



Department
for Culture
Media & Sport

Sarah Healey CB
Permanent Secretary
DCMS
100 Parliament St London
SW1A 2BQ

Ms Hillier MP
Chair of Public Accounts Committee
House of Commons
London
SW1A 0AA

11th July 2022

Dear Ms Hillier,

Accounting Officer Assessment: UNBOXED - Creativity in the UK

UNBOXED: Creativity in the UK began its delivery phase on 1 March with the first commission *About Us* opening in Paisley. UNBOXED is a once-in-a-lifetime showcase of creativity and innovation with events taking place across the UK and digitally. This series of ground-breaking new commissions is bringing communities together, whilst celebrating the best of UK science, technology, engineering, arts and maths (STEAM).

Light shows, sculpture trails and an immersive journey into light, sound and colour are just some of the events happening from March to October, supported by online content and UK-wide learning programmes. This major government project is being delivered at arm's length and in collaboration with the devolved administrations.

It is normal practice for Accounting Officers to scrutinise major projects, and then assess whether they measure up to the standards set out in managing public money (MPM). From April 2017, the government has committed to making a summary of the key points from these assessments available to Parliament for projects within the Government's Major Projects Portfolio. This assessment considers the four Accounting Officer standards of regularity, propriety, value for money and feasibility.

Background and Context

UNBOXED is taking free-to-access world-class programming to around 80 places across the UK, including those that don't normally have access on their doorsteps. The programme will deliver against two strategic objectives:

- To bring people together to celebrate our strengths, values and identities, and boost pride throughout communities.
- To celebrate our collective and unique offers to the world, supporting our brand and helping attract new inward business and investment.

UNBOXED is investing in the STEAM sectors which will provide economic, social and cultural benefits across the United Kingdom of Great Britain and Northern Ireland. It is promoting our innovation and creativity abroad, fostering community cohesion at home and supporting the priorities of the UK government and the devolved administrations. We have agreed a concordat that outlines how the four nations will work together to deliver the programme across the UK. The devolved administrations are funded for this programme through the Barnett formula.

Regularity

Regularity considers whether the proposal rests on clear legal grounds. On 1 May 2020, the Birmingham Organising Committee for the 2022 Commonwealth Games Ltd (the OC) incorporated a new subsidiary, Festival 2022 Limited, to deliver a UK-wide celebration through the commissioning of unique, original and large-scale creative works. No legislative basis was required to establish the subsidiary as a special purpose vehicle (SPV). The SPV is a not-for-profit public sector body with a fixed purpose that will operate for less than 3 years. As noted in its articles of association, it is a company limited by guarantee with clear objects linked to delivering the programme, and may only do anything that is charitable, benevolent or philanthropic. DCMS provides funding to the SPV under s70 of the Charities Act 2006.

Summary: No issue of regularity arises.

Propriety

The programme is assessed as correct and proper, and conforms to accepted standards. The programme is engaging with the Infrastructure and Projects Authority (IPA) to ensure it follows established best practice. Festival 2022 Limited (the SPV) operates in accordance with MPM. A grant agreement with DCMS clearly outlines eligible expenditure, accountability, financial management and controls. The SPV also has a fraud action plan in place, and its board has conducted deep dives ahead of the launch of each commission.

Summary: On propriety grounds, there is no cause for concern.

Value for Money

The SPV operates a shared services function with the OC to maximise efficiency, benefitting from the parent company's established financial management systems, practices and operating procedures. A single Accounting Officer has overall responsibility for financial compliance for the OC and SPV, and the Chief Financial Officer will continue to work across both bodies to ensure a consistent approach to financial management and compliance.

Financial and commercial strategies have been approved by the dedicated board, chaired by Dame Vikki Heywood. The programme's financial controls have been assured by DCMS finance. The programme has had three IPA assurance reviews. A full evaluation will ensure that the realisation of the outcomes and benefits are measured and value for money is evidenced.

Assessment of the costs and benefits in line with the HMT Green Book showed the programme to be value for money. It has been assumed that the benefits will accrue during 2022. A number of expected benefits are non-monetisable, which suggests that the total value of the programme to society is likely to be higher than estimated.

Summary: There are no significant concerns regarding value for money from the UNBOXED programme.

Feasibility

In September 2020, the SPV invited expressions of interest from creative teams drawn from across the STEAM sectors who wished to enter a funded research and development (R&D) process to originate ambitious projects on a global scale. Almost 3,000 organisations, freelancers and other creatives responded to that open call, and a rigorous selection process considered nearly 300 submissions. 30 creative teams were chosen to take part in the research and development project from November 2020 to January 2021; each team was offered funding to further develop their idea. In February 2021, the teams' pitches were presented to a selection panel and assessed on criteria, including production, technical and resourcing; financial viability and sustainability; and deliverability. Because of this robust R&D process, there was a good level of confidence in the feasibility of the selected projects and the selection process was independently audited. However, we recognise that planning, delivering and promoting 10 major cultural commissions in around 12 months is ambitious and requires significant oversight by DCMS, the SPV Board and Executive management team.

The SPV is delivering the programme in England and works with partners in Scotland, Wales and Northern Ireland: EventScotland, Creative Wales and Belfast City Council were appointed by the devolved administrations as their strategic delivery bodies. As well as working in partnership to co-commission those projects being delivered across more than one nation, the four lead bodies commissioned teams to deliver content in their respective countries. This devolved delivery model builds in robust processes to provide appropriate assurance that programme delivery remains on track and on budget.

At the time of writing, seven of the ten commissions have successfully launched, including two that have completed their live delivery phase.

Summary: On feasibility grounds, there is no cause for concern at this time.

Conclusion

I have considered the programme against the Accounting Officer standards of regularity, propriety, value for money and feasibility. I am satisfied that the programme relies on clear legal powers, meets the MPM standards and accords with the generally understood principles of public life, represents value for money for the Exchequer as a whole and is

feasible to deliver. I am therefore satisfied that the programme remains an appropriate use of public resources and should proceed.

I have prepared this summary to set out the key points which informed my decision. If any of these factors change materially during the lifetime of this project, I undertake to prepare a revised summary, setting out my assessment of them.

This summary will be published on the government's website (www.gov.uk). Copies will be deposited in the Library of the House of Commons, and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Sarah Healey', written in a cursive style.

Sarah Healey
Permanent Secretary