

PERTH AND KINROSS COUNCIL**Enterprise and Infrastructure Committee****22 January 2014****EVENT FUNDING APPLICATION – PERTH FESTIVAL OF THE ARTS****Report by Executive Director (Environment)**

This report outlines the funding application received from Perth Festival of the Arts to support the 2014 Festival and recommends funding support, subject to the budget review process, for both 2014 and 2015 Festivals.

1. BACKGROUND/MAIN ISSUES

- 1.1 Applications from event organisers for financial assistance over the value of £10,000 are subject to the approval of the Enterprise and Infrastructure Committee. Perth Festival of the Arts has been delivering high quality cultural programmes across a range of genres and the Council has provided annual financial support towards its programming, operational and marketing costs. Until 2012, the financial support from the events budget was £23,500. This was reduced to £18,800 for 2013 as approved by the Enterprise and Infrastructure Committee on 25 January 2012 (ref 12/34). This 20% reduction in funding was in line with the Council's broader approach to funding external bodies. Perth Festival of the Arts has submitted a funding application for its 2014 Festival and is seeking a grant contribution from the Council of £18,800.
- 1.2 In 2013, the 42nd Perth Festival of the Arts recorded ticket sales of 8,879 which was a 16.5% increase on the 2012 total of 7,617. The Festival had seen a period of significant audience growth between 1997 and 2010 with sales increasing from 7,139 to 11,662. Due to difficult trading conditions, ticket sales fell in 2011 and 2012 to 8,663 and 7,617 respectively. This was in the context of reduced programmes compared with previous years. It was acknowledged by the organisers that the period of sales growth was difficult to sustain in the present economic climate and in the face of challenging circumstances for public and charitable funding. The 2013 ticket sales total therefore represents a small recovery. In 2013, a grant was also received from EventScotland which included funds to commission an economic impact assessment as well as a study to assess the media coverage generated by the Festival. Information from these studies is included in this report.
- 1.3 In 2013, a broad programme included Van Morrison, "Cosi Fan Tutte" by English Touring Opera, Sir James Galway and the English Chamber Orchestra, Jools Holland, the Moscow State Symphony Orchestra, "Horrible Histories", and the Scottish National Jazz Orchestra. The Festival organiser contends that the Festival is not just about big name international stars but also nurturing local talent.

- 1.4 For example, each year the Festival hosts a recital by a young Perth musician who has decided to make a career in music. In addition, there are many free and community events staged over the Festival's ten days. The Council also adds value to this by, for example, organising the "Art on the River" arts and crafts market on Tay Street.

2. 2013 FESTIVAL PERFORMANCE

- 2.1 The economic impact study of the Festival assessed not only the overall economic impact but also the number of unique customers to it and where they came from. It also included an analysis of estimated expenditure, length of stay and quality of the visitor experience. Key points include:
- 11,379 attendances (8,879 ticket sales plus 2,500 attendance at Art on the River)
 - 5,217 unique visitors
 - 63% of visitors from Perth and Kinross, 33% from elsewhere in Scotland, 3% from elsewhere in the UK, 2% from overseas
 - 9% of visitors stayed overnight
 - Those aged 45 or over comprised 79% of all attendees
 - The total net economic impact is estimated at £100,602
- 2.2 The study also reported very high satisfaction levels with aspects rated as very good/good in excess of 90% for: venues (97%), overall experience (97%) and activities on offer (94%). The majority of visitors (75%) also rated ticket prices as very good/good.
- 2.3 This was the first occasion for a number of years that an economic impact assessment has been undertaken. A precise comparison with previous festivals is not possible as the programme has been somewhat reduced in comparison with previous years. Despite best efforts to extend the reach of marketing activity to reach a wider geographic audience, it is clear that the Festival core audience remains predominantly from a local catchment. Nevertheless, the Festival remains an important feature of the area's cultural life and the satisfaction levels point to a very high quality experience which contributes to Perth's credentials as a cultural centre.
- 2.4 In addition to a visitor and economic impact assessment, a media evaluation was also undertaken which assessed print, broadcast and on line coverage in terms of advertising value equivalent (the cost of purchasing advertising time or space equivalent to that denoted by the coverage). This estimated coverage was equivalent to an advertising value of £223,294.
- 2.5 In terms of income, the 2013 Festival recorded tickets sales of £196,375 which was ahead of its target of £180,102. In 2014, it is projecting ticket sales of £177,075. Further financial projection information is included in the following section.

3. PROPOSAL

3.1 For its 43rd year, the Festival is scheduled to run from 22 May to 1 June 2014 with a programme across Perth Concert Hall, St John's Kirk and Perth Museum and Art Gallery. Key features will include:

- Liverpool Philharmonic Orchestra
- The Bad Shepherds (featuring Adrian Edmondson)
- Jools Holland and his Rhythm and Blues Orchestra (with special guest Marc Almond)
- The Reduced Shakespeare Company
- Perthshire Cantata – Dougie MacLean new composition
- English Touring Opera – “the Magic Flute”
- Further events are to include a rock concert, jazz and chamber music, and a festival ceilidh

3.2 Continued support for the Festival of the Arts fits the objectives of the Council's Events and Festivals Strategy and the following identified priorities:

- We will build on our strengths and competitive advantage in relation to the great outdoors and our culture and heritage
- We will promote our area's events and festivals offering to target audiences and visitor markets

3.3 The Festival is identified within the Strategy as a key feature of the annual calendar of events and one with some further development potential. In addition, support for the Festival is in line with the strategic theme “Confident, Vibrant Perth” within the Perth City Plan.

3.4 For 2014, it is proposed that the Council awards funding support of £18,800 to the Festival in recognition of its projected deficit, which it intends to cover from the draw down of reserves, and the efforts it has made to secure additional income sources from a range of commercial sponsors and trusts. In addition to ticket sales, income is projected from the Gannochy Trust (£75,000), Creative Scotland (£10,000), trusts and donors (£62,000) and commercial sponsors (£19,000).

3.5 The projected budget for the 2014 Festival (with actual income and expenditure figures for 2013) is outlined below:

Item/Description	2014 (Projected) £	2013 (Actual) £
Income		
Ticket sales	177,075	196,375
Grants, donations, sponsorships	184,950	201,311
Other income	650	869
Total Income	362,675	398,555
Expenditure		
Artists fees and expenses	238,710	223,391
Venue hire and production	44,325	54,261
Marketing & administration	99,160	104,239
Total Expenditure	382,195	381,891
Projected Surplus/(Deficit) for the Festival	(19,520)	(16,664)

- 3.6 The projected deficit would be met from the Festival's unrestricted reserves and its Legacy Fund.
- 3.7 In addition to its financial support, the Council (through its city centre management function) will operate the Art on the River market on Tay Street on 24 and 25 May. 2013 saw the launch of an unofficial "fringe" programme comprising live music and comedy at a city centre licensed premises. It is further proposed that officers from the Council's Regeneration team work with the Festival organiser, "fringe" organiser, venues and businesses to develop a programme of complementary events and entertainments in the city centre in order to create a greater sense of vibrancy and animation during the festival. The purpose of this is to drive additional day time and evening footfall to the city, increase the visibility of the Festival, and raise the profile of Perth as a festival city and cultural destination. Activity would also be undertaken to align further the Festival's marketing communications with the spring/summer promotional campaigns undertaken by the Council.
- 3.8 It is acknowledged that the landscape for funding high quality cultural programming remains challenging and it is proposed that the full funding of £18,800 is awarded to the Festival for 2014. However, the Festival applies on an annual basis to the Council for financial support. For the purposes of its forward planning it is proposed that agreement is made in principle, and subject to the 2015/16 budget review process, for the 2015 Festival for the same award of £18,800. The organiser will be strongly encouraged to continue efforts to increase commercial sponsorship and funding from alternative sources.

4. CONCLUSION AND RECOMMENDATION

- 4.1 The Committee is asked to:
- i) Note the performance of the 2013 Perth Festival of the Arts.

- ii) Approve funding of £18,800 towards the 2014 and 2015 Perth Festival of the Arts subject to the budget review process, from the Environment Service Revenue Budget.

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	Yes
Risk	Yes
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Community Plan / Single Outcome Agreement

- 1.1 The Perth and Kinross Community Planning Partnership (CPP) brings together organisations to plan and deliver services for the people of Perth and Kinross. Together the CPP has developed the Perth and Kinross Community Plan which outlines the key things we think are important for Perth and Kinross.
- i) Giving every child the best start in life
 - ii) Developing educated, responsible and informed citizens
 - iii) Promoting a prosperous, inclusive and sustainable economy
 - iv) Supporting people to lead independent, healthy and active lives
 - v) Creating a safe and sustainable place for future generations
- 1.2 It is considered that the strategy and related actions will contribute to the following objective: Promoting a prosperous, inclusive and sustainable economy.

Corporate Plan

- 1.3 The Council's Corporate Plan 2013-2018 outlines the same five Objectives as those detailed above in the Community Plan. These objectives provide a clear strategic direction, inform decisions at a corporate and service level and shape resource allocation. It is considered that the actions contained in the report contribute to objective (iii) outlined in paragraph 1.1 above.

2. Resource Implications

Financial

- 2.1 Subject to the budget review process the Council will provide financial support of £18,800 to the 2014 Perth Festival of the Arts and £18,800 to the 2015 Festival, from The Environment Service Revenue Budget.

Workforce

- 2.2 There are no staff resource issues for Perth and Kinross Council.

3. Assessments

Equality Impact Assessment

- 3.1 An Equality Impact Assessment needs to be carried out for functions, policies, procedures or strategies in relation to race, gender and disability and other relevant protected characteristics. This supports the Council's legal requirement to comply with the duty to assess and consult on relevant new and existing policies.
- 3.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:
- (i) Assessed as **relevant** and the following positive outcomes expected following implementation:
- The needs of equality groups are addressed in the programming and venue arrangements undertaken by the Festival of the Arts

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. However, no further action is required as the proposals do not qualify as a PPS as defined by the act and are therefore exempt.

Sustainability

- 3.4 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

Legal and Governance

- 3.5 The consideration of the report is in line with the Council's Scheme of Administration and specifically the role of the Enterprise and Infrastructure Committee in developing measures to support and promote economic activity and to plan and promote tourism development activity.

Risk

- 3.6 Risks and the controls required to mitigate any risks will be reported through the Council's risk management process where the Council is the lead on individual projects.

4. Consultation

Internal

- 4.1 The Head of Planning and Regeneration and Head of Finance have been consulted in the development of the report.

2. BACKGROUND PAPERS

The following background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing the above report.

- Event Funding Application - Perth Festival of the Arts 2012 - Report by the Depute Director (Environment) to the Enterprise and Infrastructure Committee (ref: 12/34)