

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2903

Title: World Cities Culture Forum

Executive Summary:

The World Cities Culture Forum (WCCF) is a network of global cities supporting dynamic government leadership and championing culture as a driver for social and economic success of sustainable cities.

The World Cities Culture Forum was founded in 2012 by the Mayor of London and it is currently chaired by the Deputy Mayor for Culture and Creative Industries and managed by the GLA's Culture and Creative Industries team. To secure a sustainable future, it is proposed that the World Cities Culture Forum transitions into an independent charitable organisation, which will help to diversify its income sources and ensure continued transparency of its operations.

The Mayor:

- i. endorses the formation of the World Cities Culture Forum as an independent charitable entity ("WCCF charity"), to be established by the three members of the Transition Directors Board, initially as a company limited by guarantee which will then apply for charitable status and be converted to a Charitable Incorporated Organisation-Association
- ii. approves expenditure from the Culture and Creative Industries Unit budget of £51,000 in 2022-23 to support the initial set up of a new WCCF charity (as well as GLA staff time and other in-kind staffing support during transition), and £30,000 to be spent in 2023-24
- iii. approves the licence and/or transfer of any intellectual property and other assets relating to the World Cities Culture Forum, currently owned by the GLA, to the new WCCF charity for a period of up to three years starting in April 2022 and delegates approval to the Assistant Director Culture and Creative Industries as per paragraph 1.39
- iv. approves that, from the set-up of the new WCCF charity and for the duration of the transition period until March 2023, the new WCCF charity may use City Hall as its official postal address to be registered with Companies House and the Charity Commission
- v. accepts the invitation from the Transition Directors Board of the new WCCF charity that the person elected to the office of Mayor of London becomes a Patron of the charity for a period of three years starting 1 April 2022. To that effect, a Memorandum of Understanding will be signed between the Mayor of London and the new organisation.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date: 23 December 2021

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. The World Cities Culture Forum (“WCCF”) is a network of global cities¹ supporting dynamic government leadership and championing culture as an essential driver for the social and economic success of sustainable cities. It was founded in 2012 by the Mayor of London as an informal body and first convened with eight member cities, including London (through the GLA). Justine Simons OBE, currently Deputy Mayor for Culture and Creative Industries has been the Chair since inception.
- 1.2. The Forum does not currently have a legal form² and it is governed by internal GLA arrangements and a Service Concession Contract between the GLA and external consultants BOP Consulting (BOP). BOP was originally contracted to produce the first World Cities Culture Report in 2012 and then was appointed through a procurement process to run the network as it developed. BOP’s current role under the Services Concession Agreement (which runs until 31 March 2022) is to convene and coordinate the Forum’s work on behalf of the GLA and the member cities.
- 1.3. Member cities currently join the Forum by agreeing a city contract and paying an annual fee. The city contract is between the city and BOP and the annual membership fee is received and administered by BOP. To date BOP have managed the finances for the project, receiving all membership fees and paying salaries, project costs and overheads from these fees. As the cities pay membership fees over the course of the year and many do not pay up front, BOP have effectively provided cashflow for the project for a number of years, taking on the financial risk whilst the GLA remains the main decision maker for the project. BOP have indicated they are no longer in a position to continue to provide this service on an ongoing basis, and we are seeking to transition to a future contract for services.
- 1.4. Key benefits to joining the Forum include access to world leading experience, expertise and insights into the vital role that culture plays in the economic and social success of cities. Members share knowledge on common challenges, learn from and attend regular webinars and summits and are included in the landmark World Cities Culture Report. Examples of projects which have happened as a result of WCCF include the Creative Land Trust project in London which was modelled on San Francisco’s CAST initiative, and Buenos Aires’ Barrios Creativos modelled on the Mayor’s London Borough of Culture.
- 1.5. Since March 2020, the Forum has developed a regular programme of digital debates, gathering intelligence and working together to address the many common challenges cities face, including climate change, health and wellbeing, future opportunities for young people and how to support the creative industries to grow. The Forum’s city members have shared COVID-19 response and recovery programmes including funding and support measures, reopening plans, new economic data, accelerated public realm improvements and public confidence campaigns.
- 1.6. Since its foundation, the membership has increased to 40 cities and the role of the Forum has evolved and expanded its support for its members. Current activities include:
 - **Annual World Cities Culture Summit:** Hosted on a rotating basis by member cities; gathers leaders from across the member cities to share ideas and knowledge about culture’s role in public

¹ For a full list of member cities [click here](#)

² References in this Decision Form to the “Forum” are to WCCF in its current informal legal capacity; references to “WCCF Charity” are to its proposed formation as an independent charitable body under UK charity law, taking the form initially as a company limited by guarantee and then (after charitable status has been granted to that company) its conversion into an Incorporated Charitable Organisation Association (CIO-A) – see paragraphs 1.28 and 1.29 below.

policy. In 2020 and 2021 these have been hosted online, and in 2021 there were 35 speakers from 26 different cities across 13 time zones and 12 sessions.

- **Digital Debate:** Established since COVID-19, to explore challenges facing city members and share best practice. Over the past 18 months, the Forum has been able to share perspectives from cities at different stages of COVID-19 response. This has benefitted Londoners as we have been able to share these learnings across several other forums including with London boroughs, at industry roundtables and with London's Transition and Recovery Boards.
- **Research and policy events:** A series of ongoing satellite collaborative research and policy events such as themed symposia, regional summits, and workshops on cultural mapping, cultural tourism and climate change.
- **World Cities Culture Report:** A flagship unique compendium of data and practice from cities.
- **Leadership Exchange Programme:** Enabling cities to work together in more depth via in person visits to tackle particular issues, funded by Bloomberg Philanthropies and Google Arts and Culture. In 2017-19 funding was awarded to support four exchanges, involving nine cities. In 2020-22 funding has been awarded to support seven exchanges involving 18 cities.³
- **Policy briefings:** Follow ups to each forum event to report on the latest thinking of cultural policymakers in the world's leading cities.
- **Collaborative publications:** Including case studies about the transformational power of culture in world cities.

Establishing World Cities Culture Forum as an independent charitable entity

- 1.7. As the Forum has evolved, a number of issues have come to light due to the lack of an independent legal structure. These include:
 - the current model requires membership fees to be paid to BOP; making the case to make payment to a commercial organisation causes challenges for many city members
 - difficulty in securing external grant income whilst the project is run out of the GLA and not as a registered charity, which is essential if the Forum is to continue at its current scale and develop its activities
 - a growing need from cities for transparency in how the Forum runs its operations as an informal organisation with no audit of its annual accounts
 - risks if the GLA were to cease funding of the project following any future shift in GLA priorities
 - financial risks for BOP, who to date have effectively provided cashflow for the project. These risks have grown as the project and membership have grown and are no longer tolerable
 - most recently, risks to continuity of the GLA's funding, given substantial post-COVID-19 pressures on the GLA's budget.
- 1.8. During 2019-20 the Forum undertook a governance review to help understand how the issues in 1.7 could be addressed. This was facilitated by Bloomberg Associates, on a pro-bono basis.
- 1.9. Through a range of stakeholder interviews and comparison with similar international networks, the Bloomberg Associates team concluded that the World Cities Culture Forum should change its governance model to become a standalone organisation – potentially forming a charity or not for profit entity. As a charity or not for profit organisation, the Forum would be able to diversify its

³ For more information on the Leadership exchange programme click [here](#)

income sources, applying for more external funding and becoming less reliant on the GLA. A new, distinct legal entity with an annual published report and accounts would help cities secure confirmation of membership and ensure that the Forum can address potential risks due to changes in political leadership by widening its support from other cities. GLA officers support the recommendation that the Forum address these challenges by establishing itself as a charitable organisation independent from the GLA.

- 1.10. Following Bloomberg Associates' advice, the Mayor approved funding (under cover of MD2811 on 22 June 2021) to ensure the smooth transition of the Forum to new governance model to ensure a sustainable and viable future.
- 1.11. A Transition Team was established by the GLA to take forward this work. The Transition Team includes officers from the GLA (Assistant Director and two Senior Managers from the Culture and Creative Industries Unit) and a Director from BOP. This group will continue in this current role until 2022-23 or as required.
- 1.12. The GLA has secured Dechert LLP to provide pro-bono legal advice on the formation and registration of a suitable charitable legal entity in the UK, including advice on objects, memorandum and articles and liaison with the Charity Commission.

Proposed new WCCF charitable structure

- 1.13. The Transition Team has identified five options for the future organisational structure of the WCCF. These are set out below:

Charitable Incorporated Organisation (CIO-Association model): A Charitable Incorporated Organisation is a corporate form of business designed for charitable organisations in the United Kingdom. CIO status is conferred by the Charity Commission on application by a charity, whether new or existing. Its members have the right to appoint Directors. City members could be members in this model. A company limited by guarantee with charitable status can be converted to a CIO-Association.

Charity Incorporated Organisation Foundation (CIO-Foundation model): A foundation CIO is a legal entity specifically intended for non-profit organisations. Its only members are the trustees. Quite uniquely a foundation CIO is registered with the Charity Commission only, and not with Companies House.

Charitable Company Limited by guarantee: This structure provides limited liability for its members and it is suitable for organisations that want to become charities, but do not want or need the complex structure of company laws. The company must apply to the Charity Commission for charitable status. It can then be converted to a CIO-Association if required.

Company limited by guarantee (non-charitable): A company limited by guarantee is a company that does not have shareholders. Instead, it is owned by a group of members known as guarantors who all agree to pay a certain amount of money if the company faced any financial problems.

Community Interest Company (CIC): A CIC is a special type of limited company which exists to benefit the community rather than private shareholders.

- 1.14. The option of the GLA taking on the running of the project from BOP was also explored. It was concluded that this would substantially increase resource pressures on and the liabilities of the GLA, particularly with regards to staffing and support services. This option would also fail to address other risks to the project identified in 1.7 including the ability to raise external income, and vulnerability to future shifts in GLA priorities.
- 1.15. Analysis of the options has indicated that charity status brings significant advantages, particularly in terms of income generation, as it enables external income to be raised from a wider range of sources, many of whom prioritise giving to charities, and in relation to its treatment for tax purposes, as any

surplus on annual budgets would not be taxable. Charity status would also improve transparency relative to the current model, due to the requirement to publish accounts on the Charity Commission website. The specific advantages of the CIO-Association model compared to other charity models were the increased transparency it would provide to city members who could become members of the charity, enabling them to vote on Board Directors and have access to minutes of Board meetings. This model also has streamlined reporting requirements, without reducing transparency, as it only requires reporting to the Charity Commission and not to Companies House

- 1.16. On this basis, it is recommended that the best option for the long-term structure of the new organisation is to register it as a Charitable Incorporated Organisation, under the Association model (“CIO-Association”). The Mayor is asked to endorse that approach and to authorise GLA officers to provide officer time, financial assistance and in-kind staffing support as detailed in this Form.

Proposed WCCF Charity governance structures

- 1.17. A transitional board of directors for the proposed new WCCF charity with three members was established in November 2021 (“the Transition Directors Board”). The board members were identified by the Transition Team and the Deputy Mayor for Culture and the Creative Industries on the basis of their knowledge and understanding of the World Cities Culture Forum, the GLA, how cities are run, networks, governance, international experience and income generation. The role of the Transition Directors Board is to enable a successful transition to the new independent charitable organisation and provide skills, experience and guidance for the new company, its business plan and future programme.
- 1.18. The WCCF charity in its new form as a CIO-Association will be a charitable body independent of the GLA. Subject to Mayoral endorsement of the proposed approach, it will be established by the Transition Directors Board who have agreed to its implementation and will take all the necessary legal and other steps to establish a new CIO-Association – the WCCF charity. They will form its interim board of directors and be its charity trustees responsible for taking all decisions on behalf of the new body. They will remain in place until a full Board is appointed by the WCCF charity in 2022-23. Although the GLA will provide financial and in-kind support to the new body the GLA itself is not establishing the new charity and may not instruct it on how to act, nor will it accept liabilities on its behalf.
- 1.19. The ambition of the Transition Directors Board is that the new entity will have a balanced budget, growing income from other external sources on top of membership fees, over the next two years and reducing reliance on the GLA resources and staffing outlined in this form over the same period. The GLA will support fundraising consultancy to help achieve this. From the 2024-25 Financial Year, the objective is for the GLA to revert to paying an annual membership fee, plus associated research, travel and event costs and staff support, in line with the other city members.
- 1.20. Establishment of the WCCF as a CIO-Association will involve three steps, which Dechert LLP will help organise:
- establishing WCCF as a company limited by guarantee
 - then applying to the Charity Commission for charitable status for that company and
 - finally converting the (then) charitable company limited by guarantee to a CIO – Association.
- 1.21. References to the “WCCF charity” in this Decision Form cover all three of the above stages.
- 1.22. When stage 3 is achieved the charitable company limited by guarantee will be automatically dissolved and the organisation will take the form of a Charitable Incorporated Organisation-Association.

- 1.23. Draft charitable objects for the proposed new WCCF charity (both initially as a company limited by guarantee and then as a CIO-Association) were agreed by Transition Directors Board in December 2021. These are:
- To develop and improve the knowledge, understanding, practice and support of the arts and culture in cities worldwide by educating city leaders and policy makers; and to empower them to enhance cultural infrastructure and access to the arts for the public benefit.
 - To promote the study and research of the role that arts and culture in cities worldwide can play in promoting sustainable economic prosperity and social development, provided that the results and application of such study and research are disseminated to the public at large.
- 1.24. It is proposed that the Mayor approves that from the formation of the company, and for the duration of the transition period, the new WCCF charity may use City Hall as its official registered postal address for the purposes of its registration with Companies House and the Charity Commission and connected administrative purposes. This arrangement will end at the end of the three-year transition period or when the WCCF charity finds its own premises, whichever is sooner. There are no particular implications for the GLA from using the same address.
- 1.25. In addition, a time-limited Transition Advisory Board (“TAB”) is being established to maintain representation from city members. The current Transition Team will remain as observers and GLA staff will act as secretariat to the TAB whilst it operates during the transition period.
- 1.26. The role of the TAB will be to:
- play an advisory role in the development of the programme and business plan
 - play an advocacy role amongst city members and externally
 - support the future fundraising strategy: securing partnerships and generating income opportunities.
- 1.27. In her role as Deputy Mayor for Culture and Creative Industries, Justine Simons OBE, will also chair the Transition Advisory Board.

World Cities Culture Forum – Patron

- 1.28. The Transition Directors Board has invited the person elected to be the Mayor of London to be the first Patron of the new World Cities Culture Forum Charity for a period of at least three years starting 1 April 2022 to 31 March 2025 with a possible extension if the Mayor so wishes. The role would be in the Mayor’s official capacity and is offered to the incumbent of that office during that period, noting that the next GLA elections are in May 2024 and so this may change. It is an advocacy role and not a governance or decision-making role. In the future, the intention is for the new charity to invite other member City Mayors to be Patrons on a rotating basis.
- 1.29. As a Patron, the Mayor will:
- advocate for the Forum by endorsing its activities and issuing formal invitations to new city members
 - attend selected events organised by the new charity
 - support selected fundraising initiatives.
- 1.30. From its inception the Mayor of London has supported the Forum, inviting cities to join the network and acting as an advocate. Having the Mayor as a Patron will ensure the new charity continues to benefit from this essential support, particularly in its initial stages. It will also demonstrate to other

city mayors and funding bodies, that there is a real commitment behind the new organisation and belief in its delivery capacity and objectives.

- 1.31. To confirm this commitment a Memorandum of Understanding will be signed between the Mayor of London and the new WCCF charity.

GLA staff and financial resources during the transition period

- 1.32. A Senior Manager, Transition in the GLA's Culture and Creative Industries Unit has been appointed on a one-year secondment from January to December 2022. The GLA also employs a full-time Programme Manager to oversee the day-to-day programme in liaison with BOP.
- 1.33. During the transition period (2021 – 2023) and until a permanent Director is appointed by the new charitable body, the GLA has agreed to commit staff time to lay strong and sustainable foundations for the new organisation. To that effect, in addition to the dedicated posts referred to at paragraph 1.31 above, the GLA will commit additional, ad-hoc support as required, from the following staff:
 - Deputy Mayor for Culture and Creative Industries
 - Assistant Director Culture and Creative Industries
 - Senior Manager World City and Operations.
- 1.34. These staff will work on the transition to ensure a successful transfer to the new WCCF charity, protecting the GLA's investment to date in the Forum. There is no conflict of interest for these staff in carrying out both this ad-hoc support and their substantive posts as the ongoing future work of the Forum will continue to benefit London. Should any conflicts of interest arise in future these will be identified and disclosed through both the GLA's conflicts of interest and risk management procedures as well as via the WCCF charity's conflicts of interest procedures, when established.
- 1.35. The current financial arrangements with BOP will end in March 2022 which will allow for a smooth transition to the new charitable entity.
- 1.36. Subject to the GLA's annual budget setting process, the Mayor is requested to approve expenditure from the Culture and Creatives Industries Unit budget of £51,000 in 2022-23 to support the initial set up of the new entity alongside in kind support during the transition period, and expenditure of £30,000 in 2023-24 including a grant of £25,000 to the new organisation. The budget will cover the costs of:
 - specific consultancy to support the transition e.g. fundraising until the new organisation recruits permanent staff, which will be tendered in accordance with the Contracts and Funding Code
 - programme costs to maintain the work of the Forum, including webinars, events and research
 - attendance by the GLA at any World Cities Culture Forum events
 - any research required for the World Cities Culture Forum programme.
- 1.37. During the transition period, the Transition Directors Board of the new WCCF charity, with support from the Transition Team and external consultants, will put in place a detailed fundraising plan, to secure additional funding from April 2023.
- 1.38. It is anticipated that during the Transition period the new WCCF charity's Transition Directors Board will recruit and appoint a Director/CEO to start working in the new organisation during 2022.
- 1.39. In addition, it is proposed that relevant GLA assets will be licensed to the new Charity, specifically:
 - World Cities Culture Forum name and logo

- World Cities Culture Forum website and microsite and
- database of members.

1.40. It is proposed that the license of these assets will subsist for up to three years, with an initial review period at eighteen months. If after that review, the GLA considers the new charity is making satisfactory progress to achieving its Mission, Vision and financial sustainability criteria, then this Form seeks approval now for the relevant GLA Intellectual Property and other assets to be assigned permanently to the new charity without the need for a further Decision form. However, if the review indicates that the above requirements are not fulfilled, the licensing period will continue for the remainder of the three year period unless terminated for breach of license conditions or the GLA sees fit to terminate it at any point following the eighteen-month point. At the end of the three-year period, this Form seeks approval for the relevant GLA Intellectual Property and other assets to either be licensed for a longer term period or assigned permanently to the new charity, as the GLA considers fit at the time, without the need for a further Decision form. This decision will be delegated to the Assistant Director Culture and Creative Industries.

2. Objectives and expected outcomes

Objectives

- 2.1 The Forum was originally set up in 2012 following a data analysis of London's competitiveness relative to other world cities. This showed that many comparative global cities shared common challenges and suggested there was significant benefit in establishing a peer network. The initial Forum group of eight cities looked at challenges around the world and how culture could contribute as leading element in successful world cities.
- 2.2 Over the past nine years, the Forum has grown to 40 cities managed on an informal project basis. It was agreed in 2019-20, given the emerging challenges identified in para 1.7, that it was good practice to review governance, particularly when considering the potential for future sustainability and growth and how best to support and grow its members. In particular the challenges around income streams, being reliant on membership fees and the GLA needed to be addressed. The review confirmed that the current lack of a formal governance model could risk future sustainability and hinder growth.
- 2.3 A CIO-Association model will:
- provide a more transparent governance model able to secure a much wider income base to future proof the organisation for sustainability and growth
 - help with securing membership fees by being able to demonstrate a legal entity with a Board of Directors in place and access for cities to public audited accounts
 - allow other cities to step forward to join or take the lead once the Mayor of London's term as Patron ends, helping to mitigate potential risks of future changes in political leadership
 - help, through wider access to fundraising, to develop other programme strands which will enhance its offer to members e.g. more regional focus or creating more data and research projects to share with cities.

Outputs

- 2.4 During the Transition period, and as the new entity works towards its CIO-Association model, the GLA will continue to provide financial and in-kind staffing support to ensure the charity can achieve the following outputs:

- agree charitable objects, mission and vision for the new organisation
- register the new WCCF charity and open a bank account by January 2022
- legally establish the Transition Directors Board that will develop into a full Board of Directors of the new WCCF charity
- establish the Transition Advisory Board whose members will provide regional representation from member cities
- draft a Business plan including four-year budget and fundraising plan for the new charity to be approved by the Transition Directors Board after April 2022
- seek to agree, with external legal advice, arrangements with member cities and the charity
- seek to agree, with external legal advice, contractual arrangements between the new charity and BOP
- draft and sign a Memorandum of Understanding between the Mayor of London as Patron and the new charity
- prepare documentation required for the license or assignment (as considered appropriate by the GLA) to the new charity of any relevant GLA owned intellectual property and other assets in 2022.

Outcomes

- 2.5 Establishing the WCCF charity will lead to a more sustainable governance model for the forum in the future to allow it to grow and offer more services to its member cities. This will ensure that the GLA can continue to benefit from the WCCF charity's work and the benefits of the network for London, including:
- stronger and evidence-based policy making at the GLA, particularly in response to COVID-19, across policy teams including Culture, International, Economic Development and Communities and Social Policy, developed through accessing learning and evidence from international case studies
 - demonstration of London's best practice and collaboration with other cities to help inform policy internationally and strengthen London's global reputation.

3. Equality comments

- 3.1 Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities must have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The obligation in section 149(1) is placed upon the decision-maker. Due regard must be had at the time a particular decision is being considered. The duty is non-delegable and must be exercised with an open mind.

- 3.2 Taking into account the obligations under section 149(1) of the Equality Act 2010, it is envisaged that the World Cities Culture Forum in its new charitable independent form will promote equality and work to deliver new diverse and inclusive opportunities.
- 3.3 It is not anticipated that the establishment of the new organisation or the GLA's support to it will have a negative impact on any protected groups identified under the Equality Act 2010. The new WCCF Charity is not itself subject to the public sector equality duty, however, the GLA's support will help ensure the organisation is developed and established in a manner consistent with relevant Codes of Practice and in line with the duty to ensure that the following issues have been considered:
 - promotion of cultural diversity among all member cities through city networks
 - encouraging a diverse board of directors and trustees of the WCCF charity
 - encouraging and promoting employees from wide range of backgrounds to work in the new entity which will be achieved by encouraging applications from people who share a protected characteristic and from disadvantaged and under-represented groups.
- 3.4 The Transition Directors Board will be committed to equality and diversity and this will be reflected in recruitment of future Board members. The WCCF charity will continue to explore equality, diversity and inclusion as a key theme in its research work.

4. Other considerations

[Link to Mayoral strategies and priorities](#)

- 4.1 In June 2020, the Mayor and GLA established the London Recovery Board. It is supported by a Recovery Taskforce, which will coordinate actions to meet these challenges. Through its work with other international cities, sharing best practice and challenges, the WCCF charity will help play an important role in supporting the following Recovery Missions and Foundations, to help Londoners recover from COVID-19. This is done via regular webinars, research, the World Cities Culture Report, the Leadership Exchange Programme and the annual summit, all of which contribute to GLA involvement in the following missions and foundations.

Recovery missions:

- High Streets for All
- Health & Wellbeing
- Building Strong Communities
- A Green New Deal.

Recovery foundations:

- Spatial Development
- Engaging Londoners
- Equality, Diversity and Inclusion
- Supporting Businesses, Jobs and Growth.

4.2 The new WCCF charity will also link to the following Mayoral strategies:

- Culture for all Londoners, the Mayor's landmark strategy for culture, which outlines an ambitious vision to ensure all Londoners can engage with and contribute to the capital's rich cultural offering on their doorsteps.
- The Mayor's objectives for Healthy Streets, which are more welcoming to people and encourage them to make active and sustainable travel choices, for example by contributing to the healthy streets' aspiration of 'things to see and do'.
- The Mayor's Vision for London as 24-Hour City (diversifying London's night-time offer and making it more safe, welcoming and accessible for a wider range of people).
- The new London Plan (strategic policies for supporting London's night-time economy and its diverse range of arts, cultural, and entertainment enterprises and the cultural, social and economic benefits they offer to its residents, workers and visitors).
- Inclusive London, the Mayor's Equality, Diversity and Inclusion Strategy, which sets out that a successful city needs to work well for all residents. Everyone should be able to share in its prosperity, culture and community life regardless of age, social class, disability, race, religion, gender, gender identity, sexual orientation, marital status, or whether they are pregnant or on maternity leave.
- The Mayor's Social Integration Strategy which aims to improve social integration in London. This means enabling people to have more opportunities to connect with each other positively and meaningfully and supporting Londoners to play an active part in their communities and the decisions that affect them. It involves reducing barriers and inequalities, so that Londoners can relate to each other as equals.

Risk assessment for the establishment of the new organisation until April 2022

Risk description	Impact description	Priority level (1 high – 4 low)	RAG	Mitigation
Delay in registering the new WCCF Charity	Delay in fundraising that could put the future business model at risk	2	A	Strict deadlines monitored by Senior Manager, Transition. Consultancy/pro bono support from WorkWild and Dechert. GLA experience in charity registration. Sponsorship consultancy sought.
Delay or mismanagement in communicating with member cities	Delay in getting new contracts signed Delay in getting membership fees paid to the new organisation and cashflow issues	2	A	Strict deadlines monitored by Senior Manager Transition.
Some cities are reluctant to sign	Delay in getting some contracts	2	A	WCCF charity team to approach relevant cities and

membership agreement with the new organisation	signed and consequently less membership fees paid on time			have a conversation with senior officials. Use Transition Advisory Board to support messaging.
Difficulties achieving a balanced budget for the first three years	New organisation not able to meet its commitments	1	A	Business plan agreed and signed off by Transition Directors Board in advance of 2022-23. Regularly monitored by Senior Manager Transition. Fundraising plan to be developed and consultancy used. Members of Transition Advisory Board will support WCCF to access external funding. Option for minimal viable organisation budget.
New charity not being able to recruit the right Board Directors in terms of skillset and diversity	Impact on the strategic objectives of the organisation	3	A	Plan recruitment campaign by WCCF charity well in advance, use networks and Transition Advisory Board to communicate.
New charity not able to retain/recruit staff with relevant knowledge/experience for the new organisations	Knowledge and information to help transition severely affected	2	R	Ensure GLA Programme Manager builds relationship with cities during transition period. Work with BOP to ensure WCCF staff team stay on board for at least one year.

5. Financial comments

Overview

- 5.1 This report is seeking the Mayor to endorse the formation of the World Cities Culture Forum as an independent entity, to be established by three members of the Transition Directors Board as detailed above, initially as a company limited by guarantee and then make an application for charitable status and be converted to a Charitable Incorporated Organisation-Association.

GLA contribution

- 5.2 During the transition period, the GLA will provide both cash and in-kind support (in the form of staff time) to assist with the company structure until the permanent Board of Directors and members (as applicable) are appointed. During the time leading up to 1 April 2022 when it is envisaged that the charitable status of the organisation is achieved, the GLA's cash and 'in-kind support' will assist in setting up a budget for 2022-23 and the following three years, devising a fundraising plan and preparing a formal Business Plan for the new charity to be approved by the Transition Directors Board.
- 5.3 The GLA's cash contribution for this proposal totals £81,000 and is to be profiled over the 2022-23 (£51,000) and 2023-24 (£30,000) financial years. This will be utilised on the initial set up costs of the new charity and a direct grant to the new entity in 2023-24. As part of the GLA's 2022-23 budget process, sufficient revenue resources have been set aside within the Culture and Creative Industries unit's indicative budget allocations to cover these costs, subject to approval of the 2022-23 budget.

Business plan & company structure

- 5.4 The business plan will provide detailed information on the organisation's objectives, strategies, and financial forecasts in the short, medium and long term, including how it aims to become a self-sufficient legal entity. It should be noted, however, the setting up of this independent entity prior to detailed business plans being prepared does pose a level of financial risk to the GLA beyond the initial 18-month transition period as the organisation may seek further funding and support from the GLA beyond that which has been outlined within this report. The GLA's support will, at this stage be limited to that detailed within this report and will be subject to review based upon a robust viability assessment of the business plan, in particular the financial forecasts and the associated assumptions. The GLA's capping of financial and in-kind support during the 18-month transition period will be formally agreed via the necessary legal documentation (grant agreement, Memorandum of Understanding where applicable) to protect the GLA's position and ensure no underwriting of future costs is assumed by the new entity.
- 5.5 As noted in section 1 of this report, BOP currently runs the WCCF programme on behalf of the GLA and its other members via a services concession agreement, which is coming to an end on 31 March 2022, with no appetite for a renewal of this arrangement. The alternative to what is being proposed is for the GLA to operate this programme in-house, which will then bring along all the administrative and financial burdens of operating the programme; requiring additional staffing and financial resources beyond the annual budget that the GLA currently provides to the programme. The solution as being proposed enables the GLA to cap its investment during the 18-month transition period and, subject to the financial forecasts of the entity being robustly prepared and the entity running self-sufficiently, to redirect funding previously earmarked within the GLA budget to support this programme to other priorities. From the 2024-25 Financial Year, the objective is for the GLA to revert to paying an annual membership fee, plus associated research, travel and event costs and staff support, in line with the other city members. This will be contained within the Culture and Creative Industries Unit's indicative budget for 2024-25.
- 5.6 While the organisation is to be created as a company limited by guarantee in the first instance and then a charity, it will not be a requirement to consolidate the organisation into the GLA's accounts as it will be an independent organisation and there will be no GLA representation on the Board. However, the GLA can be a member and vote on future board of directors along with other cities.

6. Legal comments

- 6.1 Section 30(1) of the GLA Act 1999 gives the GLA, acting by the Mayor, the power to do anything which it considers will further any one or more of its "principal purposes", which are: promoting economic development and wealth creation in Greater London, promoting its social development and promoting its environmental improvement. The GLA is under a duty under section 378(1) of the Act to encourage people to visit Greater London and to encourage people from outside the United Kingdom to visit the United Kingdom by way of Greater London.
- 6.2 Officers consider that the indicative draft charitable objects of the new WCCF Charity are consistent with the GLA's functions under sections 30 and 378 of the Act as the activities of WCCF as outlined in paragraphs 1.1 to 1.11 above (both currently and in the future in its new independent charitable form) are likely to further any one or more of the GLA's principal purposes.
- 6.3 The GLA may also do anything that facilitates, is conducive or incidental to the discharge of those functions under section 34(1) and 378(2) of the Act. This permits the GLA to provide financial assistance and non-financial or in-kind support to the new WCCF Charity, including the provision of GLA staff time and resources, the secondment of GLA staff to the charity, and the temporary use of the GLA's City Hall postal address for the purposes of Companies House and Charity Commission registration until it finds its own premises.

- 6.4 In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty – namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.
- 6.5 Should the Mayor be minded to make the decisions sought officers must ensure that to the extent that:
- any funding is indicated to be “subject to the annual budget setting process”, it is not relied upon until that process has been completed and it has been confirmed that the funds in question are available for use
 - it is proposed that funding is to be awarded to the new WCCF charity (or any other third parties), a funding agreement is entered into and executed by the GLA and the relevant counterparty(ies) before any commitment to the same is made
 - certain assets and/or rights are to be licensed or assigned to the new entity new WCCF charity, they check carefully and confirm that such assets or rights are indeed owned by the GLA before committing to such license and/or transfer
 - any GLA staff/members are engaged in or about the business of the new WCCF charity or any transitional group/body, they declare their involvement and systems are put in place and followed to ensure that they are not involved in any GLA decision making concerning the relationship between the GLA and the new WCCF charity or any transitional group/body.

7. Planned delivery approach and next steps

Activity	Timeline
Establish the Transition Advisory Board	Mid-December 2021
Newsletter to member cities to update on future changes	Mid-December 2021
Transfer/ licence of GLA WCCF-related assets to new organisation	By March 2022
Quarterly meetings of Transition Advisory Board	Jan to Dec 2022
Regular meetings of Transition Directors Board	Jan to Sep 2022
Signing-up of member cities to new WCCF Charity	April 2022
Appointment of full new WCCF Board of Directors by the Transition Directors Board, with advice from the Transition Advisory Board (including member cities)	By end 2022-23
Appointment of new WCCF Charity’s CEO/Director	By end 2022-23
Transition completed and establishment of new independent organisation	March 2023

Appendices and supporting papers:

None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Maria Diaz has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Philip Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Justine Simons has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 20 December 2021

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature**Date**


22/12/21

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature**Date**


22/12/21