

STRATEGIC EVENTS AND FESTIVALS GRANT 2019/20

1.0 EXECUTIVE SUMMARY

- 1.1 In light of the importance of the events and festival industry to economic development and tourism, the Council, at the Policy and Resources Committee on 24 May 2018, agreed 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. The Council also agreed that the 2019/20 budget for strategic events and festivals (excluding the Royal National Mod funding (£40,346.67)) be set at £113,000.00, and that future budget levels would be subject to decisions taken as part of the Council's budget process.
- 1.2 The Council also agreed to review the process by which council funding had previously been allocated to strategic events and festivals. The purpose of this was to ensure that the maximum economic benefit is secured from the limited funding available, with a focus 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.
- 1.3 The new strategic events and festival grant process has since been developed and the fund was open to organisations to submit bids for a period of 6 weeks, commencing 3 August 2018 and closing 14 September 2018. A total of 22 bids were received within that period. The total funding request based on all bids submitted is £221,060.00, almost double the amount of funding available (see Table 1 Appendix A). The report provides details in regard to the bids submitted, the assessment process and the decision in regard to the bids being put forward to receive grant funding. An overview of the scoring results are included as Appendix B.
- 1.4 As a new process, it will be important to analyse its effectiveness and as such it is intended to report on lessons learnt and to recommend any changes to the process to a future committee.
- 1.5 It is recommended that members agree to:
1. Consider the information provided in the report, including the assessment

process undertaken.

2. Endorse the recommendations to award grant funding to the strategic events and festivals taking place in 2019/20 as detailed in table 2 and 3.
3. Officers conduct a lessons learnt exercise, the results of which would be brought back to committee for review prior to any future assessment process being undertaken.

STRATEGIC EVENTS AND FESTIVALS GRANT 2019/20

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 In light of the importance of the events and festival industry to economic development and tourism the Council agreed, at the Policy and Resources (P & R) Committee on 24 May 2018, to continue to provide a budget to support a strategic portfolio of events and festivals across Argyll and Bute beyond 2018/19, and to set a budget of £113k for Strategic Events and Festivals for 2019/20.
- 2.3 In addition, the Council agreed to put in place a new strategic events and festivals competitive grant application process for 2019/20. Previously grants had been provided annually to 10 strategic events and festivals (excluding the Mod) through 3-year Service Level Agreements (SLA's), all of which are now at an end.
- 2.4 This new grant funding process aims to 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. The report provides details in regard to the bids submitted, the assessment process, and the decision in regard to the bids being put forward to receive grant funding.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that members agree to:
1. Consider the information provided in the report, including the assessments process undertaken.
 2. Endorse the recommendations to award grant funding to the strategic events and festivals taking place in 2019/20, as detailed in table 2 and 3.
 3. Officers conduct a lessons learnt exercise, the results of which would be brought back to committee for review prior to any future assessment

process being undertaken.

4.0 DETAIL

- 4.1 Following the decision of the P & R Committee in May the new strategic events and festival competitive grant process was developed and the fund was opened to bids for a period of 6 weeks, commencing 3 August 2018 and closing 14 September 2018. A total of 21 application bids were received within that period. The total funding request, based on all bids submitted, is £221,060.00, almost double the amount of funding available (see Table 1, Appendix A).
- 4.2 From the response received it is clear that there continues to be demand for council funding support to the strategic events and festivals being held across the area. In considering each bid the focus of the assessment process was based on how well an event could demonstrate that it will support economic growth and ensure that the Council and the area maximise the benefit from the support that any grant would provide.
- 4.3 The assessment process for the fund specifically focused on strategic events and festivals that will:
- 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
- 4.4 All applications had to submit marketing and business plans (more basic plans were requested for the up to £5,000.00 pot), cash flow forecast and budget breakdown including other funding sources, and to meet the following principles:
- The proposed fund was open only to organisers who were intending to hold **strategic** events and festivals, that is events and festivals which contribute significantly to the culture, heritage and economy of Argyll and Bute;
 - The proposed event/festival location must be within the Argyll and Bute area; and,
 - The proposed event/festival had to be held between the dates of 1st April 2019 and 28 February 2020 to allow all financial payments and reporting to be concluded by 31 March 2020.

- 4.5 The fund is not intended for **local and small scale** events and festivals, as there is the possibility for these to be supported through the Supporting Communities fund (formerly the third sector grant funding).
- 4.6 No upper limit was set in respect of the amount of grant being sought from the council for any one event, however no event could seek 100% funding from the fund for the event and match funding sources had to be provided. However given that this fund is for 2019/20 and many events are not being held until the middle/end of 2019 the majority of match funding sources have still to be confirmed. Officers have been in discussion with EventScotland (ES) to determine events that have previously received ES funding and would be eligible to potentially receive funding in the future. In certain instances ES requires a demonstration of council support in order to release ES support. A condition of any grant offer will be that all match funding will be secured and evidence provided of this prior to any element of the grant being drawn down. This will ensure that events and festivals are fully funded and delivered in the format proposed in their application and also will deliver the outcomes.
- 4.7 Applicants were given a choice of two separate grant pots, up to and including £5,000.00 and over £5,000.00. Table 1, Appendix A details all of those strategic events and festivals that applied, and to which pot of funding. Of the 21 bids submitted there were 11 applications made to the small grant pot, totalling £41,000.00 and 10 applications to the over £5,000.00 grant pot, totalling £180,060.00; bringing the total ask to £221,060.00.
- 4.8 At the P & R Committee on the 24 May 2018 it was agreed that the smaller grant pot (up to and including £5,000.00) would account for a minimum of 20% of the available 2019/20 budget. This represents a budget of £22,600.00. With the total request, taking account of all bids for funding from this small grant pot, totalling £41,000.00, this represents almost double that available. Officers have therefore been faced with the difficult task of assessing which applications should be supported. It is fully recognised that all are important events, both to the applicants and associated communities within which they take place. The focus has had to be very much about which events and festivals are most strategic in nature, and which meet the key criteria as detailed in 4.3 and 4.4 above, are deliverable, sustainable, clearly demonstrate that they require funding support (i.e. the funding is not to support existing reserves) and will attract significant audience numbers from outwith the area. The necessary financial and due diligence checks have been undertaken as part of this process.
- 4.9 Table 2 lists those strategic events and festivals that are being put forward for funding support and details the level of grant that would be offered. This is based on scoring, outlined in Appendix B. Of the 11 applications submitted to the smaller grant pot 6 are being put forward for grant award. Of these 6 strategic events and festivals 4 were previously supported through the SLA process. Bute Noir, which is a relatively new but growing literary event, and the Highlands and Islands Dance Festival have not previously received support through the SLA process. The total of the award being proposed under the small grant pot is £22,140.00. This results in an unallocated amount

of £460.00. The remaining events and festivals that have not been put forward for support did not demonstrate, through their submission, that they were strategic in nature nor that they meet the key criteria detailed in 4.3 and 4.4 above.

- 4.10 It should be noted that where an event or festival was supported by the Council under the previous SLA arrangement a 10% reduction, based on the last SLA grant figure, has been applied consistently across all relevant submissions, and is the case for both the small and larger grant pots. It should also be noted that in the majority of these cases the request to the council had significantly increased, (with the exception of the Helensburgh Winter Festival - reduced from £17,600.00 to £5,000.00 - and Cowal Highland Gathering, which remained as per the last SLA payment). It should be further noted that no event bid was able to evidence a substantially enhanced event to justify the increased ask. Applying the principle of a 10% reduction on previous funding across all previously supported SLA events has allowed new events to come forward and receive support, and to deliver maximum value from the funding.
- 4.11 P & R Committee also agreed on the 24 May 2018 that of the £113,000.00 budget a minimum of 60% would be available for the larger grants (greater than £5,000 per event). This equates to £67,800.00. The remaining 20% of the budget was to be available to allow the council flexibility, depending on the number and quality of bids received.
- 4.12 A total of 10 applications were submitted to the larger grant pot and many of the requests were significantly higher, despite advice being provided that there was a limited pot of funding and applicants were encouraged to keep their request to a minimum pot. The total request for funding, taking account all bids submitted, represents £180,060.00. Even if you applied the additional 20%, the total available budget for the larger grant pot is only £90,400.00. Again this has been a difficult task for officers, and the process has had to be very focused on those events that clearly demonstrated in their submission that they met the key criteria as detailed in 4.3 and 4.4 above, are deliverable and sustainable, clearly demonstrate that they require funding support and will attract significant audiences from outwith the area. The necessary financial and due diligence checks have been undertaken as part of this process.
- 4.13 Table 3 details the 5 strategic events and festivals that are being put forward for approval under the larger grant pot; 3 of the 5 being supported were previously supported through the SLA process. The Mull of Kintyre Music Festival and the Oban Games-Argyllshire Gathering have both significantly increased the level of funding being sought from the Council. Cowal Highland Gathering has applied for the same level of funding. Tiree Music Festival and Oban Live are events that have not previously received strategic events and festival funding support from the Council,
- 4.14 If all 5 events were supported at the level requested in their application submissions, the total funding required would be £103,060.00. Through applying the principle of a 10% reduction based on the last SLA grant

figure, as detailed in 4.9 above, the resulting reduction takes the total funding required to £88,127.60. This is however predicated on using the full 80% (60% of the larger grant pot plus the unallocated £20%) of the budget for the larger grant pot. It was felt that this would offer the biggest opportunity to secure economic benefit to the area and add significant value to the council's funding.

- 4.15 As with the small grant pot, there is an unallocated amount of £2,272.40 from the available budget, as shown in table 3. If this is added to the unallocated £460.00 from the small grant pot there is an overall unallocated grant of £2,732.40. This has therefore been allocated against the next highest scoring event that applied to the large grant pot, Argyll Rally. Although the amount of £2,732.20 is lower than the funding requested, this amount would represent 10% of the overall event budget and is considered to be substantial enough to meaningfully support the associated marketing costs. This is shown within the table in Appendix B.
- 4.16 In summary, the £113,000 2019/20 budget has been allocated in full in support of 12 strategic events and festivals across Argyll and Bute.
- 4.17 As this fund represented a new process, officers will now review and reflect on where adaptations and changes might be made to improve the process. Any lessons learnt will be taken back for consideration by a council committee prior to any future assessment being undertaken.

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.
- 5.3 It is hoped that this new process will allow the budget for 2019/20 to support a greater number of strategic events and festivals, to continue to make a very positive impact on the cultural community in the area, build on the previous investment and secure a greater return on the Council's investment. There is obviously still a demand for financial support for these strategic events and festivals given the response to the application process. It has been a difficult process in assessing these events and festival applications given the significant ask against the level of funding available. It is recognised that all these events and festivals play a role in delivering economic benefit to our communities and the wider area however only so many could be supported, resulting in a recommendation to support twelve of twenty-one events.

6.0 IMPLICATIONS

6.1 Policy	The provision of support to strategic events and festivals fits with the 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 needs to be confirmed for financial year 2019/20 before any grant can be awarded.
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 and is currently managed from existing staff.
6.5 Equalities/ Fairer Scotland Duty	None
6.6 Risk	See 6.2 above
6.7 Customer Service	None

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November 2018**

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Appendix A –

Table 1.0

Event	Level of Funding Requested
Under £5,000 Fund	
West Highland Yachting Week	£5,000.00
Tarbert Scottish Series	£4,000.00
Tarbert Music Festival	£2,000.00
Scottish Seafood Festival	£2,500.00
H&I Music and Dance Festival	£5,000.00
Lorn Highland Games	£1,500.00
Bute Highland Games	£5,000.00
Isle of Jura Music Festival	£5,000.00
Helensburgh Winter Festival	£5,000.00
Bute Noir	£3,500.00
Kintyre Sunflower Festival	£2,500.00
Subtotal	<u>£41,000.00</u>
Over £5,000 Fund	
Mull of Kintyre Music and Arts Festival	£11,000.00
Oban Winter Festival	£8,500.00
Cowal Highland Gathering	£54,560.00
Best of the West 2019	£11,000.00
The Oban Games - Argyllshire Gathering	£10,000.00
ButeFest	£10,000.00
Tiree Music Festival	£12,500.00
Oban Live	£15,000.00
Rothesay Pavilion Dark Night Festival	£35,000.00
Argyll Rally	£12,500.00
Subtotal	<u>£180,060.00</u>
Total	<u>£221,060.00</u>

Table 2.0

Fund	Under £5,000 Grant	
Event	Level of Funding Requested	Proposed Funding Award
West Highland Yachting Week*	£5,000.00	£3,600.00
Tarbert Scottish Series*	£4,000.00	£2,160.00
H&I Music and Dance Festival	£5,000.00	£5,000.00
Isle of Jura Music Festival*	£5,000.00	£2,880.00
Helensburgh Winter Festival	£5,000.00	£5,000.00
Bute Noir	£3,500.00	£3,500.00
Total	<u>£27,500.00</u>	<u>£22,140.00</u>
2019/20 Small Grant		
Budget Available	£22,600.00	
Small Grant Budget Allocated	<u>£22,140.00</u>	
Unallocated	£460.00	
* Applicants previously funded by an SLA have had a 10% reduction based on the last SLA grant figure.		

Table 3.0

Fund	£5,000 and Over Grant	
Event	Level of Funding Requested	Proposed Funding Award
Mull of Kintyre Music and Arts Festival*	£11,000.00	£7,920.00
Cowal Highland Gathering*	£54,560.00	£49,107.60
The Oban Games - Argyllshire Gathering *	£10,000.00	£3,600.00
Tiree Music Festival	£12,500.00	£12,500.00
Oban Live	£15,000.00	£15,000.00
Total	<u>£103,060.00</u>	<u>£88,127.60</u>
2019/20 Large grant pot	80% Budget (60% plus 20%)	60% Budget
Budget Available –	£90,400.00	£67,800.00
Budget Allocated	<u>£88,127.60</u>	
Unallocated	£2,272.40	-£20,326.60
* Applicants previously funded by an SLA have had a 10% reduction based on the last SLA grant figure.		
Strategic Events and Festivals Budget 2019/20		
Total Budget Available	£113,000.00	
Total Funding Award	<u>£110,267.60</u>	
Total Unallocated, and recommended to be offered to Dunoon Presents in support of marketing costs for Argyll Rally	£2,732.40.40	