

VALLETTA 2018 FOUNDATION ANNUAL REPORT 2016

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INTRODUCTON

This report refers to the current state of affairs and development in the Valletta 2018 European Capital of Culture (ECOC) Project as approved by the Board of Governors of the Foundation on the 5th December 2014.

The Valletta 2018 Foundation is the main coordinating body responsible for the organisation of the ECoC in Malta 2018. The Foundation was responsible for this project throughout its candidacy phase, which was concluded with Valletta's official designation as ECoC 2018 in May 2013. Subsequently, the Foundation has launched its cultural and infrastructural programme, in view of developing these programmes in the run up to 2018 (i.e. over the period 2014-2017) and during 2018 itself. This preparatory work is essential to ensure a strong legacy of the programme both in the immediate post-2018 period, as well as in the longer term, leading up to the next ECoC in Malta in 2031.

Throughout its candidacy and implementation period, the Valletta 2018 Foundation has undergone significant growth in terms of activity and visibility. The Foundation aims to maximise the resources at its disposal by establishing and maintaining strong working relationships with various stakeholders, communities and entities.

GOVERNANCE & MANAGEMENT

The Valletta 2018 Foundation's governance structure has remained largely unaltered over the past year, with the addition of the National Commission for Persons with Disability to the Foundation's Board of Governors providing valuable expertise and direction at Board level.

The Foundation has continued consolidating its agreements with key partners and stakeholders, including public organisations, departments and entities.

The size of the Foundation has continued to grow in line with its increasing responsibilities over the past year, now accounting for 18 full-timers and 3 part-timers, together with various other individuals engaged on a contract for service basis.

FINANCE

The total operating expenditure for Valletta 2018 remains consistent with that presented in previous reports, amounting to approximately €46 million. The largest proportion of this operating budget is allocated to the Cultural Programme, at approximately 68%, with 12% allocated to marketing and promotion, and 20% to wages, overheads and administrative costs.

The main source of this funding is public funding, which amounts to 95% of the operating budget. The remaining proportion will be sourced through alternative sources of funding.

PROGRAMMING

Throughout 2016 the Programming team focused on further developing the Cultural Programme for 2018 and establishing the Programme's main narrative and themes.

2016 has seen the consolidation of many of the projects that were being carried out, with a particular emphasis on planning and administration for projects to take place in 2018.

COMMUNICATIONS

The Foundation's Communications strategy has continued to develop by consolidating agreements with media partners and increasing engagement with different demographics, particularly through online channels.

Both online and print media exposure has increased significantly throughout 2016 compared to previous years, with research into awareness of Valletta 2018 also indicating that knowledge about Valletta 2018 and its activities is on the increase.

RESEARCH

The Foundation's Evaluation & Monitoring research is ongoing, with the initial findings presented in February 2016 through the Culture Matters seminar, and follow-up research into each research theme continuing throughout the year.

Likewise, the Cultural Mapping project has continued to grow throughout 2016, with the publication of *On Culture: Mapping Valletta 2018* and the further development of the Theatres Audit study.

The Foundation's third annual conference, titled *Cities as Community Spaces*, was held in November 2016, attracting speakers and delegates from around the world to discuss issues related to the development of community-related public space.

INFRASTRUCTURE

The Valletta 2018 Foundation has continued the spearheading, development and regeneration of various cultural infrastructure projects and sites, including the Valletta Design Cluster, MUŻA, the regeneration of Strait Street and the regeneration of the Valletta Old Market Building. This work went hand in hand with efforts towards better general upkeep of Valletta as well as accessibility to and within the city, most notably with regard to ferry connections between both harbours.



GOVERNANCE & MANAGEMENT

The cornerstone of the progress of the Valletta 2018 Foundation's work is the consistent and continual functioning of the governance and management structures upon which the preparations for Valletta 2018 are based. The formation of the Board of Governors and the management has remained the same in structure ever since the Foundation's inception, undergoing developments thanks to the addition of key individuals to support and strategically extend existing nodes when required. One significant example of this is the addition of the National Commission for Persons with Disability to the Valletta 2018 Board of Governors over the past year, ensuring an even greater attention to issues of inclusiveness and accessibility throughout the Valletta 2018 Programme.

Relationships between the different parts of the Foundation are based upon a balance between frequency and efficiency, whereby the Board of Governors is regularly updated with the operations of the management, who in turn seek and receive the required direction and feedback in a timely and informed manner.

The Valletta 2018 Foundation maintains strong links with national institutions and Chairman regularly meets the Parliamentary Group that was set up to monitor and support Valletta 2018. This group, which includes representatives from both the Government and the Opposition, reflects the collaborative nature in which Valletta 2018 was devised and has operated since its inception.

Various other institutions and organisations, including the Valletta Local Council, Central Government and various Ministries, departments and authorities, are continually increasing their contribution to Valletta 2018 through a number of organisational structures including Public Cultural Organisations (PCOs), the Inter-Ministerial Commission for the European Capital of Culture, the Valletta Master Plan Steering Committee, and others.

In terms of Governance, Valletta 2018 is part of the national investment and long-term planning by Central Government. This national investment is operating within the larger context of the Cultural and Creative Industries (CCIs). Investment in the CCIs continues to provide an added stimulus to the cultural sector and its human resources in view of, and post, Valletta 2018. Outcomes from research carried out by the Economic and Policy Department at the Ministry of Finance show that the CCIs have continued to grow at an average rate of 9% per annum between 2010 and 2015, with the arts sector being the most dynamic sector, registering double-digit growth rates of 15% per annum over the same period. Furthermore, job creation in the CCIs almost tripled in the same five year period, adding 2,800 new jobs compared to a 1,100 new jobs between 2005 and 2010.

Throughout 2016, the Foundation team has continued to grow to reflect the increased operation levels less than one year ahead of the ECoC. The Programming Team is on the increase with additional administration, finance and sponsorship/partnership officers. The team of Regional Coordinators is now complete with one Regional Coordinator per region (North, South, South East, Centre and Gozo) and a Regional Coordinator responsible specifically for Valletta. The Communications Team has also grown to include a social media specialist and an administration support officer. The Research Team has benefitted from the addition of a data analyst to analyse data arising from selected events happening throughout 2017 and 2018, as well as from reinforced administrative support.

The organisational structure of the Foundation has remained consistent with previous years. The Foundation's departments include the Special Events team, the Programming team, the Communications team, the Research team, and the Administration and Finance team.

FINANCE

As presented in previous reports, the total operating expenditure for Valletta 2018 amounts to approximately €46 million with 95% of the amount forthcoming from the public sector. 2% of the total income is being sought from the private sector through sponsorships and income generated from ticketing revenue, while 3% of the total income will be received through the Melina Mercouri Prize which should be awarded to Valletta 2018 in 2017 following the Second Monitoring Meeting with the Monitoring and Advisory Panel for the ECoC. These figures are presented in Table 1.

As presented in Table 2, the larger proportion of the operating budget is allocated to the Cultural Programme, at approximately 68%. 12% of the budget is allocated towards promotion and marketing, whereas wages, overheads and administrative expenditure amounts to 20%. Expenditure has increased steadily over the past years, with the larger proportion of the overall budget to be expensed in the ECoC year, as indicated in Table 3.

PRIVATE SECTOR FUNDING

A review of potential sponsorship funds was carried out throughout 2016, and the services of a sponsorship officer were engaged to identify possible new sponsorships for Valletta 2018. A call for another officer has been issued to seek partnerships for the Valletta 2018 programme, linking specific projects with suitable partners by seeking to nurture links between them through support in cash and in kind.

AUDIT ARRANGEMENTS

Audit arrangements are in place with Pricewaterhouse Coopers. The firm has been entrusted with auditing the financial accounts and operations of the Valletta 2018 Foundation since 2012.

Table 1: Valletta 2018 Total Income

Total income in the Budget (in Euro)	From the Public Sector (in Euro)	From the public sector (in %)	From the private sector	Promotion and marketing (in %)	Wages, overheads, administration (in €)	Wages, overheads, administration (in %)
46,096,000	43,840,000	95	756,000	2	1,500,000	3

Table 2: Overall Operating Expenditure

Operating Expenditure (in Euro)	Programme Expenditure (in Euro)	Programme expenditure (in %)	Promotion and Marketing (in Euro)	Promotion and marketing (in %)	Wages, overheads, administration (in Euro)	Wages, overheads, administration (in %)	Others (Please specify in the text)
23,808,000	16,172,000	68	2,809,000	12	4,827,000	20	0

Table 3: Timetable for Operating Expenditure

Year	Programme expenditure (in Euro)	Programme expenditure (in %)	Promotion and Marketing (in €)	Promotion and marketing (in %)	Wages, overheads, administration (in €)	Wages, overheads, administration (in %)	TOTAL
2012-2014	1,398,000	58	155,000	6	846,000	35	2,399,000
2015	874,000	56	82,000	5	594,000	38	1,550,000
2016	2,000,000	60	500,000	15	822,000	25	3,322,000
2017	3,350,000	64	900,000	17	985,000	19	5,235,000
2018	6,500,000	75	1,000,000	11	1,200,000	14	8,700,000
2019	2,050,000	79	172,000	7	380,000	15	2,602,000
TOTAL	16,172,000	68	2,809,000	12	4,827,000	20	23,808,000

PROGRAMMING

consolidated into a vibrant year-long participatory programme with a growing team to support its efficient production. The Programming team has been working on establishing the main narrative and themes for the Cultural Programme.

The Programme's European and international dimension has been strengthened with over 200 international artists scheduled to be part of the programme, from countries such as Egypt, Tunisia, Syria, Jordan, Lebanon, as well as Europe and the rest of the world. This attention to strengthening the Programme's international dimension is particularly pertinent following the engagement of the International Artistic Advisor and International Officer as part of the team throughout 2016.

Work throughout 2016 has focused on consolidation of projects within the Cultural Programme, with many projects shifting from research to development and planning stage. The Foundation's efforts have also focused on refining the calendar for 2018, with specific dates being locked down and planning and production dates scheduled accordingly.

Recruitment has proceeded at a rapid pace within the Programming Team, with production teams being brought together for larger projects and across the different parts of the Programme. The Programming Team now consists of more than 20 energetic individuals working on a full time basis, with many more within our production teams.

Together with the development of the Programming Team, the Special Events Team has also been strengthened in anticipation of the large outdoor events under its responsibility. As a result, both teams have reached out towards one another and are working very closely together to maximise resources and ensure cohesion within the Programme as a whole, in terms of production and in terms of narrative, content and collaborating artists.

The Valletta 2018 Foundation has kept good relations with all Local Councils through its Regional Coordinators, who have become a pivotal point of reference between the Valletta 2018 Foundation and the five regional committees in Malta and Gozo. The team of Regional Coordinators was consolidated throughout 2016 with a Regional Coordinator for each of the five regions in Malta and Gozo and a sixth Regional Coordinator for Valletta now in place.

Collaborations with PCOs continue to play an important part of the Programme – they provide a support system both in view of the Foundation's strategic goals, as well as in terms of physical production and venue space. The aims and reach of the Programme are still very much in line with the Arts Council Malta's Strategy 2020 and its goals. This close and constant collaboration will ensure a strong post-2018 legacy in the years and decades to come.

The Foundation has also continued to work closely with various Non-Governmental Organisations (NGOs) and smaller locally-based organisations in order to ensure a robust legacy and a strengthening of the local cultural infrastructure following 2018. This includes collaborations with local NGOs Blitz, MOVE and Inizjamed among others, local band club associations, the Carnival Association of Malta, as well as craftsmen, artisan makers and volunteers.

The Valletta 2018 Communications team has continued to make use of both online and offline media

COMMUNICATIONS

channels to communicate and promote Valletta 2018-related information. Online communications has been given particular emphasis throughout 2016, with the addition of a Social Media Specialist providing further expertise on social media engagement. The positive reception by the media and the general public towards Valletta 2018 has been steadily increasing as can be demonstrated by the Foundation's ongoing research on public engagement.

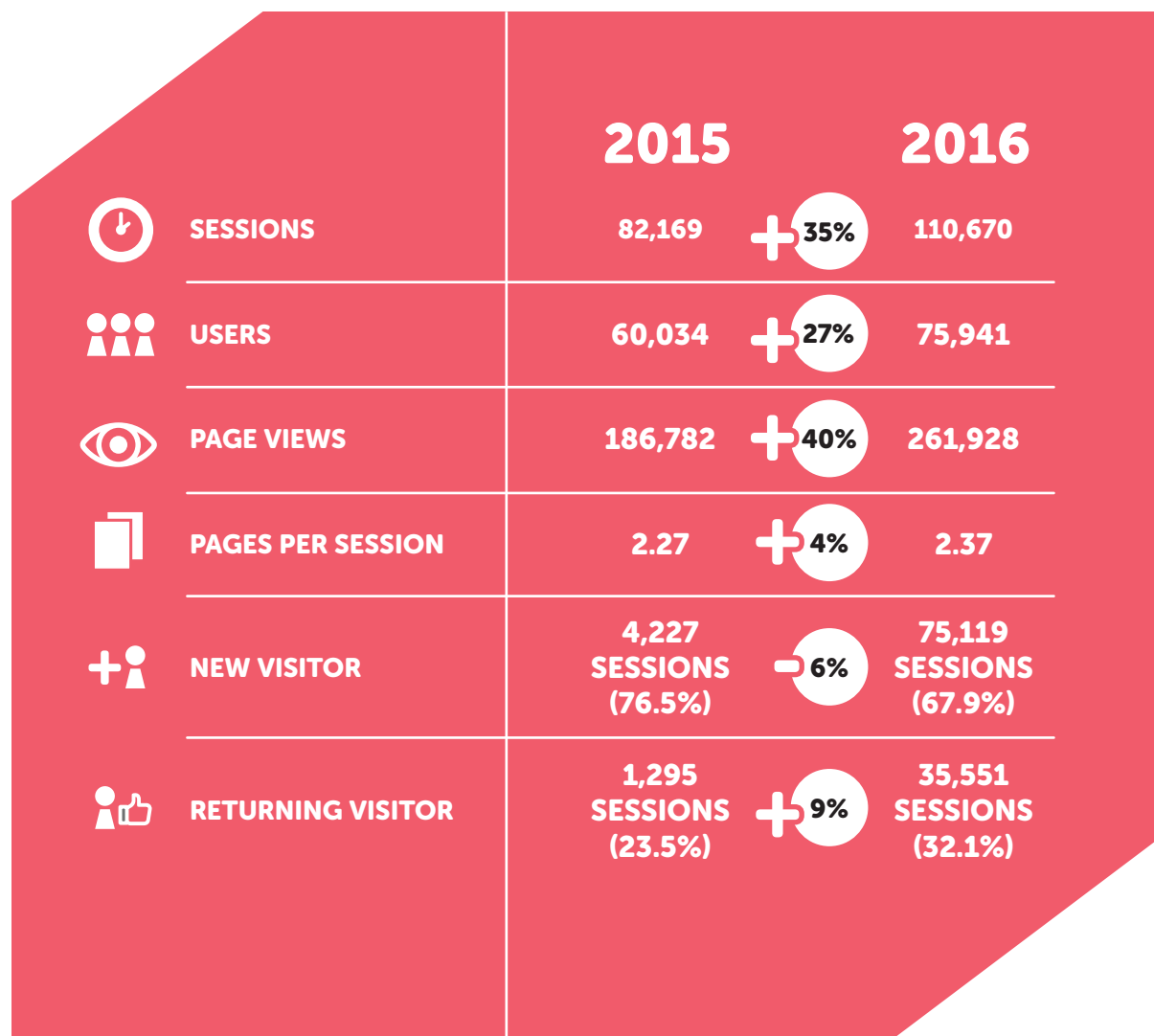
Valletta 2018 has established or consolidated various running commercial agreements with all local TV stations, the national broadcasting agency (Public Broadcasting Services), and all local newspapers feature news, insights, and commentary related to Valletta and Valletta 2018 in a manner that is growing in regularity and prominence.

Furthermore, visibility in print media, traffic on the Valletta 2018 website and mentions on social media has increased significantly during 2016. Table 4 shows data addressing Valletta 2018-related print media statistics. The figures reflect an increased visibility in print media for most months in 2016 when compared to 2015. On the other hand, Figure 1 shows statistics related to traffic on the Valletta 2018 website. There was a considerable increase in traffic in terms of sessions, users and page views between 2015 and 2016, with the peak being reached on 7th June during the Valletta Pageant of the Seas (1,801 sessions). Figure 2 reflects social media statistics for Valletta 2018. There was an increase of 5,412 likes with regard to Facebook during 2016. Twitter followers have also been increasing steadily since the first reported data from June 2016. Instagram likes have increased significantly during the period April to August 2016. This increase is also applicable for Facebook likes which have also increased in the same period (April to August 2016).

Table 4: Valletta 2018 Print Media Statistics 2010-2016

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Total
2010	0	0	0	0	0	0	0	0	0	0	1	7	8
2011	4	1	2	0	0	3	0	0	0	6	2	0	18
2012	5	3	6	2	5	8	2	7	12	18	7	4	79
2013	6	2	3	2	40	11	8	4	5	2	4	11	98
2014	7	15	13	10	27	28	19	18	42	33	24	15	251
2015	16	29	21	12	37	16	26	29	23	21	12	32	274
2016	39	43	23	14	54	42	35	17	21	30	37	31	365

Figure 1: Valletta 2018 Website Statistics



The third Valletta Participation Survey (VPS) commissioned by the Valletta 2018 Foundation and carried out by the National Statistics Office (NSO) outlines trends from previous editions (2014 and 2015) in terms of the public's reaction to, and awareness of, Valletta 2018. 71% of respondents stated that they are very or rather likely to participate in activities organised by Valletta 2018. Knowledge of Valletta 2018 is at 67%, up 4% from 2015, with the main source of information being television (57%).

Figure 2: Valletta 2018 Social Media Statistics



LIKES	2015				2016			
	Jan	Apr	Aug	Dec	Jan	Apr	Aug	Dec
	6,373	6,861	7,581	9,664	9,802	11,541	14,191	15,117

AGE							
13-17	18-24	25-34	35-44	45-54	55-64	65+	
3%	16%	33%	24%	12%	7%	4%	



FOLLOWERS	2016		
	Jun	Sep	Dec
	5,340	5,492	5,704



FOLLOWERS	2016			
	Feb	Apr	Aug	Dec
	341	546	1,106	1,261

MENTIONS	2016					
	Jul	Aug	Sep	Oct	Nov	Dec
	203	88	263	328	566	396

RESEARCH

The Foundation's Research team continues to focus on the longitudinal Evaluation & Monitoring research that was initiated in 2015. This extensive research study is structured around five key themes, (i) Cultural and Territorial Vibrancy, (ii) Governance and Finance, (iii) Community and Space, (iv) The Tourist Experience and (v) The Valletta Brand. This research is conducted through the Evaluation & Monitoring Steering Committee, comprising representatives from a number of national entities, namely (i) Economic & Policy Department within the Ministry for Finance; (ii) Jobsplus; (iii) Malta Tourism Authority; and (iv) National Statistics Office, together with five independent researchers carrying out research in the fields of (v) branding; (vi) built environment; (vii) cultural participation; (viii) European affairs; and (ix) sociology.

The results of the research carried out throughout 2015 were presented during the 'Culture Matters' public seminar held in February 2016 and the main highlights from this research. The findings from the research carried out throughout 2016 are to be presented in the second 'Culture Matters' seminar in February 2017. All research reports will be available for download from the Valletta 2018 website.

The Foundation's Cultural Mapping project has continued to grow throughout 2016, with the consolidation of Culture Map Malta (www.culturemapmalta.com) and the publication of On Culture: Mapping Valletta 2018. This book, published in April 2016, consists of a series of essays written by the Cultural Mapping working group at the University of Malta and is available for sale to the general public. More extensive versions of these essays are due to be published in the Journal of Mediterranean Studies in 2017. Furthermore, the Theatres Audit study continued throughout 2016, the results of which will be published in 2017 as a catalogue titled *Spazji Teatrali: A Catalogue of Theatres* in Malta and Gozo. This catalogue will provide a preliminary analysis of the spatial and technical characteristics of 78 theatres around the country. This is a publicly-funded research project commissioned by Arts Council Malta.

The Valletta 2018 Foundation's series of annual conferences continued throughout 2016, with a conference titled Cities as Community Spaces held in November 2016. This was the third conference in this series and tackled a number of issues related to community space, particularly the use of public and publicly-accessible space by different community groups for a range of different purposes and activities. The conference was held across various community spaces in Valletta. Keynote speakers from around the world addressed the conference, together with various presentations by local and international researchers during the conference parallel sessions. The proceedings from the previous conference – Cultural Mapping: Debating Spaces & Places – was published by Fondation de Malte.

INFRASTRUCTURAL PROJECTS

The Valletta 2018 Foundation is spearheading the development and regeneration of a number of cultural infrastructure projects, namely (i) the Valletta Design Cluster; (ii) MUŻA; (iii) the regeneration of Strait Street; and (iv) the regeneration of the Valletta Indoor Market.

Valletta Design Cluster – this project will serve as a catalyst for cross-sectoral, interdisciplinary collaboration within the field of design. The multiple goals of the Cluster include to enhance appreciation of the design sector, improve design education, address lacunae in support for design-based start-up enterprises, and to strengthen employment opportunities within the design sector. Work on this project intensified throughout 2016, with restoration work on the façade of the building being starting and works on the internal areas commencing.

MUŻA – this is Malta's new national-community museum in Valletta, housed within the historic Auberge d'Italie. The museum shall be green-powered, generating its energy requirements through renewable sources and representing best practice in retro-fitting a Maltese historic building. Restoration of the building has advanced extensively throughout 2016, with restoration of the façade being completed in mid-2016. This project places particular emphasis on the concept of community curation, whereby the local community is a primary agent in the ongoing development of the museum and its programme.

Regeneration of Strait Street – the regeneration of Strait Street is almost complete, including a specific ongoing calendar of events under the direction of a specifically appointed Artistic Director.

Regeneration of the Valletta Indoor Market – restoration of the building began in 2016 and is ongoing, with completion and opening due in September 2017.

The capital infrastructure planned for Valletta has resulted in close cooperation particularly with the programmes of MUŻA and the Valletta Design Cluster. Both have fostered a bottom-up approach to curation and programme development, and have formed an integral part of the 2018 Programme even during these run-up years. A total of €8 million in ERDF funding has been approved for the development, design, and refurbishment of MUŻA and another €4 million funds have been applied for to be used for the Valletta Design Cluster.

Beyond the four main cultural infrastructure projects, Valletta 2018 has also been involved in community regeneration projects. One clear example is the regeneration of the San Ġorġ Preca Valletta Primary School (situated in the lower Valletta area) which has been refurbished with the support of the Foundation and is now being used by the school, local communities, PCOs and the Foundation for various cultural uses.

MILESTONES 2017

PROGRAMMING

- Implementation of 2017 Programme.
- Finalisation of dates and contracts for 2018 Programme.
- Consolidation of 2018 Programme.

COMMUNICATIONS

- Launch of the Valletta 2018 mobile app in March 2017
- Launch of quarterly newspaper in English and Maltese with Programme highlights.
- Launch of ticket sales through online channels and via ticketing office and outlets.

RESEARCH

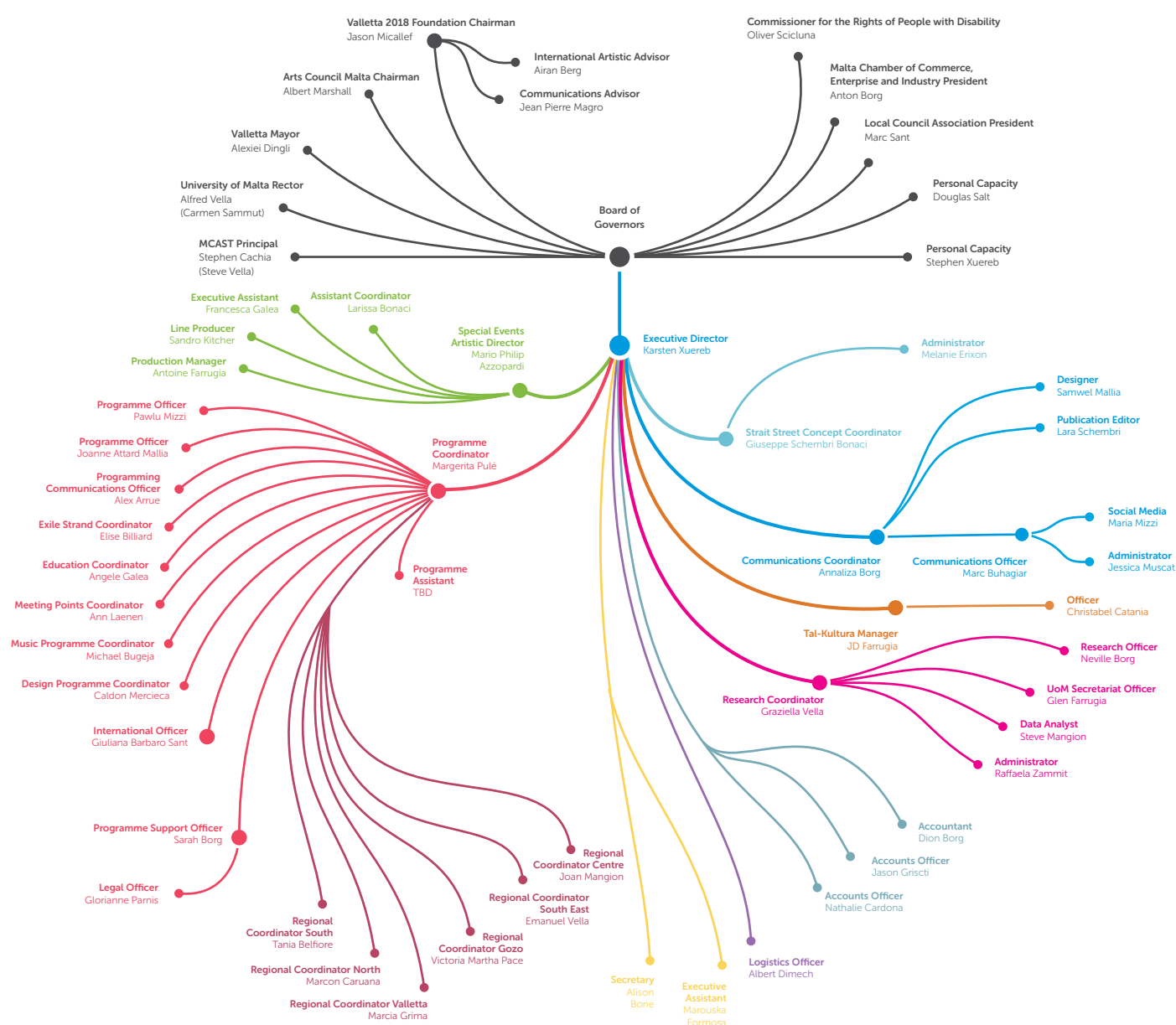
- Presentation of research findings from Evaluation & Monitoring research in second Culture Matters seminar in February 2017.
- Publication of Spazji Teatrati: A Catalogue of Theatres in Malta and Gozo.
- Launch of Culture Participation Survey in collaboration with ACM and NSO in June 2017.

GOVERNANCE & FINANCE

- Ongoing consolidation and efficiency in management and financial matters.

ANNEXES

Valletta 2018 Foundation Organogram



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