

10.00am, Thursday, 24 August 2017

Edinburgh Festivals 70th Anniversary Legacy

Item number	8.3
Report number	
Executive	
Wards	All

Executive summary

The Edinburgh and South East Scotland City Region Deal highlighted the national importance of Edinburgh's world-leading Festivals as drivers of tourism, creative and service industry growth and attractors of knowledge-based workers, businesses and students. The collective [2015 Impact Study](#) shows that the 11 major Festivals attract 4.5m attendances each year, on a par with the FIFA World Cup, while remaining the most popular cultural activity across the city with nearly two-thirds of residents taking part ([Edinburgh People Survey 2016](#)).

The City Region Deal included a proposal for the Platforms for Creative Excellence (PlaCE) programme, a forward investment in sustaining the Festivals' quality and innovation, and maximising their inclusive economic benefits. Despite recognition at all levels during the negotiation process for the Festivals' role in UK creative exports and innovation, the PlaCE programme was not ultimately supported by UK Government.

However, the remaining partners are in continuing discussions to identify ways to fund the programme identified in the City Region Deal proposition over the next five years in full recognition that action is required now if Edinburgh's Festivals are to sustain the growth in their cultural, social and economic impacts for Edinburgh and Scotland.

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1. Recommendations

- 1.1 That the Council welcomes the determination of the remaining partners to the City Region Deal proposal to secure an investment package to cover the years 2018-2023 towards the Platforms for Creative Excellence (PlaCE) programme.
- 1.2 To agree to officials working with Scottish Government and Festivals Edinburgh to conclude the discussions and bring the proposals back to the Council for approval.
- 1.3 Note that any Council contribution to this programme will be subject to the full budget process.

2. Background

- 2.1 [Thundering Hooves 2.0](#) is a ten-year strategy to sustain the success of Edinburgh's Festivals from 2015 to 2025, endorsed by all the key stakeholders represented on the [Festivals Forum](#), including the City of Edinburgh Council and the Scottish Government. The report recognises the significant challenges facing public finances but urges that funders maintain core and project funding while alternative funding models are considered. The [Edinburgh Tourism Action Group \(ETAG\) 2020 Strategy Mid-Term Review](#) reinforced this call for continued investment in Edinburgh's Festivals as key city assets in terms of growing jobs and impact for the tourism economy.
- 2.2 Thundering Hooves 2.0 recognised how innovation in programme, enterprise and investment had successfully allowed the festivals to weather the economic downturn. In the five-year period leading up to the report, core grant funding to the Festivals was eroded by 15% or £1.16m in real terms.
- 2.3 In the same period the Festivals increased earned income by 35% or £6.3m, including replacing all major financial services sponsors and securing new corporate and individual support.
- 2.4 Costs continued to rise well above inflation, including in areas of charging such as travel and artists' costs, licensing, policing, traffic management and visa administration. At the same time, management capacity has been stretched to protect programming and engagement work, while servicing the increased requirements of diverse funders.
- 2.5 Appendix 1 shows the changing composition of recent Festivals funding and five-year projections of continued growth in impact with additional investment, or contraction if currently forecast reductions continue.

- 2.6 Now, two years after Thundering Hooves 2.0 was published, the PlaCE programme as set out in the City Region Deal offered the first opportunity to address core funding issues, while policy discussions continue about how to realise longer-term sustainable funding mechanisms that lever up support from a wider range of beneficiaries.
- 2.7 Discussions between the Council, Festivals Edinburgh and the Scottish Government are ongoing with the objective of securing an investment package for the period 2018- 2023.

3. Main report

- 3.1 Thundering Hooves 2.0 characterised the past five years as a period where short-term project grants increasingly replaced core grants. Securing a forward five-year horizon is therefore critical to enable the Festivals to enter into longer-term and more innovative programming partnerships.
- 3.2 It is proposed that the design of the PlaCE programme will seek to achieve a range of impacts are illustrated below:
1. **Global reputation** increased and the standing of Scotland enhanced as international partner of choice for culture and creativity.
 2. **Inclusive opportunities** created in disadvantaged areas, with schools, clubs and communities sharing world class experiences that increase motivation, confidence and cohesion for diverse new audiences – helping to raise aspiration and attainment.
 3. **Strengthened communities** benefiting from local artists and cultural activists connecting with national and international partners and developing their ability to use culture for inclusive social and economic development
 4. **New export platforms** developed for creative product, live and digital, to share the best of Scottish work from local organisations country-wide with wider audiences.
 5. **New markets** opened up for Scotland in key countries which are targets for talent attraction, investment promotion and national reputation.
 6. **Visitor numbers** increased through strengthening the Festivals as one of Scotland’s most powerful ‘reasons to visit’ and providing a platform for Scotland-wide growth.
 7. **Tourism season** extended through initiating new focal points during shoulder seasons in winter and late spring.

4. Measures of success

- 4.1 The successful conclusion of discussions between the City of Edinburgh Council, Festivals Edinburgh and the Scottish Government.

5. Financial impact

- 5.1 There are no financial impacts from this report, any future financial contribution to this programme will be subject to the full budget process.

6. Risk, policy, compliance and governance impact

- 6.1 There are no risk, compliance or governance impacts arising from this report's recommendations.

7. Equalities impact

- 7.1 There are no direct equalities impact from his report.

8. Sustainability impact

- 8.1 The impacts of this report have been considered in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties, and the outcomes are positive; supporting the Festivals sustains the city's economic health.

9. Consultation and engagement

- 9.1 Consultation and engagement with the Scottish Government, the 11 Festivals Directors who make up the membership of Festivals Edinburgh, and Festivals Edinburgh Executives have informed this report.

10. Background reading/external references

- 10.1 None

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Chief Executive

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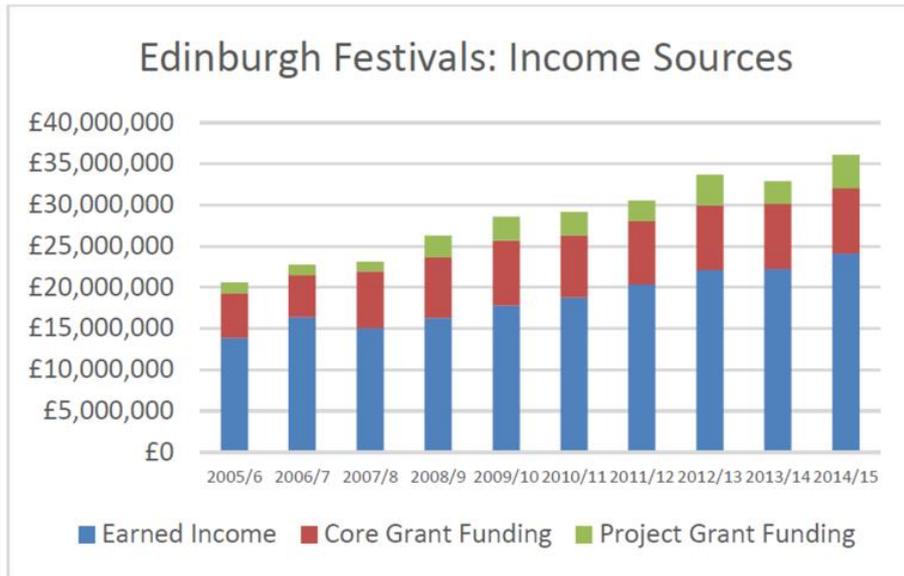
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11. Appendices

- 1 – Income Trends and Impact Projections

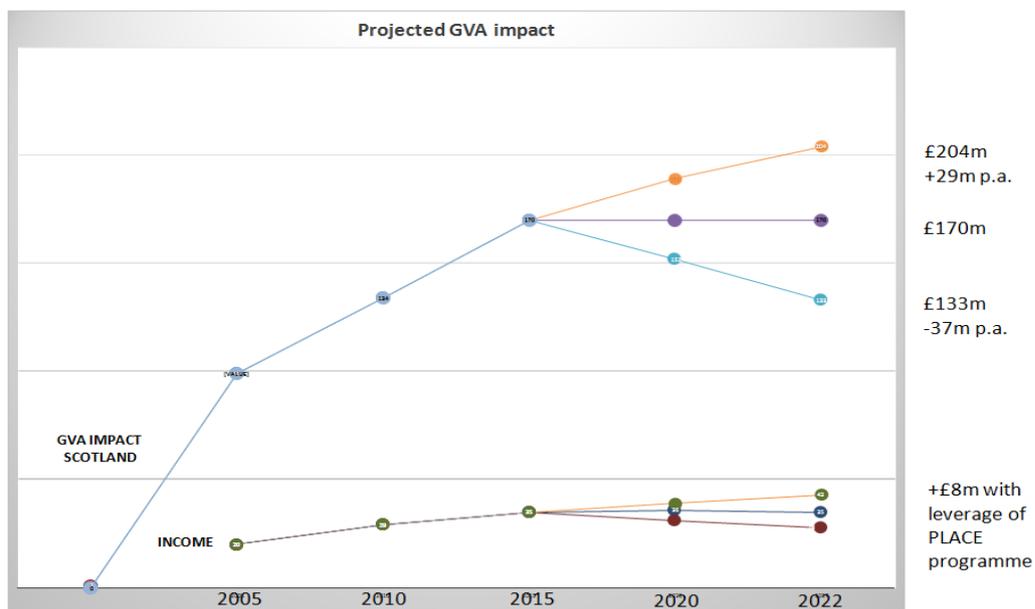
APPENDIX 1: INCOME TRENDS AND IMPACT PROJECTIONS

Edinburgh Festivals income



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Net GVA impact: scenarios



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