



CREATIVITY IN THE UK

**MINUTES OF THE EXTRAORDINARY AUDIT, RISK AND ASSURANCE  
COMMITTEE (ARAC) MEETING OF FESTIVAL 2022 LTD VIA VIDEO CONFERENCE ON  
THURSDAY 12 MAY 2022, 14:00 – 14:30**

(the “Company” and “Festival 2022 Ltd”)  
(the “Programme” and “UNBOXED: Creativity in the UK”)

**Present:**

Faraz Tasnim  
Amali de Alwis MBE  
Liam Hannaway

ARAC Chair, Non-Executive Director  
Non-Executive Director  
Non-Executive Director, representing Northern Ireland

**Observers Present:**

Greg Wilson  
Daniel Coles  
Adam Richards

National Audit Office  
Department for Digital Culture Media and Sport (“DCMS”)  
PWC

**In attendance:**

Phil Batty  
David Grady  
Caroline McGrory  
Sarah Tromans  
Jack Spooner  
John Darnbrook  
Lucy Bailey  
Laura O’Flynn

Executive Director  
Chief Financial Officer  
Chief Legal Officer & Company Secretary  
Head of Financial Management  
Senior Finance Manager  
Head of Business Integration  
Senior Legal Counsel  
Governance Manager (Note-taker)

**30/22 Welcome and purpose of the meeting**

The Chair welcomed all present and gave apologies to Roger Lewis, along with Sonia Coates and Alison Breadon. The Chair also welcomed Jack Spooner, Senior Financial Manager at the OC, to the meeting and future meetings since the departure of Gabriela Butler.

The Chair reminded this was an extraordinary meeting for one agenda item to re-review the Contingency Risk Profile. On 29 April, the Board actioned the Committee with this based on a change in landscape since the last formal meeting on 6 April when the Committee had felt in a good position moving into delivery mode.

**31/22 Contingency Risk Profile Review**

The Chair reminded that ARAC had been requested to review the Contingency Risk Profile in context of the emerging issues impacting the operational delivery. The paper (taken as read) outlined the key cost drivers and PB presented these in more detail.

PB informed that the Executive is recommending a provision be used to assess the impact of increased costs on the overall Contingency Risk Profile.

PB also noted a further recommendation that this includes consolidated programme savings exercise to maximise the budget headroom available for ongoing unidentified risk. This was shown in the profile analysis but would be implemented through a direct virement from existing programme codes.

To provide further reassurance to the Committee, PB referred to section 6 (Programme Savings) and section 8 (Financial Opportunities Assessment) in the paper.

The Committee discussed alternative solutions and considered the issues and risk presented.

DG provided additional reassurance that the number presented in section 7 of the paper are a controlled contingency.

The Committee discussed with the Executive possible foreseeable risks once operational. The team reminded of the recent risk profile circulated and informed that the appropriate costs were factored into the operating plans.

The Chair thanked the teams for their hard work. In summary, the Committee agreed the with the Executive's contingency risk profile determination and endorses the provision of additional costs.

The ARAC reiterated the importance of assessing value for money at each stage gate as decisions progress, and requested the Executive consider the most effective commercial position to minimise committed costs at each stage, whilst maintaining operational progress.

The Executive agreed to keep ARAC Directors updated via correspondence.

**IT WAS RESOLVED THAT THE ARAC**

- **Agreed the with the Executive's contingency risk profile determination**

**Close of meeting**

The meeting closed at 14:30.

Distribution by email unless stated otherwise: ARAC Directors, ARAC Observers, Executive Management Team

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