

Comments on MSG Application 2014 Boishakhi Mela from Communities, Localities and Culture

Background

Established in 1998 the Mela was administered by a community trust from 2001 - 2007. In 2008 the trust was in difficulty and the Council organised the Mela from 2009 to 2011. In 2011 the Council returned the Mela to community management. This decision has given a successor organisation the right to manage the Mela for a period of nine years subject to reviews at year one, three and six by an independent panel. Completion of the 2014 Mela will trigger the second panel review.

A key aspect of the commission was that the financial support from the Council would taper off over a period of years. This is referenced in both of the Mela funding agreements in 2012 and 2013. In the first year the core grant was up to £150,000 along with a one off payment of £30k (section 106 monies) to support the parade element. In 2013 the grant was up to £170,000, which was in part informed by the moving of the event from Weavers Fields to Victoria Park and associated costs this would incur. In this current application the Trust are requesting a sum of £224,000 and this increasing level of Council subsidy does not fit the original intention of reducing the Council contribution over the period of the concession. There is no evidence that the Mela has grown substantially over the period indicating that the business plan associated with the event is not performing as was hoped. The period covering the last two years coincides with the post credit crunch period and would have made sponsorship harder to attract. However, the Council faces significant financial challenges of its own over the next four years and it may not be in a position to sustain the Mela Trust if its business performance does not improve substantially.

Cultural offer

CLC has been invited, and is only qualified to provide comments on the application on the merits of the event as a cultural activity in the borough and from a cultural services events management perspective.

It is difficult to give any considered evaluation of the programme as there is a lack of detail within the application. It makes reference to music, dance and a parade within the context of Bangladeshi Culture and states that this includes a combination of international and UK based artists. It makes reference to intercultural activity but is unclear as to what this might entail.

It implies that there will be outreach work with schools but fails to state clearly what the offer is, how many schools would be engaged and how many workshops would take place. Cultural Services are unable to pass any judgement with regard to value for money on the information provided in the application.

Similarly with the community stage and youth showcase the lack of detail makes it difficult to judge the actual offer, numbers engaged etc.

The details of the parade indicate participation of 500 people but does not detail what structures and associated construction workshops or commissioned pieces would be

linked to this which would justify the £30k spend in the budget and give a clear picture of the cultural focus and impact of this element of the event.

Overall this element of the application is weak and lacking in the detail required to enable a proper assessment of what is being offered.

There is no doubt that the event has proved to be very popular in the past with good attendances even when the weather has been poor. However the popularity of the event does not in itself inform the quality of the cultural content or ensure its relevance to the objectives of One Tower Hamlets. Neither does it demonstrate in itself that it offers value for money. Any decision to fund the Mela by the Board will need to balance:

- the lack of clarity contained in the Mela MSG application and associated risks,
- the fact that the Trust is year on year asking for a larger Council Subsidy rather than a smaller one as required in the two previous funding agreements
- the previous track record of the provider and
- the iconic nature of this event.

Budget

An overall budget of £383,853 for Mela 2014 is projected. As stated above it is not possible to comment on the programme element of the budgets without more detail of what is being purchased and delivered. The production and security costs are broadly in keeping with previous years providing it's the same set up i.e. two stages and the same site lay out. Specific items which would benefit from more scrutiny and consideration would include:

- **Trading.** The income from stalls and concession is indicated at £50,000. The spend against this including refrigeration, catering equipment, water supplies, stalls management and staff comes to £28,380. This seems high against income generated, in particular stalls management and staffing at £10,500.
- **Guest and staff catering** at £7,500 seems high for a one day event with fairly short set up time.
- **Parade.** Costs of £30,000 seem high overall and there is a lack of detail making further analysis impossible.
- **Artists** £108,000. This is an area that is difficult to evaluate, particularly with regard to international artist fees. However it is also an area of expenditure that is easiest to bring down as opposed to necessary infrastructure and security. As a free event the draw of the artistic line up will not affect the income earned in any significant way and it then becomes a qualitative issue around the profile of artists.
- **Office running costs** of £8,000 appear high given that rent and rates are shown separately at £3,000 plus admin staff at £9,966. The application states this is on the assumption of office running for four months from March.
- **Staffing costs** £68,463. There is a lack of detail about some individual roles and period of working that make this difficult to judge in value for money terms.

Audit Requirements

It is best practice to ensure that the Mela Trust accounts be independently audited each year to (a) ensure that the Trust is maintaining proper standards of financial management (b) to inform the Council's decisions at the review points of the Agreement referred to above.

(c) subject to Audit completion to inform any decision associated with any further MSG applications for the Mela. The Corporate Director for Resources organises such an Audit following the delivery of each Mela. This is managed by the Council's Audit Team.

CLC has been informed that the Audit for the 2013 Mela has not yet been concluded. If the audit inspection identified significant weaknesses in the financial governance then there is a risk that any grant award that the Board may be minded to make might have to be withdrawn or suspended. Any sum paid with immediate effect may be difficult or impossible to recover under such circumstances.

Other Key Risks

The other key risks to flag up at this stage, given the event is due to take place on 22nd June 2014, are:

- Failure of the organisers to secure all the necessary infrastructure.
- Failure of the organisers to contract key personnel such as site managers, Health and Safety Officers, stewarding company in sufficient time or in sufficient numbers.
- Failure to secure artists from overseas. Key risk here being necessary visas and work permits.
- Failure of the organisers to produce a robust event plan and demonstrate that everything is in place to deliver it.
- Weak Business Plan. Failure to make income targets which would then impact on the ability to put on a safe and good quality event. Also could result in unpaid suppliers which may have a reputational impact on council as key supporter of the event.

The dilemma for the Board will be that some of the above specific to infrastructure and contracts would be at greater risk of failure if the Board decides not to fund the Mela. However, funding it doesn't guarantee that the Trust would not fail in these areas anyway. In the absence of sufficient detail within the application the Board can only draw on the organisers previous track record of delivery and advice from the Third Sector Team and the Council's Audit team. It will be for the Board to decide if this provides sufficient comfort to overcome the deficiencies in the application and the associated financial risks. In the light of this the Board may wish to consider staged payments of some kind based on outstanding risks or required clarifications being adequately addressed in a timely fashion by the Applicant and the outcome of the current external audit.

Multi Agency planning meetings have been taking place for some time for this event. As we are now very close to the event day the key agencies, including the Police and relevant Council services, will be looking to see clear evidence on key elements of delivery being in place. This includes the contracting of key personnel with the relevant skills and experience which has yet to be fully demonstrated. If these assurances cannot be provided by the Trust then there would be objections raised which could prevent the event taking place on Council land.

Points to Note

The Tower Hamlets Mela is the largest celebration of the Bengali New Year outside of Bangladesh. It is therefore of importance to the whole region as well as the local community. Properly managed it also provides an opportunity to promote the Borough positively and the ethos behind 'One Tower Hamlets'. It benefits community cohesion by bringing a wide range of communities together in a unique celebration of traditional and modern Bangladeshi culture embracing music, food, spectacle and wider aspects of Bangladeshi culture.

With any event of this nature a licence is required and the organisers have successfully been granted a licence for the 2014 Mela.