

REVIEW OF STRATEGIC EVENTS AND FESTIVALS GRANT PROCESS

1.0 EXECUTIVE SUMMARY

- 1.1 The Scottish Government has identified tourism and events as one of Scotland's most important industries, helping to create wealth and jobs and build upon our strong international reputation.
- 1.2 In light of the importance of the events and festival industry to economic development and tourism the Council considers that it is important to continue to provide a budget to support the delivery of a strategic portfolio of events and festivals across Argyll and Bute beyond 2018/19.
- 1.3 In addition it is also considered necessary to review the process by which funding is currently allocated to strategic events and festivals to ensure that the maximum economic benefit is secured from the limited funding available and the many competing demands. The focus will therefore be on strategic events and festivals that are primarily focussed on attracting visitors from outwith the area and increasing the appeal of Argyll and Bute as a world class tourist destination.
- 1.4 The new strategic events and festival grant process referred to in this paper excludes the Council funding currently provided to the Royal National Mod (£40,346.67) as it is proposed that discussions are held with organisers of the Mod to determine if and when Argyll and Bute could next be host to the Mod. Given current commitments the earliest that this would be possible will be 2023.
- 1.5 It is recommended that members agree to:
1. Recommend to Council that the 19/20 budget be set at £113k (excluding the Mod), and note that future budget levels will be subject to decisions taken as part of the Council's budget process;
 2. Consider and approve the key principles of the new grant application process;
 3. The new grant application process being fully developed by officers over the next two months and open for 2019/20 bids in August 2018 for a period of 6 weeks (allowing sufficient lead in time to allow organisers to

apply to and be given a decision well in advance of any events being held in 2019/20);

4. Following assessment of the funding bids received a report will be brought back to P & R Committee for consideration and endorsement by members;
5. That discussions are held with the Royal National Mod in regard to future plans for Argyll and Bute to host the Royal National Mod and that a report is brought back to members for consideration following these discussions to determine the best course of action.

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2.0 INTRODUCTION

2.1 The Scottish Government has identified tourism and events as one of Scotland's most important industries, helping to create wealth and jobs and build upon our strong international reputation.

2.2 Scotland – The Perfect Stage, published in 2015, seeks to ensure that

“Scotland’s reputation as the perfect stage for events is recognised nationally and internationally”.

The strategy covers local, regional and national sports and cultural events and it is aimed at organisers, facility owners and public sector partners.

2.3 At the time of the publication it was estimated that Scotland’s events industry was worth £3.5 billion to reflect the significance of events in providing opportunities to drive additional tourism in particular. Tourism Scotland 2020 identifies festivals and events and business events as two of the four key assets that provide ‘authentic experiences’ for Scotland’s visitors and which underpin the industry’s growth ambitions.

2.4 In light of the importance of the events and festival industry to economic development and tourism the Council consider that it is important to continue to provide a budget to support a strategic portfolio of events and festivals across Argyll and Bute beyond 2018/19.

3.0 RECOMMENDATIONS

3.1 It is recommended that members agree to:

1. Recommend to Council that the 19/20 budget be set at £113k (excluding the Mod) and note that future budget levels will be subject to decisions taken as part of the Council's budget process;
2. Consider and approve the key principles of the new grant application process;
3. The new grant application process being fully developed by officers over the next two months and open for 2019/20 bids in August 2018 for a period of 6 weeks (allowing sufficient lead in time to allow organisers to apply to and be given a decision well in advance of any events being held in 2019/20);
4. Following assessment of the funding bids received a report will be brought back to P & R Committee for consideration and endorsement by members;
5. That discussions are held with the Royal National Mod in regard to future plans for Argyll and Bute to host the Royal National Mod and that a report is brought back to members for consideration following these discussions to determine the best course of action.

4.0 DETAIL

- 4.1 In December 2014 the Council agreed to support a 3 year (2015/16,2016/17 & 2017/18) programme of funding for 10 major events and festivals (excluding the Mod) in Argyll & Bute on the basis of the economic impact and lifestyle legacy that would be achieved in the area.
- 4.2 It was subsequently agreed in 2016 to apply a 20% saving to the annual 10 SLA payments for 2016/17 and 2017/18.
- 4.3 This time limited funding package expired 31 March 2018. Following consideration of this matter at the Councils budget February meeting in 2018 it was agreed to extend the grant payment and associated Service Level Agreement's (SLA's) to the existing 10 events and festivals for a further year and that thereafter a new competitive application process would be introduced.
- 4.4 The SLAs were supported by a post event analysis to ensure the anticipated benefits were realised – this included an understanding of the impact of the events on the local business economy. It is estimated that the annual programme of events and festivals brings in significant economic benefit to the local economy as a consequence of increased visitor numbers from outwith the area as well as across the area including spend in the area from those taking part in the events.
- 4.5 It should be noted that the SLA for the Royal National Mod did not require to be re considered in 2014 nor in 2018 given that it commenced in 2013/14 and is valid until 31 March 2019. The current SLA for the MOD was agreed on the basis that the MOD comes to Argyll and Bute every three years. The MOD was held in Oban in 2015 and will be held in Dunoon in October 2018. In addition the annual payment to the MOD is based on an uplift of 2.5% per annum as an

allowance for inflation, providing funds are available and the objectives have been met in the previous years.

- 4.6 Based on current information available Glasgow are due to host the MOD in 2019, Inverness in 2020, Paisley in 2021 and Perth 2022. https://www.highland.gov.uk/news/article/10525/the_royal_national_mod_announces_2021_and_2022_plans. For the purposes of this paper the funding currently allocated to the Mod has been removed from the strategic events and festival funding pot and this matter will be considered separately following discussions with the Royal National Mod association in regard to the possibility of Argyll and Bute hosting a future Mod, the earliest opportunity for this being 2023.
- 4.7 The council previously considered that the added value provided through these strategic events and festivals was considered to be significant and an essential element in promoting Argyll & Bute as an attractive area to live and work in, and for tourists to make repeat visits to. Organisations such as HIE and Creative Scotland (CS) also provide funding for major events and festivals and also considered that there is significant value to the local economy from such events.
- 4.8 There continues to be demand for council funding support to the strategic events and festivals covered by the current SLAs as well as to other new and emerging events and festivals not previously supported. It is therefore considered appropriate to review the current process and those events and festivals that the council supports, and to develop and introduce a competitive application process for strategic events and festivals to create a robust and well managed funding programme that will support economic growth and ensure that the Council and the area maximise the benefit from the support that it provides.
- 4.9 The fund will be focused on strategic events and festivals that:
- Attract visitors from outwith the area and bring inward investment by increasing Argyll and Bute's visitor and tourism offer
 - Can demonstrate a good range of multiplier effects for the local economy
 - Market to a quantifiable target of out of region visitors
 - Demonstrate a good return on public investment (leverage)
 - Demonstrate the economic, cultural, social, environmental and promotional value of the event to Argyll and Bute
- 4.10 It is intended to further develop the new grant application process with a full set of criteria based on the above key principles to enable organisations to apply for the fund on a competitive basis each year the fund is in operation. Council officers will undertake the annual assessment process based on the published criteria and grants will be awarded based on an objective assessment and in line with Council objectives.

- 4.11 Local and small scale events are already supported through the former third sector grant funding which is currently being taken forward through participatory budgeting process. Given that these have a much more local focus and respond to local needs the use of participatory budgeting is justifiable. However in determining which strategic events and festivals will bring the biggest economic benefit to the area it is considered that this should be driven forward through a competitive grant funding process and associated assessment process adopted by other councils (North Ayrshire) and organisations such as Creative Scotland and HIE.
- 4.12 In the development of any new grant funding process and associated scoring mechanism we would seek to work closely with existing colleagues in the council and organisations such as Creative Scotland who provide funding for events through the National Events Programme and HIE as well as local organisations such as AITC and CHArts. The objective in working collaboratively will be to secure best value.
- 4.13 This new grant funding process will support the strategic development of events and festivals and will be designed specifically to support cultural, sports and heritage based events which take place across our area and drive domestic tourism and economic growth with a focus on attracting external visitors from within Scotland and beyond.
- 4.14 Any new scoring criteria developed could be used to inform measurable outcomes that would be incorporated within the Service Level Agreements (SLAs) between the Council and any third party organisation. Additions to this which we would look to include a Business Planning and Marketing section, as well as a section on number of 'Bed Nights' forecast, a Return on Investment section (North Ayrshire Council work on anything over £1.10 for every £1 of grant given), and a Net impact assessment on the event or festival's local economy, with any displacement taken into account.
- 4.15 In terms of the new annual grant funding application process itself Officers consider, following careful consideration of the funding available and likely demand that the following new funding grant scheme represents the best way forward for the fund.

Proposed new funding grant scheme process

It is proposed that two grant pots would be created with the expectation that the lower level grant pot (maximum £5,000 award per event) will account for a minimum of 20% of the available budget with a minimum of 60% being available for the larger grants (greater than £5,000 per event). The remaining 20% of the budget will be available to allow the council to respond appropriately to the scale and number of grant funding bids received. The allocation of budget between the two pots can be reviewed and amended as part of the annual budget process.

There will be different requirements that applicants will require to meet depending on the level of grant being sought. These are as follows

- **Events and festival £5,000 maximum grant available per event and festival.**

For grants of £5,000 and less the application process would be more straightforward and these applications would be scored by officers on an agreed matrix. There would be no need for the submission of a complex business plan, but instead a more basic business plan, cash flow forecast and budget breakdown including other funding sources and anticipated economic impacts would be requested and evaluated. It should be noted that currently of the 10 grants provided 5 are under £5,000 per annum.

- **Events and festival grant of more than £5,000**

For grants in excess of £5,000 there would be a more detailed application process. These applications would be scored using a similar matrix but would require a more detailed business, marketing plan with a cash flow forecast (including other funding sources), anticipated economic impact and evidence of sustainability. Consideration will also be given to the economic benefit that will accrue to the area including bringing skills development to the local economies in which they are taking place.

It should be noted that of the 10 grants currently awarded there are 5 grants in excess of £5,000 ranging from £6,400 - £55,000.

Grant funding would be awarded based on bids that were successfully scored against the criteria and where sufficient funding was available.

5.0 CONCLUSION

- 5.1 Over the last six 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.
- 5.2 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. At the time the council considered providing a second tranche of 3yrs of funding it was stated that the Council had 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/strategic events and festivals has made a very positive

impact on the cultural community in the area and it is felt that it is important to continue to build on the previous investment.

- 5.3 Without agreement to allocate a budget for strategic events and festivals there are no other central/corporate routes/mechanism available for the council to support strategic events and festivals. It is therefore recommended that the fund continue at this time with distribution of available funding delivered through a competitive annual process taking account of published criteria and assessed by council officers on that basis.

6.0 IMPLICATIONS

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| 6.1 Policy | The provision of support to strategic events and festivals fits with SG and Council objectives of making our area more attractive to visitors and increasing the spend into the local area and the resulting economic benefit |
| 6.2 Financial | The budget will require to be confirmed for financial year 2019/20 before any new process is launched otherwise there could be a reputational risk to the council if grant is awarded and then not forthcoming, this would however require an agreement in isolation of the budget setting process and would represent a risk. This would also mean staff being involved in a lot of work that would result in wasted resource. |
| 6.3 Legal | Any new process will require the drawing up of individual grant contracts for each successful grant application. |
| 6.4 HR | Resource will be required to manage this process however this is currently managed from existing staff |
| 6.5 Equalities | |
| 6.6 Risk | See 6.2 above |
| 6.7 Customer Service | None |

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