

**STRATEGIC EVENTS AND FESTIVALS FUND – ROUND 5 2023/2024**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to update Members on Round 5 - 2023/24 of the Council's Strategic Events and Festivals Fund (SEF). The report provides details of the applications submitted and recommendations regarding all eligible applications put forward to receive grant funding. In addition it asks Members to agree to allocate any underspend from this round to a future SEF round, Round 5.2, (April 2023) and seeks members' agreement to allocate funding to allow a future round (Round 6) for 2024/25.
- 1.2 At the 17<sup>th</sup> February 2022 Council budget meeting the Council agreed funding of £90,000 for an SEF Round 5, to be augmented by any underspend in Round 3 (2021-2022). This has meant that the total budget available for SEF Round 5 is £145,150.
- 1.3 SEF Round 5 opened on 14 October 2022 and closed on 28 November 2022. A total of 11 applications were received, one of which was received after the 12 noon deadline and therefore only 10 can be considered as eligible and amount to a total request of £78,975. None of the applications received asked for more than 20% of their total costs in grant funding. The application received after the deadline was from West Highland Yachting Week, for £3,600, it was submitted on 28 November however it was after the deadline of midday on Monday 28<sup>th</sup> November. Applications can be viewed at **Appendix 1**. The total budget available to be allocated for Round 5 is £145,150 and the total request for funding, including the application received late, is £82,575
- 1.4 The events sector contributes significantly to our local economy and communities across Argyll and Bute, and is a key part of the economic recovery plan for the area, however like other key sectors it has faced significant challenges in the past 3 years as a consequence of Covid and the pandemic. The Council's annual SEF funding plays a key role in the recovery of the sector.

## RECOMMENDATIONS

It is recommended that Members of the Policy and Resources Committee:

- a) Agree to the award of eligible SEF Round 5 grants amounting to £78,975 as detailed in **Table 1**.
- b) Agree to award £3,600 to West Highland Yachting Week on the basis declared in the body of the report as detailed in **Table 2**.
- c) Agree that any SEF grant offer only be formally issued upon confirmation from the individual event organisation that the event is formally confirmed and is definitely going ahead and still meets the SEF Round 5 criteria. These grants are detailed in **Appendix 1, Tables 1 & 2**
- d) Agree to continue delegation of powers to the Director of Development and Economic Growth to allow any subsequent amendment to existing grant requests to be made brought about as a consequence of changes to the event/event budget. Any amendment to a current grant request/offer would only be considered if the amendment related to either the same level or a reduction in the request from and constitute up to 75% of legitimate and eligible expenditure.
- e) Continue to assist with the economic recovery of the fragile events and festivals sector within Argyll and Bute and agree that any underspend from SEF Round 5 is made available to a second call for applications (SEF 5.2) with a deadline of April 2023.
- f) Agree to recommend to the Council that as part of the budget in February 2023, that they agree £90,000 base funding for Strategic Events and Festivals in order that the application process can commence during 2024/25 and this fund to be augmented by any underspend remaining from the current financial year.

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**2.0 INTRODUCTION**

- 2.1 The purpose of this report is to update Members on Round 5 of the Council's Strategic Events and Festivals Fund (SEF). The report provides details of the bids submitted, and recommendations regarding the eligible bids being put forward to receive grant funding. In addition it asks Members to agree to a second call for applications under SEF 5 (Round 5.2) with a deadline of April 2023.
- 2.2 The Strategic Events and Festivals Fund was firstly taken forward as a competitive fund in 2019/20. A critical element of the application requirement is that the event or festival should be held in Argyll and Bute and be of a strategic nature, i.e. having the capacity to attract people from outwith the area, with a focus on national and international visitors, and generate significant economic benefits for the local community. To illustrate this, the estimated economic impact in the area from the funded events and festivals pre-Covid in Round 1 was circa £7.5m.
- 2.3 There is no doubt that Covid, and other contributing factors, have had an unprecedented negative impact on the events and festivals sector. The Council acted promptly to support the industry by continuing to provide SEF funding support to events over the past 3 years and whilst unfortunately some events did have to cancel in 2020/21 there was a resurgence in 2022/23 and the successful applicants from Rounds 4 and 4.2 (2022-2023) were able to go ahead. The Council received a total of 18 applications across the two SEF 4 rounds and all of these events have either gone ahead or have confirmed they are still proceeding.
- 2.4 To continue to assist with the economic recovery of the fragile events and festivals sector within Argyll and Bute it is proposed that any underspend from SEF Round 5 is made available to a second call for applications with a deadline of April 2023.
- 2.5 The budget available for SEF Round 5 2023/24 is £145,150 and 11 applications were received. Out of these 11 applications, 11 fit the criteria and amount to a total eligible request of £82,575. None of the applications received asked for more than 20% of their total costs in grant funding. However, one application, from West Highland Yachting Week, for £3,600, was submitted after the

deadline on midday on Monday 28th November and therefore members are being asked to consider if this should be supported.

### **3.0 RECOMMENDATIONS**

3.1 It is recommended that Members of the Policy and Resources Committee:

- a) Agree to the award of eligible SEF Round 5 grants amounting to £78,975 as detailed in **Table 1**.
- b) Agree to award £3,600 to West Highland Yachting Week on the basis declared in the body of the report as detailed in **Table 2**.
- c) Agree that any SEF grant offer only be formally issued upon confirmation from the individual event organisation that the event is formally confirmed and is definitely going ahead and still meets the SEF Round 5 criteria. These grants are detailed in **Appendix 1, Tables 1 & 2**
- d) Agree to continue delegation of powers to the Director of Development and Economic Growth to allow any subsequent amendment to existing grant requests to be made brought about as a consequence of changes to the event/event budget. Any amendment to a current grant request/offer would only be considered if the amendment related to either the same level or a reduction in the request from and constitute up to 75% of legitimate and eligible expenditure.
- e) Continue to assist with the economic recovery of the fragile events and festivals sector within Argyll and Bute and agree that any underspend from SEF Round 5 is made available to a second call for applications (SEF 5.2) with a deadline of April 2023.
- f) Agree to recommend to the Council that as part of the budget in February 2023, that they agree £90,000 base funding for Strategic Events and Festivals in order that the application process can commence during 2024/25 and this fund to be augmented by any underspend remaining from the current financial year.

## 4.0 DETAIL

- 4.1 The overarching aim of the Strategic Events and Festivals Fund is to support event organisers to enhance and grow their events with the result that more visitors are attracted to Argyll and Bute, providing substantial economic benefit to the respective areas. The fund will provide critical support in the economic recovery of the area following the pandemic as well as the challenges now being faced as a result of the cost of living crisis and will hopefully allow events to continue and grow and may prevent organisations and events from ceasing to operate.
- 4.2 SEF Round 5 opened on 14 October 2022 and closed on 28 November 2022. A total of 11 applications were received of which 10 are eligible and amount to a total eligible request of £78,975. These applications can be viewed at Appendix 1 and show a range of events and festivals from across the area, taking place in 2023/2024 and delivering a wide variety of event types, from sports to music, dance and food.
- 4.3 None of the SEF applications were ineligible as all of the applications meet the criteria for SEF and score well, however, one application, from West Highland Yachting Week, for £3,600 was submitted an hour after the official deadline which was midday on Monday 28th November. The organisers of the event have confirmed in writing that this was an error caused by IT issues, and given the timings, it is believed that this was a genuine mistake. Moreover, there is enough within the remaining budget to make this award.
- 4.4 It is fully appreciated that the strategic events and festivals sector is still rebuilding itself following the pandemic and some events and festivals are still facing challenging circumstances brought about as a result of Covid and changes in individuals' habits and the current cost of living crisis is also having an impact. This has put a strain on the financial stability of many of the organisations, however the outlook is improving and the Council's SEF fund continues to be of strategic importance to the events industry in Argyll and Bute.
- 4.5 The loss of any event to the area is likely to have significant impact on the local economy, especially those events which are long standing. The impact of SEF Round 5 funding and future SEF round funding is fully recognised in assisting in the economic recovery of the area and the sustainability of the events and the event organisations many of whom are third sector organisations. To further aid recovery the Council previously agreed to earmark underspend to augment future rounds up to Round 6 (2024/25), however the council still requires to agree to allocate a baseline budget to allow an SEF Round 6 (2024/25) to be held and members are asked to consider and agree to £90,000 for Round 6, allowing there to be certainty for the events industry that there will be future funding beyond 2023/2024.
- 4.6 In addition it is also proposed that any underspend from this initial SEF Round 5 is made available to a second call for applications (SEF 5.2) with a deadline of April 2023.

- 4.7 Event Scotland continue to support events through industry support funds and fully recognises the fragility of the sector and the need to assist recovery. Council officers are in regular discussion with Event Scotland to ensure that funding awarded is complimentary and does not duplicate Council funding.
- 4.8 In addition, officers will continue to liaise with event organisers who have applied to SEF Round 4 and 4.2. in an effort to provide information and support where considered appropriate.

## **5.0 CONCLUSION**

- 5.1 The Round 5 SEF application and assessment process has been completed as per the guidance. Allocation of the funding for the financial year 2023/2024 has resulted in a budget underspend of £62,575. Many of those that applied are strategic events that had previously applied pre Covid, and many are long standing events and it is excellent to see these being able to take place this year. Whilst the sector is still fragile, it is hoped that the events sector will continue to rebuild itself this year and carry on its recovery. There is no doubt that the continued support to the sector via future SEF funding will play a key part in this recovery.
- 5.2 Because of this vital support it is requested that any underspend from SEF Round 5 is made available to a further call for applications with a deadline of April 2023.
- 5.3 It is also requested that the Policy and Resources Committee recommend to Council that as part of the February 2023 budget, a baseline budget of £90,000 be allocated to allow an SEF Round 6 (2024/25) to be held allowing there to be certainty for the events industry that there will be future funding beyond 2023/24. Further, and as agreed at the Policy and Resources Committee on 16th June 2022, any underspend from Rounds 4 and 4.2 should be used to augment the fund for Round 6.

## **6.0 IMPLICATIONS**

- 6.1 Policy - The Council's Economic Strategy supports the value of events and festivals for their positive impact on the economy and supporting the hospitality and tourism sectors.
- 6.2 Financial - SEF 2023/24 budget is £145,150. Applications totaling £78,975 were received with one late application of £3,600. This leaves a balance of circa £62,575 and any remaining funds to be earmarked for Round 5.2.
- 6.3 Legal - Award letters and grant contracts will be issued as and when a decision is made and confirmation has been received that the event will go ahead.

- 6.4 HR – Resourced from existing staff.
- 6.5 Fairer Scotland Duty:
  - 6.5.1 Equalities - protected characteristics: None
  - 6.5.2 Socio-economic Duty: The Fund seeks to support the economic growth of areas including a positive contribution to fragile areas.
  - 6.5.3 Islands: The Fund seeks to support island economies by encouraging increased levels of visitors.
- 6.6 Climate Change - As part of the application process events have to demonstrate how they are limiting their carbon footprint and this is part of the scoring process.
- 6.7 Risk - The full effects of the impact of Covid is still having an influence on the events and festivals industry, however we have seen the beginning of a recovery although the industry is still fragile.
- 6.8 Customer Service – none.

**Kirsty Flanagan, Executive Director with responsibility for Development and Economic Growth**

23<sup>rd</sup> December 2022

**Policy Lead for Strategic Development, Councillor Currie**

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## APPENDIX 1

**Table 1 - SEF Round 5 Eligible Grant Applications Received**

Event	Funding Award (within 20% limit)	Recommended Funding Award
<b>£2,500 - £5,000 Fund</b>		
Argyll Food Festival	2,475	2,475
Bute Noir	4,000	4,000
HFLCT	5,000	5,000
HIMD	4,500	4,500
Jura Music Festival	5,000	5,000
Sea Change	4,500	4,500
Sound Of Gigha	2,500	2,500
<b>Subtotal</b>	<b><u>27,975</u></b>	<b><u>27,975</u></b>
<b>£5,001 - £15,000 Fund</b>		
Mull of Kintyre Music and Festival	11,000	11,000
Tiree Wave Classic	10,000	10,000
<b>Subtotal</b>	<b><u>21,000</u></b>	<b><u>21,000</u></b>
<b>£15,001 and Over Fund</b>		
Cowal Highland Gathering	30,000	30,000
<b>Subtotal</b>	<b><u>30,000</u></b>	<b><u>30,000</u></b>
<b>Total SEF Round 5 request</b>	<b><u>78,975</u></b>	<b><u>78,975</u></b>

**Table 2 - SEF Round 5 Additional Grant request for approval**

<b>Table 2 – SEF Round 5 Grant Applications received after 12 noon</b>	
Event	Original Funding Requested
<b>£2,500 - £5,000 Fund</b>	
West Highland Yachting Week	3,600
<b>Total SEF Round 5 request</b>	<b><u>3,600</u></b>