
ARGYLL AND BUTE COUNCIL

EXECUTIVE

COMMUNITY
SERVICES

4th NOVEMBER 2010

Strategic Events & Festivals Programme

1. SUMMARY

- 1.1. This report was requested by the Executive to address issues raised by members about the impact and benefits of Major Events and Festivals funding in Argyll and Bute over the last 5 years and for the future. There is no Events and Festivals funding identified in the Council's revenue budget from 2010/11 onwards and this paper will allow members to consider the potential consequences of this on cultural tourism within the area. It will also propose a list of strategic events which generate significant economic benefit and would be placed on a more stable financial position if the Council could provide them with core revenue funding support.

2. RECOMMENDATION

- 2.1. Members are asked to agree the list of strategic events identified in 3.14 and the level of grant support proposed for each of them.
- 2.2. Members are asked to approve that £15k contingency sum be held centrally for any one off large events which may require to be promoted in Argyll and Bute.

3. DETAIL

- 3.1. The government has identified that Scotland's culture and heritage is a strong differentiating factor that can be used to attract major events. This includes a rich history, world famous food and drink, a reputation as a leading nation in the fields of education and innovation, iconic poets, artists, writers and musicians and the vibrant contemporary scene in today's Scotland. It also includes the diversity of language in Scotland, including Gaelic and Scots. EventScotland markets and promotes Scotland on an international stage and a key element of this is the promotion of the country's natural environment. Argyll and Bute has a major part to play in this with a rich array of beautiful and dramatic landscapes ranging from mountains to lochs to beaches and magnificent islands. The landscapes in this area are both diverse and unique and are a key

asset in attracting events and people to the area. The development and promotion of events also fits very clearly with the Scottish Government's economic strategy in a number of ways:-

Wealthier & fairer: the economic impact of events supports growth in the Argyll and Bute economy and helps to promote the area as a place to invest in and visit.

Smarter: as an area with a large number of people involved in tourism, events can assist with skills improvement and greater training of a wide range of individuals.

Healthier: as a contribution by promoting sporting events to encourage people to become more active.

Greener: there is a contribution through sustainable events to protect Scotland's landscape and natural heritage.

- 3.2. Legacy is a vitally important aspect of events which is well understood in the events industry. Bringing back repeat visitors to the area and continuing to stimulate the local economy is a key factor in the use of events funding. While one-off events can be very successful in their own right, they tend to have limited long term economic impact. A truly successful event not only delivers an immediate impact but also leaves a footprint of benefit for years to come.
- 3.3. In recognition of the important financial impact of cultural, sporting and heritage events to the economy of the area, Argyll and Bute Council established a £300k major Events and Festivals Fund in February 2005. The fund was identified from the Council's general reserves and not from the ongoing revenue budget. The £300k was earmarked for a three year period up to March 2008 and was intended to stimulate cultural tourism and cultural activity within the area.
- 3.4. It was intended that the fund would place the emphasis on major festivals to maximise the economic benefit to the area. It was recognised that there were a large number of small community events which had been running for many years and were significant events within the calendars of many local communities. However, at that time it was felt that most of these would continue to survive, albeit at a relatively small scale, and that the Council's funding should be targeted towards larger events which would make a bigger economic impact in the area. It is proposed that this targeted approach to the largest events will produce the greatest economic and cultural impact.

- 3.5. As a consequence, the qualification criteria for Events and Festivals aimed at creating greater economic benefit to the area and organisers were asked to provide a post economic event impact assessment to demonstrate the added spend as a result of their event. Argyll and Bute was awarded a £200k commissioning budget from the Highland Year of Culture 2007 on the basis that the Council would provide match funding from the major Events and Festivals budget for the year. This achieved a budget of £400k for major cultural events in Argyll and Bute in 2007.
- 3.6. The opportunity to secure £200k of additional external funding to compliment and build upon the existing Events and Festival programme represented a significant economic opportunity for Argyll and Bute. It enhanced the existing cultural infrastructure of the area, increased the potential to attract visitors and media interest and maximised the opportunity to benefit from participation in Scotland's Year of Highland culture and its wider marketing programmes in the UK and abroad. Eighteen major events were awarded a grant for the HYOC 2007 and over £800k of other project costs were raised by the organisers. The impact of Events and Festivals spend during the HYOC was measured mainly in terms of overnight stays and visitors to the area. The vast majority of events passed the targets that had been set.
- 3.7. The impact surveys from the events showed that from sixteen events there had been around 24,000 overnight stays and in excess of 78,000 visitors to the area. Events contributed to increased tourist spend in relation to accommodation, food and drink, shopping and attractions. In addition to tourists being attracted from all over the world, there was widespread coverage in a range of media from newspapers to radio and television of events. Partnership with local communities and schools was a strong element of the whole programme. The key strength of the programme was highlighting the uniqueness of Argyll and Bute with quality events.
- 3.8. Following on from the success of the major Events and Festivals funding, members approved the establishment of an Events Fund to support the development of the national Homecoming 2009 Initiative. At the Council's budget meeting in February 2008 it was agreed that a £200k fund be established to achieve a meaningful programme of events in Argyll and Bute for Homecoming 2009.
- 3.9. The programme has been a significant success with a range of high quality events taking place across the area which have generated a total economic impact of around £4m. The Scottish Government have confirmed that the economic impact of cultural tourism is significant and has a leverage ratio of around 4:1 in terms of public sector spend generating additional economic growth within an area for a successful event.

- 3.10. Recent government statistics show that expenditure on tourism related activities is worth around £4.2 billion per year to the Scottish economy and around 16 million tourists annually took overnight trips to Scotland. Annual occupancy rates for hotels and self catering units both rose by 5%, up to 65% and 54% respectively, over the most recent 5 year period available and visitor attraction visits showed a similar increase. With regard to local participation in arts and cultural activities in Scotland, the most recent Scottish Household survey (2007) indicates that 73% of adults stated that they had participated in or attended events. This highlights a considerable local demand and interest in cultural activities.
- 3.11. With the national Enterprise companies having to review their support of events and festivals, HIE have advised that they will not support events and festivals per se, but rather will support businesses and community groups for whom an event or festival is a product or service. Community driven events and festivals will be treated as community growth projects required to show that they will make a quantifiable impact on the local economy to a level at least in excess of HIE investment. In addition, they will look for a community project to demonstrate growth plans for a three year period to demonstrate sustainability without repeated HIE subsidy. Should HIE support be made available to such events it is likely to focus on supporting capital investment, capacity building and training as opposed to subsidising the running costs of an event or festival. However, major sporting events and the Royal National Mod are recognised as not easily fitting in with other categories and these will be considered through specific discussions with the Enterprise company.
- 3.12. The Council agreed in the Feb 2010 budget to create a unified area grants budget by amalgamating the Leisure development, Social welfare and Education development grant streams. Part of this was to ring fence £15,000 to create a local Events & Festivals budget for each of the 4 area committees and this will be targeted mainly at smaller local events, although members will determine locally their priorities for this fund in line with the development of the Local Area Community planning Groups.
- 3.13. There are currently SLA's covering a six year period with the two largest events that take place in Argyll & Bute. These events have had a longstanding legacy in the area and generate significantly more economic benefit on an annual basis than any other events. The Cowal Games brings around 40,000 people to the Cowal peninsula on the last weekend in August every year and hosts the World Highland Dancing Championships and the season ending final major event of the World Pipe band championship events. The Council provides an annual payment to the Royal National

Mod organisers on the basis that the event comes to Argyll every 3 years. This Council was the first to set up an SLA for the Mod and due to the regular annual payments secures the event for less funding than the other Council locations which pay on a one off for the event being staged in their area. If agreement is reached to support other events with core funding clear SLA's will have to be established in line with audit requirements for "following the public purse".

- 3.14. The most significant Events that regularly take place within Argyll & Bute and generate the greatest economic impact are undernoted. The current level of in kind support provided by the Council, mainly through Roads & Amenity Services Streetscene activities is shown and a proposed level of annual grant support delivered through an SLA for each event is proposed. This would be funded from within the current revenue budget provision for Community Services.

| Event | Cost | Economic Impact | Current In kind contribution | Recommended annual grant |
|--|-------|-----------------|------------------------------|--------------------------|
| Cowal Games | £265k | £3.0m | £35k | Existing SLA |
| Royal National Mod | £304 | £2.2m | £12k | Existing SLA |
| Mull of Kintyre Music Festival | £69k | £1.7m | £2.4k | £10k |
| Brewin Dolphin Scottish Series | £30k | £600k | £0.7k | £5k |
| Tiree Wave Classic | £72k | £360k | £0.2k | £10k |
| Cowal Walking festival | £20K | £140k | | £4k |
| Islay Jazz Festival | £28k | £85k | £0.4k | £5k |
| Isle of Bute Jazz festival | £80K | £68k | £0.8k | £10k |
| Tarbert Seafood Festival | £19K | £330k | | £4k |
| Camachd Cup Final (when hosted in A&B) | £50 | £350k | £0.4k | £7k |
| Argyllshire Gathering | £32K | N/A | £3.8k | £5k |

The largest event that takes place in Helensburgh and Lomond is the Barclays Scottish Open but it is a fully funded event on the European Golf Tour that requires no Council subsidy. However, there are no other large events in that area similar to the strategic events identified in the rest of the Council's area. It is recommended that annual budget provision of £15k is made available to develop an existing or create a new event in that area. It is also recommended that a £15k contingency sum is held centrally for any future one off large event which may require to be promoted or, to support a range of community arts programmes that would be displayed locally.

4. CONCLUSIONS

- 4.1. Over the last four years the Council has made a major contribution to the development of major events and festivals and this has provided a successful economic stimulus within the area. It has also enhanced cultural and sporting activity. The Scottish Government have confirmed that culture is a helpful route to support the delivery of national and local outcomes. In addition to the organisations which make provision for culture and creativity, many of those responsible for delivering wider public services have discovered the benefits of working with, and through, creative and cultural activity and local and national well-being can be enhanced in this way. The Council has been one of the lowest spenders in Scotland in cultural activities from the revenue budget over the last decade, but the recent significant contributions to major events and festivals has made a very positive impact on the cultural community in the area.
- 4.2. If this proposal is agreed, it would be on the basis that there are no other central/corporate routes available for spending on events and festivals. The area grants budget would be the only other mechanism for accessing annual local requests for events activities.

5. IMPLICATIONS

- 5.1 Policy – This proposal fits with the Council’s Culture and Economic Development Strategies.
- 5.2 Financial – A budget of £90,000 has been identified for this proposal.
- 5.3 Legal – None
- 5.4 Personnel – None
- 5.5 Equal Opportunities – This proposal is consistent with equal opportunities policies.

Cleland Sneddon
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Community Services
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