

STRATEGIC EVENTS AND FESTIVALS FUND – ROUND 6 2024/2025

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to update Members on Round 6 - 2024/25 of the Council's Strategic Events and Festivals Fund (SEF). The report provides details of the applications submitted and recommendations regarding all applications put forward to receive grant funding. It also seeks Members' agreement to allocate funding of £90,000 to allow a future round (Round 7) for 2025/26.
- 1.2 At the 16th February 2023 Council budget meeting the Council agreed funding of £90,000 for a SEF Round 6, to be augmented by any underspend in Round 4 (2022-2023). This has meant that the total budget available for **SEF Round 6 is £115,064**.
- 1.3 SEF Round 6 opened on 16 October 2023 and closed on 20 November 2023. A total of 22 applications were received and amounted to a total request of **£144,800**. Seven of the applications were either ineligible, did not fully fit the criteria or struggled to demonstrate need and are therefore not being put forward for approval. The applications that are recommended for approval are listed in the Table 1 at **Appendix 1**. The total budget that is required for those listed in Table 1 is **£114,700**.
- 1.4 It is fully recognised that all events and festivals are important however as the SEF fund is oversubscribed, only applicants that represent viable events, that best meet all of the criteria and have a clear need for SEF funding have been recommended for approval and these have been allocated funding awards as detailed in Table 1.
- 1.5 The events and festivals sector contributes significantly to our local economy and communities' quality of life 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 four years as a consequence of Covid, skill shortages, the cost of living crisis and changes in customer behaviour. The Council's annual SEF funding plays a key role in ensuring the continued recovery of the sector with strong links to the hospitality and tourism industries.

RECOMMENDATIONS

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

- i. Agree to the award of eligible SEF Round 6 grants amounting to **£114,700** as detailed in **Table 1**.
- ii. Agree that any SEF Round 6 grant offer only be formally issued upon confirmation from the individual event organisation that the event is formally confirmed as going ahead, any match funding is in place and the event still meets the SEF Round 6 criteria.
- iii. Agree to continue delegation of powers to the Executive Director with responsibility for 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 and constitute up to 75% of legitimate and eligible expenditure. Similarly if there was a reduction in the final event costs that would result in delivery of a profit in excess of £10,000 (all of which has to be reinvested to future events) to the organisation and that this was sustained over a 3 year period, the final retention (10%) would not be paid out on the third year of the grant.
- iv. 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 2025/26 (Round 7), and that this fund be augmented by any underspend in Round 5 (23/24)
- v. Agree and recommend to Council that any underspend from SEF Round 6 (24/25) is earmarked and used to augment a future SEF round.

STRATEGIC EVENTS AND FESTIVALS FUND – ROUND 6 - 2024/25 FUND

2.0 INTRODUCTION

- 2.1 The purpose of this report is to update Members on Round 6 of the Council's Strategic Events and Festivals Fund (SEF). The report provides details of the bids submitted, and recommendations regarding the bids being put forward to receive grant funding.
- 2.2 In recognition of the importance of the events sector to the economy of Argyll and Bute the SEF Fund was agreed to be set up by the Council and was firstly taken forward as a competitive fund in 2019/20. A critical element of the application requirement is that the event or festival 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 economic impact in the area from the funded events and festivals in SEF Round 5 was circa £10m.
- 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 during this challenging period by continuing to provide SEF funding support to events. Although there are still challenges facing the sector, it is encouraging to see the return of events to the area and especially encouraging this year that there has been a rise in the numbers applying to the initial call. However this does bring with it challenges as the total value of grant requested from the applications received exceeds the budget available. .
- 2.4 The budget available for SEF Round 6 2024/25 is £115,064 and a total of 22 applications were received amounting to a total request of £144,800. Out of these 22 applications, 15 are recommended for funding and can be viewed at **Table 1**.

3.0 RECOMMENDATIONS

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

- i. Agree to the award of eligible SEF Round 6 grants amounting to £114,700 as detailed in **Table 1**.
- ii. Agree that any SEF Round 6 grant offer only be formally issued upon confirmation from the individual event organisation that the event is formally confirmed as going ahead, any match funding is in place and the event still meets the SEF Round 6 criteria
- iii. Agree to continue delegation of powers to the Executive Director with responsibility for 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 and constitute up to 75% of legitimate and eligible expenditure. Similarly if there was a reduction in the final event costs that would result in delivery of a profit in excess of £10,000 (all of which has to be reinvested) to the organisation and that this was sustained over a 3 year period the final retention (10%) would not be paid on the third year of the grant.
- iv. 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 2025/26 (Round 7), and that this fund be augmented by any underspend in Round 5 (23/24).
- v. Agree and recommend to Council that any underspend from SEF Round 6 is earmarked and used to augment a future SEF round.

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. 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 changes in individuals' habits and the cost of living crisis. 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. The fund provides critical support in the economic recovery of the area and will hopefully allow events to continue to grow and may prevent organisations and events from ceasing to operate.
- 4.2 SEF Round 6 opened on 16 October 2023 and closed on 20 November 2023. A total of 22 applications were received with a total request of £144,800. The SEF budget available for Round 6 is £115,064 therefore the fund is oversubscribed by £29,700. It is fully recognised that all are important events, both to the applicants and the associated communities within which they take

place however not all applications can be funded. Officers performed a detailed assessment based on the information submitted and assessed eligibility, the viability of the event, how well the events fit the SEF criteria and could demonstrate a clear need for SEF funding, as well as the necessary financial and due diligence checks. As a result of this it is recommended that funding is allocated to 15 applicants as detailed in **Table 1**. It should be noted that many of the applications are good quality however a number of applications would benefit from more thought and time being taken to ensure that they are as robust as possible especially given how competitive the fund now is.

- 4.3 **Table 1** details the range of events and festivals from across the area which are programmed to take place in 2024/2025 and deliver a wide variety of event types, from sports to music, dance and film. The forecast economic impact of these events is £10.4m.
- 4.4 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 6 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 7 (2025/26) to be held. Members are therefore asked to consider and agree to £90,000 for Round 7, allowing there to be certainty for the events industry that there will be future funding beyond 2024/2025.
- 4.5 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.
- 4.6 In addition, officers continue to liaise with event organisers who have applied to SEF Round 5 and 5.2, to provide information and support where considered appropriate.

5.0 CONCLUSION

- 5.1 The Round 6 SEF application and assessment process has been completed as per the guidance. A budget of £115,064 is available under Round 6, and a total of 22 applications were received with a total request of £144,800. The Strategic Events and Festivals Fund aims to support events and festivals which are of strategic importance to Argyll and Bute, which will provide a meaningful economic impact and will attract a wide range of visitors from outside the region, from other parts of Scotland, from other countries in the UK and from abroad, as well as demonstrating a clear need for the funding for viable events. As such, there are 15 applications (see Table 1) which best fit the criteria and fit with the funding available. The total grant request in Table 1

is £114,700.

- 5.2 Whilst the events sector is still fragile due to rising costs and skills shortages, it is hoped that it 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.
- 5.3 It is also requested that the Policy and Resources Committee recommend to Council that as part of the February 2024 budget, a baseline budget of £90,000 be allocated to allow a SEF Round 7 (2025/26) to be held allowing there to be certainty for the events industry that there will be future funding beyond 2024/25.

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 R6 2024/25 budget is £115,064. Applications totalling £144,800 were received.
- 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: The Fund seeks to support the economic growth of areas.
 - 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 supporting 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.

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APPENDIX 1

Table 1 – SEF Round 6 Grant Applications	
Event	Recommended Funding Award
£2,500 - £5,000 Fund	
Helensburgh Christmas Lights Switch On and Festival of Light	5,000
Tiree Music Festival	5,000
Doon The Watter Revival Music Festival	5,000
Sea Change Powering Women in Film 2024	5,000
Highlands & Islands Music & Dance Festival	5,000
Jura Music Festival	5,000
Bute Noir	4,000
West Highland Yachting Week	3,600
The Sound of Gigha Weekend	3,100
Tarbert Seafood Festival	2,500
Tarbert Music Festival	2,500
Subtotal	<u>45,700</u>
£5,001 - £15,000 Fund	
Mull of Kintyre Music and Arts Festival	11,000
Tiree Wave Classic	10,000
Subtotal	<u>21,000</u>
£15,001 and Over Fund	
Cowal Highland Gathering	30,000
Mull Rally	18,000
Subtotal	<u>48,000</u>
Total SEF Round 6 request	<u>114,700</u>