



National Audit Office




REPORT

Investigation into the UNBOXED festival

Department for Digital, Culture, Media & Sport

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HC 938



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National Audit Office

Investigation into the UNBOXED festival

Department for Digital, Culture, Media & Sport

Report by the Comptroller and Auditor General

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of Commons in accordance with Section 9 of the Act

Gareth Davies
Comptroller and Auditor General
National Audit Office

29 November 2022

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Contents

What this investigation is about 4

Findings 9

Appendix One

Our investigative approach 28

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What this investigation is about

1 The UNBOXED festival consisted of a programme of 10 creative projects, with a series of events, activities and installations which took place at locations throughout the United Kingdom, and digitally, between March and November 2022. The festival was originally announced by the then Prime Minister in September 2018 and included in the Conservative Party’s manifesto for the December 2019 UK general election. The festival would take place alongside other significant events planned for 2022, including the Commonwealth Games and Platinum Jubilee. The festival had a working title of Festival 2022 until October 2021 when it was branded and launched as ‘UNBOXED: Creativity in the UK’. In this report we refer to the overall development, design and delivery of the programme of projects as ‘the festival’.

2 The Department for Digital, Culture, Media & Sport (DCMS), tasked with delivering the festival, considered it to be a “once-in-a-lifetime” series of new events and commissions taking place across the UK and digitally to celebrate the best of UK science, technology, engineering, arts and maths (STEAM). The festival had two strategic objectives:

- To bring people together to celebrate the UK’s strengths, values and identities, and boost pride throughout communities.
- To celebrate the UK’s offer to the world, supporting its brand and helping attract new inward business and investment.

DCMS aimed to achieve these objectives by commissioning a delivery body to deliver 10 projects across the UK. Both objectives were intended to leave a lasting legacy.

3 The 10 projects forming the festival were delivered in locations across the UK and provided opportunities for the public to experience them free, either in person or through traditional broadcast and digital media. The festival was delivered by Festival 2022 Ltd, a private company and a subsidiary of an arm’s-length body of DCMS, in collaboration with the devolved administrations in Scotland, Wales and Northern Ireland. DCMS and the devolved administrations provided funding of £120 million in cash terms from 2019-20 to 2022-23 for delivering UNBOXED. As at November 2022, the festival is forecast to cost just under the full budget of £120 million. A timeline of key events in the development and delivery of the festival is set out in **Figure 1** on pages 6 and 7.

4 DCMS and the devolved administrations expected the festival to deliver a range of wider benefits, such as increasing social cohesion by staging activities across the UK in communities that do not normally engage with arts activities or have arts activities based in them (**Figure 2** on page 8). DCMS and Festival 2022 Ltd also consider that spending on the festival provided support to the cultural and STEAM sectors during the COVID-19 pandemic. With the agreement of DCMS and the devolved administrations, Festival 2022 Ltd has commissioned an independent evaluation, reporting in March 2023, to assess the festival's impact and value for money. This will include an examination of the extent to which the expected benefits have been realised and process evaluations at a festival-wide level to identify lessons for the future. It will cover activity during 2022 but will not cover legacy activity after this period.

5 In September 2022 the Chair of the House of Commons Digital, Culture, Media and Sport Committee, Mr Julian Knight MP, wrote to the Comptroller and Auditor General (C&AG), raising concerns about the management of UNBOXED, following a report by his Committee in March 2022.¹ Mr Knight drew particular attention to its value for money and its audience engagement figures. On 30 September, the C&AG informed Mr Knight of his intention to publish a short, focused report on the festival.

6 This report therefore sets out the facts about:

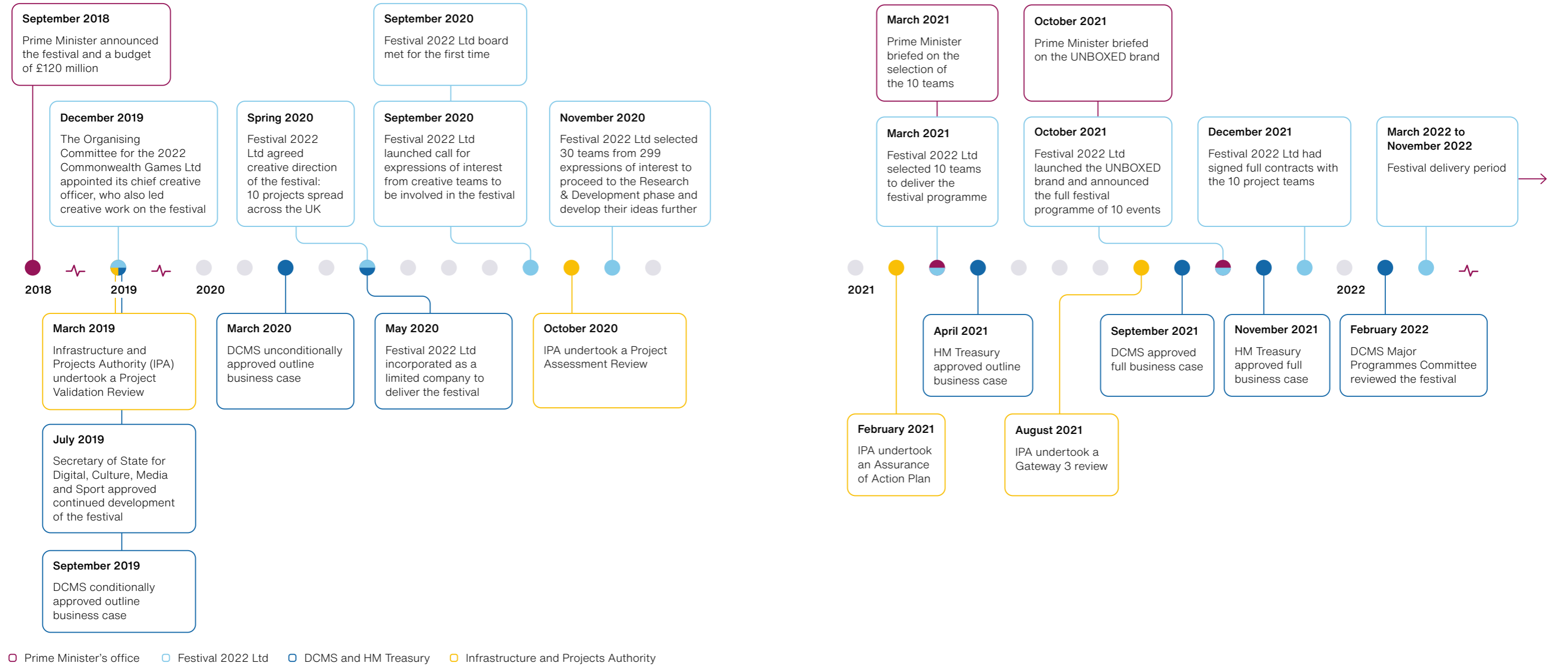
- the set-up, funding and delivery of the festival;
- DCMS's management and oversight of the festival; and
- the outturns achieved against what DCMS expected.

We have not reported on the achievement of the benefits expected from the festival as this will be covered by the planned evaluation of the festival in 2023 (paragraph 4). Our report does not examine the festival's final costs as expenditure is due to continue until March 2023. It also does not examine the initial decision taken in 2018 to hold a festival, nor does it draw a conclusion on the value for money of the festival as this would require the results of the planned evaluation.

¹ HC Digital, Culture, Media and Sport Committee, *Major cultural and sporting events*, Ninth Report of Session 2021-22, HC 259, March 2022.

Figure 1
Timeline of the development and planning of the UNBOXED festival, 2018 to 2022

Following the then Prime Minister's announcement of the festival in 2018, development, planning and arrangements for its delivery in 2022 were put in place



Note
1 The Infrastructure and Project Authority (IPA) is the government's centre of expertise for infrastructure and major projects. It reviews the government's most complex and high-risk projects, providing assurance and advisory recommendations that support project delivery.

Figure 2

The expected benefits of the UNBOXED festival

The expected benefits of the UNBOXED festival identified by the Department for Digital, Culture, Media & Sport (DCMS), the devolved administrations, Festival 2022 Ltd and the strategic delivery bodies included many outcomes which are difficult to quantify

Expected benefits identified



Source: National Audit Office analysis of Festival 2022 Ltd documents

Findings

The set-up, funding and delivery of the festival

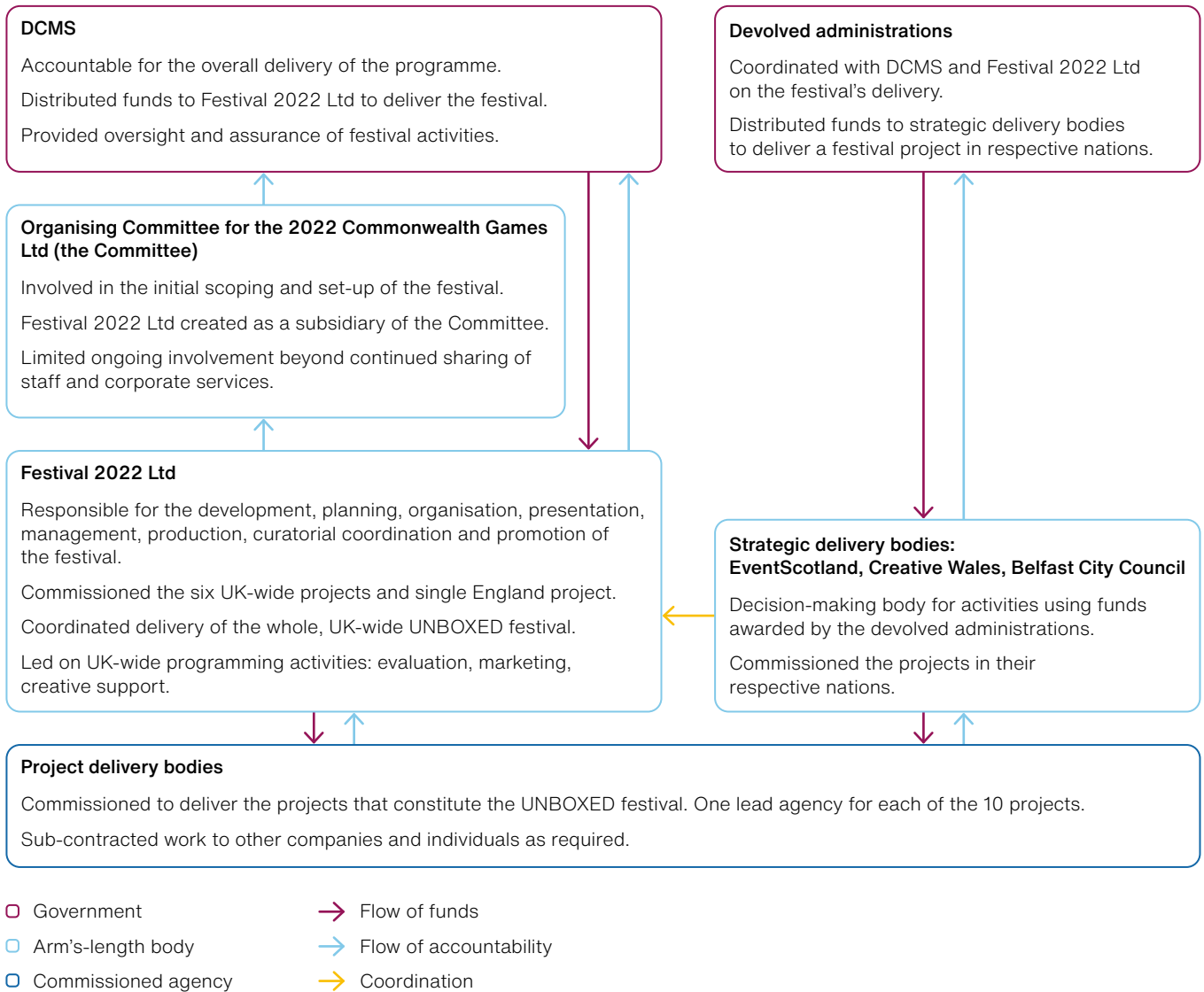
Setting up the festival's delivery

7 The Department for Digital, Culture, Media & Sport (DCMS) agreed to the establishment of a not-for-profit company, Festival 2022 Ltd, on 1 May 2020 to deliver the festival. Prior to May 2020, the Birmingham Organising Committee for the 2022 Commonwealth Games Ltd worked with DCMS to develop the vision for the festival and the outline business case. The Committee asked its existing chief creative officer to lead on the festival's delivery, and, on 1 May 2020, with DCMS's agreement it incorporated a new subsidiary, Festival 2022 Ltd, to deliver the festival across the UK. The subsidiary is a private company limited by guarantee. It is a not-for-profit organisation with a fixed purpose, operating for less than three years and ceasing operations by 31 March 2023. DCMS delegated decisions about approval of the festival programme and projects to Festival 2022 Ltd as it considered that the choices about the nature of the festival and initial selection of festival projects were creative decisions which should be taken at arm's-length from government by the new company (**Figure 3** overleaf).

8 Responsibility for delivery of the festival also lay with the devolved administrations. As the festival aimed to cover the whole of the UK, DCMS and Festival 2022 Ltd worked in collaboration with the devolved administrations. Both recognised that achieving this collaboration was key to the festival's success, and by March 2021 DCMS and the administrations had agreed concordats setting out how they would work together to fund and deliver the festival. Each administration had control of its own funding. While six of the 10 projects had a UK-wide focus, one project focused on each of England, Scotland, Wales and Northern Ireland. The administrations each agreed to work with the festival's chief creative officer to ensure the consistency of its nation's event with a shared creative vision for the festival as a whole and shared strategic parameters setting out the expectations for the festival. The administrations chose their own strategic delivery body, which, in turn, commissioned the festival project for their respective nation, working alongside Festival 2022 Ltd, which commissioned the England-specific and UK-wide projects (Figure 3).

Figure 3
Delivery structure for the UNBOXED festival

Delivery of the festival has been at arm's-length from the Department for Digital, Culture, Media & Sport (DCMS) and the devolved administrations



Source: National Audit Office analysis of Department for Digital, Culture, Media & Sport and Festival 2022 Ltd documents

Funding the festival

9 The festival had an overall budget of £120 million. In September 2018, the Prime Minister announced a budget of £120 million in cash terms for the festival. Under the concordats agreed between DCMS and the devolved administrations, the administrations agreed to contribute to this budget total, with the size of each administration's contribution calculated by HM Treasury (HMT) through the application of the Barnett formula to apportion the £120 million.² HMT allocated £98 million to DCMS over 2019-20 to 2022-23 for those parts of the festival to be delivered in England. It also distributed £22 million through the block grants to the administrations for these to fund the festival if they so chose (**Figure 4**).

Figure 4

Funding available for delivering the UNBOXED festival, 2019-20 to 2022-23

The government made a total of £120 million funding available across the UK

	(£m)
Department for Digital, Culture, Media & Sport funding total	98.3
Scottish Government	11.5
Welsh Government	6.7
Northern Ireland Executive	3.5
Devolved administrations funding total	21.7
Total	120

Notes

- 1 Figures are as at April 2022.
- 2 Department for Digital, Culture, Media & Sport, Scottish Government, Welsh Government and the Northern Ireland Executive redistributed much of their funding to project delivery bodies and strategic delivery bodies.

Source: National Audit Office analysis of Festival 2022 Ltd documents

² The Barnett formula aims to provide each devolved administration with the same pounds-per-person change in funding as the equivalent change in UK Government spending on England. For example, if spending on education in England increases by £100 per person, the devolved administrations' funding will increase by £100 per person.

10 DCMS had less funding to deliver the festival than it had originally planned, due to irrecoverable VAT. By March 2019, HMT had made it clear that there would be no additional funding above the £120 million already allocated for the festival. DCMS considered that this amount was an appropriate sum for the festival, as a result of benchmarking with comparable projects it had undertaken. At that point DCMS assumed that VAT would be recoverable and that therefore the whole £120 million would be available to spend on the festival. By December 2020, however, it had become clear that not all VAT would be recoverable due to a number of factors, including the fact that Festival 2022 Ltd is almost wholly funded by government grant. As a result, in March 2021, DCMS made a provision of up to £19 million within the £120 million for unrecoverable VAT, thereby reducing by up to £19 million the funding it had available to deliver the festival. DCMS and Festival 2022 Ltd had also examined the option of supplementing the £120 million with funding from the private sector through sponsorship, the joint funding of events and ticket sales. They decided not to pursue such funding, mainly owing to a lack of time and the resources needed to do this and the potential impact of ticket sales and sponsorship on the festival's inclusivity and accessibility. They did, however, raise some third-party income, for example a contribution of £250,000 from the British Council towards international engagement, while two of the strategic delivery bodies met the costs of their own staff.

Delivery of the festival

11 Festival 2022 Ltd oversaw the selection of the 10 projects comprising the festival. In September 2020, Festival 2022 Ltd invited creative teams to submit expressions of interest to be involved in the festival. It received 299 applications and, in November 2020, selected 30 teams to progress to the next phase. At this stage, Festival 2022 Ltd provided research and development funding to each team of up to £100,000 to develop their ideas. In February 2021, the teams presented their proposals to the relevant strategic delivery body, which assessed them against criteria including production, technical and resourcing; financial viability and sustainability; and deliverability. Each event also had to include the arts and elements from two or more from science, technology, engineering, or maths. In March 2021, Festival 2022 Ltd, in partnership with the strategic delivery bodies, selected the 10 teams and their initial ideas for the projects comprising the festival. Festival 2022 Ltd and the strategic delivery bodies then gave each of the 10 teams advance funding of £8.3 million in total to develop their ideas further. By the end of 2021, Festival 2022 Ltd and the strategic delivery bodies for the devolved administrations had signed contracts with 10 providers to deliver the 10 selected projects.

DCMS's management and oversight of the festival

Governance and monitoring

12 DCMS put in place governance arrangements to oversee the festival's delivery.

DCMS recognised that planning, delivering and promoting 10 major cultural projects in around 12 months was ambitious and would require significant oversight. It therefore set up a Programme Board, which met for the first time in March 2019 and included members from HMT and the Cabinet Office, as well as DCMS staff (**Figure 5** overleaf). From May 2020 onwards, this Board received regular reports from Festival 2022 Ltd on the festival's progress, risk management and finances, and regularly briefed ministers on the festival's progress. Both the Birmingham Organising Committee for the 2022 Commonwealth Games Ltd and Festival 2022 Ltd had the same accounting officer, and the chief financial officer, chief legal officer, executive director and chief creative officer worked across both bodies as the executive management team. Festival 2022 Ltd was governed by an independent board, which has met frequently since its first meeting on 1 September 2020. Its members included representatives from each of the four nations of the UK, while DCMS's senior responsible owner (SRO) for the festival attended the board as a participating observer, as did observers from the devolved administrations.

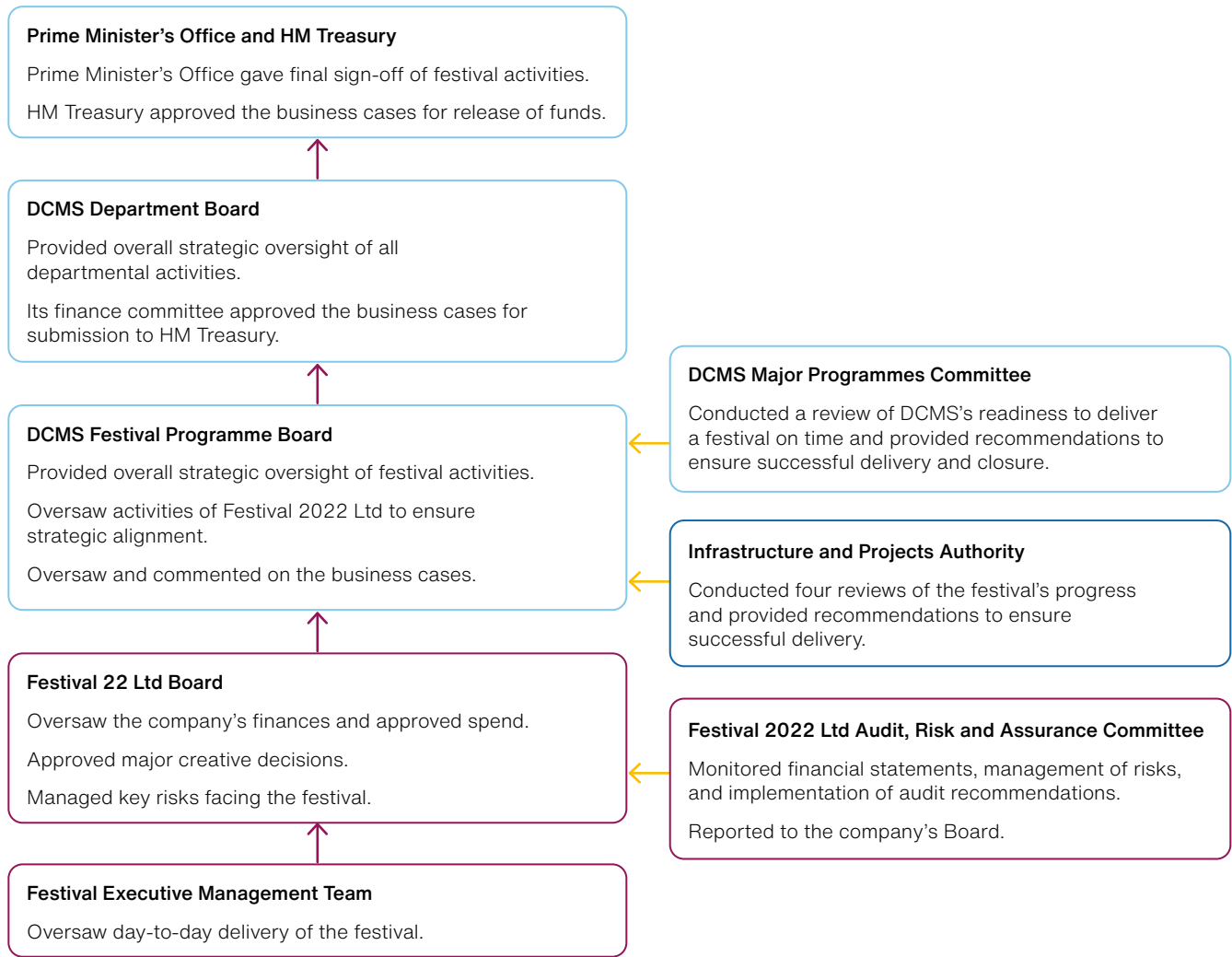
Approval of business cases

13 DCMS obtained final approval of the business case for the festival from HMT more than a year later than planned due to the COVID-19 pandemic. In line with standard government practice, DCMS prepared both outline and full business cases for the festival as it progressed and sought HMT approval of these. DCMS's Finance Committee first gave conditional approval to the outline business case for the festival in September 2019. DCMS subsequently revised this case, adding more detail to the vision, preferred delivery model and costs. The Finance Committee gave unconditional approval in March 2020, and DCMS obtained HMT approval in April 2021. DCMS then worked on the full business case, for which it obtained final HMT approval in November 2021, prior to incurring the majority of the festival's expenditure in 2022-23. DCMS had originally intended to obtain approval for this business case more than a year earlier in summer 2020, but this was delayed as a result of the COVID-19 pandemic and HMT's prioritisation of business cases for schemes to aid recovery from the pandemic. During this delay in securing approval, the development of the festival had continued. DCMS and Festival 2022 Ltd twice briefed the then Prime Minister in 2021 on their plans for the festival. They briefed him in March 2021 on the 10 project deliverers with their initial ideas for the projects, and in October 2021 on the new 'UNBOXED' name for the festival and on further details of the 10 projects as they had subsequently developed.

Figure 5

Oversight and governance arrangements for the UNBOXED festival from autumn 2020

The Department for Digital, Culture, Media & Sport (DCMS) and Festival 2022 Ltd held regular board meetings to ensure oversight of the festival



□ Festival 2022 Ltd □ Government □ Independent assurance → Flow of accountability → Flow of assurance

Source: National Audit Office analysis of Department for Digital, Culture, Media & Sport and Festival 2022 Ltd documents

14 DCMS's 2019 outline business case focused on the choice of delivery model to be used. It quantified the costs of different delivery models, such as staffing, accommodation and marketing, but did not include all the costs of delivering the festival. It did not include spending on the festival projects themselves as it expected the delivery body to make decisions about which projects should progress and what they should consist of. DCMS also did not quantify the benefits arising from the festival, simply listing these. It did this because it had not yet determined the nature of the projects comprising the festival and these would not be developed until a festival director had been appointed. In line with HMT guidance, DCMS did not consider the option of not proceeding with the festival – it included 'do minimum', 'less ambitious', 'preferred' and 'do maximum' options that would meet the strategic parameters for delivering the festival. According to DCMS's analysis, the preferred delivery model option, of a coordinated programme of events across the UK led by an existing body, had the second lowest cost.

15 DCMS approved the festival to proceed on the basis of a full business case containing estimated financial benefits of £170 million and additional non-quantified benefits.³ In its full business case, DCMS estimated the financial benefits of the festival at £170 million, with a best-case scenario of £493 million and a worst-case scenario of £40 million. Although these figures included the benefits arising from tourism and volunteering, they also depended heavily on DCMS modelling of audience engagement. DCMS modelled levels of audience engagement using data on public participation and willingness to pay for previous events which were comparable to the festival's projects. Based on these, it valued the benefit of physical engagement with an event at £16.38 per person and digital engagement at £2.12 and applied these values to its modelled levels for audience engagement for each of the 10 projects. As a result, DCMS's analysis gave an overall positive net present value for the central and best-case scenario, and a negative net present value for the worst-case scenario. DCMS also anticipated the festival delivering non-quantified benefits, which it did not include in its calculations. These benefits included creativity and innovation; social cohesion and community identity; leveraged investment; region and socioeconomic distribution impacts; and international engagement and reputation (Figure 2).

³ The financial benefits estimated by DCMS were not cashable but were estimates of the social benefits arising from the festival for which DCMS was able to estimate a monetary value. Such benefits included the increase to participants' welfare and happiness, increased tourism spend, and the development of volunteers' skills. Ticketing income was not included as planned events were to be free. DCMS was not able to attach a monetary value to all the social benefits arising from the festival. It identified these as non-quantified benefits.

16 DCMS did not use the same basis to compare benefits and costs when giving final approval to the festival. In its full business case, DCMS calculated the total financial benefits of £170 million from the 10 commissioned projects but only included in its cost-benefit calculations spending of £79.7 million, representing the costs to be incurred by Festival 2022 Ltd, including the costs of the seven projects for which Festival 2022 Ltd was responsible.⁴ DCMS did not include the costs to be incurred by the devolved administrations, such as the costs of their three projects. As a result, it overstated the net present values of the options considered. DCMS provided us with reworked calculations it had undertaken in November 2022 that showed that the inclusion of these other costs would still have resulted in a positive net present value for the central case and would not have changed approval of the decision for the festival to proceed.

Assurance

17 Since March 2019, the festival has been subject to four Infrastructure and Projects Authority (IPA) reviews, the last of which, in August 2021, rated it as amber. The festival was included in the Government's Major Projects Portfolio and was subject to four reviews by the IPA. These provided snapshots of progress and identified the biggest and most urgent issues facing the festival. The reviews in October 2020 and February 2021 rated delivery of the festival as amber-red and amber respectively as DCMS addressed the earlier review's recommendations.⁵ The February 2021 review noted that the approval process had become dislocated from the development and implementation of the festival due to the COVID-19-related delays in approving the business cases (paragraph 13). The last review in August 2021 rated the festival as amber. It acknowledged that progress to date had been considerable, but there was still a lot to do before the festival opened. Those selected to deliver the festival projects were still building their capacity while having to deliver a programme that was complex in terms of its novelty, innovation and delivery. According to the review, strong political and public support was also needed for the festival to be successful. A final IPA Gateway 5 review is planned for January 2023.

⁴ The figure of £79.7 million excludes VAT

⁵ Amber – red rating: Successful delivery of the programme is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and establish whether resolution is feasible. The IPA no longer uses this rating. Amber rating – successful delivery of the project appears feasible but significant risks exist requiring management attention. These appear resolvable and, if addressed promptly, should not present a cost/schedule overrun.

18 DCMS's own subsequent assessments found no significant concerns.

In February 2022, DCMS's Major Programmes Committee questioned the DCMS festival team to gain assurance on the festival's readiness for opening its first event in March 2022. The Major Programmes Committee made three recommendations, covering arrangements for delivery of the festival's legacy and the closure of Festival 2022 Ltd once the festival ended. It also recommended that, in the absence of any targets, DCMS should identify "what success looks like". Subsequently, in July 2022, DCMS published its first accounting officer assessment of the festival, after the festival had begun. This assessment raised no concerns about the value for money of the festival programme. It based this conclusion among other things on the undertaking of IPA's assurance reviews and on an assessment of costs and benefits (paragraphs 13, 15 and 16).

The outturns achieved against what DCMS expected

Performance targets

19 DCMS identified detailed performance indicators for the festival in April 2022.

The October 2020 grant agreement between Festival 2022 Ltd and DCMS set out nine strategic parameters which the company had to take into account when designing the festival, and stated that DCMS and the devolved administrations would be developing a set of measurable targets and key performance indicators linked to the festival's strategic objectives (paragraph 2). In February 2022, DCMS's Major Programmes Committee noted the absence of such targets, and, in response, in April 2022, DCMS identified five 'success factors' to enable it to measure the festival's performance:

- The planned projects to go live on time and to an agreed budget.
- Brand awareness of the UNBOXED festival to be increased month-on-month among domestic audiences to 35% by October 2022.
- Delivery of more than 75% positive media stories in foreign media.
- Physical attendance and online engagement figures for each individual event to be agreed between March and May 2022.
- Learning and participation programme to reach one million children.

Where possible, we have set out outturns achieved against these below.

Project and programme delivery and costs

20 All 10 projects were delivered in 2022. All 10 projects have been delivered in 2022 (**Figure 6** on pages 20 and 21), in line with the original announcement of the festival (paragraph 1). The intention in March 2021 had been for the festival to run for six months from April to September 2022. In fact, it has taken place over almost nine months, with the first project, About Us, opening in Paisley on 1 March and the last, SEE MONSTER, finishing on 20 November as, for some physical projects, closing dates have been extended and extra events held, for example, About Us at the Tower of London from 16 to 19 November 2022.

21 The festival's total costs are forecast to be within the £120 million budget. As at November 2022, the outturn costs for the festival are forecast to be within the budget of £120 million (**Figure 7** on page 22). Given the differing nature of what each project sought to deliver in terms of audience experience, Festival 2022 Ltd always expected the costs of each project to vary and agreed a range of contract values (Figure 6). DCMS and Festival 2022 Ltd's latest forecasts of the festival's outturn costs take account of the extra events and extensions to closing dates for some projects. The costs for all 10 projects have yet to be finalised. Expenditure is also due to continue until March 2023 when DCMS and Festival 2022 Ltd intend to publish final outturn figures for each project and in total.

Engagement of people with the festival

22 Reaching 66 million people was never a formal target for the festival. From autumn 2019, the stated vision for the festival was for it to reach millions of people. In autumn 2020, in its discussions with interested parties over their involvement in the festival, Festival 2022 Ltd asked for possible projects that could reach 66 million people, that is, everyone in the UK. In October 2020, in one of its reviews (paragraph 17), the IPA noted some confusion about this figure. Although described as a 'stretch target' by DCMS in evidence to the House of Commons Digital, Culture, Media and Sport Committee in November 2021, DCMS and Festival 2022 Ltd told us that this figure was not a formal target but was intended to be a creative device to encourage ambitious and innovative thinking from those interested in delivering one of the 10 events.

23 Festival 2022 Ltd set detailed audience targets during 2022 which were lower than the DCMS modelling figures that informed the festival's approval. In September 2021, DCMS modelled levels of public engagement as part of its full business case (paragraph 14). Based on this modelling, it estimated that 23 million people would engage with the festival (**Figure 8** on page 24), with a worst-case scenario of eight million people and a best-case scenario of 64 million. It based its modelling on audience figures from previous events that were comparable to those planned for the festival. In March 2022, Festival 2022 Ltd considered delivery plans sufficiently advanced to allow it to undertake detailed engagement forecasts (low and base case forecasts) between March and August 2022 for each of the 10 projects before they went live, and therefore to finalise performance targets for all 10 projects by September 2022. In aggregate, the target for audience engagement was 9.2 million people under the base case.

24 As at October 2022, public awareness of the UNBOXED festival among the UK population was just under the 35% level aimed for by DCMS in April 2022. DCMS and Festival 2022 Ltd have consistently identified as a significant risk that public engagement and turnout might be below the level expected. The chosen marketing strategy was to focus on raising public awareness of the 10 individual projects, rather than of the UNBOXED festival as a whole. In February 2022, in response to the then low level of public awareness of the projects, Festival 2022 Ltd was planning more communications and marketing, including local and targeted communications and local and national media. By June 2022, it had launched a priority workstream to increase awareness of the UNBOXED festival and of each of the individual projects. In the same month it reported to DCMS that awareness of UNBOXED was “not at the level we would like it to be”, with UK-wide awareness of the UNBOXED brand standing at 4% in April 2022, against DCMS’s ‘success factor’ of 35% by October 2022 (paragraph 19). Subsequently, Festival 2022 Ltd reported that public awareness of UNBOXED had increased to 33% by October 2022.

Figure 6

Outline of the 10 projects forming the UNBOXED festival

The 10 projects delivered physical events across the UK during 2022 and created digital and broadcast content

Project	Cost of contract on its signature ¹ (£mn)	UNBOXED website description	Physical event locations ²	Physical event duration, 2022 ²	Digital and broadcast content examples
About Us	8.1	A live show and multimedia installation celebrating our connections to everything around us – past, present and future.	Paisley, Derry-Londonderry, Caernarfon, Luton, Hull and London.	March to November	Films of the light shows available online.
Dandelion	8	A grow-your-own food initiative taking place across Scotland – and reimagining harvest for the 21st century.	(Scotland focused project) Main festivals in Glasgow and Inverness with around 1040 smaller events in 27 out of Scotland's 32 local authorities.	April to September	Project resources available online and a film released about the project.
Dreamachine	8.6	A journey to explore the potential of your mind.	Edinburgh, Belfast, Cardiff, London.	May to September	Online citizen science data collection.
GALWAD	6.3	A multiplatform, multilingual story set in a possible future world of 2052 – on TV, on digital and on location across Wales.	(Wales focused project) Swansea, Merthyr Tydfil, Blaenau Ffestiniog.	September to October	Content broadcast on Sky Arts and online.
Green Space Dark Skies	8	The coming-together of thousands of people to create outdoor artworks in beautiful countryside locations, as part of a UK-wide celebration of the great outdoors.	20 National Parks and Areas of Outstanding Natural Beauty across the UK.	April to September	60-minute Countryfile 'special' episode, 16 further films released online and additional content broadcast by BBC Northern Ireland, BBC Wales and BBC Scotland.
Our Place in Space	5.1	A journey through our solar system – recreated as an 8.5km sculpture trail exploring what it means to live life on Earth.	(Northern Ireland focused project) Derry-Londonderry, Belfast, Cambridge, Liverpool.	April to November	Augmented reality app, a website with interactive content and three short films with BBC Northern Ireland.
PoliNations	7.6	A garden of proportions taking over Birmingham City centre. A celebration of colour, beauty and natural diversity that ends with a spectacular party.	Birmingham.	September	App and audio commissions.
SEE MONSTER	10.5	A decommissioned North Sea offshore platform regenerated as a new art installation.	Weston-Super-Mare.	August to November	360-degree virtual tour of SEE MONSTER available online.
StoryTrails	7.4	A deep dive into our collective history – an augmented reality and virtual reality immersion in the hidden histories that have shaped 15 UK towns and cities.	15 towns and cities across the UK.	July to September	Physical augmented reality installations, an app with geo-located content, the world's first spatial archive and a feature-length documentary to be aired on BBC2 in November.
Tour de Moon	7.3	A journey into the possibilities of tomorrow: live shows, nightlife, digital experiences and more created in collaboration with the Moon.	(England focused project) Leicester, Newcastle and Southampton with smaller events in a further 10 towns and cities across England.	May to June	A digital hub for all content created including four brand new online games, films and an experimental artificial intelligence character.
Total	77				

Notes

- Figures do not sum due to rounding.
- Figures are the values of each of the contracts when they were first signed. They are not the final contract values as contracts have been subsequently amended. The values also do not include further cross-project spending by Festival 2022 Ltd on, for example, contingencies and other creative programming costs.
- Event dates and locations as listed on the UNBOXED website November 2022. Digital and broadcast material created for the festival will continue to be available after the end of the festival's live events in November 2022.

Source: National Audit Office analysis of the UNBOXED website and Festival 2022 Ltd documents

Figure 7

Expenditure on the UNBOXED festival

Expenditure is forecast to be within the £120 million budget

	Lifetime budget April 2022	Forecast outturn March 2023
	(£mn)	(£mn)
Cost of 10 project contracts at contract signature	77.0	
Provision for subsequent changes and further costs	6.1	
Total project costs	83.1	83.1
Research and development expenditure	4.2	4.2
Delivery expenditure	3.1	3.1
Cross-festival public engagement expenditure ¹	3.0	3.0
Core audience engagement expenditure ²	7.2	7.2
Total creative and audience engagement costs	100.6	100.6
Non-creative delivery expenditure, including festival set-up ³	15.0	14.2
Department for Digital, Culture, Media & Sport and devolved administration set-up and oversight expenditure	4.4	3.7
Total	120.0	118.5

Notes

- 1 This figure includes the costs of learning and participation activities and international engagement.
- 2 This figure reflects an apportionment of marketing, communications and digital costs that are related directly to the building of participant numbers for the 10 projects (as would be standard with the budgeting for a theatre production or cultural festival). It therefore excludes costs for festival branding, public relations, website and other corporate communications activities.
- 3 This figure includes the costs for the independent evaluation, business administration costs, professional services and audit costs, corporate communications and the wider delivery workforce.
- 4 Figures include irrecoverable VAT.
- 5 Expenditure will continue up to end March 2023.

Source: National Audit Office analysis of Department for Digital, Culture, Media & Sport and Festival 2022 Ltd documents

25 In November 2022, Festival 2022 Ltd reported its latest audience figures.

It reported that, by November 2022, 18.1 million people had engaged with the festival. Festival 2022 Ltd's data show that, of these, 2.8 million attended live events and activities, 13.6 million engaged with the festival's broadcast and digital content, and 1.7 million children and their families took part in festival learning activities (Figure 8). Digital and broadcast audiences for three of the projects – GALWAD, Green Space Dark Skies, and StoryTrails – accounted for almost 10.6 million (58%) of the total engagement of 18.1 million. Each of these three projects involved the broadcasting on national television of programmes specifically commissioned under the festival. Festival 2022 Ltd told us that it is strict in what it counts as audience engagement. For example, the figures for broadcast audience only cover broadcast content that was specifically designed by the festival for broadcasting by partners, such as the BBC and Sky Arts, but exclude coverage of the festival by the news or general social media. Thus, for example, broadcast figures include people who watched the Countryfile special episode, broadcast on 30 October 2022, on Green Space Dark Skies, but exclude local TV news reporting of events such as those at the Tower of London (paragraph 20).⁶ We have not examined as part of our investigation how audience engagement is recorded and monitored; Festival 2022 Ltd intends that the independent evaluation it has commissioned (paragraph 4) will set this out.

26 According to Festival 2022 Ltd's figures, as at November 2022 the festival as a whole had met its audience targets. The total figure of just over 18 million reported in November 2022 exceeds the targets set earlier in the year, in part because the closure dates for some physical projects were extended beyond those planned when the projects opened (paragraph 20). DCMS and Festival 2022 Ltd point out that the aim of the festival was not only to engage as many people as possible but to stage events in areas of the country which usually did not benefit from such events. According to Festival 2022 Ltd, learning resources and digital and broadcast content developed for the festival will continue to be available after the end of live events, and it intends to publish updated audience engagement figures, both in total and by project, as part of the independent evaluation due in March 2023 (paragraph 4).

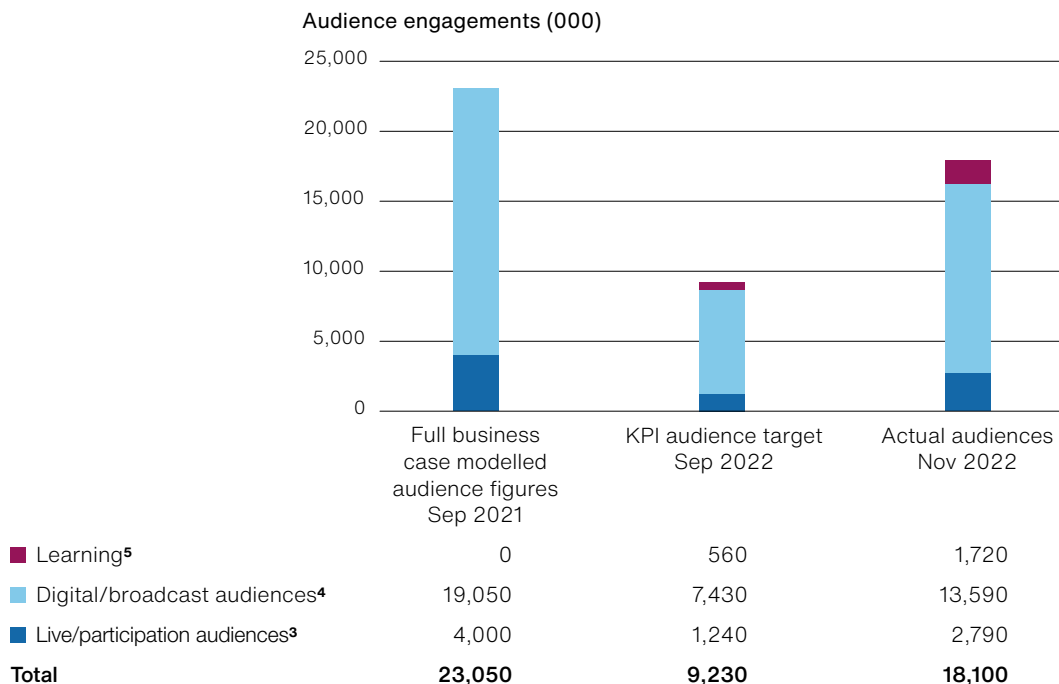
27 As at November 2022, the proportion of physical and non-physical audiences for the festival as a whole was close to that envisaged earlier in 2022, but for some projects there have been significant differences. The aim of the festival had always been to reach both physical (live/participation) and non-physical (digital/broadcast) audiences, and the pandemic increased the focus on non-physical audiences. The proportion of physical and non-physical audiences across the whole festival has been close to that envisaged when targets were set earlier in 2022 (Figure 9 on pages 25 and 26). The proportions achieved by each project as at November 2022 have varied, reflecting the very different nature of these projects. For some projects, the split between target and actual physical and non-physical audiences has been significantly different from that expected when the targets were set for them. Reasons for these differences will include, among other things, the holding of extra live events (paragraph 20), the closure of live events during the period of national mourning in September 2022, and that some non-physical audience engagement will continue beyond the end of the live events in November 2022.

6 The average audience for Countryfile is about 6 million people.

Figure 8

Total audience engagement at UNBOXED festival

The audience targets produced in 2022 are lower than the modelled audience figures in the full business case from 2021, but have been exceeded by actual audience numbers reported in November 2022



Notes

- 1 All figures are for audience engagement as at 25 November 2022 and are rounded to the nearest 10,000.
- 2 Learning activities were not included in the full business case modelled audience figures.
- 3 Live and participation engagement includes: attending in person at indoor and outdoor events, installations, exhibitions, and community celebrations; volunteering at live events; and participating in project-specific workshops.
- 4 Broadcast and digital engagement includes: participation in augmented or virtual reality activities; watching artistic multimedia content produced for TV, cinema, online, streaming, and screen; listening to newly commissioned audio and visual digital artworks; participating in online creative scientific research and gaming content; and the use of digital applications created as part of the projects.
- 5 Learning engagement includes a wide range of educational and participatory activities, such as: education events, workshops, youth festivals, themed assemblies and creative activities; science, technology, engineering, arts and maths (STEAM) educational resources utilised in classrooms based on the commissioned projects; augmented reality children’s books; school trips to installations; home education provision and family resources; teacher Continuous Professional Development; and STEAM careers talks for colleges, universities and secondary school students.

Source: National Audit Office analysis of Department for Digital, Culture, Media & Sport and Festival 2022 Ltd documents

Figure 9

Audience engagement, by UNBOXED festival project

The overall composition of audiences between live/participation and digital/broadcast audiences has been broadly as expected, but has varied between projects





















	Type of audience engagement	KPI audience targets ¹		Actual audiences ¹	
		September 2022		November 2022	
Green Space Dark Skies	Total (000)	3,450		7,170	
	Live/participation audiences ⁴	0% ²		0% ²	
	Digital/broadcast audiences ⁵	100%		100%	
GALWAD	Total (000)	920		2,190	
	Live/participation	0% ²		0% ²	
	Digital/broadcast	100%		100%	
About Us	Total (000)	1,120		1,680	
	Live/participation	10%		15%	
	Digital/broadcast	90%		85%	
Our Place in Space	Total (000)	410		1,570	
	Live/participation	58%		86%	
	Digital/broadcast	42%		14%	
StoryTrails	Total (000)	900		1,270	
	Live/participation	3%		5%	
	Digital/broadcast	97%		95%	
Dandelion	Total (000)	740		1,210	
	Live/participation	37%		28%	
	Digital/broadcast	63%		72%	
SEE MONSTER	Total (000)	610		810	
	Live/participation	54%		64%	
	Digital/broadcast	46%		36%	
Tour de Moon	Total (000)	100		190	
	Live/participation	28%		33%	
	Digital/broadcast	72%		67%	
PoliNations	Total (000)	280		170	
	Live/participation	64%		93%	
	Digital/broadcast	36%		7%	
Dreamachine	Total (000)	140		120	
	Live/participation	26%		35%	
	Digital/broadcast	74%		65%	

Figure 9 *continued*

Audience engagement, by UNBOXED festival project

■ Live/participation audiences ⁴ ■ Digital/broadcast audiences ⁵	Type of audience engagement	KPI audience targets ¹ September 2022	Actual audiences ¹ November 2022
	Learning ^{3,6} Pan-festival learning engagements	560	1,720
Total	Total (000) Live/participation Digital/broadcast Learning	9,230 13% 81% 6%	18,100 15% 75% 10%

Notes

- 1 All figures are for audience engagement as at 25 November 2022 and are rounded to the nearest 10,000.
- 2 All percentages are rounded to the nearest whole number. Of the Green Space and Dark Skies audiences, 0.3%, and 0.1% of the GALWAD audiences, attended physically.
- 3 Learning engagements are not broken down by project as some learning activities were delivered across multiple projects. As a result, percentage figures for each project exclude audience engagement from such activities, while percentage figures for the festival as a whole do include this engagement.
- 4 Live and participation engagement includes: attending in person at indoor and outdoor events, installations, exhibitions, and community celebrations; volunteering at live events; and participating in project-specific workshops.
- 5 Broadcast and digital engagement includes: participation in augmented or virtual reality activities; watching artistic multimedia content produced for TV, cinema, online, streaming, and screen; listening to newly commissioned audio and visual digital artworks; participating in online creative scientific research and gaming content; and the use of digital applications created as part of the projects.
- 6 Learning engagement includes a wide range of educational and participatory activities, such as: education events, workshops, youth festivals, themed assemblies and creative activities; science, technology, engineering, arts and maths (STEAM) educational resources utilised in classrooms based on the commissioned projects; augmented reality children's books; school trips to installations; home education provision and family resources; teacher Continuous Professional Development; and STEAM careers talks for colleges, universities and secondary school students.

Source: National Audit Office analysis of Department for Digital, Culture, Media & Sport and Festival 2022 Ltd documents

Concluding remarks

28 At the time of reporting, final cost and audience engagement data were not available. The data that were available suggest that the festival as a whole has met the audience targets set earlier in 2022 and that the composition of audiences for the festival as a whole has been close to that envisaged at that time. However, the total of these project targets was lower than the audience engagement figures modelled by DCMS in 2021 when it approved the business case for the festival.

29 With the agreement of DCMS and the devolved administrations, Festival 2022 Ltd has commissioned an evaluation of the festival, reporting in March 2023 (paragraph 4). Our work does not draw a value for money conclusion on the festival as that would require the results of the planned evaluation to be available. Based solely on the facts set out in this report we have identified three areas that should be covered by the planned evaluation, although these should not be considered exhaustive. We consider it important for public transparency and visibility that this evaluation should be published and should:

- include information to allow DCMS and Festival 2022 Ltd to fully understand the volume and nature of participation for each project alongside the final cost of each. This analysis could then be used in conjunction with the identification of other financial benefits and those benefits which are difficult to quantify, to provide a fuller picture of each project's value for money;
- identify lessons for the future from the experience of how projects have performed against their targets, including on cost and attendance, and the split between physical and digital/broadcast audiences; and
- identify lessons for the future about the importance of agreeing clear objectives and then setting performance targets early enough in any similar future programme's lifecycle.

Appendix One

Our investigative approach

Scope

1 We conducted an investigation designed to set out the facts about the Department for Digital, Culture, Media & Sport's (DCMS's) role in approving the UNBOXED festival and the monitoring of its delivery. This included DCMS's understanding of potential audience numbers for the festival and audience engagement with it. We carried out this work in response to a request from the Chair of the House of Commons Digital, Culture, Media and Sport Committee, Mr Julian Knight MP. Our findings cover:

- the set-up, funding and delivery of the festival;
- DCMS's management and oversight of the festival; and
- the outturns achieved against what DCMS expected.

Methods

2 In examining these issues, we drew on a variety of evidence sources. We interviewed DCMS officials and Festival 2022 Ltd staff and reviewed:

- DCMS documents about the festival, including: business cases; approval submissions; budget papers; documents on audience numbers and public engagement papers; grant agreements; assurance reports; and monitoring reports;
- Festival 2022 Ltd documents, including: agreements with delivery partners; papers regarding the selection processes for commissioning of different events; assurance and evaluation reports; and monitoring reports; and
- relevant documents produced by key third parties, including select committee reports.

3 We drew on frameworks produced by the National Audit Office's (NAO's) Major Project Delivery hub on reviewing programmes and auditing business cases. We also built upon knowledge supplied by NAO teams with experience of examining estimates of user demand and business cases.

4 There are limitations on the data available on expenditure on the festival. For example, the final costs for each of the 10 projects constituting the festival are not available. As a result, we have not calculated the cost per audience engagement (both physical and digital/broadcast) for each project. Such a calculation would also not take account of the benefits that are difficult to quantify arising from each project.

5 There are also limitations regarding the audience engagement data available. At the time of reporting, final audience engagement data at either a festival or an individual project level were not available. We have also not examined how audience engagement is recorded and monitored; Festival 2022 Ltd intends that the independent evaluation it has commissioned will set this out.

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