

Agenda Item	5
Report No	ICC 04/10

Event Funding for Financial Year 2010/11

Report by Senior Leisure and Learning Officer

SUMMARY

This report asks members to consider Inverness events funding for financial year 2010/11.

1. Background

- 1.1 At its meeting held on 02 November 2009, the Inverness City Committee **AGREED**:
1. to allocate £64,000 for the current financial year 2009/10, from the Common Good Fund;
 2. that the funding of events from the Inverness Common Good Fund be reviewed at the City Committee set for 8 February 2010;
 3. that the establishment of an independent company to run events in Inverness was the Committee's preferred option for future management arrangements for events in Inverness and that this information be supplied to the Education, Culture and Sport Committee for consideration in January 2010;
 4. subject to the decision being supported by the ECS Committee, a Business Plan be prepared, as soon as practicable thereafter and presented to the City Committee; and
- NOTED:**
5. that until the implementation of the ECS Committee's decision on management, the ECS Service would continue to manage and deliver this function.
- 1.2 The context to the above decision was that the Highland Council, at its meeting held on 12 February 2009, had agreed a saving of £64K, which was the full budget which ECS had to deliver events in Inverness. Members are, therefore, asked to consider allocating funding for events from the Inverness Common Good Fund for financial year 2010/11. The £64K budget was made up of £33.5K core costs and £30.5K for the Inverness Highland Games.
- 1.3 Members asked that the management arrangements for events be explored. The Festivals Working Group has considered this, and thereafter, the City Committee provided its views on its preferred option to the ECS Committee meeting held on 14 January 2010. The ECS Committee considered this within the context of a wider scoping study of the options for a range of services delivered by the ECS Service and agreed that the Inverness City Committee's preferred option for future management arrangements for events in Inverness being operated through the establishment of a company be investigated as part of the actions arising from the report at a very early stage. The business case will be explored alongside this.
- 1.4 For the past two years, the City Committee has allocated £250K for the Inverness Winter Festival from the Inverness Common Good Fund. In addition, there has been an historic ongoing budget from the Common Good Fund of approximately £11K for the Bonfire and Fireworks event, giving a total annual budget for events (including the previous ECS budget of £64k) of £325K.

2. Review of 2009 Winter Festival Programme

- 2.1 Attendance at individual Winter Festival 2009 events was greater than 2008 and has been estimated as per the table below. Unfortunately, due to the very high snowfall experienced on Hogmanay, the Hogmanay event had to be cancelled following consultation with the Northern Constabulary and this affected overall attendance at the festival. There appears to have been public support for the decision to cancel the event and the Festivals Working Group has not had negative feedback on this.

Event	Estimated Attendance
Blackbeard's Haunted Ness Islands	12,000
Bonfire and Fireworks	21,000
Christmas Lights Switch On Events	5,000
Ness Island Lights and associated Christmas events	10,000
Hogmanay	Cancelled
Other/Community Events	5000
Total	53,000

- 2.2 The Winter Festival budget performed well and the current projection is an underspend of £21K.

3. Funding for 2010/11

- 3.1 It will be important that the City Committee retains full governance over the Common Good funding for events and at the same time ensuring continuity of service provision. Whatever the future management arrangement is, it is, therefore, necessary for the City Committee to take a decision on the funding of events for 2010/11.
- 3.2 Members could set the funding for events at different levels. In 2009/10 the budget was £325K (this combined the previous ECS £64K budget and the £250K, and £11K Inverness Common Good Fund allocations). Members could set the entire budget at £250K, and run fewer events, for example, in order to keep expenditure within this level. To allow stability, it is suggested that members consider funding events at the same level of expenditure as last year of approximately £300K from the Inverness Common Good Fund. (Taking into account the projected underspend of £21K this will provide a budget similar to 2009/10).
- 3.3 The Highland Games budget is dependent on income and this is weather dependant. In order to help minimise costs it is proposed that the Highland Games be held at the Northern Meeting Park in 2010. Using the adjacent Council Car park as a hard-standing area will minimise pitch repair costs and provide a less weather dependant events area. Noting the risks, The Festivals Working Group will receive regular monitoring statements detailing the budget for the Highland Games as it does for the Winter Festival. Previous budget outturns have been reported to the City Committee (see **appendix 1**) and allows Members to make a funding decision in the knowledge that there is an element of risk, based on income, associated with the Highland Games.
- 3.4 The Winter Festival benefited from significant in-kind sponsorship (£71K from New Century Publishing in 2009) and work will continue on sponsorship to either reduce on-going funding commitments, or to add to the programme or individual events as

appropriate to each sponsorship agreement.

- 3.5 The Festivals Working Group has given initial consideration to charging at some events and will give this further consideration and report back to the City Committee if this is considered to be a viable way forward in 2010/11.

4. Draft Events Programme

- 4.1 Based on the experience and success of the 2009 programme, it is suggested that members agree in principle to fund a similar range of events in 2010 as follows:

Event/Cost	Proposed Budget (£K)
Core Inverness Events Costs	33.5
Summer Festival	
Inverness Highland Games	30.5
Craft Market (linked with Highland Games)	8
Winter Festival	
Bonfire and Fireworks	18
Halloween Show	28
Christmas Lights Switch On	5
Community Ceilidh Trail	7
Santa's Grotto	4
Ness Island Lights	28
Rudolph's Whin Park Party	4
Hogmanay	98
Advent Calendar Christmas Draw	3
Website and Marketing Campaign	28
Contingencies	5
Total	300

- 4.2 In addition to this there are a number of community groups which include their events in the programme which do not require Inverness Common Good funding. It is anticipated that the Festivals Working Group will consider the programme throughout 2010 and where significant changes or additions are proposed, these will be reported to the City Committee for approval on the basis that they can be managed within the overall budget allocation.
- 4.3 There was interest from a charity in the 2009 Winter Festival Ceilidh Trail (this is in addition to the Advent Calendar Christmas Draw which supports a range of charities). The benefit of encouraging charities to become involved in events is that, if successful, they could be run as fundraisers by the charities themselves in future years, thus giving charities the ability to try running events in the knowledge that they will not make a financial loss in the first year, and hopefully add sustainable events to the programme. It is proposed that the Festivals Working Group consider a main charitable event as part of the Winter Festival in 2010 and report this back to the City Committee for approval (within the overall budget).

RECOMMENDATION

The Committee is invited to:

- i.** note that the ECS Committee agreed that the Inverness City Committee's preferred option for future management arrangements for events in Inverness being operated through the establishment of a company be investigated as part of the actions arising from the report at a very early stage; and agree:
- ii.** to allocate £300K from the Inverness Common Good Fund for events in 2010/11, noting the risks associated with the Highland Games event;
- iii.** the draft programme contained in paragraph 4.1 and that significant alterations be reported to the Inverness City Committee for approval;
- iv.** to the Highland Games being staged at the Northern Meeting Park in 2010; and
- v.** that consideration be given to supporting a charitable event as part of the Winter Festival Ceilidh Trail, subject to the usual applications process being applied in accessing support from the Common Good Fund.

Signature:

Designation: Senior Leisure and Learning Officer

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Date: 22 January 2010

Appendix 1 – Events Budget Performance (Core funding and Highland Games)

There are two elements to the ECS Events budget:

- The first is the £33,500 budget for the salary and costs directly associated with the employment of the Events Officer. This element of the budget has performed consistently over the years and there is, therefore little risk associated with it;
- The second is for the events themselves and the current ECS budget has an annual budget of £30,500 to support events, most of this being for the Inverness Highland Games. This is the element of the budget that has risks associated with it, mainly in relation to income generation.

The track record of the previous ECS events budget is shown below. The overspends since 2007/8 were caused by: loss of sponsorship; poor weather; and, in part, increasing the size of the event in the hope that additional participants would be attracted but this not being sufficient to cover costs.

Year	Budget (£)	Outturn (£)	Variance (£)
2003-2004	55,495	47,320	-8,175
2004-2005	61,300	62,221	921
2005-2006	62,457	61,769	-688
2006-2007	63,649	71,463	7,814
2007-2008	64,152	81,524	17,372
2008-2009	69,214	80,298	11,083

In the current financial year (2009/10) the Inverness Common Good Fund paid £64K to the ECS Service to core fund events and for the Inverness Highland games. The budget outturn was a 15K overspend. The reasons for the overspend were similar to previous years. It is anticipated that reducing the duration of the event so that it takes place over one day rather than two, and holding it at the Northern Meeting Park where use of the Council Car Park can be made (making it less susceptible to poor weather) will help to manage the costs associated with it and will mean that the financial risks associated with the Highland Games will be easier to manage.