

PERTH AND KINROSS COUNCIL

Environment and Infrastructure Committee

22 January 2020

EVENT FUNDING APPLICATION – PERTH FESTIVAL OF THE ARTS

Report by Head of Planning and Development (Report No. 20/07)

This report outlines the funding application received from Perth Festival of the Arts to support the 2020 Festival and recommends funding support, subject to the budget review process for both 2020 and 2021 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 Environment 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 Council's events budget was £23,500. This was reduced to £18,800 from 2013. This 20% reduction in funding was in line with the Council's approach at that time to funding external bodies. The Environment and Infrastructure Committee on 21 March 2018 (ref 18/92) approved funding of £18,800 for both the 2018 and 2019 festivals. Perth Festival of the Arts has submitted a funding application for its 2020 Festival and is seeking a grant contribution from the Council of £18,800. It is also requesting consideration of support for the Festival for 2021 which is the 50th anniversary year of the Festival.

1.2 Total ticket sales performance for recent Festivals is as follows:

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Ticket Sales | 7,617 | 8,879 | 8,760 | 8,815 | 8,076 | 8,515 | 7,320 | 8,009 |

1.3 In 2019, the Perth Festival of the Arts recorded ticket sales of 8,009 which was a slight increase on the previous year (9%) and with a total audience estimate of 12,859 (8,009 ticket sales, 1,350 attending free events, 3,500 visiting the free art gallery). However, as can be seen from the table, ticket sales have fluctuated over the past few years and not shown any real growth.

1.4 The 2019 Festival was hosted in the core venues of Perth Concert Hall and Perth Theatre with events and performances also held in St John's Kirk, St Matthew's Church, St Ninian's Church and the Loft Nightclub. In 2019 the Festival programme included performances by English Touring Opera, the Sixteen, the Katona Twins, Rainer Hersch, Jools Holland, Fairport Convention, Lewis Capaldi, Hue and Cry, Horrible Histories, and broadcaster John Simpson.

1.5 The Festival also has a focus on supporting the musical development of children and young adult professionals as a core part of its mission. The Festival worked with 720 young people through music, story telling and illustration. Pupils from 11 schools, from infants to senior pupils, took part in the lunchtime concert series at St John's Kirk. The Festival's work with Yamaha NEO Ensemble facilitated 80 pupils' involvement in workshops with virtuoso brass players from across Europe, followed by the opportunity to perform at Perth Concert Hall in a family concert. Beyond its work with local schools, the Festival also engages with Perth College UHI and has offered work experience placements to students including Music Business students, three of whom joined the Festival Administrator for a 6 weeks placement in 2019.

2. FESTIVAL IMPACTS

2.1 The Festival calculated the economic impact based on estimated expenditure by attendees as well as the Festival's own expenditure in the local economy in order to stage the Festival in 2019. This estimated a direct economic impact of £412,589. Based on audience surveys it is estimated that the total 12,859 attendances represented 9,312 unique audience members. Approximately 67% of these were from Perth and Kinross and 33% from outside the area (28% from other areas of Scotland, 5% from other areas of the UK or overseas).

3. PROPOSAL

3.1 In 2020, the Festival is scheduled for 21 to 30 May. Artists and performers confirmed thus far include:

- Scottish Opera with a concert performance of "The Gondoliers"
- Nicola Benedetti & Aurora Orchestra
- Eddi Reader
- Tasmin Little, leading international violinist
- Tenebrae, vocal ensemble
- Jools Holland and His Rhythm & Blues Orchestra (plus special guest tbc)
- Des Clarke (tbc), comedian
- Theatre productions: "The Unremarkable Death of Marilyn Monroe"; "The Nat King Cole Story"; "Murder She Didn't Write"
- The ArTay exhibition.

3.2 Rock/pop performances including a mini festival day featuring up and coming Scottish bands will also be programmed as well as children's programme including a return visit of the Scottish Opera Pop Up Roadshow is scheduled which offers free access to short operatic performances in the Scottish Opera mobile unit in the city centre.

3.3 As previously intimated, 2021 will be the 50th Anniversary Year of Perth Festival of the Arts and the Festival organisers are committed to marking this landmark year with an enhanced programme that will celebrate the Festival's contribution to Perth's cultural life. While the programme for 2021 is still very

much in development the intention is to deliver a high-quality programme that features several large-scale, high profile events as well as an increasing number of “fringe” events in smaller venues that encourage increased local participation. The Festival is in liaison with RSNO, Sistema Scotland Big Noise, and the National Youth Orchestra of Scotland, BBC Big Band and an international symphony orchestra regarding its concert programme. It is collaborating with Culture PK and will be programming rock/pop, comedy, drama, and explore music recitals which celebrate Perth’s international connections with its twin towns. It is the intention of the Festival to use the year as both a celebration and a platform for future development.

- 3.4 For both 2020 and 2021 the Festival will include a strong offering for children and young people as part of its charitable aims to encourage young people to the arts. There will be a daily lunchtime concert series featuring local young musicians and Perth & Kinross Big Band. In 2020, the Festival is working with the choir Tenebrae to deliver free singing workshops for children and adult community audiences. In 2019, approximately 20% of the audience were young people aged under 25 and Festival aims to keep building on this through programming and ongoing engagement with young people. In addition, the audience feedback in 2019 showed that 38% of the audience attended 3 or more shows. Overall, the Festival aims to reach an audience of 13,500 people in 2020 and 15,000 in 2021, with over 2/3 of this being ticketed audience and the remainder through free events.
- 3.5 For 2020, the Festival has requested funding support of £18,800 to the Festival which is line with the Council’s funding level to date. In addition to ticket sales revenue, funding secured for 2020 includes the Gannochy Trust (£75,000), other trusts (£20,300), with a further £34,350 pending from other regular grant funders. Corporate sponsorship is also being pursued.
- 3.6 Funding for the 2021, 50th Anniversary Festival will begin in 2020. However, in order to support this landmark year the Festival is seeking a one off uplift in grant to £25,000. Funding from the Council assists in leverage of other funding and supports the delivery of each Festival, contributing to the expenditure budget outlined below. The uplift in grant for 2021 would assist the organisers in delivering a higher profile and wider reaching Festival.
- 3.7 The projected budgets for the 2020 and 2021 Festivals are summarised below:

| Income (public sector funding, ticket sales, sponsorship, merchandising, fundraising etc) | | | | |
|--|----------|-------------|----------|-------------|
| ITEM | £ | 2020 | £ | 2021 |
| Ticket Sales | | 150,000 | | 160,000 |
| Interest/ Dividends | | 3,056 | | 3,056 |
| Perth & Kinross Council | | 18,800 | | 25,000 |
| Other Public Sector Funding (Creative Scotland) | | 7,500 | | 10,000 |
| Trust Donations/ Grants | | 130,000 | | 150,000 |

| | | |
|-------------------------|------------------|------------------|
| Commercial Sponsors | 5,175 | 6,000 |
| Friends Subscriptions | 7,500 | 7,500 |
| Use of Legacy Funds | 10,000 | 20,000 |
| ArTay Sales | 34,000 | 34,000 |
| Miscellaneous Donations | 1,000 | 1,000 |
| TOTAL | £ 367,031 | £ 416,556 |

| Expenditure (administration, insurance, marketing, staff, venue, equipment, security) | | | | |
|--|----------|----------------|----------|----------------|
| ITEM | £ | 2020 | £ | 2021 |
| Artists' Fees, Hotel, Travel | | 184,578 | | 220,131 |
| Horsecross Rental | | 29,253 | | 33,000 |
| Horsecross Production Costs, Catering and Staffing | | 22,125 | | 25,000 |
| Marketing | | 24,500 | | 27,000 |
| Performing rights and royalties | | 3,700 | | 4,500 |
| Insurances | | 2,500 | | 2,600 |
| Horsecross Box Office Costs & Commission & Credit Card | | 14,600 | | 15,500 |
| Administrator Fee/ Festival Staff/ Students | | 39,000 | | 41,000 |
| Audit Fee | | 2,200 | | 2,300 |
| Printing and Postage | | 1,700 | | 2,500 |
| Miscellaneous and Contingency | | 5,000 | | 5,000 |
| ArTay | | 37,850 | | 38,000 |
| Bank charges | | 25 | | 25 |
| TOTAL | £ | 367,031 | £ | 416,556 |

3.8 The Council grant would represent 5% of the total projected income in 2020 and 6% in 2021. The Festival is currently projecting a break-even position for both years. Should deficits arise these would be met from the Festival's restricted reserve and legacy fund. In 2019 the Festival's total income was £380,963 and the total expenditure was £386,737. The Festival generally budgets to up to a maximum of £10,000 of its legacy reserves each year, so the overall deficit of £5,775 is within its budgeted spend of reserves.

3.9 As has been previously reported to the Committee the largest area of expenditure is for artists' fees and expenses which represent approximately 50% of the total expenditure. Horsecross Arts fees and charges represent approximately 18% of the total projected expenditure each year. At this stage it is not known currently what the Council's budget for events support will be for the next two financial years and any grant award by the Council at this juncture will therefore be provisional and subject to the budget process for the financial years 2020/21 and 2021/22. However, it is proposed that the Council's grant support for the 2020 Festival is maintained at the present level of £18,800. In view of the Festival's landmark 50th Anniversary in 2021 the Committee is asked to consider the Festival's request for a one-off uplift in

grant to £25,000. This would be provisional and would require to be factored into the budget review process for the events support budget for 2021/22.

4. CONCLUSION AND RECOMMENDATIONS

4.1 It is recommended that the Committee:

- i) notes the performance in recent years of the Perth Festival of the Arts
- ii) approves funding of £18,800 towards the 2020 Perth Festival of the Arts and subject to the 2020/21 budget review process
- iii) considers funding of £25,000 towards the 2021 Perth Festival of the Arts to mark its 50th Anniversary year and subject to the 2021/22 budget review process.

Author

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Approved

| Name | Designation | Date |
|---------------|--|-----------------|
| Jim Valentine | Depute Chief Executive (Chief Operating Officer) | 14 January 2020 |

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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 2019 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 2020 Perth Festival of the Arts and £25,000 to the 2021 Festival.

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 Economic Development 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 2016 - Report by the Depute Director (Environment) to the Enterprise and Infrastructure Committee (ref: 16/4).

3. APPENDICES

None.