultural activity in the population as a whole and that participation in the City of Culture events was exceptionally high by all parts of the local population including those from the most deprived communities. Surveys showed that 81% of all residents and 83% residents living in the most deprived parts of the city attended a City of Culture event. In 2015, 43% of residents of the most deprived areas rated arts and culture activities in the city as excellent or very good compared to 10% in 2009.
- **Community** – community relations are influenced by a wide range of factors but there is strong quantitative and qualitative evidence from work undertaken for the Council's Good Relations Strategy that community relations have improved over the last 5 years. There has also been a sharp rise in the perception of the city as a good place to live and recent research by Queen's University Belfast with schoolchildren in the city, showed that 84% were prouder to be from the City as a result of CoC 2013.
- **Education & Employment** – the objectives and targets set in this area were quite ambitious and were heavily based on the assumption of a public sector infrastructure investment programme that did not materialise. Estimated additional 300-400 jobs were created in the city during 2013 but it is too early to assess the longer-term impact on the city economy and labour market. Targets in relation to improved educational outcomes were particularly ambitious and set without any additional investment in schools.
- **Tourism** – the ambitious tourism targets for the 2013 year were not met largely as a result of the scaling back of the original cultural programme but the more important objective of securing a step change in the attractiveness of the city to visitors appears to have been achieved with the number of visitor trips up by over one third in 2014 compared with 2011. Room sales in the city rose from 124,000 in 2012 to 152,000 in 2013 an increase of 23% and fell back again in 2014 to 140,000 but still recorded a growth of 6% and this growth has continued year on year with 2016 expected to outperform 2013 sales.

4. Assessment of project performance

Introduction

This section of the PPE assesses the project's actual outcomes, benefits and costs and compares these to the expected benefits and costs identified in the original business case and benefits realisation plan. The section begins with a brief consideration of the counterfactual or what would have happened if the City of Culture 2013 project had not taken place.

Establishment of the counterfactual

Detailed economic modelling of the economy of the city was undertaken by Oxford Economics (OE) as part of the bidding process for designation as City of Culture. This work included projections of employment and visitor numbers in the absence of a successful bid and these formed the basis for the counterfactual for the business case. The baseline projections in the OE model showed a continuing decline in employment but picking up slightly from 2014 onwards in line with a general economic recovery. Visitor numbers under the baseline forecast were expected to rise very slightly over time.

The original OE modelling work was undertaken in 2010 and was based on a number of assumptions about the scale of the programme for 2013 and the volume of capital investment by both the public and private sectors which did not materialise. The projected impacts of the City of Culture on the city economy were updated using the OE model during 2013 to allow for more modest assumptions and these projected impacts are presented in the box below:

Box 1: Anticipated Impacts of the City of Culture Programme

The total cumulative impact of the City of Culture programme **until the end of 2013** is as follows:

- 2,740 additional full time equivalent (FTE) job years;
- £97.1m in GVA (constant 2010 prices); and,
- 535,500 additional visitors who spent £25.2m.

The total impact of the City of Culture programme **during 2013** is as follows:

- 850 additional full time equivalent (FTE) job years; and,
- 25.2m in GVA (constant 2010 prices).

(Source: Oxford Economics, *UK City of Culture 2013 Impact*, November 2013)

The counterfactual was not updated in the July 2013 business case but the underlying trends would suggest that, without the City of Culture, the local economy would have continued to perform at a flat level with very little sign of improvement.

Outturn income & expenditure against projections in business plan

The July 2013 Business Case set out updated costs and funding sources for the preferred Option 2: 'Delivery of £25.8m Project'. At this point in time it was half way through the year and there was a greater degree of certainty over the costs of the project. Under this option, the marketing budget was increased to £2.1m, which included DCAL's contribution in the original business case plus an additional contribution by Derry City Council of £0.5m. The costs associated with this option are set out below:

Table 4.1: Costs of Preferred Option

Option 2	Total cost (£m)	Culture Company Contribution	Leveraged Funding
Programme (includes approved OB)	22.8	15.3	7.5
Marketing	2.1	2.1	0
OB (unallocated)	0.9	0.9	
Total	25.8	18.3	7.5

(Source: Department of Culture, Arts & Leisure, *Derry~Londonderry UK City of Culture 2013, Updated Business Case, Cultural Programme Support*, 3 July 2013)

Funding: actual v out-turn

The projected revenues and funding sources for the project as estimated in the July 2013 Business Case are set out in the table below alongside the original funding model included in the June 2012 business case.

Table 4.2: Revenues and funding sources for preferred option

Funding Source	Contribution (£m)	Original June 2012 Business Case
DCAL	12.6*	12.6
Sponsorship	0.436	2.5
Tickets and Merchandise	0.541	2.7
Other funders	3.131	5.45
Leveraged Funding	7.486	-
Derry City Council	1.598**	-
Total	25.792	23.25

Notes:

* DCAL Contribution Includes full OB (i.e. £0.921m unallocated)

** To be reduced if Culture Company realises income targets.

(Source: Department of Culture, Arts & Leisure, *Derry~Londonderry UK City of Culture 2013, Updated Business Case, Cultural Programme Support*, 3 July 2013; Department of Culture, Arts & Leisure, *Derry~Londonderry UK City of Culture 2013, Final Business Case, NI Executive Departments Cultural Programme Support*, 7 June 2012)

Contributions from sponsorship, tickets & merchandise and other funders (mostly public sector funders) were considerably reduced from the original business case while leveraged funding and the contribution by Derry City Council were new funding. DCAL funding remained at £12.6m as in the original business case.

The reasons for the downward adjustment in some of the funding sources are set out in the Updated Business Case of July 2013 and can be summarised as follows:

- Sponsorship** - The original business case set challenging sponsorship targets for the Culture Company. Assumptions made around what could be achieved in the timeframe proved to be inaccurate. The time constraint, with City of Culture having only 1.5 years lead time in comparison to the 6 years for Glasgow and Liverpool, proved difficult. The draft programme of events only became available in May 2012, with the full draft launched in October 2012. It was particularly challenging for the Culture Company to pitch a project for funding, either corporate or charitable, when the actual product was not defined clearly. The short window of opportunity for marketing the project also had a knock-on impact on the ability to raise funding. The sponsorship market was very challenging across the UK at that time. The Arts & Business Private Investment in Culture survey 2010-2011 showed that Business investment in arts and culture fell 7% to £134.2m. This was the fourth consecutive year that business investment had declined.
- Tickets** - Projected income from ticket sales was revised down from £1.9m in the original business case to £0.441m. When income figures were estimated in the original business case, it was envisaged that Culture Company would receive funding from ticket sales for events delivered by local arts venues. However, projected ticket income was netted off at source meaning that the Culture Company's allocations to venues have been reduced by the projected income from ticket sales, with venues then retaining box office income. This placed ownership of the risk of projected ticket sales not being met for these projects with the venues. In addition, anticipated ticket income for some events was reduced as the stage and seating requirements for certain events resulted in reduced capacity. Finally, one of the key aims of the City of Culture programme was to increase the level of engagement in the arts and culture by people from deprived areas. Therefore, ticket prices were deliberately set at affordable levels in line with benefit targets on social exclusion and increasing participation which meant that about 70% of attendances were free or very affordable.
- Merchandising** - The original business case included an income figure of £0.8m for merchandising and other sources. This was revised downwards to £100k when there was no market appetite to deliver an out-sourced merchandising solution as no tenders were received.
- Other funders** - The Culture Company had set a target of raising £5.45m from other public funding sources. The actual amounts raised by the Culture Company from these other sources are shown in the table below. While the Culture Company had not been successful in meeting this target, organisations themselves were able to use the funding allocated by the Culture Company to leverage an additional £7.486m directly from other public funding sources for specific projects. The Culture Company, in conjunction with project delivery organisations, undertook an exercise to confirm the total budget for each project to validate leveraged funding figures. Third party letters of offer stipulated that any additional funding received directly by the organisation for City of Culture projects must be reported to the Culture Company. A verification process was put in place.

Table 4.3: Funding from other sources

Organisation	Original Proposed Funding	Revised Projection

	(£,000)	(£,000s)
NI Tourist Board	1,050	750 308
Arts Council NI	225	1,000
Public Health Agency	60	50
British Council	500	228
Arts Council England	750	750
DCMS	0	25
Department of Foreign Affairs (ROI)	100	14
Foreign Commonwealth Office (UK)	100	0
N/S Ministerial Council	100	0
Culture Ireland	250	0
Clooney Estates Residents	0	5
Community Relations Council	150	0
NI Screen	50	0
Heritage Lottery Fund	100	0
Trusts and Foundations	2,000	0
TOTAL	5,450	3,131

(Source: Department of Culture, Arts & Leisure, *Derry~Londonderry UK City of Culture 2013, Updated Business Case, Cultural Programme Support*, 3 July 2013)

Costs: actual v out-turn

In September 2014, the City of Culture Financial Closure Report⁸ was presented to the Audit Committee of Derry City Council. The purpose of this report was to advise Members of the current financial position in relation to the City of Culture project and to summarise the key lessons learned from a financial perspective.

At the outset, the City of Culture 2013 was a planned £23.3 million project with a programme of 140 events. £12.6 million funding was secured from DCAL with the balance (£10.7m) to be secured from other funding sources. Derry City Council agreed to fund the running costs to a total of £2.605 million.

It became evident in the early stages that the £2.605m allocated by Derry City Council to fund the running costs would not be sufficient and thereby Council approval was sought and obtained to allocate an additional £320k to fund the running costs - taking the total to £2.925m.

⁸ Derry City Council Audit Committee, *City of Culture Financial Closure Report*, 22 September 2014

The Closure Report noted that failure of the Culture Company to realise the projected funding and sponsorship targets resulted in Derry City Council Officers becoming involved in scaling the project back within available budgets. However due to extreme shortfalls the project could not be scaled back to that level and as a result of this Derry City Council were required to make the following additional commitments to ensure the success of the programme and to meet funders' expectations:

- £500k cash contribution to programme expenditure;
- £500k cash contribution to marketing expenditure;
- £487k programme shortfall underwrite; and
- £500k contribution towards other emerging needs.

Despite these difficulties, the Council was able to report that the City of Culture Programme was delivered within the funding approved. At the outset, it was anticipated that a £23.3m project would be delivered; however, failure to meet sponsorship and income targets meant that the actual project costs totalled £17.8m (excluding running costs).

Table 4.4: Out-turn expenditure on City of Culture 2013

	Total Costs		DCAL	Other	DCC
	£'000k		£'000k	£'000k	£'000k
Programme	13,980		8,935	4,058	987
Marketing	1,899		1,600	12	287
OB	1,639		1,639		
Other Costs	290				290
Running Costs	2,550				2,550
Total	20,358		12,173	4,070	4,115

(Source: Derry City Council Audit Committee, *City of Culture Financial Closure Report*)

The original business case included a total budget of £23.25m for delivery of the CoC 2013 Programme. However, this had to be adjusted when it became clear that the Culture Company was unable to meet its targets for sponsorship, ticket sales, merchandising and other funding as discussed above. Event organisers were able to leverage additional funding for their events and the Council increased its direct funding for the project.

A breakdown of the utilisation of the £1.639m Optimism Bias funds is provided in the table below.

Table 4.5: Utilisation of Optimism Bias funds

Category/event	Description	£
Rotary International	Relocation to accommodate BBC choice for R1BW	54,000.00
Radio 1 Big Weekend	Relocated to accommodate BBC	398,557.94
Additional Resources*	Production Director & Consultant	104,545.00
	Event staff	106,767.71
	Event staff- Colmcille event	38,000.00
	Marketing staff	133,176.81
	Volunteer co-ordinator	30,344.47
	Health & Safety	33,434.25
Venue costs		150,010.83
Fleadh		412,000.00
Deconfliction costs	IFA	
Shirt Factory Fit out costs		15,000.00
Venue technical costs	London Symphony Orchestra	28,568.98
	Hofesh Schechter	1,395.72
	Royal Ballet	20,089.21
Music City		23,994.37
Turner transport, building and marketing costs	Fit Out, Education, Running costs, PSNI, Security, Cleaning	10,931.57
	Transport, Building, Marketing	16,438.00
Lumiere- additional day of fire garden		40,000.00
Rock and pop events- production costs		21,411.77
Total Optimism Bias expenditure		1,638,666.63

*Note: The original delivery cost assumptions were based on a small delivery budget held at project partner level (CC2013 and DCC for central delivery costs), with most of the delivery costs expected to be allocated to 3rd parties as part of grant awards. The project director identified in late 2012 that additional delivery resources were needed at project partner level to manage unexpected complexity of managing delivery across individual events - for example in relation to health and safety, transport planning, security arrangements, infrastructure and multi-agency stakeholders which only arose/were defined when contracts and event content was fully negotiated.

(Source: Derry City Council Finance Division)

In conclusion therefore, the total costs of delivery of the project were estimated in the updated business case at £25.8m, including programming costs of £22.8m, marketing costs of £2.1m and unallocated optimism bias allowance of £0.9m. This included £7.5m of funding leveraged by event organisers so that the costs within control of the Council amounted to £18.3m. The project also excluded the running costs of the Culture Company which were the responsibility of Derry City Council.

The out-turn costs reported in the Council Closure Report in September 2014 show that project costs were almost £0.5m below those in the updated business case largely due to tight financial controls introduced by the Council. Out turn costs compared with business case budgets are shown in the table below. Furthermore, this was achieved without any increase in the DCAL contribution from the total of £12.6m approved in the original June 2012 business case, although the City Council had to increase its own direct contribution.

Table 4.6: Out-turn costs compared with Business case projections

	Business case (June 2012) £'000k	Business case (June 2013) £'000k	Out-turn Costs £'000k
Programming (exc leveraged funding)	18,450	14,200	13,980
Marketing	2,800	2,100	1,899
Other costs	-	-	290
Optimism Bias	2,000	2,000	1,639
Total costs	23,250	18,300	17,808

Benefits Realisation Plan

A detailed Benefits Realisation Plan (BRP) was prepared for the project which was last updated in June 2013.

The benefits listed in the BRP included the following:

- Tackling poverty & social exclusion
- Improved perceptions of the city
- Enhanced community relations
- Increase in GVA
- Training & employment opportunities
- Increased tourism
- Improving educational outcomes
- Better health & wellbeing
- Sports & physical activity participation
- Arts participation
- Heritage
- Improved opportunities for people with disabilities
- Development of the creative industries/digital economy
- Urban regeneration

Each of these benefits had a number of indicators and the BRP also had initial targets for each of these indicators for 2014 and final targets for 2020.

There are three main sources for the indicators set out in the BRP each of which is summarised below:

- Derry City Council, *Summary of UK City of Culture funded projects 2013*, November 2014 (updated to June 2015)
- Ilex, *Citizens Survey*, 2015
- Oxford Economics, Econometric Model

Project/Event Post Project Evaluations

A number of the target indicators in the BRP relate to the number of events which met each of the areas of benefit listed above. The benefits delivered by the projects and events were captured in the Post Project Evaluation reports (known as Schedule 2 forms) provided by the event owners to Derry City Council as part of the project completion.

During 2013, the Culture Company supported the delivery of approximately 400 project activities under the Cultural Programme. These ranged from significant highlight events such as the Return of Colmcille and the BBC Radio 1 Big Weekend to much smaller activities led by communities and individual artists. Information is available on over 50% of the projects and is an important input to the evaluation providing an overview of activities against the Benefits Realisation Plan.

The Benefits Realisation Plan was designed in the early part of 2013 in partnership with DCAL, Ilex, Culture Company and Council. It sought to capture as much information as possible on each project/activity supported by the Cultural Company. Each project/activity was recorded against its impact on one or more of the fourteen designated targets, any employment effect and if the targets were achieved.

The Council collected reports on 213 events which have been completed, signed off and have received all of the funding requested. Most of these projects contain a completed Post Project Evaluation as well as a Benefits Realisation Plan although there are a number which are missing one of these elements.

The data on these 213 events has been analysed and is summarised in the table below. Many of the projects and events delivered under the City of Culture delivered benefits in more than one of the intended areas of benefit. For example, the Turner Prize records benefits in arts participation, improved perceptions of the city, more tourism and employment effects.

Table 4.7: Benefits delivered by City of Culture projects with completed PPEs

Benefits	Number of projects	% of total projects (213)
Arts Participation	165	76.0%
Improved perceptions of the city	136	62.7%
Enhanced Community Relations	116	53.5%
Learning a new skill	91	41.9%
Development of the creative industries	84	38.7%

More Tourism	77	35.5%
Improved Educational Outcomes	71	32.7%
Training and Employability Opportunities	60	27.6%
Heritage	59	27.2%
Better Health and Well-Being	48	22.1%
Employment Effect	42	19.4%
Improved opportunities for people with disabilities	38	17.5%
Physical Activity Participation	27	12.4%

(Source: Derry City Council, Analysis of CoC 2013 PPEs)

This table shows not surprisingly perhaps that the main benefits of the City of Culture 2013 as reported by the event organisers were in the area of arts participation with over three quarters of events recording this as a benefit. The next two most important areas of benefit were improved perceptions of the city (62.7%) and enhanced community relations (53.5%) both softer benefits and not easily quantifiable but both identified in the BRP as areas of benefit.

The next three most important areas of benefit were more economic quantifiable benefits which were identified by over one third of events – learning a new skill (41.9%), development of creative industries (38.7%) and more tourism (35.5%).

Finally, there was a group of benefits identified by less than one third of events which are all part of the BRP but which feature less strongly. It is interesting that within this group less than 20% of events identified employment effects as a direct benefit. This supports the conclusion that the employment benefits of the City of Culture are more likely to result from the longer-term impacts of other benefits such as improved perceptions of the City (resulting in increased investment and employment in the city), development of creative industries, increased tourism, and improved educational outcomes.

Citizens Survey 2015 Results

As indicated earlier in this report, the methodology used for the 2015 Citizens Survey differed from that used for the earlier 2009 Citiscope Survey which provided a number of the baseline indicators, and that the results are therefore not directly comparable. This has severely limited the usefulness of the BRP as a basis for measuring the impacts of the City of Culture.

Nevertheless, in the interests of completeness the BRP has been updated as far as possible, bearing in mind this important caveat. A copy of the BRP along with the latest data available for each of the indicators is attached at Annex A to this report.

Results from the Citizens Survey 2015 for a number of the BRP indicators have already been presented in the assessment of objectives outlined earlier in this report. The tables below summarise the survey indicators included in the BRP and reports the progress against the baseline.

The results in relation to improved perceptions of the city in the most deprived deciles are shown in the table below. The targets set in the BRP are incorrect and suggest that perceptions would get worse as a result of the City of Culture.

Table 4.8: Improved Perceptions of the City

Indicator	Baseline	2014 Target	Results from 2015 Citizens Survey (sample size)
Increase % that disagree with statement 'I'm embarrassed to bring people to this area' [1st decile 2009]	63.27%	Decrease to 60%*	63.95% (86)
Increase % that disagree with statement 'I'm embarrassed to bring people to this area' [2nd decile 2009]	64.63%	Decrease to 61%*	76.00 (75)
Increase % that are satisfied (very or fairly) with their local neighbourhood as a place to live [1st decile 2009]	62.70%	Decrease to 59%*	61.63% (86)
Increase % that are satisfied (very or fairly) with their local neighbourhood as a place to live [2nd decile, 2009]	71.43%	Decrease to 68%*	77.03% (74)
Increase % that rate the Derry Arts and Culture activities as excellent or very good.[1st decile 2009]	9.7%	Increase to 12%	43.66% (71)
Increase % that rate the Derry Arts and Culture activities as excellent or very good.[2nd decile 2009]	2.4%	Increase to 4%	15.63% (64)

*Note: Targets in BRP should have been to increase proportions that disagree with these statements but were incorrectly set to decrease

The 2015 survey results generally show an increase in the proportion of residents in the bottom deciles who disagree with the statement that they are embarrassed to bring people to their area and who are satisfied with their neighbourhood as a place to live. There has been a significant increase in the proportion who consider arts and culture provision in the city to be good. However, the survey methodology was different and the sample size used for 2015 comparisons by deciles is therefore very small.

Table 4.9: Enhanced community relations

Indicator	Baseline	2014 Target	Results from 2015 Citizens Survey (sample size)
Increase % that agree with statement 'Derry is a place where people from different backgrounds get on well together'[1 st decile 2009] ('Definitely agree' or 'Tend to agree')	43.75%	Increase to 46%	74.42% (86)
Increase % that agree with statement 'Derry is a place where people from different backgrounds get on well together'[2nd decile 2009] ('Definitely agree' or 'Tend to agree')	44.05%	Increase to 47%	67.57% (74)
Increase % that feel relations between Protestants and Catholics are BETTER than they were 5 years ago.[1st decile 2012]	57.80%	Increase to 60%	53.85% (78)

Increase % that feel relations between Protestants and Catholics are BETTER than they were 5 years ago.[2nd decile 2012]	42.90%	Increase to 45%	43.66% (71)
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The limited evidence from the 2015 Citizen Survey suggests that there has been an improvement in the most deprived communities in the view that Derry is a place where people get on well together. However, there appears to have been little impact on the proportion of those in the most deprived deciles who think that relations between Protestants and Catholics are better than they were 5 years ago. Community relations are affected by a much wider range of factors and evidence from other research, quoted in the objectives section above, suggests that community relations have improved significantly.

The BRP set a target of increasing the proportions in the bottom deciles who are involved in volunteering and the results are shown below.

Table 4.10: More volunteering

Indicator	Baseline	2014 Target	Results from 2015 Citizens Survey (sample size)
Increase % that give any time as a volunteer or as an organiser for any charities/clubs/organisations? [1 st decile, 2009]	35.30%	increase to 37%	15.12% (86)
Increase % that give any time as a volunteer or as an organiser for any charities/clubs/organisations [2nd decile, 2009]	29.80%	Increase to 31%	21.33% (75)

The impact on volunteering does not appear to have been realised as the proportion that give time as a volunteer or organiser has fallen compared with 2009. Anecdotal evidence from the Ilex Monitoring Report suggests that the impact on volunteering in the population as a whole has been much greater.

The Citizens Survey also tested the impact on views on the importance of education and health & wellbeing.

Table 4.11: Importance of education and better health & wellbeing

Indicator	Baseline	2014 Target	Results from 2015 Citizens Survey (sample size)
Decrease the % of residents that feel education is not very important in their life (1 st Decile 2009)	22.60%	Reduce to 20%	2.40% (83)
Decrease the % of residents that feel education is not very important in their life (2nd Decile 2009)	16.70%	Reduce to 14%	6.90% (72)
Decrease % that feel their health has on the whole been poor or very poor compared to people of own age. (1st decile 2009)	15.60%	Reduce to 13%	9.30% (86)

Decrease % that feel their health has on the whole been poor or very poor compared to people of own age. (2nd decile 2009)	22.60%	Reduce to 20%	8.11% (74)
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There has been a clear reduction in the proportion of residents in the bottom deciles who feel that education is unimportant in their life although it is difficult to understand how this might be linked to the City of Culture project given that there were no additional resources given to meeting this target. There has also been a fall in the proportion of those in both deciles who feel that their health has been poor compared to others of their same age, although it is difficult to attribute a causal link.

Although these indicators have been presented here in the interests of completeness, because of their limitations they are of limited value in assessing the benefits of the City of Culture.

Oxford Economics, Econometric Model

An important source for a number of the economic-related baseline and target indicators for the BRP was the Oxford Economics econometric model which was designed specifically to model the potential impacts of the project at bid and implementation stage. Unfortunately there was no budget available to re-run the model after the event and to confirm the outcomes for these indicators.

Conclusion of assessment of Benefits Realisation Plan

The BRP prepared for the City of Culture 2013 project was a comprehensive document which clearly describes the expected areas of benefit arising from the project. It sets out baseline indicators and targets for 2014 and 2020 and identifies methods and responsibilities for measurement. However there have been a number of practical problems with using it to monitor realisation of project benefits:

- Only just over half of the event post project evaluations were completed as event organisers chose not to submit their forms;
- The 2015 Citizens Survey was undertaken using a different methodology to the 2009 and with a smaller sample limiting the comparability of the results;
- The Oxford Economics econometric model was not re-run after the event meaning that indicators linked to the model could not be updated.

Despite these problems, it is possible to draw some broad conclusions on the benefits achieved to date:

- Of the 53 targets listed in the BRP, 39 have been monitored of which 75% have been achieved;
- Many of the benefits of the project appear to focus on the 'softer' areas of improved perceptions of the city by residents and in improved community relations;
- Employment and other economic benefits of the project were more limited but may flow in the longer term from improved perceptions of the city and increased tourism over time;
- In general, there is evidence in almost all areas of benefit identified in the BRP.

5. Assessment of Non-Monetary & Wider Costs & Benefits

Introduction

In addition to the quantifiable benefits outlined in the BRP, the original business case identified a number of non-monetary costs and benefits. The City of Culture Monitoring Report also identified some wider costs and benefits associated with the project.

Non-Monetary Costs & Benefits

The expected non-monetary costs & benefits were outlined in the business case:

- Skills and employment development
- Health and Wellbeing
- Reductions in social exclusion
- Increased opportunities for participation and quality of cultural provision
- Economic growth
- Improved tourist provision
- Improved image
- Legacy benefits

Clearly, almost all of these expected benefits were covered by the BRP and have also been reported on above under the achievement of objectives. Nevertheless, in the interests of completeness the table overleaf comments on the extent to which they have been delivered. The first two columns are drawn from the original business case description of the non-monetary costs & benefits and the third column describes the extent to which they were realised.

Table 5.1: Realisation of non-monetary benefits

Cost / Benefit	Description (from Business Case, July 2013)	Realisation of cost/benefit
Skills and Employment Development	<p>Family poverty and poverty of aspiration are key issues facing Derry~Londonderry. The City of Culture programme aims to address this inequality through jobs and skills creation.</p> <p>The City of Culture partnership aims to continue to use 'Social Clauses' in their procurement contracts to target the long term unemployed and skill the City's young people. The process of investing in skills and education encourages people into employment and enterprise.</p> <p>The use of volunteering is also expected that this will further enhance the sustainability of arts organisations and venues through direct and indirect support, improve employability, and enhance citizenship and civic pride.</p>	<p>As has already been noted the targets set for skills development and job creation were largely based on the assumption of a very significant public and private sector infrastructure investment in the city which did not materialize. It is estimated that an additional 300-400 jobs were created during 2013 and total employment in the former Derry City Council area was 42,000 which was 3,000 higher than the 2010 baseline figure. It is too early to comment on the longer-term employment implications.</p> <p>There is limited evidence of skills development. The skill levels of the population of the Council area still lag behind those of elsewhere in Northern Ireland. The proportion with no qualifications (21.8%) fell slightly in 2014 but is still above the NI level of 17.4% and is the highest of any Council area in Northern Ireland. The World Host Programme trained over 3,500 persons in the city as tourism hosts.</p>
Health and Wellbeing	<p>The City of Culture partnership aims to work with the Sectoral Working Group on Health, the Public Health Authority and Derry Health City Project to address health issues through culture and sport.</p> <p>Participation in arts, culture and sports is also anticipated to bring about improvements in health and wellbeing for individuals.</p>	<p>The BRP targets for Health & Wellbeing were all achieved.</p> <p>The first objective related to attendance and participation and the evidence shows that participation by all members of the local community at City of Culture events was exceptionally high. It is too early to say if levels of participation have increased following the 2013 event.</p>
Reductions in Social Exclusion	<p>The City of Culture programme has the potential to bring about significant urban regeneration benefits for the city. There are a number of programmes which the City of Culture partnership proposes to take forward in 2013 such as 'DiverseCity' with the Holywell Trust which aims to help to build more inclusive, proud and confident communities.</p>	<p>Reducing social exclusion was an important underlying thread of the City of Culture project following on from the assessment of need which highlighted the high levels of deprivation in parts of the city. Although it was not directly identified as an objective it was incorporated in a number of the targets and was monitored in the BRP.</p>

	<p>Also, the Partnership's Cultural Detectives programme is aimed at cross generation engagement and learning to entice and engage people into discovering the City's cultural heritage.</p> <p>Of the 2,800 net additional jobs expected to be created as a result of the CoC, 1,000 will be from the bottom half of most deprived wards.</p> <p>A longer-term benefit that may be derived through the City of Culture programme is that reconciliation is promoted amongst the residents from each community through programmes and events. There is the potential that these activities, coupled with the civic pride promoted by the City of Culture status, will encourage reconciliation and cross community connectivity, ultimately reducing the level of segregated services that currently exist.</p>	<p>The evidence shows that while there was widespread participation in the City of Culture by all sections of the community, including 83% living in the most deprived areas; it is difficult and too early to demonstrate whether this has had any long-term impact on reducing exclusion.</p> <p>It is not possible to measure the target of generating additional jobs for those living in the most deprived wards.</p> <p>There is evidence of the early positive reconciliation effects of the City of Culture which may continue to improve over time.</p>
Increased opportunities for participation and quality of cultural provision	<p>The City of Culture brings the potential to create new national and international partnership for cultural organisations in the City, as well as develop excellence in the provision of arts and the creative industries. It will also create new audiences for arts and culture.</p>	<p>There was a very high level of local participation in events and activities during the 2013 year. This has given rise to a number of continuing cultural events and activities in the city in 2014 and 2015 despite regular cuts in arts funding across Northern Ireland. Many of the cultural organisations in the city established new relationships and developed collaborative partnership both locally and internationally. The Council has highlighted some of these in its assessment of the impact of the project (see Annex G):</p> <ul style="list-style-type: none"> • The Centre for Contemporary Art who developed many successful relationships and during 2015 secured their status as a member of the Plus Tate network. • The Return of Field Day Theatre established the inaugural Seamus Deane Honorary Field day lecture.

		<ul style="list-style-type: none"> • The first dedicated dance and movement festival for Northern Ireland was created in Derry by Echo Echo in 2013 and was continued in 2014 and 2015 with over 60 performances in ten days. • The Verbal Arts Reading Room started in early 2013 as a simple idea to build a love and joy of reading. Since then it has grown substantially with Reading Rooms now in schools, care homes, youth clubs, commercial premises and prisons. • Music programming has continued to flourish with the City hosting the International Pan Celtic Festival both in 2014 and 2015 giving rise to the legacy of the inaugural Derry International Music Festival in February 2016. • The City of Derry International Choral Festival now in its third year hosted, in October 2015, ten international choirs from eight countries. • Following the successful MTV Crashes in 2014, local promoters from the private sector collaborated with MTV to bring back a MTV Club night in 2015. • Music City Day returned in 2014 and 2015 and has now grown to a three-day event. The homegrown festival takes music into the streets, workplaces, churches, traditional venues and neighbourhoods with all forms of music genre.
Economic Growth	<p>The City of Culture status is expected to deliver significant economic benefits. Overall, the Citi-scope model expects that the City of Culture award (including the preparation (pre-event) phase, the City of Culture ‘year’ and the legacy) will result in 2,800 net additional workplace jobs. It is anticipated that £98 million in additional wages and profits (gross value added) will be realised by 2020. These estimated benefits are based on modelling that has been carried out by Oxford Economics for the purposes of the ‘One Plan’ regeneration strategy for the city and is based</p>	<p>The City of Culture 2013 saw an increase in economic activity as a direct result of the programme of events and the increased number of visitors, even without the anticipated infrastructure investment programme. However, it is recognized that the longer-term economic benefits will take some time to be generated and will be influenced by other factors in the economic environment.</p> <p>One sector that has benefitted from the City of Culture is the creative industries sector. In July 2015, the creative hub at Eighty-Eightyone, Ebrington opened providing incubation space for creativity industries with the expectation of generating 70 jobs.</p>

	on the difference in outcome between the 'with event' scenario compared to the baseline.	There are many creative industry projects that have been advanced independently by local people and a stand out event is the Culturetech Festival supported by the Londonderry Chamber of Commerce and key tech companies in the city. This creative mix of digital, IT, music multi media and gaming went from a standing start in 2012 to attracting 43,446 in 2014.
Improved Tourist Provision	The City of Culture is expected to result in an increase in total visitor numbers (overnight and day trips) of by 562,000; increase visitor spend in the Derry City Council area, overnight and day trip, in both NI and out-of-state, by £55.8million (£39.8 million overnight and £16m day trip). The out-of-state spend (excludes NI) is expected to increase by £35.9m. As described above, these figures are based on the results of the Citi-scope modelling analysis that was carried out to inform the One Plan.	<p>The ambitious targets for a doubling of tourism visitor numbers and spend in 2013, as set out in the objectives and the BRP, were not achieved. This has been attributed to a scaling back in the programme of events which would have attracted larger numbers of external visitors and an increase in local hotel accommodation.</p> <p>Nevertheless, there has been a sustained increase in visitor numbers to the City in 2014 which are significantly higher than before the City of Culture in 2011 and 2012. Visit Derry has also succeeded in attracting a significant number of business conferences in 2014 and 2015 as a result of the City of Culture.</p>
Improved Image	<p>During Liverpool's year as European City of Culture, the city received an estimated £100m worth of television coverage from the BBC. Initial discussions with the BBC suggest that a similar amount of coverage will be provided for 2013. Furthermore, discussions are underway with Channel 4, ITV and RTE to encourage further coverage.</p> <p>The coverage provided through television, radio and the internet provides the opportunity to expose Derry~Londonderry to potential future tourists in NI, GB, RoI and (if international coverage can be attained) across the globe. This coverage may help address any negative perceptions which may exist about the City or Northern Ireland as a whole</p>	<p>The BRP shows that the Equivalent Advertising Value (EAV) of media coverage during the City of Culture was £19m compared with the target of £100m. However, the benchmark came from the Liverpool <u>European</u> City of Culture and it might be argued that on reflection this was an unfair benchmark as Derry was the first <u>UK</u> City of Culture and would not therefore receive the same spread of coverage.</p> <p>The increased visitor numbers to the City reflect an improvement in its external image.</p>

<p>Legacy Benefits</p>	<p>The provision of the City of Culture programme will leave behind it a number of legacy benefits for this city. Some of these will be physical. For example, a strategic objective of Illex is to redevelop the former Ebrington barracks site into a cultural facility that accommodates museums, art galleries, events space etc. Until the recent completion of the Peace Bridge, the City Centre was largely disconnected from the Ebrington site. Given that Ebrington is expected to be used as a venue for a number of City of Culture events, there is the opportunity that, due to the improved connectivity through the Peace Bridge, that visitors to the City of Culture events on the Ebrington site will also be encouraged to cross the River Foyle and shop in the City Centre, thereby improving retail health in the short term and potentially in the longer term as newcomers are exposed to the City's retail offering. Similarly, private sector plans for capital investment may be accelerated in order to capitalise an anticipated increase in visitor numbers e.g. investment in hotels and upgrading of retail premises.</p> <p>Other benefits will be less visible not equally important. This will include benefits such as a better perception of the city to outsiders, an improved civic pride and heightened social cohesion. The programme is also expected to leave a rich legacy for the arts.</p>	<p>The legacy benefits of the City of Culture are well described in the Council's assessment of the impact attached at Annex G. These include:</p> <ul style="list-style-type: none"> • Regeneration Legacy – The bid was strongly wedded to the regeneration plan for the city and the outcomes of major investment in the city. The most significant ongoing regeneration is at the Ebrington site which was boosted by the City of Culture and is the subject of ongoing development. Other projects that have been linked to City of Culture and have leveraged major renewal in formerly dilapidated areas of the city include the completion of the Guildhall, major public realm along the river, Ebrington Square and the Peace Bridge. Leading up to 2013 there was a 13% increase in visitor accommodation stock with a new hotel development at Premier Inn and the expansion of the City Hotel. Hotel expansion is continuing with the development of two new city centre boutique hotels in former iconic listed buildings providing over 70 additional rooms. • Cultural Programme Legacy – which has already been covered under the benefit heading above of '<i>Increased opportunities for participation and quality of cultural provision</i>'. • Community Engagement Legacy – the community engagement approach developed by the Culture Company was a key element of the City of Culture. The legacy includes the Community Engagement Programme, Digital Hubs have been created in ten communities across Derry and Strabane. The cross community project of Droichead continues to build on their success of 2013 with ongoing collaborations with the Londonderry Bands Forum and other PUL community groups. Schools engagement in 2013 was significant and this has continued through projects such as the Humindinger Children's Book Festival produced by Dog Ears, CultureTech and the more recent Science and Innovation Programme. The Community Foundation for Northern Ireland during 2013 developed a financial legacy for City of Culture through the Acorn Fund. Over a five year period the Acorn Fund will
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		<p>provide financial support to projects targeted at people with disabilities, children, young people, social enterprises and people affected by rural isolation and inclusion.</p> <ul style="list-style-type: none"> • Economy & Tourism Legacy – this has already been covered under the economic and tourism benefits above. • Marketing & Digital Legacy - The legacy ambition for marketing was to create a new narrative for the city and to move the discourse to positive presentations of a beautiful city. Work is continuing on Destination Marketing of the city and development of bespoke visitor packages. One of the key educational programmes within the 2013 project was Nerve Centre's creative educational programme the Digital Book of Kells project. Educators from across the city were trained and supported in delivering creative digital projects within the curriculum. The strategic nature of this project gave both teachers and learners transferable digital skills. There is clear evidence of legacy in schools where teachers report more confidence in leading digital education and the appetite from learners. The Council for the Curriculum, Examinations and Assessment (CCEA) also worked directly with the Nerve Centre to produce a suite of digital learning resources highlighting the life and legacy of the iconic figure of Colmcille.
Administrative and management costs	One potential non-monetary cost associated with the City of Culture relates to the cost of administering and managing the programme of events. That is, given the wide range of events involved, this could create difficulties in trying to manage the events efficiently. In addition, because of the range of stakeholders involved, this may create bureaucratic processes which place an additional burden on the administrative cost of the programme.	The administrative and management costs are covered in the costs section of the evaluation.

Wider costs & benefits

In addition to the expected benefits outlined in the business case and BRP, the CoC Monitoring Report 2014 identified some wider benefits to the city and the region. These include:

- **Business confidence impact** – anecdotally it is reported that the City of Culture event had a positive effect on business confidence in the city. This is supported by survey work by Londonderry Chamber of Commerce who reported in early 2014 that around three quarters of businesses surveyed felt that Derry~Londonderry's status as UK City of Culture in 2013 had a very positive effect on the City and region, while the remaining quarter felt it was positive (although the sample was very small).
- **Image of Derry as tourism destination** – in addition to the improvement in internal perceptions of the city there is evidence that the external perception of the city as a place to visit had also improved significantly. Surveys undertaken by Tourism NI showed strong agreement that CoC 2013 had improved Northern Ireland's reputation as a tourist destination and a place that can host events - over 50% of NI respondents and over 60% of ROI respondents agreed that it made them feel differently about Derry~Londonderry. A survey of consumers at the end of the year found that more than 30% of Northern Ireland residents and more than 40% of residents of the Republic of Ireland are more likely to visit the city either for an overnight stay or a day trip.
- **Experience of multi-agency collaboration and community engagement** - One of the key learning points for the successful outcome is the recognition that such an ambitious year long programme requires the involvement of many organisations and people. While collaboration was not always smooth or without its challenges, it succeeded. Its success has been based on the level of engagement from citizens via their participation and their collective work through the community/voluntary and private sectors. One example of the collaborative working was the Infrastructure Group established in 2011 and brought together all the key agencies with responsibility for implementing infrastructure projects to support the delivery of the cultural programme.

6. Risk management

List of risks identified in Business Case

A number of risks were identified in the July 2013 Updated Business Case. The key drivers of risks were:

- Funding to deliver the entire Cultural Programme had not been secured;
- DCAL's inability to influence the overall Cultural Programme delivery or content;
- The Culture Company's status as a body owned and managed by Derry City Council and therefore not directly subject to central government governance and accountability frameworks;
- The Cultural Programme and final costs for individual events and activities included in the Programme.
- The City of Culture project will be delivered by a partnership of organisations including Ilex, Derry City Council and other local organisations and agencies. The success of the Culture Company's Cultural Programme is therefore interdependent on the following elements which are not within the control of the Culture Company or DCAL:
 - New capital projects - Ebrington, Fort George - responsibility of Ilex;
 - Availability of venues to host key events - The Venue and Building 80/81;
 - Dressing the City for 2013 events and vacant/ derelict properties;
 - Accommodation available for visitors;
 - Transport links in and around the City;
 - Security considerations;
 - 2012 events leading to drop in visitor numbers in 2013;
 - Failure to deliver a high quality Cultural Programme and achieve the projected outcomes and benefits could result in reputational damage, to the City of Culture partners, their funders and to the North's international image; and
 - Attendance and participation is also considered to be a key risk.

Review of Risk Register

A detailed project risk register was established and was regularly updated by the Project's Senior Responsible Owner (a copy of the August 2013 version is attached at Annex F). It was also reviewed by Audit & Risk Committees in both the Council and the Culture Company on a monthly basis. This proved to be an effective mechanism for managing the risks associated with the project. In the table below all the risks in the Risk Register as at August 2013 are listed along with a comment on how the risks were managed.

Table 6.1: City of Culture Risk Register, August 2013

Risk	Extent to which risk occurred	How risk was managed
CC1 Potential for Derry City Council (DCC)/Culture Company not to meet accountability and governance requirements of Funders	After some initial difficulties, procedures were put in place to ensure that requirements were met.	A member of Council staff was appointed to work with the Culture Company. Weekly and monthly monitoring meetings took place
CC3 Potential for Culture Company (CC) to realise insufficient income to deliver Cultural Programme	This was a major issue throughout the project despite putting in place a fundraising strategy.	The risk was managed by tailoring the cultural programme to the resources available.
CC28 Potential for CC to realise insufficient income to mitigate the risk of DCC's underwriting becoming a cash contribution	This risk partially materialised	The lack of income generation resulted in the Council having to underwrite the shortfall but this was not all realised.
CC9 Potential not to achieve additional funding for marketing strategy, agree marketing strategy and promote 2013	This risk did not materialise	A marketing strategy was put in place and was delivered.
CC12 Potential for events to be deliberately disrupted	This was initially a concern but the risk did not materialise.	Close liaison between PSNI and community representatives meant that disruption was minimal.
CC24 Inadequate Event Management	This risk did not materialise	An event manager was appointed and event management plans were established and monitored on a weekly basis.
CC15 Potential for DCC and the Culture Company not to embed a legacy from the award	This risk did not materialise	A legacy programme was designed and delivered by the Council.
CC5 Potential for unforeseen costs	This did not materialise as a significant risk	A Contracts Group was established to manage this risk.
CC26 Insufficient accommodation for visitors to the City during 2013	This risk did not materialise	Accommodation support was provided by Visit Derry and NITB
CC6 Potential for inaccurate spending profiles or insufficient/unclear drawdown information from DCC	This risk did not materialise	Budgetary control procedures were put in place and closely monitored.

CC8 Potential for lack of strategic planning & project management	This risk did not materialise	Cultural Programme delivery profiles were put in place and managed.
CC14 Inadequate Transport Arrangements for major events	This did not materialise as a significant risk	An Infrastructure Group was put in place.
CC20 Failure to attract international visitors	This risk did materialise despite efforts to address it	Despite an intensive marketing effort the numbers of international visitors to major events was less than expected.
CC7 Potential for the CoC Project to have insufficient staff resources & insufficient Board expertise to deliver CoC Programme	This risk did not materialise	Additional staff were appointed to the Culture Company and resources were made available
CC27 Potential for Successful Legal Challenges	This risk did materialise	Legal advice was provided
CC18 Inadequate Financial Management	This risk did not materialise	Close monitoring by the DCC financial team was put in place.
CC11 Potential for key venues not to be available in time for 2013 events	This risk did not materialise	The temporary Vital Venue and the venue for the Turner Prize were delivered on time.
CC25 Failure to manage 3 rd parties (suppliers & partner orgs)	This risk did not materialise	Tendering procedures were put in place.
CC10 Potential for further media leaks	Following some media leaks early in the year this risk did not materialise further	Procedures were put in place to manage the media and for protection of sensitive information.
CC22 Failure to have an adequate internal Health and Safety management system	This risk did not materialise	Appropriate risk assessment and procedures were put in place.
CC19 Fraud and Bribery Risk	This risk did not materialise	Anti-Fraud and Bribery policies were implemented.
CC4 Potential for lower level of receipts than anticipated, resulting in lower VfM against public funds	This risk did not materialise	Procedures to manage ticketing and merchandising were put in place.
CC29 Failure to sign ticketing contract	There was a delay in this taking place but the risk did not materialise	The ticket contract with the Millennium Forum caused some difficulties but was eventually resolved.
CC13 Potential for Culture Company not to deliver a high quality Cultural Programme	This risk did not materialise	A team of programmers was put in place and delivered a high quality programme

Post Project Evaluation of City of Culture 2013

CC16 Potential for lower community engagement than anticipated	This risk did not materialise	Stakeholder engagement was established and secured.
CC23 Inadequate Governance Arrangements	There were some initial concerns about governance arrangements but these were addressed	Appropriate governance arrangements were put in place including the Oversight Group.

7. Project Management

Project management arrangements for City of Culture

The project management arrangements for the City of Culture were set up in line with best practice guidance and involved a wide range of public sector stakeholders. While Derry City Council was the official licence holder for the UK City of Culture 2013 awarded by DCMS, around 60% of the funding came from the Department of Culture, Arts & Leisure, 20% from Derry City Council and the remaining 20% mainly from other public sources. The project management arrangements therefore needed to reflect the interests of all these funders and there were two levels:

- Oversight Group and
- DCAL Cultural Programme Project Board

Oversight Group

The delivery of the project was a key commitment in the Programme for Government 2011-2015. Responsibility for oversight of the delivery of the Programme within government therefore rested with the 'City of Culture PFG Oversight Group' which was set up in early 2012. The Oversight Group was chaired by Noel Lavery, Director of Resources, Regeneration, International OFMDFM, the Senior Responsible Owner for the PFG commitment on Derry~Londonderry City of Culture. The SRO reported to OFMDFM Ministers and the Head of the Civil Service.

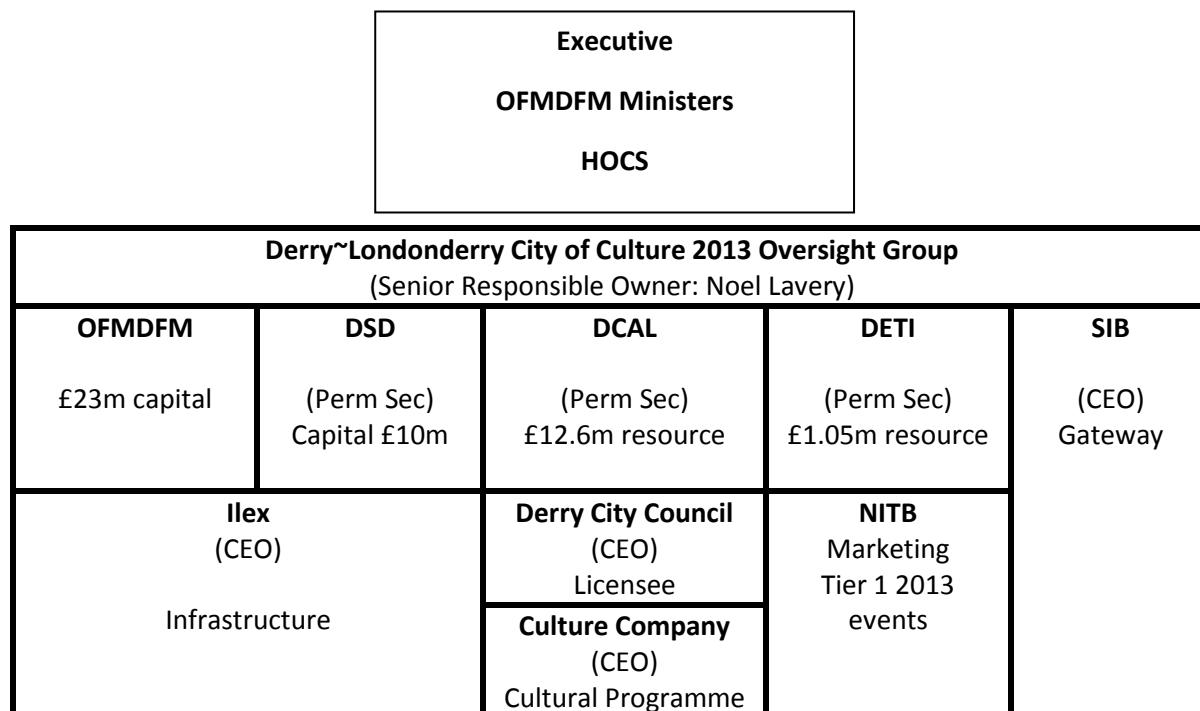
The Oversight Group comprised the DCAL Permanent Secretary, DETI Permanent Secretary and DSD Deputy Secretary. Derry City Council, the Culture Company and Ilex were represented as suppliers. DFP attend as observers and SIB attend as advisers. Progress reports were provided covering three areas: Cultural Programme, Infrastructure Projects and Marketing. The first meeting of the Group was held on 19 April 2012 and continued monthly.

A PFG Delivery Plan and Memorandum of Understanding between all partners was agreed in July 2012 setting out stakeholder roles and responsibilities, performance indicators, actions, management arrangements, risks and equality implications. A copy of the Memorandum of Understanding is attached at Annex H and the structure of the group is illustrated in the diagram overleaf.

This illustrates that:

- OFMDFM and DS through Ilex were responsible for delivery of the infrastructure requirements of the City of Culture,
- DCAL were responsible through the City Council and the Culture Company for development and delivery of the cultural programme,
- DETI were responsible through NITB for marketing of the City of Culture and for delivery for a number of key events, and
- SIB were responsible for advice and the Gateway process.

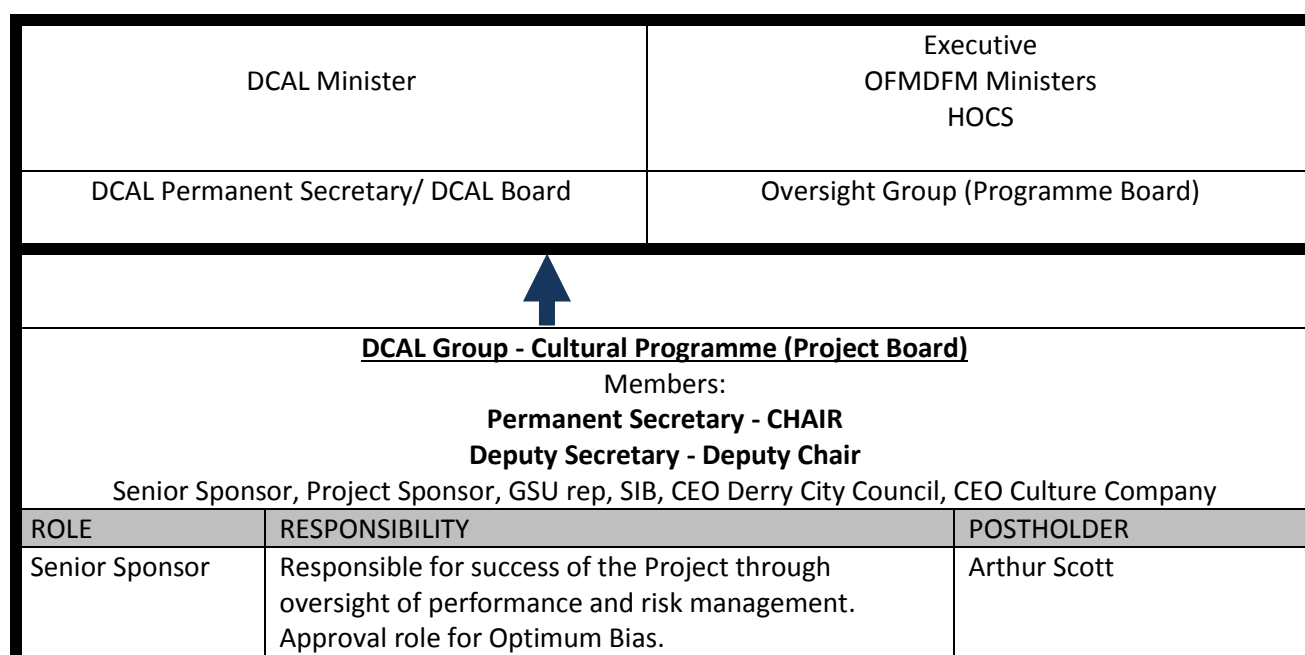
Figure 7.1: Structure & Responsibilities of City of Culture Oversight Group



DCAL Project Management arrangements

Project management processes were also put in place within DCAL to ensure that there was effective oversight from the Department's perspective. As the Stakeholder Roles and Responsibilities diagram below illustrates, this Board reported to the Oversight Group, as well as internally to DCAL's own Departmental Board. Individual roles, responsibilities and postholders were set out in the Stakeholder Roles and Responsibilities section of the MoU and the Final Business Case.

Figure 7.2: DCAL City of Culture Project Board



Project Sponsor	DCAL internal role - Oversees the Project on a day-to-day basis and meets with Suppliers weekly. Escalates unresolved issues to Senior Sponsor. Project Delivery Plan; Benefits Realisation; Risk and Issues Log. MPSO, briefing senior staff, HOCS, Ministers and Assembly.	Joanna McConway
Governance Unit	GSU - Oversight of drawdown process, financial management, fraud, governance and accountability support and advice.	Sinead McCartan Finance Director will attend if necessary.
Advisers	SIB - Advice and support on Cultural Programme management, stakeholder relationships, Gateway, business planning support.	Wesley Emmett
Observer	Observer status for DFP	Stuart Stevenson
Supplier/ Delivery Senior Responsible Owner	Ultimately accountable for successful delivery i.e. the achievement of desired outcomes & realisation of expected benefits from the Programme. Acceptance of terms of Letter of Offer Delegated limits for Culture Company Financial, Performance, Risk Management, Procurement, Audit	CEO Derry City Council Sharon O'Connor
Delivery - Project Manager	Delivery of Cultural Programme Responsible for the set-up, management and delivery of the Project. Oversees the Project on a day-to-day basis from within the delivery team.	CEO Culture Company Shona McCarthy

Evaluation of project management arrangements

Both the City Council and SIB who have undertaken this evaluation were an integral part of the project management arrangements and therefore have a potential conflict of interest in undertaking an independent evaluation. Furthermore, it has not been feasible within the scope of this evaluation to interview stakeholders and particularly Board members and staff of the Culture Company which has now been wound up. Nevertheless, it is possible to provide a subjective reflection on the project management arrangements.

Despite the relatively complex arrangements, the project management appears to have worked relatively smoothly. However, there were a number of challenges that were faced:

- **Delivery of the Cultural Programme** – the Culture Company was set up by Derry City Council with the support of the Oversight Group and the DCAL Project Board to set up, manage and deliver the City of Culture Programme for the 2013 year. This was a new company tasked with undertaking the key part of the City of Culture Programme in a relatively short period of time after its appointment. Despite recruiting experienced and highly skilled Board members and staff, this was a huge challenge.

- **Securing funding and sponsorship for cultural programme** – the task of securing external funding for the very first UK City of Culture at a time when the economy was still in recession also proved a major challenge.
- **Financial management** – the need to have proper systems of accountability and control, while at the same time working under severe time pressure to deliver a programme of events, proved to be very challenging.
- **Monitoring arrangements** – Ilex was given the role of monitoring the project and this was undertaken with the support of a Monitoring Group. Again, the timescale and the number of different stakeholders meant that this was a challenging process.

These challenges provide the basis for some of the lessons learned that are presented in the next section.

8. Lessons learned

Summary of results of evaluation

The key results of this post project evaluation of the City of Culture 2013 can be summarised under the headings of the key evaluation questions posed in the opening section:

- **Were the objectives met?** The formal objectives of the project as set out in the business case were ambitious and challenging and there has been strong progress on those relating to arts participation and community. There has been some progress on objectives relating to tourism and employment but these are longer term objectives.
- **Was the project delivered in line with projected costs?** The project was delivered within its projected budget as a result of careful financial management under the scrutiny of the Council, although a significant proportion of the Optimism Bias allocation was taken up.
- **Was the projected income achieved?** There were significant difficulties with fundraising and sponsorship which did not materialise as a result of the economic and financial climate.
- **Were the projected benefits realised?** An update of the BRP shows that there were a number of indicators and targets which could not be monitored but those that could be monitored showed some success particularly in relation to arts participation, perceptions of the image of the city and improvements in community relations.
- **Did any of the risks identified in the business case materialise and how were they handled?** The main risks that materialised from the business case were those relating to financial risks and governance arrangements but these were handled by setting up a range of checks and controls and introducing procedures to manage the risks.
- **What wider benefits were achieved for the region?** The wider benefits to the city have been very significant and include a range of legacy impacts and are reflected in the physical change in the city and the positive outlook of citizens and the business community.
- **What are the lessons for other similar major events in the city and in Northern Ireland?**
The lessons from this project are summarised in the next section below.

Lessons learned

This section deals with the 'lessons learned' review of the planning, administration, delivery and outcomes of this major project.

Event strategy

The ambition of CoC 2013 was to make a step change in the fortunes of the city and its economy. This ambition had to be moderated over time when it became clear that funding was not available to match the ambition of the cultural programme proposed in the bid. Furthermore, many of the economic benefits in terms of jobs and tourism were dependent on public and private sector investment taking place in the city in parallel with the event that did not fully materialise.

Lesson learned

If a major event of this nature is expected to have a major impact on the local economy, it needs to be part of a broader strategy with supporting investment if the broader impacts and benefits are to be secured

The Work of Many

One of the key learning points for the successful outcome is the recognition that such an ambitious year long programme requires the involvement of many organisations and people. Its success has been based on the level of engagement from citizens via their participation and their collective work through the community/voluntary and private sectors.

The city approach to having 'One Plan' was fundamental to building this all-encompassing effort via dedicated teams who coalesced around projects large and small such as Fleadh Cheoil Na hEireann, Walled City Tattoo and Clipper. The development of the City's Infrastructure Group was recognised as an excellent example of partnership working.

Lesson learned:

For a major event-based project of this nature there is a need to establish from the outset a clearly defined partnership between all the agencies and departments involved and to have a process for community engagement.

Planning stages

The city seized the opportunity to bid for the designation. Given the unforeseen nature of the competition, forward planning was a major challenge, and in a short timescale, a major body of work was required to prepare the bid. There was limited time, human and financial resources to lay the groundwork in terms of planning. With the benefit of hindsight, it is clear that financial requirements beyond Local Government needed to be more defined and confirmed.

After winning the title, a process was instigated to secure funding from Government. Owing to the nature of public funds, there was an unavoidable delay in getting money to the delivery end of the project. Securing funds to support the ambition was not straightforward, and areas such as programming and marketing involved requirements that were underestimated.

Recognising that the timescales were far from ideal, the project from the outset lacked a formal business plan, and would have been greatly enhanced by a 3/4yrs planning cycle with funding clearly delineated.

Lesson learned:

In terms of the management of substantial public funds, there are core standards of governance and risk management that are mandatory. Further learning should be incorporated into any similar future project including:

- * The establishment of a new arms-length company for a short-term project of this nature should be considered as one of a number of options.
- * With any future bid, the NI Executive business case should run in parallel with the bidding process and ideally is confirmed upon confirmation of the award of the successful bid.

Delivery Stages

There was an acknowledged need to introduce new creative talent into the design of the cultural programme. However, it is considered beneficial for any future project to incorporate some of the bidding team with the newly formed delivery team to ensure continuity. This is also applicable from the delivery stage to the legacy and to have staff from the delivery team to transfer with their knowledge.

In a project of this type, other skills sets and management resources are also essential: finance, governance, risk, legal and human resources. In any project with a short time scale it is unrealistic to expect a group of individuals to simultaneously programme the events and to set up a functioning delivery vehicle whilst also doing the work of team building and formal company formation with all the governance dimensions. Clearly defined roles and responsibilities with adequate resources at the outset are paramount.

The Safety Advisory Group led by the council coordinated the key statutory teams and acted as the core vehicle in delivering events. This support structure was invaluable to the effective delivery of multiple events.

The linkage between events management and delivery is central to the work of the council, and a model which incorporated the delivery team and embeds their activities in the council environment is important.

The development of brand and brand awareness around the overall project concept should be professionally developed at the earliest stage possible.

Pitching for corporate sponsorship requires dedicated resources and should be engaged when there is sufficient detail to make the sponsorship opportunity 'marketable'.

Project management techniques should be applied providing more clearly defined roles and responsibilities with a streamlined structure.

The programme pillar of bid should always be tested for audience appeal. Strong market testing should be incorporated with key expert stakeholders such as Visit Derry, local venues, Audiences NI, Tourism NI and Tourism Ireland.

A considerable amount of time was committed to supporting individuals and organisations through various funding programmes. This has had a positive effect on community engagement but this in turn depleted the limited resources available for core project and event delivery. Funding organisations, if it is integrated, might usefully be outsourced to third party.

It is also critical to procure the expert legal and procurement support required, and to ensure sufficient resources are dedicated towards contract negotiation maximise the full benefit for local delivery and legacy.

In addition, it is important to have advance planning to identify the core staff and the additional staff required at peak periods with the appropriate reduction as the scaled back operations come to an end.

Lesson learned:

The delivery of a project of this scale requires a range of skills and it is important that the delivery vehicle has access to all these skills.

Monitoring and Evaluation

The monitoring and evaluation should be adequately factored into the project plan with clear roles and responsibilities assigned from the outset with partner's confirmation of available resources. Overall the project would have benefitted from some longitudinal research such as that undertaken by John Moores University in Liverpool.

It would be useful to have an agreed model for measuring the economic impact of future events staged in the city that measures the impact on the local economy as well as the impact at Northern Ireland level.

Any future project should take account not just of the economic impacts, which in the short term are still relatively modest, but also of the broader impacts on participation in the arts, on the health and wellbeing of the population, on good relations and most importantly on the confidence and morale of businesses and the community of the city.

Future events should review disability access as those persons with a disability were found to be underrepresented at survey events.

Future cultural events should have programmers consider the timing and sequence of festivals and events to make them work most productively for the city.

Some of the objectives and targets set in the business case were over-ambitious and unrealistic. This arose from the bidding process when very high ambitions were set for the project which could not be fully delivered in the funding and economic environment that prevailed. Research on many previous European capitals of culture has warned that we should not universally accept culture as the single tool to tackle deep seated problems in cities and communities.

Lesson learned:

Monitoring and evaluation arrangements should form an integral part of the project management. Objectives and targets in the BRP should be realistic and achievable and not over-complicated. Data collection methods should be adequately resourced and all third party delivery agents should understand at the outset their responsibility in providing data for the BRP and the importance of the completion of post project evaluations.

Governance Structure

Derry City Council set up a separate company to deliver the City of Culture Programme 2013; however in hindsight this proved extremely difficult to manage and control and therefore this may not have been the best option as it exposed Council to significant financial and delivery risks.

The Culture Company did not have appropriate governance arrangements in place and as a result of this Derry City Council established a Culture Company Audit & Risk Committee with a separate Finance Committee. In addition to this, a separate governance structure was replicated within Council, which involved setting up an Internal Assurance Board and allocating significant financial, audit and governance responsibilities to Council Officers. Derry City Council also appointed a Project Director to oversee the delivery of the project and report back to the Town Clerk & Chief Executive as SRO.

Lessons learned:

It is crucial that governance arrangements and delivery vehicles are carefully considered, planned and structured well in advance in relation to the delivery of all major projects.

Financial Management

When Members were asked to approve additional funding to the City of Culture Programme, Derry City Council officers became involved in reviewing the finances of the project. At this stage, it became evident that there were limited internal controls in place in relation to budgets and commitments. As a result of this, Council Officers introduced a number of additional controls including commitment accounting, budget monitoring, approval of future commitments (where possible) prior to expenditure being incurred and regular reporting of financial information.

Lessons learned:

Appropriately qualified staff should be responsible for approving and recording all commitments prior to expenditure being incurred for all major projects.

Purchasing /Procurement

There are strict rules attached to both central and local government funding to ensure that value for money is obtained. These rules do not lend themselves easy to an artistic project of this nature, where the key focus is project delivery. As a result of this Derry City Council officers worked very closely with funders and CPD to ensure that flexibility could be applied where possible whilst also ensuring that terms and conditions of letters of offer could be met. Funding delays were experienced as a result of these difficulties.

In addition to this, one of the most difficult tasks to manage during the project was the fact that designated purchasing officers were not assigned and as a result of this every member of staff within the Culture Company had the ability to raise purchase orders. In order to mitigate against this risk, Council staff developed new procedures which restricted the number of staff authorised to raise orders. In addition to this Council staff provided continuous ongoing advice and guidance in relation to the procuring of goods and services to mitigate the risk of any funding being deemed ineligible.

Lessons learned:

It is critical that centralised procurement is in place for the delivery of major projects. A limited number of officers should be authorised to raise and approve purchase orders. In addition to this, training should be provided to all members of staff involved in delivering major projects to ensure that they are fully aware of the procurement procedures to be adhered to and are aware of the terms and conditions of all letters of offer.

Grants

The Culture Company were responsible for issuing and paying out on more than 300 Letters of Offer during the 2013 Programme; however there were no internal systems and controls in relation to the issue and monitoring of letters of offer. As a result of this Derry City Council Officers spent a significant amount of time developing and issuing the letters of offer to ensure that they reflected the funder's terms and conditions. In addition to this, Council officers met with major grant recipients explaining the requirements of their letters of offer and the process that needed to take place prior to expenditure being reimbursed. Council also took over responsibility for verifying all claims to ensure that all expenditure claimed was bona fide. This process took up a significant amount of Council officers time however was essential to mitigate the risk of loss of funding.

In accordance with advice obtained from CPD Council were advised to make a significant number of advanced payments to 3rd party organisations to enable projects to be delivered on time whilst also allowing Council to meet DCAL drawdown requirements.

Lessons learned:

It is essential that awareness sessions are held with 3rd party organisations prior to letters of offer being issued to ensure there is a full understanding of letter of offer requirements to minimise the risk of confusion and grant payment delays. In addition to this, it is also important to ensure that appropriately qualified staff are responsible for verifying grant claims.

Income

A procurement exercise was carried out and the Millennium Forum was appointed as the ticketing provider for the 2013 Programme. However, there were significant delays in agreeing a contract between the Culture Company and the Millennium Forum. This delay meant that Council did not receive income from ticketed events on a timely basis.

Lessons learned:

It is essential that assumptions underpinning tender exercises are realistic and that such contracts are agreed well in advance of events taking place.

Credit Cards

Two Officers in Culture Company were issued with corporate credit cards to enable sundry purchases and travel & accommodation needs to be met. Following concerns raised by Council officers an internal audit was carried out in this area resulting in a limited assurance rating being provided. Despite a number of recommendations being made and actions plans being put in place a number of weaknesses still existed in this area. A follow up internal audit was carried out where the assurance rating was raised from limited to satisfactory; however there was still £2,211.69 (2.76% of total expenditure incurred) with missing receipts following Culture Company staff departure.

Lessons learned:

Use of corporate credit cards should be restricted to senior officers with very clear procedures and guidelines in place regarding how expenditure should be incurred.

List of Annexes

Annex A: Benefits Realisation Plan Update

Annex B: City of Culture Monitoring Report, October 2014

Annex C: Citi-Scope Residents Survey, Narrative Summary, October 2009

Annex D: Summary of UK City of Culture funded projects, November 2014

Annex E: From Plantation to Peace, Dissemination Reports 2015, School of Planning, Architecture & Civil Engineering, Queens University Belfast

Annex F: City of Culture Risk Register, August 2013

Annex G: Council Assessment of Impact of City of Culture 2013

Annex H: City of Culture 2013 Memorandum of Understanding, July 2012