

# Edinburgh Festivals: Thundering Hooves 2.0

## A Ten Year Strategy to Sustain the Success of Edinburgh's Festivals

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**BOP**  
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# 1. Executive Summary

Edinburgh is the undisputed world leader as a festival city. The continuous evolution and invention of the 12 major festivals that constitute Festivals Edinburgh has been critical to this success and the challenge now is how this momentum can be sustained and strengthened over the next decade.

Almost ten years ago the festivals and their partners looked at the future to determine how Edinburgh might retain its place as the world's greatest festival city. The resulting report, Thundering Hooves, set out a strategy with a series of recommendations about how this could be achieved and which set the course for the festivals up to this time.

In 2014, Festival and Events International (FEI) and BOP Consulting were commissioned to review progress on Thundering Hooves and to chart a new course for the next ten years. This Strategy brings together the results of:

- A review of the recommendations in Thundering Hooves – what has been achieved and what still needs to be addressed
- A situational analysis paper that considered what has changed, locally and globally, particularly in relation to cities and festivals and what trends are shaping their future
- Close collaboration and workshops with the Festivals Forum and Festivals Edinburgh, the two organisations that developed following Thundering Hooves.

The review of the recommendations in Thundering Hooves concluded that:

- The industry collaboration is often cited as a model of best practice
- The coming together of public funders within the Festivals Forum and the Thundering Hooves Steering Group is exemplary
- The Scottish Government's Edinburgh Festivals Expo Fund facilitated freedom to innovate which has been transformational

- The group successfully took on international promotion of Edinburgh, the festival city
- The festivals impact study is widely seen as a leading model of event evaluation.

The review of Thundering Hooves made clear how much the landscape has changed since its launch and indeed how so much of what has happened in that period could not have been anticipated, such as the exponential rise of new technologies, the global economic downturn and significant political and cultural changes in Scotland. Nonetheless, thanks to the continuing focus on programming excellence and sustained stakeholder investment, Edinburgh's place as the foremost festival city is, for the moment, secure.

The situational analysis went on to:

- Consider what has changed, locally and globally, particularly in relation to future trends
- Highlight issues and strengths of the Festivals
- Develop a series of propositions, factors that may affect the situation in the next period
- Profile four cities and their festival offers; Montreal, Austin, Venice and Manchester to provide further insights.

The situational analysis made it clear that the next ten years will be challenging. The thundering hooves have not disappeared but rather have focused into a series of key challenges to be addressed, including the potential consequences of the 'fiscal cliff' facing public investment and the digital revolution. The hooves are now, as then, a spur to action - to make sure that Scotland, the city and its festivals do not rest on their laurels and become complacent.

Through the process of research, review and discussion the following six themes emerged as the significant drivers of change and in total 38 recommended actions are identified and set out in summary below:

- **The Festival City** – how the city's infrastructure and operations can evolve to continue to provide an unrivalled experience for its citizens,

and the artists, audiences and opinion formers from across the world. The report recommends that the Festivals Forum takes a leadership role in influencing future infrastructure developments for accommodation, venues and transport integration and encourages joined up working across the City of Edinburgh Council whilst leading the drive to develop Edinburgh as a Green Festival City

- **Deep and Wide Engagement** – how the festivals can collaborate to support educational aims and social justice through participation, learning and belonging. The report recommends that quality engagement programmes including training, apprenticeships and volunteering are coordinated between festivals and that closer ties are developed with education at all levels
- **National and Global Positioning** – how forging strong international partnerships give the nation a voice on the world stage and how branding and marketing of the Festival City are integral to relationship-building and central to a new understanding of leadership for the city and the nation. The report recommends further developing international partnerships, continuing the joined up approach to marketing Edinburgh Festival City and for the festivals, their stakeholders and partners to work collaboratively on 70<sup>th</sup> anniversary programmes in 2017
- **Digital Ways and Means** – how new technologies must be embraced to connect across time and space in order to offer new ways to experience the festivals as well as a new means of creation and international brand building. The report highlights significant changes in the way people will access culture and entertainment in future, encourages the festivals to consider the balance between the live and digital experience, and supports the strategy for Digitising the Festival City through a range of partnerships across the public and the private sector
- **Investment and Enterprise** – how innovation in programming, enterprise and investment has successfully allowed the festivals to weather the economic downturn and the need for new forms of funding and business models to secure their sustainability and growth. The report recognises the significant challenges facing public finances but urges that funders maintain core and project

funding whilst alternative funding models are considered. It suggests a national Scottish approach to supporting the festivals whilst at the same time calling for the tourism sector and wider business community to invest in the festivals from which they so greatly benefit

- **Developing and Delivering** – how the structures need to evolve to embrace new opportunities and develop new partnerships and ways of working to take Edinburgh's festivals through the next decade. The Strategy outlined will require a powerful combined effort across the Festivals and the Festivals Forum to deliver on the challenges and opportunities outlined in the report. The report recommends ways for the festival stakeholders to improve the Festivals Forum by adopting new terms of reference and responsibilities, extend membership and set up task groups whilst at the same time ensuring that the festivals and Festivals Edinburgh have the capacity to deliver.

A new form of leadership is emerging in the city and the nation – a more open and collaborative approach, based on a fully engaged partnership across the private, public and voluntary sectors which is rooted in mutual respect and shared ambition. The festivals, with the support and leadership of the Festivals Forum, have a vital role to play in leading these new dialogues, developing new innovative approaches and in shaping this future.

Edinburgh is a small city but its festivals put it onto the world stage. This next ten years is about capitalising on this reputation and advantage, finding new ways of experiencing and investing in one of Scotland's greatest assets. To do this the Festival City must step up and look outwards, confident and bold in its ambition to take its world leading festivals forward for the decade hence.

## 2. Introduction

Thundering Hooves - Maintaining The Global Competitive Edge of Edinburgh's Festivals (TH1.0) was published in May 2006 following research into the 2005/6 Festival season comprising the 11 festivals that made up the then fledgling Festivals Edinburgh. By the time that this report (TH2.0) is published in full, ten years will have elapsed.

The Festivals Forum, the body of stakeholders with a shared interest in ensuring Edinburgh maintains and develops its position as the world's leading Festival city, commissioned Festival and Events International (FEI) and BOP Consulting in May 2014 to undertake a new study considering the future sustainability, success and development of Edinburgh's now 12 major Festivals.

Reflecting on progress following TH1.0, this new report reconsiders the opportunities and threats relevant to the future sustainability and development of the Festivals in order to inform a reinvigorated strategy and action plan. The study has been undertaken in four phases:

- A review of the Thundering Hooves Action Plan and achievements to date (Phase 1)
- A review and analysis of the local, national and international operating context for each of Edinburgh's 12 major festivals and for Edinburgh as a Festival City (Phase 2)
- A planning exercise to consider possible futures for the Edinburgh as a Festival City (Phase 3)
- The preparation of a robust development strategy incorporating an action plan comprising a prioritised list of approaches and ambitious joint initiatives (Phase 4).

As a result of discussions at the first Festivals Forum Workshops, six strategic strands were identified:

1. Festival City - experience for audiences, artists, influencers and citizens
2. Deep and Wide Engagement - participation, learning and belonging
3. National and Global Positioning - branding, marketing and leadership
4. Digital Ways and Means - to connect and create
5. Investment and Enterprise - sustainability, growth and innovation
6. Developing and Delivering – the structures for success

The review of the operating context included both a Situational Analysis and comparator City Profiles. A second Festivals Forum scenario planning workshop considered the Situational Analysis paper, an opinion piece intended to provoke workshop discussion.

The feedback and comments are reflected in the Phase 4 report, the Strategy and Action Plan, which was discussed in the third and final Festivals Forum workshop.

This final report sets out a Ten Year Strategy and accompanying Action Plan with the review of the original action plan and the current operating context included as appendices.

# 3. The Festival City - experience for audiences, artists, influencers and citizens

Edinburgh holds an unrivalled position as the world-renowned model for cultural festivals. The continuing focus on programming excellence and quality content by each individual festival, combined with sustained investment by stakeholders over nearly seventy years, has been at the heart of this success. Furthermore the city's history, architecture, topography and scale make the city itself a participant in the Festival experience for everyone who attends. Over recent years improvements in transport and the built environment have continued to better address the needs of both residents and visitors.

However, some of that which makes for a perfect festivals environment also places constraints both on the renewal of existing infrastructure and on new developments to refresh and update the festivals offer. There is also a tension between the needs of residents and of visitors sometimes exacerbated by a plethora of agencies and departments with differing priorities.

Many of Edinburgh's competitor festival cities are investing in infrastructure and resources aimed at challenging Edinburgh Festivals' success, and whilst they will never be able to replicate the city they are starting to expose some of the weaknesses of the Edinburgh offer. Addressing these weaknesses will also strengthen the City's year-round cultural and tourism offer.

## 3.1 Leadership

*Action: Take a leadership role in influencing future infrastructure developments*

Investment in infrastructure, particularly in a tough fiscal environment and with emerging political structures, requires a long term approach, possibly longer than the 10 year horizon of this strategy. However as a strategic partnership of those with a stake in maintaining the future success of the Edinburgh Festivals, the Festivals Forum is in a strong position to influence future infrastructure developments in the city. Members should ensure that the Festivals Forum plays a leading role both unilaterally and within other partnership structures in order to support the festival's needs.

## 3.2 Co-ordinated Action

*Action: Establish formal structures to co-ordinate the festivals' needs across Council and Agency departments*

Leadership is needed to overcome siloed thinking within and between departments and agencies. The Festivals Forum should encourage a co-ordinated approach across the City Council and other agencies around issues that affect the festivals including licensing, refuse collection, welcome points, parks, signage, policing and public order etc. The joined up approach used in the Edinburgh Event Planning and Operations Group and Glasgow's Major Events Forum should be seen as models. A formal structure and process should be established which ensures that the festivals' needs across agencies, council committees and departments are reviewed annually.

## 3.3 Transport

*Action: Engage with transport providers to consider new routes and ticketing initiatives*

International access through Edinburgh Airport has improved considerably and the Festivals Forum, led by the City of Edinburgh

Council, Scottish Enterprise, VisitScotland and Marketing Edinburgh, should work to develop relationships with the airport with a view to the development of new routes to key festival markets.

Festival visitors are coming to expect a more integrated entertainment/ transport offer and Festivals Edinburgh should engage with Transport for Edinburgh, Scotrail and others to consider how a festival travel pass could be developed. This could be broadened to include consideration of service frequency and timetable to the suburbs, the City Region and key markets such as Glasgow, York, Leicester and Bristol.

### 3.4 Accommodation

*Action: City of Edinburgh Council and others to develop an accommodation strategy*

There are reportedly shortages at both the low-cost and luxury ends of the market and the very high occupancy rates which occur as a result of the tourism the festivals attract, can make it challenging for visiting artists to find suitable accommodation. Working with the Economic Development Service and other partners in the city, the Festivals Forum should act as a catalyst in helping to develop new accommodation capacity that matches the audience demographic of the festivals, and the world class quality of some competing cities.

### 3.5 Cultural Venues

*Action: Promote new thinking around development and refurbishment of venues*

The many and varied demands for new venues and the refurbishment of existing stock requires a new approach including, but not limited to, the City of Edinburgh Council. Whilst this will be led by a wider cultural group, such as *Desire Lines*, the Festivals Forum has a role to play in contributing to and promoting new thinking such as: encouraging philanthropic investors; an overarching cultural venues organisation

with a long term investment role; and encouraging the tertiary education sector's involvement.

The Festivals Forum should consider supporting proposals for a range of new venues including a new Concert Hall, and a Digital Arts Centre at the University of Edinburgh, connecting the academic excellence of the University with the excellence, quality and history of innovation of the festivals to reflect the principles of the enlightenment which resonate still in the city.

### 3.6 Digital and other Infrastructure

*Action: Support the strategy for Digitising the Festival City*

Festivals Edinburgh has had an important role in influencing and helping to promote the city's plans to use DCMS Super Connected Cities funding to provide free WiFi across key assets. The city and festivals will need to continue to increase the capacity not only for digital but even for something as seemingly mundane as plug-in technology and power points in new and existing public spaces to keep pace with other festival cities like Montreal's Quartier de Spectacles. There is a need not just for joined up thinking but mechanisms to coordinate delivery between the city's planning, IT, roads and culture divisions, and with the Business Improvement Districts.

Festivals Edinburgh's proposed strategy for digitising the Festival City presents a co-ordinated approach and the Festivals Forum should support the infrastructure and financial resources required to deliver it.

### 3.7 Environment

*Action: Take a leadership role in environmental issues, working across agencies to lead the drive to develop and promote Edinburgh as a Green Festival City*

Genuine environmental responsibility is increasingly important for audiences and funders, with Edinburgh having environmental



commitments to the Scottish Government and Convention of Mayors, among others. Such commitments envisage a significant cut in carbon emissions and will require work across a number of spheres including transport to and within the city, energy use, waste, food and water, all of which are key inputs for and impacts of the Festivals. In addition, Creative Scotland's new carbon reporting conditions require the festivals (as well as the cultural sector, nationally) to make broader commitments to the environmental agenda.

Delivery of this agenda varies across the festivals, with four working to achieve the international sustainable events management standard (ISO 2012) and others delivering at a less ambitious level. None the less, the festivals' ability to lead in this area is demonstrated by their environmental strategy and the creation of Creative Carbon Scotland, a ground-breaking initiative in terms of its inception and outcomes. The festivals should grasp the opportunity to lead the drive to develop and promote Edinburgh as a Green Festival City. Future work could focus on artist and audience engagement and deep rooted change in core practices and might explore environmental sustainability-related programming. Only genuine innovation in these areas is likely to secure additional funding and the festivals' imaginative use of the arts in addressing seemingly intractable issues could thus be a critical asset.

# 4. Deep and Wide Engagement - participation, learning and belonging

While the festivals are primarily recognised for their cultural significance, many have local engagement with diverse audiences at their heart, and all the festivals deliver outreach programmes that have an important and growing role in both education and promoting diversity, equality and social cohesion. One of the original Thundering Hooves recommendations, *'that additional collaborative projects should be developed that focus on audience and educational development'*, has not yet been fully followed through in relation to education. This whole area now needs to move up the agenda.

The Scottish Government's commitment to equalities and social justice, in both policy and practical terms, has been restated by the new First Minister. There is an opportunity for the festivals and the Festivals Forum to capitalise and build on their individual and collective approaches to this area of work and to have a clear focus on the potential for transformational outcomes from engagement work.

The Edinburgh Festivals Impact Study and other surveys reveal that Edinburgh's populace feels great pride in the festivals but this does not necessarily equate to engagement. Many of those expressing pride participate in any number of ways; but many, particularly those in the most deprived areas, do not. The gaps between pride, engagement and participation need to be closed.

Engagement also goes beyond social cohesion and education and the festivals should collectively and individually continue their efforts in developing closer links with a broad range of interests, both locally and across Scotland: from business, to the Universities, to the

wider cultural sector. The Festivals Forum has a role in supporting these efforts through networking and communications.

## 4.1 Quality Engagement

*Action: Ensure quality engagement programmes are delivered and supported*

All interaction with Edinburgh's festivals must represent an experience of the highest quality, whether through programming or social engagement. The festivals should ensure that they are offering quality access and programming depth rather than just the 'numbers game' that some stakeholders and media focus on. There is considerable potential for digital distribution to improve social engagement and access. This quality led approach needs to be supported and invested in.

## 4.2 Co-ordination

*Action: Ensure engagement across festivals is coordinated and works effectively with existing city structures*

Deep engagement is already taking place with much good work undertaken by individual festivals but there is a lack of co-ordination and potential for duplication, particularly regarding schools. Not every festival needs to do everything and there is a role for Festivals Edinburgh to co-ordinate activity - using existing structures to make connections across the city and beyond, working in partnership with other year-round cultural organisations in the city. Festivals Edinburgh should lead an active, joined up approach working with CEC Children and Families and other relevant services and also engage with the wider Community Planning Partnerships. Current siloed approaches represent an increasing threat in a time of funding constraint; but that sharpens the opportunity to exploit the mutual advantages of joint working as a more effective, efficient and economical way to deliver unique social, cultural and economic outcomes.

## 4.3 Tertiary Education

*Action: Develop closer and deeper ties with an extended range of HE and FE institutions at Scottish and international levels*

There is significant potential to deepen the engagement with higher and further education for mutual benefit and deliver positive impacts city- and nation-wide. The attractiveness of the city to students and staff is clearly enhanced by the festivals and there are already some related courses such as Edinburgh Napier's International Festivals Management degree, and Queen Margaret's Events Management degree. There is an opportunity to develop closer ties with the newly established Edinburgh College and a range of universities, similar to the Venice Biennale model. Festivals Edinburgh should explore the potential to build relationships with other national and international HE institutions regarding academic and other shared objectives such as infrastructure and digital development covered elsewhere in this report.

## 4.4 Training, Apprenticeships, Interns and Volunteering

*Action: Ensure co-ordination of a cross festival approach to training, apprenticeships and volunteering*

This is an area where the festivals could offer a gateway to allow a wider section of Edinburgh's population to access training, skills development and critically, employment opportunities. Festivals Edinburgh should consider a co-ordinated cross festival approach to training, including apprenticeships and interns and how the festivals can contribute to the Edinburgh Guarantee, a vision to ensure that every young person in Edinburgh will leave school with the choice of a job, training or further education opportunity.

The Olympic and Commonwealth Games showed the enormous appetite for volunteering and many of the festivals run their own individual schemes. Festivals Edinburgh should work with Voluntary Arts Scotland and social enterprise networks to consider how a better-coordinated and longer-term scheme might be taken forward.

Festival to festival knowledge sharing has been central to all areas of collaborative working, and Festivals Edinburgh's projects have created platforms for sharing practice in the wider cultural and tourist sectors. The festivals' internal knowledge resources are an asset that can be shared more effectively and extensively within the festivals, events and cultural sector in Scotland. This should mesh with the festivals' global knowledge brand development as well as connecting into the skills development agenda around training, apprenticeships, interns and volunteering.

# 5. National and Global Positioning - branding, marketing and leadership

Edinburgh's festivals are a truly international cultural brand for Scotland and the UK. No city in the world is so strongly identified with festivals, and their excellence. For a small city, Edinburgh punches above its weight: its cultural reputation, driven by its festivals, is uppermost in its global positioning.

Whilst not the only tourism brand for the city, the festivals are a major international tourism attractor with approximately 500,000 overnight visitors from outside Scotland each year. They are supported by the extensive media and PR operation mounted by the festivals with over 1,000 accredited media attending events at times when the city and the country are at their best.

Both nationally and internationally, there is increasing competition amongst cultural cities for audiences, world-leading artists, innovations in creative technology and scarce financial resource. The increasing focus on culture as a driver for economic, social and cultural change, innovation and regeneration is a phenomenon expressed most clearly through the global cities network, the World Cities Culture Forum.

## 5.1 International Links

*Action: Engage with key Momentum partners, British Council Global Skills programme and Scottish Development International and other relevant partners to review and develop international working*

Partnerships like Momentum, the Edinburgh Festivals International Delegate Programme, have successfully exploited the existing global

positioning of, and relationships to, Edinburgh's festivals by developing stronger international links with other countries and cities for the benefit of the festivals, the city and the wider Scottish cultural sector.

Throughout the year the festivals, individually and collectively, play an important role in developing international partnerships. This generous, sharing leadership model serves the city's national and global positioning well.

The Momentum partners (British Council, Creative Scotland, Festivals Edinburgh, and wider partners City of Edinburgh Council, EventScotland and the Scottish Government) should review, develop and build on this international work in innovative ways.

Festivals Edinburgh should lead an exchange of knowledge with other festival cities and assert and express its leadership role through the British Council Global Skills Programme.

Festivals Edinburgh, with Scottish Development International and CEC Economic Development and other relevant services, should build relationships to ensure that the lifestyle cultural benefits of investing or locating in Edinburgh and Scotland are fully understood and promoted. Edinburgh's festivals should also seek to access advice on the potential for international trade and global markets from UKTI and VisitBritain.

## 5.2 Scottish and UK Links

*Action: Build national links to develop international cultural marketing and investment*

The unparalleled international recognition factor and reputation attached to Edinburgh's festivals represent a unique asset in identifying, maintaining and building on comparative advantages for Scotland. Scotland's national marketing should recognise and take advantage of Edinburgh's reputation as a global Festival City. Edinburgh has worked successfully with VisitBritain, London 2012 and Glasgow Life around both the Olympic and Commonwealth games and this should be built upon. National marketing needs to make it clear that Edinburgh and Glasgow's positioning is complementary and the Festivals Forum should encourage the City Councils to develop a Memorandum of

Understanding. The Festivals are an essential means by which “Scotland, The Perfect Stage”, the national events strategy can be delivered and connections with the emerging Scottish Cities Network should be encouraged.

Edinburgh, as the Capital of Scotland, working with the Scottish Government and Westminster, should take advantage of the leadership position of the festivals to implement recommendations of Core Cities work in defining a programme of culturally-led transformational investments in the city’s infrastructure, cultural programmes and people. As with the proposition around Scotland’s national marketing, this is not a ‘beggar my neighbour’ approach but should project Edinburgh’s unique combination of a global festivals brand in a small city. Whilst Edinburgh can never expect to compete on the same grounds or with the same budgets as the major global cities, it is able to maintain a global reputation through its festivals that allows it to sit confidently alongside them.

## 5.3 Edinburgh Festival City

*Action: Promote ‘Edinburgh Festival City’ and formalise marketing planning between partners*

Festivals Edinburgh’s latest marketing Strategic Framework 2014-2019 is firmly focused on promoting the Edinburgh Festival City brand, reinforcing Edinburgh’s position as the world’s leading festival city and introducing new consumers to the festivals. This has been successful and should continue. Whilst Edinburgh Festival City is a sub-brand of wider Edinburgh marketing it is an important ‘attack brand’ and should be exploited.

The importance of high level strategic metrics and measurement cannot be overstated. Starting with a clear understanding of the current benchmarks for marketing reach and attendances across the festivals. It is not clear how effective the mechanisms are for collecting city visitor numbers and motivations and Festivals Edinburgh should encourage further work to be undertaken by the marketing partners and the academic sector, joining up insights and research.

Moves to align marketing planning at city and national level, through partnerships meetings of Marketing Edinburgh, Edinburgh Tourism Action Group, VisitScotland/EventScotland and Festivals Edinburgh are welcome and consideration should be given to formalising these with an MOU.

It may be that the Festivals Edinburgh marketing operation is trying to do too many things with limited resources and spreading itself too thinly. The Festivals Forum should receive annual feedback on the strategy.

## 5.4 70<sup>th</sup> Anniversary

*Action: Work collaboratively on 70<sup>th</sup> anniversary programmes and create opportunities for investment*

Edinburgh was born as a Festival City in 1947 to help rebuild the culture of post-war Europe. As the 70<sup>th</sup> Anniversary approaches there is an opportunity for Edinburgh’s festivals to mark this moment and renew their international ambition and purpose in response to twenty-first century global challenges.

The City and festivals should work collaboratively to initiate a sustained five year programme that emphasises the interdependency of the festivals, the cultural sector, the economic benefits presented by the Festivals to the city’s businesses, particularly in the visitor economy, but also in terms of a culturally rich quality of life that enhances Edinburgh’s attraction as a learning and business location. The successful programmes around 2012 and 2014 should be seen as a model.

Hull is the UK City of Culture in 2017 and the festivals should reach out to collaborate and offer support where appropriate, whilst asserting their own ongoing national significance. The Scottish Government Year of Heritage, History and Archaeology provides an additional cohesion and platform in this important year.

# 6. Digital Ways and Means - to connect and create

The festivals are behind the curve on digital innovation, and despite some important programmes and initiatives, like Innovation Lab and ProjectLab, risk being overtaken by others. Edinburgh's festivals must be a digital phenomenon as well as a physical one and need to be leaders in the digital sphere as well as the festival sphere; for a new generation the challenge is now from online video platforms. There is also considerable potential for digital distribution to improve social engagement and access.

The festivals are well placed to create both innovative content and powerful digital brand identity that can define positioning but this will require significant city and national partnership and investment.

Digital should be the next big area of growth in content distribution and audience development, across all festivals.

Whilst individual festivals will have their own operational digital developments which need to be supported, this is an area where Festivals Edinburgh, supported by the Festivals Forum can agree and act on areas of common interest. Festivals Edinburgh's proposed strategy defines four distinct areas: infrastructure, content, distribution and promotion.

## 6.1 Overall Strategy

*Action: Support the emerging strategy for Digitising the Festival City*

Festivals Edinburgh's proposed strategy for Digitising the Festival City presents a co-ordinated approach and the Festivals Forum should support the infrastructure and financial resources required to deliver it.

## 6.2 Infrastructure

*Action: City of Edinburgh Council to scope a joined-up digital infrastructure strategy for the city*

The Connected Edinburgh project will deliver Wi-Fi across festival venues, public spaces and transport; however the City and festivals will need to continue to work hard to increase the digital capacity of the public realm. This should include plug-in technology, dark fibre and digital capacity in key venues. The speed of the required digital transformation is hampered by the heritage and planning constraints in some important areas of the city. The Festivals Forum should encourage the City Council to scope a joined-up digital infrastructure strategy that links in the many stakeholders.

## 6.3 Content

*Action: Encourage the creation of new work that uses digital technologies*

The festival's digital ambitions should not be limited to digitisation of existing content and exploitation of any associated intellectual property rights, but include the creation of new and innovative forms in all of the festivals' disciplines and creative innovation in the territory that sits across live and digital domains. Digital should be used both to create new art and change the production of art at the festivals. Even though most are presenters as well as producers of work, the festivals have a role to encourage artists and creators to drive evolving practise in this area.

## 6.4 Distribution and Promotion

*Action: Consider the long term balance between the live and digital experiences and agree an approach to digital platforms and digital branding*

This is perhaps the area of greatest potential and greatest challenge. Improving and extending the festival experience, behind the scenes

content, online platforms, learning, engagement and interactivity through social channels should all be seen as natural, if expensive, progressions for the festivals that will also be dependent on the recording and distribution infrastructure.

However, the way in which audiences want to consume festival content may also change dramatically over the next 10 years. This could result in a shift of festivals' audiences, both in location and time, with 'attendees' experiencing the festival in their own homes, on their own devices whilst on the move, or in other remote venues, and all year round, rather than at the time of the 'live' event. SXSW festival in Austin Texas are leading the way in this area. This has implications for our environmental, national and global positioning and engagement agendas.

It will be important to ensure that young people, artists and audiences are at the heart of any developments.

The festivals, as creative platforms and innovators, should be supported to consider and define the long term balance of the relationship between the live and digital experience and need to agree an approach to digital platforms and the digital brand that may result. This is difficult territory for twelve organisations with different missions and of different scales, but it is both a huge opportunity and a threat that should not be ignored.

## 6.5 Business Models and Investment

*Action: Make the case for additional public/private investment in digital initiatives and seek specific expertise in fundraising from research and innovation organisations*

Central investment in innovative capacity through the Innovation Lab and the resulting programmes has paid significant dividends both to the festivals and the wider cultural and tourism sectors. Edinburgh's festivals now need a proposition to secure, and partnerships to unlock, longer term commitments for large scale content, distribution and promotion projects.

Given the complex nature of the individual festivals' business models it is unlikely that a commercial business model can be identified in the short term to fund these initiatives and the festivals' digital strategies will need to prioritise innovation, engagement and audience development over revenue generation. Over time the power of content, distribution and promotion and the associated brand development may create products that could derive a commercial value and this should be the ultimate aim.

Although there is little immediate opportunity for the festivals to profit financially from digital innovation, the potential impact is enormous. The festivals, and the Festivals Forum, need to be making the case for additional public and private investment to support leadership in this field and assert their proven ability to drive creative ambition and build global partnerships and reputation.

Funding for this may come from a range of public bodies with specific interests in research and innovation – such as Innovate UK, Arts & Humanities Research Council, Economic & Social Research Council, Engineering & Physical Sciences Research Council - and from private sector investors/philanthropists, particularly where there may be a long term shared commercial return. This funding search should not simply focus on the UK but, because of the global reach and impact of the festivals, should seek out international opportunities.

Specific expertise in fundraising from these types of organisations will be required both at operational and strategic level.

## 6.6 Partnership

*Action: Build partnerships and extend membership of Festivals Forum to include digital experience from commercial and research sectors*

Edinburgh is increasing in scale and reputation as a centre for digital innovation, including the University of Edinburgh's School of Informatics, tech incubator Codebase and the city's games developers, who are acknowledged world leaders in their field. The festivals should build on existing strong relationships to develop joint initiatives and innovations with a view to Edinburgh becoming a centre of excellence

for 'festival technology'. This will require strategic support and digital experience at the Festivals Forum and membership should be extended to include a relevant person or organisation, perhaps from a broadcaster.



# 7. Investment and Enterprise - sustainability, growth and innovation

The combined income of Edinburgh's festivals in 2014/15 was £36m, a figure that could double if the value of Fringe company's ticket sales and investment was calculated and included; of this approximately £9m came from public funding, the rest being commercial earned income. In 2011 it was estimated that the festivals generated £261m of additional expenditure in the Scottish economy, a substantial return on public investment

Edinburgh's festivals are some of the country's strongest cultural entrepreneurs with commercial income accounting for 71% of combined turnover, and yet public funding, facing unprecedented challenges, remains essential to their business model.

The maintenance of core funding levels and transformative project funding through The Scottish Government Edinburgh Festivals Expo Fund and 2012 and 2014 project support has been critical to the festivals' ongoing survival and success.

This combination of ticket sales, private finance and public funding is at the heart of the festivals' success. The erosion of public investment is likely to have a disproportionate effect on earned income, with investment in innovative product and investor confidence affected.

Local Authority finances are reported to be facing a 'fiscal cliff'. Large scale, radical solutions are now needed to replace eroding public funding and these must include potential alternative funding models, even if they present their own constraints.

Financial challenges have catalysed collaborative initiatives and approaches through Festivals Edinburgh and funders who sit on the Festivals Forum, along with inventive responses from Festival Directors, in terms of both programming and operations – good ideas, delivered to the highest standard, and in many cases taking advantage of innovations in technology.

## 7.1 Investment Priorities

*Action: Public funding settlements should recognise and reflect the social, cultural and economic impact of Edinburgh's 12 major festivals*

In 2014/15 the Festivals Forum funding partners invested £8.9m in the twelve Edinburgh festivals and Festivals Edinburgh. Investment priorities will undoubtedly change over the lifetime of a ten year strategy but in the medium term the following are the priorities for investment:

*Action: Secure funding for ongoing initiatives:*

- Core grant funding of individual festival programmes
- Scottish Government Edinburgh Festivals' Expo project funding
- Marketing "Edinburgh Festival City"
- International working
- Core funding of Festivals Edinburgh

*Action: Secure funding for new initiatives for which investment is needed:*

- 70<sup>th</sup> Anniversary programmes and collaborations as a national and international moment of collective focus
- Collaborative programmes for community, social and educational engagement
- Digital infrastructure, platform and content investment and digital development expertise
- Collective brand building at national and international level

- Support for Task Groups
- Training and skills development

In addition, this strategy proposes that individual stakeholders directly invest in a range of infrastructure initiatives.

## 7.2 Public Investment

*Action: Maintain core and project funding whilst alternative funding models considered*

The structure and workings of the Festivals Forum and Festivals Edinburgh have provided the organisational capacity and context in which the public sector partners have been able to continue to invest, and support increased individual and collective ambition through transformational project funding schemes like Expo, even through the recession. It is vital that this core and project funding is maintained.

*Action: Provide regular updates of Impacts Study and evidence for support*

There is a strong case for public funding, built upon the economic, social and cultural value of the festivals. Their innovative and collaborative approaches have enabled them to compete for and secure significant new public funding from a variety of sources in a period of extreme challenge. As well as making the cultural and economic case, the festivals will now need to provide regular updates and better evidence of their support for statutory functions within local government.

## 7.3 National and International Frameworks

*Action: Identify key UK-wide and EU mechanisms to support the Festivals' ambitions and ensure that they are pursued. Ensure that the festivals needs and ambitions are embedded in wider UK and international bids for support and international frameworks*

*Action: Consolidate a joined-up national Scottish approach to supporting the needs and ambitions of Edinburgh's festivals across Scottish Government Departments and the public agencies with a national remit through the work of the Festivals Forum*

Given the festivals' collective importance as both a cultural and economic driver for both Scotland and the UK, and the complexity of the policy and financial support landscape for the festivals, there is a need for a joined-up approach to be developed for Scotland and the UK. The focus applied effectively to recent major events, including the Commonwealth Games and the Ryder Cup should also be applied to the Festivals as ongoing annual assets of equal scale and economic and reputation significance.

## 7.4 Alternative Funding Mechanisms

*Action: Work with the tourism sector, the wider city business community, City of Edinburgh Council, the Scottish Government and key agencies to ensure that a solution is found to the proposed significant reduction in public funding, identifying new private sector investment streams for the investment priorities*

If current investment into the world class programming of Edinburgh's festivals is not maintained, their Premier Division status is at risk of relegation. Public funding, whilst essential, is clearly going to reduce in the light of the overall changes in public finances and a long term stalemate exists around alternative mechanisms. New thinking and innovative solutions are required. The Festivals Forum with its established record of collaborative working and its mix of public and private sector representation is in a strong position to lobby for and support urgent exploration, development and adoption of new models of alternative finance for the festivals and the wider marketing and public realm of the city. These might include particular sector initiatives, business beneficiary contributions through business rates or potential adaptations of wider Scottish and UK tax regimes.

If, over time, public investment from existing sources needs to be replaced entirely some £10m a year will need to be generated from alternative funding mechanisms.

## 7.5 Enterprise

*Action: Work together on a range of fundraising and enterprise initiatives*

A range of interesting ideas at different scales have emerged during the consultations.

Individual festivals work hard to generate commercial sponsorship revenues and in some cases are competitors. There is potential for some central support from the Festivals Forum to develop partnerships at both senior corporate and, separately, at young entrepreneur level by instigating a series of annual cultivation and networking events and this should be explored via Festivals Edinburgh. There are also opportunities for private investment in digital initiatives as detailed in section 5.5 above and the Festivals Forum may have a role in brokering introductions.

The Festivals Forum members represent the largest and most powerful public sector organisations with substantial procurement budgets. The top ten suppliers should be identified and introductions made so either individual festivals can make sponsorship proposals or Festivals Edinburgh can make a case for central support, in which case issues of collateral need to be carefully considered.

Individual festivals rightly control their ticket pricing strategies, balancing commercial and access considerations, following in depth competitor and customer research. However there may be a central role for Festivals Edinburgh to provide cross festivals and cross sector intelligence to inform decision making and help optimise revenues.

On an individual giving level Festivals Edinburgh might give consideration to overseas fundraising from the Scottish diaspora in some collective effort to talk to them and raise donations. However individual festivals are already active in this market and as this group is expensive to identify and fundraise from, requiring additional specialist

resources, careful consideration needs to be given before investing time to this area.

Some festivals, such as the Science Festival and the Tattoo, have already been successful in exporting their brand and intellectual property abroad. The potential to licence other individual festival brands to territories such as the Middle East, in the same way that the global museums and performing arts companies are starting to do, should be considered.

Individual festivals have successfully developed cultural tourism packages with the travel trade and experimentation has also taken place at a collective level through the Festivals Passport, but consideration should be given to exploring more niche cultural tourism package opportunities which could be attractive and profitable at an individual or collective festival level.

## 7.6 Economies and Efficiencies

*Action: Consider economies of scale by closer working and shared services*

The Edinburgh festivals are quite rightly, proud of their individual cultural identity, the autonomy of the festival director and the individual brands and organisations that have been built up, sometimes over many years. Furthermore the individual festivals are already effective and efficient operators, often on very limited resources in relation to their mission.

However, given the potential 'fiscal cliff' facing public sector finances and the still fragile economic recovery, it would be unwise not to consider if economies of scale could be achieved by the festivals working more closely together. Groups of arts organisations across the UK have been considering this approach and the festivals should convene a task group to look at the potential. The cost savings here are unlikely to be substantial and the initiative should also be driven by potential service improvements.

# 8. Developing and Delivering

The partnership structures and working, between the festivals, Festivals Edinburgh (FE), the Thundering Hooves Steering Group (THSG) and the Festivals Forum, has been very successful. The collective trust developed has ensured the successful development of Edinburgh's festivals over a challenging period.

These basic structures should be maintained during the life of this new strategy but the ways of working together need to be developed and improved. Seven recommendations were agreed from the Phase 1 report and these are reflected in the following actions:

## 8.1 Festivals Forum

*Action: Adopt new Terms of Reference and Responsibilities of Members*

The original terms of reference for the Festivals Forum in 2007 were basic. We suggest the following Terms of Reference and Responsibilities.

## 8.2 Terms of Reference

The Festivals Forum is a high-level strategic commission bringing together representatives of those with a stake in maintaining the future success of the Edinburgh festivals. Its main purpose is:

- To ensure that Edinburgh maintains its position as the pre-eminent Festival City delivering cultural, social and economic benefit to the city, the region and the country
- To agree the long term strategic development of the Edinburgh Festivals, working closely with the festivals, Festivals Edinburgh and the Thundering Hooves Steering Group

- To articulate and oversee the investment strategy required to sustain Edinburgh's position as the world's leading Festival City
- To support and encourage a positive working relationship between the festivals and their stakeholders
- To monitor and ensure the delivery of this TH 2.0 Strategy and Action Plan

The Festivals Forum has no legal constitution or executive responsibility for the festivals or Festivals Edinburgh; rather it seeks to use its influence to ensure the future success of the festivals.

## 8.3 Responsibilities of Members

Members of the Festivals Forum are either ex-officio representatives of particular organisations or independent members. All members agree:

- To ensure the implementation of the Thundering Hooves 2.0 Action Plan and monitor its progress
- To support the long term success of the Edinburgh festivals
- To act in the best interests of the Edinburgh festivals where possible, accepting that the interests of the organisation they represent may occasionally take priority
- To attend a minimum of two out of three Forum meetings a year, playing an active part in the Festivals Forum
- To lead and contribute to delegated task groups set up by the Festivals Forum
- To host occasional meetings of the Festivals Forum on a three yearly cycle
- To act as a formal conduit between their organisation and the Festivals Forum, feeding back relevant information to their organisations and bringing pertinent information to the Festivals Forum's attention
- Where applicable, to liaise with the officer delegated to represent their organisation on the Thundering Hooves Steering Group who will ensure implementation of the Festivals Forum's strategic objectives

## 8.4 Task Groups

*Action: Set up five Task Groups to ensure delivery of this strategy and action plan*

Initially Task Groups should be set up under the following headings:

- Festival City
- Engagement
- National and Global Positioning
- Digital
- Investment and Enterprise

These Task Groups are to champion the strategic issues around each area, both within the Festivals Forum and externally, and to liaise with the THSG, FE and the festivals who will be responsible for implementation.

These 'task and finish' groups, headed by a member of the Festivals Forum and including external expertise who would be invited at regular intervals to provoke and challenge current thinking, will report back on progress.

The task groups may require additional resources to take forward initiatives in each area.

## 8.5 Meetings, Agenda, Secretariat

*Action: Adopt a new meeting timetable and administrative arrangements*

The Festivals Forum should meet on the following timetable with standing agenda items:

- February – update on previous year's results; review and prioritise the Strategy and Action Plan
- June – progress report on key areas of the Strategy and Action Plan; update on winter/spring festivals
- October – update on summer festivals and annual meeting; festivals' assessment of own position and key issues

Each meeting should include a report from the Chair, reports from specific individuals delegated to oversee task groups and appropriate reports on Festivals Edinburgh initiatives.

Meetings should be held at organisation members' offices by rotation and exact dates set on a three year cycle to allow sufficient notice. Agendas and papers will be instigated and agreed by the Thundering Hooves Steering Group and circulated at least two weeks in advance of the meeting date. Administration of the Festivals Forum should be undertaken by the office of the Director of Festivals Edinburgh rather than rotated through THSG members, although this may have resource implications.

## 8.6 Membership

*Action: Review and extend membership of the Festivals Forum*

Membership of the Festivals Forum is non-executive and organisation members are ex-officio representatives. Whilst the Festivals Forum is not legally constituted and therefore not subject to specific governance requirements, it is recommended that the independent members should serve a maximum of three terms of three years making a total of nine years. There is no limit to the number of organisations that can be represented and new ones can be engaged as appropriate. However we recommend the following core membership of the Festivals Forum:

- Three independent members including the Chair to reflect wider sectors and international perspectives
- City of Edinburgh Council, Chief Executive
- City of Edinburgh Council, Festivals and Events Champion
- Creative Scotland, Chief Executive
- Scottish Government, Director of Culture, Europe and External Affairs\*
- VisitScotland, Chief Executive\*
- VisitScotland Events Director
- Scottish Enterprise, Chief Executive\*

- British Council Scotland, Director
- Edinburgh Chamber of Commerce, Chief Executive
- Edinburgh Tourism Action Group, Chair\*
- Marketing Edinburgh – Director
- UK Government, Director of Culture DCMS
- Voluntary Arts Scotland, Director
- University of Edinburgh, Vice Chancellor\*
- Chair of Edinburgh Hotels Group
- Festivals Edinburgh, Director

*\* We recognise that in some cases organisations are currently represented by different officers or are new to the Festivals Forum. A period of transition may be required.*

We recommend that one of the independent members is a festivals and events industry specialist from outwith Scotland and that both digital and broadcast experience should be included. In addition to the above standing membership we recommend that the Festivals Forum recruit additional fixed term members with particular specialism as necessary, e.g. digital developments and city infrastructure planning, and for periods it deems appropriate.

## 8.7 Thundering Hooves Steering Group

This is the officer led group of the main funding stakeholders of the festivals. Current membership includes:

- City of Edinburgh Council
- Creative Scotland
- Scottish Government
- British Council
- VisitScotland

- Scottish Enterprise
- Festivals Edinburgh

THSG meets ahead of the Festivals Forum to plan agendas, brief member CEOs, elected members and politicians in advance of meetings. Afterwards THSG is responsible for implementing any action agreed by the Forum, negotiating associated collaborative funding packages, acting as the panel for assessing specific project funding, closely monitoring the Thundering Hooves 2.0 Action Plan and identifying additional opportunities and threats.

## 8.8 Renewed Impetus

We have recommended above a refreshed membership of the Festivals Forum. It should be made clear that members are ex-officio and that, for continuity, only a single named deputy can attend in their place, such deputy to have the power and authority to act on behalf of their organisation. The Chair should make it clear that members are expected to attend a minimum of two out of three meetings a year. Members will want to feel that they are making a contribution to the success of the Festival City and regular updates on progress of this new Strategy and Action Plan should be made.

## 8.9 Succession

*Action: Plan for succession of Chair and existing independent members*

The existing Chair and two other independent members have been on the Festivals Forum since 2007 and, in light of the earlier recommendation, a plan should be made for their succession by 2016.

## 8.10 Communication

*Action: Host annual festivals conference for all 12 festivals and their boards*

We recommend that the Festivals Forum host an annual, invitation only, half-day festivals conference in October each year, attached to the

Festivals Forum meeting. The purpose of the event will be to encourage a sense of common purpose and ownership particularly amongst the non-executive members of individual boards. It would give an opportunity for guest speakers to set Edinburgh and its festivals in an international context and for board members to learn from each other's organisation.

## 8.11 Festivals Edinburgh

*Action: Review resources available to Festivals Edinburgh*

It is of course the continuing focus on programming excellence and quality content by each individual festival that drives the collective success of the whole. However the creation of Festivals Edinburgh can be seen as transformational and the last ten years have arguably been one of the most successful periods in the seventy year history of the Edinburgh festivals.

As an expression of the twelve festivals' collective will, Festivals Edinburgh is a constantly evolving model, developing new priorities agreed by the group in a detailed business plan.

Apart from modest core grants, Festivals Edinburgh is largely project funded and is a small, nimble organisation. Increasingly challenging times should not result in the organisation 'chasing the money' to sustain its existence, rather it should be following members strategic priorities as agreed in its Business Plan.

As with the Festivals Forum, succession planning is an important consideration for Festivals Edinburgh with the current Director playing a pivotal role in the success of the organisation.

Many of the action points arising from this strategy will require additional or refocused resources and the directors of Festivals Edinburgh and the stakeholders on the Festivals Forum should be prepared to invest to 'grow and save' over the lifetime of this plan. Some of this activity should be undertaken by working in partnership with others in the city.

## 8.12 Capacity of the Festivals

*Action: Keep under review the festivals' capacity to implement this strategy*

The successful collaborative approach taken over the last ten years has in itself exposed significant challenges to individual festival organisation's capacity to focus and engage with broad strategic issues and policy development.

The issue of the festivals and Festivals Edinburgh's capacity in terms of both people and capability needs to be considered if this strategy is to be successfully implemented.

Nick Dodds – FEI

Josephine Burns – BOP Consulting

May 2015

# Action Plan Summary

The following action plan summary lists all of the individual action points in this Strategy. It is for the Festivals Forum to agree and populate the table.

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No.	S&AP Ref.	Action	Lead Group eg. FF or FE	Lead Organisation(s)	Priority 1-5	Timescale	Key Activity	Status R-A-G
	<b>2.0</b>	<b>The Festival City</b>						
1	2.1	<i>Take a leadership role in influencing future infrastructure developments</i>						
2	2.2	<i>Establish formal structures to co-ordinate the festivals' needs across Council and Agency departments</i>						
3	2.3	<i>Engage with transport providers to consider new routes and ticketing initiatives</i>						
4	2.4	<i>City of Edinburgh Council and others to develop an accommodation strategy</i>						
5	2.5	<i>Promote new thinking around development and refurbishment of venues</i>						
6	2.6 and 5.1	<i>Support the strategy for Digitising the Festival City</i>						
7	2.7	<i>Take a leadership role in environmental issues, working across agencies to lead the drive to develop and promote Edinburgh as a Green Festival City</i>						
	<b>3.0</b>	<b>Deep and Wide Engagement</b>						
8	3.1	<i>Ensure quality engagement programmes are delivered and supported</i>						
9	3.2	<i>Ensure engagement across festivals is coordinated and works effectively with existing city structures</i>						
10	3.3	<i>Develop closer and deeper ties with an extended range of HE and FE institutions at Scottish and international levels</i>						



11	3.4	<i>Ensure co-ordination of a cross festival approach to training, apprenticeships and volunteering</i>						
	<b>4.0</b>	<b>National and Global Positioning</b>						
12	4.1	<i>Engage with key Momentum partners, British Council Global Skills programme and Scottish Development International and other relevant partners to review and develop international working</i>						
13	4.2	<i>Build national links to develop international cultural marketing and investment</i>						
14	4.3	<i>Promote 'Edinburgh Festival City' and formalise marketing planning between partners</i>						
15	4.4	<i>Work collaboratively on 70<sup>th</sup> anniversary programmes and create opportunities for investment</i>						
	<b>5.0</b>	<b>Digital Ways and Means</b>						
16	5.2	<i>City of Edinburgh Council to scope a joined-up digital infrastructure strategy for the city</i>						
17	5.3	<i>Encourage the creation of new work that uses digital technologies</i>						
18	5.4	<i>Consider the long term balance between the live and digital experiences and agree an approach to digital platforms and digital branding</i>						
19	5.5	<i>Make the case for additional public/private investment in digital initiatives and seek specific expertise in fundraising from research and innovation organisations</i>						

20	5.6	<i>Build partnerships and extend membership of FF to include digital experience from commercial and research sectors</i>						
	<b>6.0</b>	<b>Investment and Enterprise</b>						
21	6.1	<i>Public funding settlements should recognise and reflect the social, cultural and economic impact of Edinburgh's 12 major festivals</i>						
22	6.1	<i>Secure funding for ongoing initiatives</i>						
23	6.1	<i>Secure funding for new initiatives for which investment is needed</i>						
24	6.2	<i>Maintain core and project funding whilst alternative funding models considered</i>						
25	6.2	<i>Provide regular updates of Impacts Study and evidence for support</i>						
26	6.3	<i>Identify key UK-wide and EU mechanisms to support the Festivals' ambitions and ensure that they are pursued. Ensure that the festivals needs and ambitions are embedded in wider UK and international bids for support and international frameworks</i>						
27	6.3	<i>Consolidate a joined-up national Scottish approach to supporting the needs and ambitions of Edinburgh's festivals across Scottish Government Departments and the public agencies with a national remit through the work of the Festivals Forum</i>						
28	6.4	<i>Work with the tourism sector, the wider city business community, City of Edinburgh Council, the Scottish Government and key agencies to ensure that a solution is found to the proposed significant reduction in public funding, identifying new private</i>						

		<i>sector investment streams for the investment priorities</i>						
29	6.5	<i>Work together on a range of fundraising and enterprise initiatives</i>						
30	6.6	<i>Consider economies of scale by closer working and shared services</i>						
	<b>7.0</b>	<b>Developing and Delivering</b>						
31	7.1	<i>Adopt new Terms of Reference and Responsibilities of Members</i>						
32	7.4	<i>Set up five Task Groups to ensure delivery of this strategy and action plan</i>						
33	7.5	<i>Adopt a new meeting timetable and administrative arrangements</i>						
34	7.6	<i>Review and extend membership of the Festivals Forum</i>						
35	7.9	<i>Plan for succession of Chair and existing independent members</i>						
36	7.10	<i>Host annual festivals conference for all 12 festivals and their boards</i>						
37	7.11	<i>Review resources available to Festivals Edinburgh</i>						
38	7.12	<i>Keep under review the festivals' capacity to implement this strategy</i>						

# Appendix 1 – Phase 1 Report: Review of Thundering Hooves 1.0

October 2014

Appendix 1: Phase 1 Report  
Review of Thundering  
Hooves 1.0

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# 1. Introduction

Thundering Hooves - Maintaining The Global Competitive Edge of Edinburgh's Festivals (TH1.0) was published in May 2006 following research into the 2005/6 Festival season comprising the 11 festivals that made up the then fledgling Festivals Edinburgh. By the time that this report (TH2.0) is published in full, in April 2015, ten years will have elapsed.

The Festivals Forum, the body of stakeholders with a shared interest in ensuring Edinburgh maintains and develops its position as the world's leading Festival city, has commissioned FEI and BOP to undertake a new study considering the future sustainability, success and development of Edinburgh's now 12 major Festivals. Reflecting on progress following TH1.0, this new report reconsiders the opportunities and threats relevant to the future sustainability and development of the Festivals in order to inform a reinvigorated strategy and action plan. The study is undertaken in four phases:

- A review of the Thundering Hooves Action Plan and achievements to date (Phase 1)
- A review and analysis of the local, national and international operating context for each of Edinburgh's 12 major festivals and for Edinburgh as a Festival City (Phase 2)
- A planning exercise to consider possible futures for the Edinburgh as a Festival City (Phase 3)
- The preparation of a robust development strategy incorporating an action plan comprising a prioritised shortlist of approaches and ambitious joint initiatives (Phase 4).

# 2. Methodology

This Phase 1 report reviews the Thundering Hooves Action Plan and its delivery and achievements to date and provides an analysis of the success of the Festivals Forum and Festivals Edinburgh in addressing the 14 recommendations of the Thundering Hooves Report looking at:

- Key achievements in addressing the Thundering Hooves Action Plan
- Effective collaborative and partnership working
- New investment attracted
- Associated Projects and approaches that have contributed to maintaining the Edinburgh Festivals pre-eminence
- Issues in the original Thundering Hooves report that remain unresolved
- The effectiveness and focus of the existing governance structures of Festivals Edinburgh, The Festivals Forum and the Thundering Hooves Steering Group
- The effectiveness of the relationships between these structures and the individual festivals' sustainability and success.

In August 2014, Nick Dodds and Josephine Burns interviewed the twelve festival directors, members of the Thundering Hooves steering group, five funding stakeholders that sit on the Festivals Forum, the Director of Festivals Edinburgh and the Chair of the Festivals Forum. These interviews form the bedrock of this Phase 1 report along with a review of TH1.0 and some of the key documents provided by the Forum and its partners. Our findings therefore are based on both hard and soft evidence and combined opinion.

We have set out in full, in the Appendix, the recommendations of TH1.0 and how they were prioritised into an Implementation Plan of 14 Action Points and progress against this plan, along with our analysis of the achievements and issues for the future. The findings are then summarised below.

## 3. Overview

The Thundering Hooves process has arguably been one of the most important developments in the seventy years of the Edinburgh Festivals. The continuing focus on programming excellence and quality content by each individual festival, combined with the creation of mechanisms for collaborative working for the festivals and their stakeholders has been transformative and collectively the festivals, despite individual challenges, are probably enjoying one of the healthiest periods in their history.

The process of creating Thundering Hooves appears to have been more important than the TH1.0 report ultimately produced, in as much as it developed trust and cooperation between the collaborators. The partnership working, particularly at the Festivals Forum, has been described as honest, blunt and productive, often dealing with complex funding issues. The development of, the then fledgling, Festivals Edinburgh into a coherent and valuable organisation is recognised by many as transformational. It was this collective trust that has ensured the successful implementation of the structures and processes that have led to it being considered a pathfinder model of good practice, copied by many.

The major successes have been: the building of a coherent message across the festivals; joint marketing of the Festival City on an international stage; the strategic approach to opportunities offered by 2012 and 2014; the focus on the creation of innovative new work; collaborative project work on important issues like environment sustainability and innovation; and maintaining the investment needed to enable the festivals to maximise their impacts during a very difficult economic period.

The Thundering Hooves report was clearly developed through negotiation and, in some ways, is rather flawed. The resultant Action Plan, whilst a good attempt to build a structure for implementation,

continued to follow the occasionally overlapping and repetitious recommendations of the report.

Not all of the recommendations of TH1.0 have been implemented and some major challenges, for example city infrastructure, need to be addressed. Individual festivals do remain vulnerable and collaborative initiatives requiring consensus across twelve very different organisations can sometimes be slow to develop.

However it is important to remember that TH1.0 was developed in 2005/6 and that the world has changed considerably since then. The challenge now is to avoid complacency; the Hooves are still Thundering albeit from new and unexpected directions, the financial outlook, particularly in the public sector, is challenging and the political situation uncertain. The festivals are by their very nature fragile organisations, tightly balancing mission, revenues and risks and where extraordinary achievements are realised often against the odds, and even minor changes to their environment can challenge their resilience.

The overarching achievement of Thundering Hooves cannot be overstated; it now needs a new strategic agenda to set a course for the next ten years.

## 4. Summary of Findings

This summary précis the detailed recommendations which appear in full in the Appendix. Under each Action Point we summarise our findings and highlight any recommendations.

### 4.1 Action Point One

*Establish on-going forum in which the longer term health of Edinburgh as a Festival City is monitored and the investment strategy required to sustain its position cost effectively is articulated and overseen*

- Festivals Forum established in June 2007, informed by the Thundering Hooves Steering Group and complementing and supporting the work of Festivals Edinburgh
- Successful industry collaboration, often cited as a model of best practice, with a dispersed leadership model that works
- Collaborative process, particularly within Festivals Edinburgh, can be time consuming but probably represents the optimum structure in the circumstances
- The process of agenda setting for the Festivals Forum is important as is maintaining a sense of constructive challenge.

#### **Recommendations:**

- Review of terms of reference; a fresh vision and a new agenda required for the next ten years. This may include a more formal structure for reporting back in the Forum
- Review membership; to ensure the right organisations are represented once the new vision is agreed and consider the inclusion of an independent industry specialist
- Encourage attendance; a new strategic agenda will hopefully provide a renewed impetus for senior executives to make the Forum a priority, as it is vital that representation is at the most senior level

- Plan for succession; success of the Festivals Forum, the Thundering Hooves Steering Group and Festivals Edinburgh relies considerably on the energy and commitment of certain individuals and succession planning is an important consideration
- Improve communication; of Forum's purpose to the festivals enhanced with an annual conference of the Forum, Steering Group, Festivals Edinburgh and the festivals.

### 4.2 Action Point Two and Fourteen

*That stakeholders and funders take a more strategic view of their funding obligations and introduce a co-ordinated process of monitoring and evaluation*

- The coming together of the festivals' public funders within the Festivals Forum and the Thundering Hooves Steering Group has been one of the projects main achievements
- The Festivals Forum has done well to maintain funding for the Festivals during this period of financial constraint. The introduction of the Scottish Government Edinburgh Festivals Expo Fund has enabled the Festivals as a group to maintain overall levels of investment in the programmes, although some individual festivals' funding has not kept pace with inflation
- The joint agency approach to additional funding for 2012 and 2014 programmes was exemplary
- The reduction in core funding as a result of grants not keeping pace with inflation, however successfully offset by increased project funding, increases the festivals' instability in the longer term
- Future settlements from CEC in light of further substantial budget cuts, the imminent announcement of Creative Scotland grants to festivals and the future of the Expo Fund all add uncertainty to long term planning.

## Recommendations:

- The festivals and their funders should continue to maintain a ‘grown up’ discussion about public sector funding without resorting to another ‘crisis’ situation
- The festivals, their funders and their stakeholders should aim to find a successful focus for continuing project funding that emulates the 2012 and 2014 project and yet celebrates a unique Edinburgh Festival moment rather than a national one
- In the light of current political and financial changes, the Festivals Forum should review the introduction of a Transient Visitor Levy or alternative finance mechanism to generate funding from the accommodation and hospitality sectors that benefit so directly from the festival’s success.

## 4.3 Action Point Three, Four and Five

*That the Festivals focus on creation and presentation of innovative programmes*

- Freedom to innovate, facilitated by the Expo Fund, has been transformational and its continuation is vital to the future success of the festivals
- Programming excellent, world standard, innovative content is Edinburgh’s USP and the key to continued success. The quality of the programme feeds through the whole festival eco-system and attracts visitors to the city
- If Edinburgh is aiming to be the best festival city in the world it must focus on providing the best content in the world. However the best festival city concept needs to be more nuanced and include broader notions of innovative quality such as social engagement and environmental sustainably
- ‘Digital distraction’ might be seen as the biggest competitive threat of the next ten years and the festivals and their partners would be wise to tackle it directly

- There is potential for the Edinburgh Festivals to seize the initiative around digital innovation and to become a significant global digital phenomenon as well as a physical one.
- The special collaborative programme brought together for 2012 and 2014 delivered major ambitions across programme innovation, marketing, profile and positioning and international cultural diplomacy
- The Draft Programme Development Strategy for 2014-2018 focuses on continuation of the Expo Fund’s programme investment; development of international or regional showcasing opportunities; collective cultural diplomacy including the Momentum Programme; profile building and mapping
- The Festival Programmers Group meets regularly and whilst there has not been an appetite for closer integration, there is considerable interest in digital innovation and social engagement
- The potential social value of the festivals working collaboratively has not been fully realised. The festivals should collectively aim to be innovative in the area of social value as well as in their programmes and to be the City where the world looks for examples of quality engagement and integration.

## Recommendations:

- Consideration should be given to the impact of focusing on digital innovation and the implications of taking the Edinburgh Festivals experience out of the City, for tourism and direct economic benefit
- The festivals should work collectively to innovate and add value to the good work they are each individually undertaking in the education and social engagement spheres
- The exercise of identifying the festivals current and future investment needs should be repeated and brought to the Forum
- Maintaining future investment in innovative programming in the light of pressure on public sector budgets is going to be challenging and the Festivals Forum should continue to view this as its priority.



## 4.4 Action Point Six

*That City of Edinburgh Council undertake a development plan for the infrastructure (including venues) required for the success of the Festivals*

- Considerable investment has been made in city venues and infrastructure over the last 10 years. Existing major venues have been refurbished and a new tram system built
- There is however a perception that the City's ability to host major events is wavering and that Glasgow has been increasingly successful in this area
- Further refurbishment of existing historic venues, although needed, will not address the perceived need for new modern facilities. Any further refurbishment or new developments are going to require partnership across a number of public and private organisations
- Issues around accommodation, transport, licensing and other city infrastructure are as important as, and possibly more achievable in the short term than, venue development
- How best to intervene in the accommodation market to stimulate appropriate new supply and to regulate pricing, given the balance between stakeholder influence and action
- Whilst there is clear support from CEC's Culture and Sport Department, it is not yet clear where the future vision, strategy, or leadership for development of the city's cultural or event infrastructure is coming from.

### Recommendations:

- The Festivals Forum should ensure that Edinburgh's reputation as a 'can-do' city, supportive of the festivals and that welcomes temporary interventions, is maintained through effective cross council/agency decision making, and not jeopardised by high charges or the Scottish Government's current review of licensing
- CEC's Cultural Strategy is being currently being refreshed and should be aligned with recommendations from TH2.0

- The Festivals Forum should play a key leadership role, working in partnership with other groups, in the development of the city's cultural and event infrastructure.

## 4.5 Action Point Seven and Ten

*Strategic promotion of Edinburgh, the Festival City worldwide and development of a joint festivals marketing strategy*

- Upheaval at city marketing level created an uncertain destination marketing foundation and Festivals Edinburgh successfully took on international promotion of Edinburgh festival city
- The joint festivals marketing strategy proposed has been through two iterations
- The first strategy 2007- 2013 aimed to directly increase visits and revenue at Edinburgh's festivals and encourage cross-fertilisation of visits across festivals
- The latest Strategic Framework 2014-2019 is firmly focused on promoting Edinburgh festival city brand, reinforcing Edinburgh's position as the world's leading festival city and introducing new consumers to the festivals
- Whilst the tourism sector understandably want to focus on the 'shoulder' months it is important to avoid complacency about the continuing success of the summer festivals period
- The new strategy appears to have been carefully developed and is generally welcomed by the festivals and stakeholders with a return on investment welcomed by the various stakeholders on the basis of agreed KPIs
- The importance of high level strategic metrics and measurement cannot be overstated. Starting with a clear understanding of the current benchmarks for marketing reach and attendances across the festivals
- It is not clear how effective the mechanisms for collecting city visitor numbers and motivations are

- It is questionable whether the Festivals Edinburgh marketing operation is trying to do too many things with limited resources and spreading its self too thin.

#### **Recommendations:**

- Moves to align marketing planning at city and national level, through partnerships meetings of ME, ETAG, VS and FE are welcome and consideration should be given to formalising these with an MOU.

## 4.6 Action Point Eight

*That no new festival should be embraced as part of the City's offer unless its niche and ability to fulfil that niche in the international arena is clear*

- Festivals Edinburgh has clear published membership criteria
- Festivals Edinburgh is widely seen as successful and others want to join mostly for their own developmental needs
- The commitment of time and resources required by Festivals Edinburgh members is significant and any new festival joining the group would need to make a very strong commitment
- Is there potential for a two tier membership scheme with the second tier being offered training and development as informally happened with the Environmental and innovations projects?
- Festivals Edinburgh is not currently resourced to provide a developmental and training role, although this could be addressed if the existing members felt it was a priority and the funders would support it.

## 4.7 Action Point Nine and Thirteen

*The Festivals' boards should give attention to succession planning, and ensure the recruitment and retention of leadership The festivals and their stakeholders should invest in a programme of board development,*

*ensuring that the board composition and modus operandi match the aspirations and achievements of the festivals.*

- The Festivals Forum has not played any major role in this area whilst the Director of Festivals Edinburgh has played an informal role advising individual festivals.

#### **Recommendations:**

- Invite non-executive board members from all the individual festivals to the proposed annual seminar as a good first step to building relationships
- Include a dedicated board-only session to discuss matters of common interest that could include best practice in succession planning and board roles.

## 4.8 Action Point Eleven

*The Festivals should continue to commission joint research so they maintain a sense of who their individual and collective audiences are*

- Intelligence and Research has become one of the key strategic priorities for Festivals Edinburgh
- Intelligence is sought through research to enhance reputation, to influence policy, to shape city place-making, to diversify investment into programmes, to grow capacity and to understand audiences
- Research and intelligence is essential both for self-knowledge and evidence based advocacy.

#### **Recommendations:**

- The 2011 Economic and Social Impact Study is a model of good practice and major research updates should ideally be undertaken every 4 years
- Address the fault lines that appear to be emerging around the collection of data across the festivals, mainly as a result of resourcing issues as it is essential that all festivals continue to contribute.

## 4.9 Action Point Twelve

*Additional collaborative projects should be developed that focus on audience and educational development*

- Additional projects like the Environmental Sustainability Strategy 2014-2019 have been very successful with the creation of Creative Carbon Scotland notable
- The potential Knowledge Brand Project introduces some interesting ideas for the board of Festivals Edinburgh to consider, balancing staff resources, improving networks and potential income
- A joint Education Group was not convened outside of the Programming Group and joint Education and Social Engagement programmes have not yet materialised
- Community engagement and education are vital areas for the festivals and there is a need to leverage the value of their collective effort to get the best return for the people of the city and Scotland
- The social value of the festivals has arguably not been fully realised and although some good work is happening there is a need to tell a more coherent story about the festival's role in community cohesion.

### **Recommendations:**

- Consider if there is a role for Festivals Edinburgh to create and promote standards across the festivals in skills development, apprenticeships, interns, placements, volunteers
- Consider convening a Joint Education Group for the Education Managers of the various festivals, with high level input from festival directors, to consider how best to jointly develop community engagement and education projects that realise the social value of the festivals.

# 5. Implementation Plan

The Thundering Hooves report made fourteen recommendations grouped under nine headings. These were developed by the Thundering Hooves Steering Group into an Implementation Plan of fourteen Action Points of which seven were identified as priority actions. We present them below, in the revised Implementation Plan priority order, and in the format that they were last reviewed by the Festivals Forum in February 2012. Our own analysis of each Action Point follows thereafter.

## Thundering Hooves: Implementation Plan (at February 2012)

### Long Term Planning and Strategy

Action point	Thundering Hooves Recommendation	Action required	Lead Agency and Partners	Progress and Timescales	Priority
1	<p><b>Summary:</b> Establish on-going forum in which the longer term health of Edinburgh as a Festival City is monitored and the investment strategy required to sustain its position cost effectively is articulated and overseen.</p> <p><b>Recommendation 1:</b> That the Festivals and their stakeholders ensure that there is on-going forum in which the longer term health of Edinburgh as a Festival City is monitored and the investment strategy required to sustain its position cost effectively is articulated and overseen. The forum should include external members with a long term perspective on the internationally competitive economic and cultural standing of Edinburgh and Scotland. This need not, as a mechanism, challenge the artistic autonomy of the Festivals. It should, however, provide a context for indicative planning and early warning as to the impact of competitive trends. The Festivals and their stakeholders should, through this mechanism, become more consciously aware of the need to direct investment - whether in marketing or presenting - toward specific competitive challenges.</p>	<p>Festivals Edinburgh director will consult with festivals and stakeholders and develop a proposal for a high-level, strategic Festivals Forum.</p> <p>Meeting of all stakeholders called by the Minister for Culture, Tourism and Sport called in Feb/ March 2007.</p> <p>This will include consultation on potential membership of Festivals Forum and particularly the recommendation from AEA, that this includes external members with a long term perspective on the internationally competitive economic and cultural standing of Edinburgh and Scotland.</p> <p>Frame of reference for Festivals Forum developed to inform long-term planning for festivals and infrastructure.</p>	<p><b>Festivals Edinburgh</b></p> <p>CEC Scottish Government</p> <p>Creative Scotland</p> <p>EventScotland Scottish Enterprise</p> <p>VisitScotland British Council</p>	<p>Forum now established with senior representation across all stakeholders and external members – John McCormick, Dr Andrew Cubie, Michael Hayman and Susan Rice as chair.</p> <p>Strategic framework for discussion based on Thundering Hooves Implementation Plan focusing on Joint Strategic Planning, Marketing and Promotion, Programme Development and Infrastructure Issues.</p> <p>Membership regularly reviewed and new invited where appropriate. New members invited for 2012 including Sue Bruce (CEC), Lloyd Anderson (BC Scotland) and Lucy Bird (Marketing Edinburgh)</p>	<p>High</p> <p>Achieved</p>

## What's happened?

The Festivals Forum was set up as the high-level, strategic commission bringing together representatives of those with a stake in maintaining the global competitive advantage of all Edinburgh's Festivals.

The first meeting of the Festivals Forum was convened in June 2007 and chaired by the Scottish Executive, following a proposal from the Thundering Hooves Steering Group in March of the same year. It has met twenty two times in the 8 years to May 2014 recently on a thrice-yearly cycle of winter, spring, autumn. Lady Susan Rice has been the Chair for six years since April 2008. Initial core membership has been expanded to include broader representation and independent members. Current members are:

Susan Rice, Managing Director, Lloyds Banking Group Scotland,  
Independent Chair

Sue Bruce, Chief Executive, City of Edinburgh Council

Cllr Steve Cardownie, Deputy Leader, City of Edinburgh Council

Janet Archer, Chief Executive, Creative Scotland

Liz Humphreys, Deputy Director, Culture and Historic Environment,  
Scottish Government

Manuela Calchini, Regional Director, Edinburgh and Lothians,  
VisitScotland

Paul Bush, Chief Operating Officer, VisitScotland

David Smith Director of Technologies, Engineering, Aerospace, Defence  
& Marine and Creative Industries, Scottish Enterprise

Faith Liddell, Director, Festivals Edinburgh

Robin Worsnop, Chair, Edinburgh Tourism Action Group

John Donnelly, Chief Executive, Marketing Edinburgh

Lloyd Anderson, Director, British Council, Scotland

David Birrell, Chief Executive, Edinburgh Chamber of Commerce

John McCormick, Independent

Sir Andrew Cubie, Independent

## Our analysis

A successful industry collaboration, often cited as a 'pathfinder' and model of best practice, with a dispersed leadership model that works but in need of a refreshed vision and a new agenda to re-engage and re-energise the members. It has been the catalyst for wider collaborative working practices and approaches across Scotland and internationally, for example the Edinburgh Tourism Strategy Group used this model and the structure has been copied in Adelaide, Montreal and Rio. The Festivals Forum has maintained the profile of, and investment in, the Festivals during a very challenging time for Edinburgh, Scotland and the UK.

The collaborative process, particularly within Festivals Edinburgh, can be time consuming and sometimes slow. We would question whether absolute consensus needs to be reached on every subject before action is taken. However it is recognised as probably the only way of achieving and maintaining harmony amongst what is an occasionally disparate membership. The process of agenda setting for the Festivals Forum is important and should come from the Forum and the festivals as much as from the Steering Group. Maintaining a sense of constructive challenge and honest appraisal will ensure that the Forum continues to be effective.

The success of the Festivals Forum, the Thundering Hooves Steering Group and Festival Edinburgh relies considerably on the energy and commitment of certain individuals and succession planning is an important role for the group.

## Issues

- Terms of Reference – were admirably short. The new strategy will require clear terms of reference and transparency around the roles of

the Festivals Forum, Thundering Hooves Steering Group and Festival Edinburgh. The new terms could include a more formal structure for reporting back in the Forum from the members on all areas and across all departments that effect the festivals

- Attendance – has recently become more sporadic with members being deputised regularly. It is vital that representation is at the most senior level and it is important that the Forum continues to be a priority for senior executives. It is hoped that the new strategic agenda will provide a renewed impetus
- Membership – it is important that the right organisations are at the table and this should be reviewed in the light of the new strategy. It may also be helpful to recruit an independent, non-Edinburgh based, industry specialist to bring a fresh perspective to the Forum
- Relationship to the Festivals – there is a need for improved communication of the Forum’s purpose to the Festivals. The Forum’s relationship with the Festivals’ Boards should be considered and perhaps enhanced with an annual conference of the Forum, Steering Group, Festivals Edinburgh and the Festivals (Executive and Boards)
- Succession planning – the success of the Festivals Forum, the Thundering Hooves Steering Group and Festival Edinburgh relies considerably on the energy and commitment of certain individuals and succession planning is an important role for the group. Succession for the Chair and independent members, all of whom have given six years of service to date, should be considered. Good governance practice suggests that these members should be renewed after a maximum of 9 years and that the next Chair designate should join the Forum a year or two ahead of taking on the role. The role of Festivals Edinburgh Director must also be kept under review in this regard.

### Investing in Quality over Quantity

Action point	Thundering Hooves Recommendation	Action required	Lead Agency and Partners	Progress and Timescales	Priority
2.1	<p><b>Recommendation 2.1</b> That stakeholders and funders take a more strategic view of their funding obligations, ensuring that the collective impact of their resource allocation is such that those programmatic initiatives that they support have the potential to be, or already are, world class in their quality and delivery and that their ability to meet such standards clearly and explicitly informs decision-making on resource allocation.</p>	<p>Public agencies to review on-going funding commitments to individual festivals</p> <p>Public agencies to individually and collectively agree their priorities for investment and ensure that these are articulated</p> <p>CEC and SAC develop joint core funding agreements for appropriate festivals. Key performance indicators related to project funding from other funders also reflected in the agreements.</p>	<p>CEC</p> <p>Creative Scotland</p> <p>Scottish Government</p> <p>EventScotland</p> <p>Scottish Enterprise</p>	<p>Comprehensive Spending review and efficiencies agenda has resulted in tight financial settlement for public agencies' budgets for 2008/09 – 2010/11. Further pressure on public funding in light of economic climate and through UK Spending Review for 2011/12 – 13/14 announced in October 2010. The three year budget review in Scotland undertaken in Autumn 2011 and subject to Parliamentary process in February 2012. Despite the harsh economic climate, on-going commitment to festivals and culture in Scotland is strong.</p> <p>CEC support for Festivals moved to 3-year funding principle from 2010/11, albeit on a reducing basis. In 2012/13 there is a 2% reduction recommended in funding to Festivals. This is still to be approved by Council on 9 Feb and reductions may be reinstated.</p> <p>In view of the importance of the 2012 to 2014 period there is additional investment from the council of £650,000 across these three years as part of the joint agencies approach.</p> <p>Creative Scotland revenue funding for individual festivals standstill in 2011/12. Review of Foundation Organisations (EIF, EIBF, EIFF, Imagine, Storytelling Festival) undertaken in July 2011 and standstill funding maintained with increase for EIBF. Investment maintained in project funded festivals. In the context of Year of Creative Scotland an additional £500,000 project investment is being made Edinburgh Festivals through the joint agencies approach.</p> <p>Festival Expo fund announced with £8M over 4 years, 2008/09 – 2011/12 and has had significant impact on international ambition among festivals and platforming Scottish companies. A future three year commitment to the Expo fund was included in Scottish Governments budget proposal in Autumn 2011. The £2m allocation for 2012-13 was confirmed in the Budget</p>	High

				<p>Bill on 8 February 2012 and the Expo allocations for 2013-14 and 2014-15 remain indicative.</p> <p>Work undertaken to establish more strategic overview of investment continues through work of Thundering Hooves steering group. This has led to Joint-Agency approach to investment for 2012 projects and levered additional investment from Creative Scotland, CEC and EventScotland.</p>	
<b>2.2</b>	<p><b>Recommendation 2.2</b></p> <p>The Edinburgh City Council should consider increasing its current cultural spend from 2.8% to 4% in the first instance and work in tandem with other public stakeholders to develop an investment plan for the festivals over the next five to seven years, based on the key investment areas highlighted in this report.</p>	<p>City of Edinburgh Council consider recommendation as part of budgeting process from 2007/08 with onward commitment over next 8 year period</p>	CEC	<p>Considered as part of on-going Budget Planning within the context of Comprehensive Spending Review, 2007/08 – 2014/15</p> <p>Capital City Supplement Bid secured enabling 2.44% uplift to Festivals funding for 2009/10 assisted in minimising cuts from 2010/11 and sustained support for Festivals Edinburgh. Future requires consideration.</p> <p>Three year funding package agreed for festivals 2010-2013.</p> <p>See 2.1.</p>	
<b>2.3</b>	<p><b>Recommendation 2.3</b></p> <p>The Scottish Government should consider how the national tax base and Edinburgh's contribution might be better reflected in the annual settlement to the City of Edinburgh Council and Creative Scotland to assist in increasing the levels of investment to both Edinburgh's Festivals and cultural infrastructure.</p>	<p>Scottish Government to consider as part of Comprehensive Spending Review 2007/08 for year 2008/09 onwards.</p>	Scottish Government	<p>Developed through 2007 for 2008/09 – 2010/11. Capital City Supplement Bid secured.</p> <p>The £2m Expo fund allocation for 2012-13 was confirmed in the Budget Bill on 8 February 2012 and the Expo allocations for 2013-14 and 2014-15 remain indicative.</p>	



## What happened?

The festivals' main public funders, initially the City of Edinburgh Council and Creative Scotland (and its predecessors), later joined by EventScotland and others, came together to consider the festivals for the first time within the Festivals Forum and the Thundering Hooves Steering Group. The resulting discussions led to a much more strategic approach to supporting the events although they did not implement all the ideas proposed in TH1.0. Whilst by working more closely together the funders were able to gain a fuller picture of the investment needs of the festivals, it was decided that joint core funding agreements with key performance indicators were not necessary or appropriate. All appropriate festivals

now have three year funding agreements with the City of Edinburgh Council and many with Creative Scotland – a considerable achievement

Scottish Government initiatives like the Capital City Supplement were not continued in the long term. The goal for Edinburgh City Council to increase its cultural spend from 2.8% to 4% of total expenditure turned out to be unrealistic given the financial climate that followed the report's publication. The City currently spends 2.61% of its budget on culture. Over 10 years from 2005/6 to 2014/15 the council has invested over £ 41m in the Festivals. The Scottish Government has invested approximately £15m in the Festivals Expo Fund over 7 years since 2008.

The figures are as follows:

**Figure 1: Income sources of Edinburgh Festivals**

Income sources of the festivals £	Earned Income	CEC	Core Grant Funding CS	Total	Project Grant Funding	Total Grant Income	Total Income
<b>2005/6</b>							
All Festivals Income	13,865,938	3,678,705	1,773,100	5,451,805	1,296,911	6,748,716	20,614,654
% of Total Income	67%	18%	9%	26%	6%	33%	
<b>2006/7</b>							
All Festivals Income	16,369,223	3,338,465	1,779,181	5,117,646	1,290,963	6,408,609	22,777,832
% of Total Income	72%	15%	8%	22%	6%	28%	
<b>2007/8</b>							
All Festivals Income	15,059,279	4,431,350	2,436,233	6,867,583	1,196,259	8,063,842	23,123,121
% of Total Income	65%	19%	11%	30%	5%	35%	
<b>2008/9</b>							

Income sources of the festivals £	Earned Income	CEC	Core Grant Funding CS	Total	Project Grant Funding	Total Grant Income	Total Income
All Festivals Income	16,250,086	4,904,934	2,494,313	7,399,247	2,654,950	10,054,197	26,304,283
% of Total Income	62%	19%	9%	28%	10%	38%	
<b>2009/10</b>							
All Festivals Income	17,796,009	4,452,713	3,413,064	7,865,777	2,930,752	10,796,529	28,592,538
% of Total Income	62%	16%	12%	28%	10%	38%	
<b>2010/11</b>							
All Festivals Income	18,748,861	4,148,981	3,429,000	7,577,981	2,795,863	10,373,844	29,122,705
% of Total Income	64%	14%	12%	26%	10%	36%	
<b>2011/12</b>							
All Festivals Income	20,364,234	4,173,064	3,496,364	7,669,428	2,480,282	10,149,710	30,513,943
% of Total Income	67%	14%	11%	25%	8%	33%	
<b>2012/13</b>							
All Festivals Income	22,115,671	4,250,384	3,598,696	7,849,080	3,678,409	11,527,489	33,643,160
% of Total Income	66%	13%	11%	23%	11%	34%	
<b>2013/14</b>							
All Festivals Income	22,217,632	4,160,990	3,782,196	7,943,186	2,702,123	10,645,309	32,862,941
% of Total Income	68%	13%	12%	24%	8%	32%	
<b>2014/15</b>							
All Festivals Income	24,095,796	4,142,240	3,792,196	7,934,436	4,065,556	11,999,992	36,095,788
% of Total Income	67%	11%	11%	22%	11%	33%	

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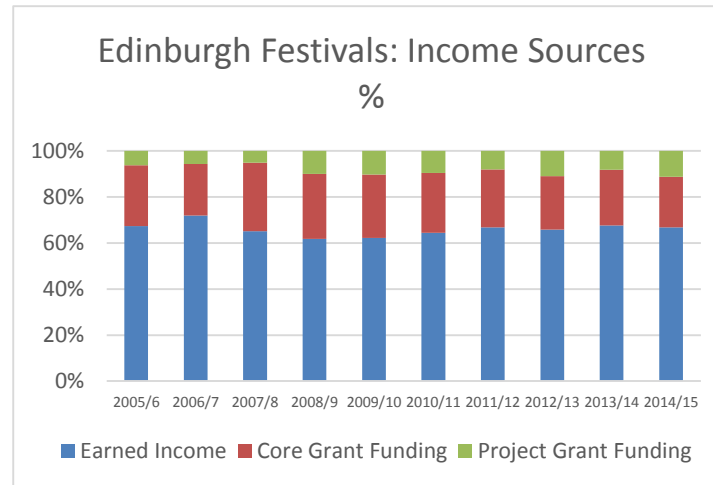
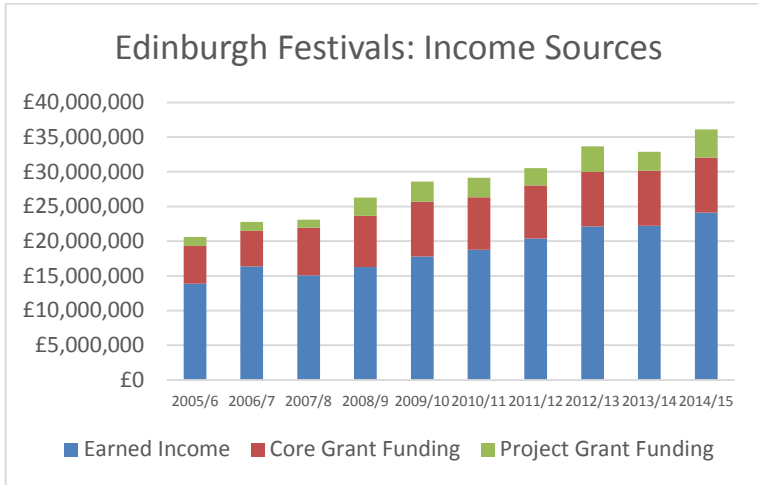
www.feiu.com

It should be noted that whilst the figures include income for the Edinburgh Festival Fringe Society, they do not include all income sources for the entire Fringe, which sells in the region of 2.2m tickets and has worldwide funding.

There has been growth across all festival income areas over 10 years whilst the distribution between types has remained stable:

**Figure 2: Edinburgh Festivals Income Sources**

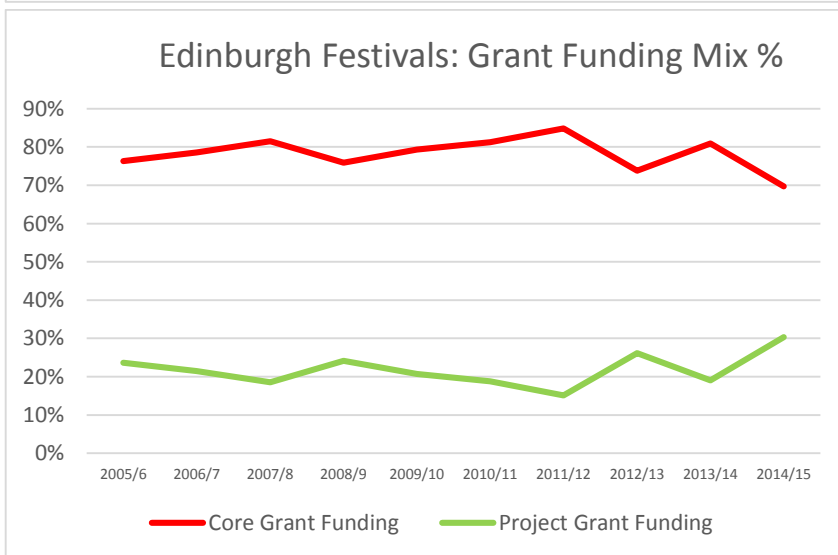
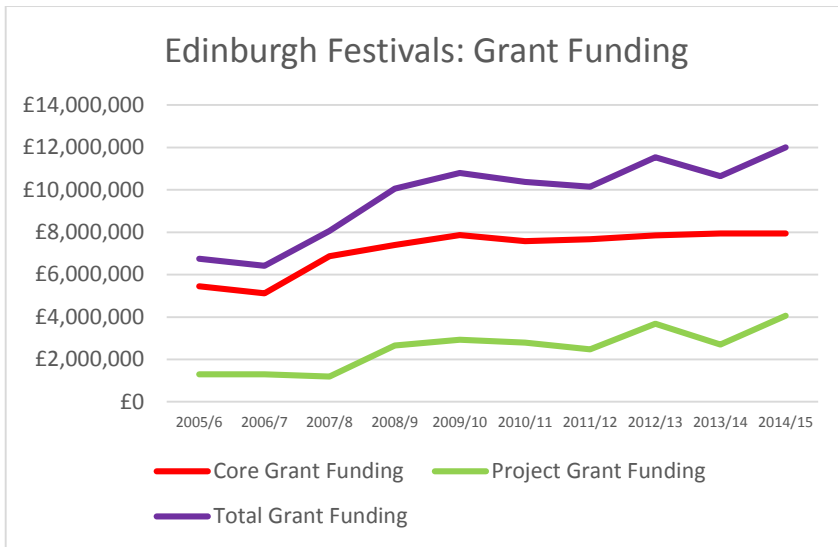
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It is important to note that these amalgamated figures do not reflect more extreme trends within some individual festivals.

Having reached a peak in 2009/10 Core Grant Funding has stayed flat, and reduced in real terms, whilst project grants have increased:

Figure 3: Edinburgh Festivals Grant Funding



In addition to the direct investment in the festivals, the stakeholders also invested in Festivals Edinburgh as follows:

<b>Additional investment in Festivals Edinburgh</b>	<b>Ten year total</b>							
<b>£,000</b>	<b>SG</b>	<b>CEC</b>	<b>CS</b>	<b>DEFT</b>	<b>ES</b>	<b>VSGF</b>	<b>SE</b>	<b>Total</b>
FE Core funding			528					528
FE Cultural Diplomacy		35		233		60		328
FE Innovation		50		300			80	430
FE Knowledge		10	10				11	31
FE Environmental		60						60
FE Marketing (Expo Funds)	1,755	633	83	50	332	179	270	3,302
FE Total grant funding	1,910	1,171	616	50	392	179	361	4,679

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<b>Additional investment in Festivals Edinburgh</b>	<b>Ten year total</b>							
<b>£,000</b>	<b>SG</b>	<b>CEC</b>	<b>CS</b>	<b>DEFT</b>	<b>ES</b>	<b>VSGF</b>	<b>SE</b>	<b>Total</b>
FE Core funding			528					528
FE Cultural Diplomacy		35		233		60		328
FE Innovation		50		300			80	430
FE Knowledge		10	10				11	31
FE Environmental		60						60
FE Marketing (Expo Funds)	1,755	633	83	50	332	179	270	3,302
FE Total grant funding	1,910	1,171	616	50	392	179	361	4,679

## Our analysis

The coming together of the festivals' main public funders within the Festivals Forum and the Steering Group has been one of the main achievements of Thundering Hooves. The Festivals Forum has done well to maintain funding of the Festivals at this level during this period of financial constraint. The introduction of the Expo fund has enabled the Festivals as a group to maintain overall levels of investment in the programmes. Some festivals however have not kept pace with inflation, resulting in a reduction in real income, whilst others have been able to increase investment. The joint agency approach to additional funding for 2012 and 2014 programmes was exemplary.

The success of Festivals Edinburgh in generating project funds has been exemplary. This has enabled delivery of some excellent initiatives and supported an effective organisation of some scale. Project funding does of course make the organisation financially vulnerable and it is important that the organisation does not simply 'follow the money' and maintains its strategic focus, recognising that not every opportunity can be prioritised.

The accommodation sector is estimated to benefit from the Edinburgh Festivals by £41m a year and restaurants and bars by £31m a year. Yet these sectors make no significant direct contribution to funding the charitable activities of the festivals or the city infrastructure that supports them. In the light of significant downward pressure on public sector budgets the concept that the beneficiary should pay for (or at least contribute to) the future success of the products that support their businesses, is attractive.

## Issues

- The increasing reliance on project funding to offset some of the reductions in core funding increases the festivals' instability in the longer term. Can the festivals and their funders maintain a 'grown up' discussion about public sector funding without resorting to another 'crisis' situation?

- Future settlements from CEC in light of further substantial budget cuts
- Continuation of Expo fund following next Comprehensive Spending Review
- Can the festivals and their stakeholders find a successful focus for continuing project funding in the same way that 2012 and 2014 was? Does the 70<sup>th</sup> Anniversary of 1947 and Edinburgh the Festival City offer such an opportunity?
- In the light of current political and financial changes, is now the time to review the introduction of a Transient Visitor Levy to generate funding from the accommodation and hospitality sectors that benefit so directly from the festival's success?

### Focused and Innovative Programming

Action Point	Thundering Hooves Recommendation	Action required	Lead Agency and Partners	Progress and Timescale	Priority
3	<p><b>Recommendation 3</b></p> <p>The Festivals focus their planning efforts on the creation and marketing of competitive programming, appropriate to their current and potential mission and aims at regional, national and international level. This should explicitly inform strategic planning and goals should be articulated and costed and progress toward them monitored as part of the standard apparatus of accountability to funders.</p>	<p>The individual festivals to cost the maintenance and development of high quality events as part of an on-going strategic business planning process. Festivals Edinburgh to co-ordinate and support the process as appropriate. Stakeholder/ funding bodies to consider their assessment and monitoring processes collectively and in partnership with festivals.</p>	<p>Individual Festivals Festivals Edinburgh</p> <p>CEC Creative Scotland</p> <p>EventScotland Scottish Enterprise</p>	<p>Regular meetings of programming joint working group established by Festivals Edinburgh. First collaborative programming development now in place for 2012-214. Investment from Creative Scotland and EventScotland in June 2010 has enabled research and development of these plans to be taken forward.</p> <p>Festival Expo fund announced with £8M over 4 years, 2008/09 – 2011/12 and has had significant impact on international ambition among festivals and platforming Scottish artists.</p> <p>A further three-year commitment to the Expo fund was included in the Scottish Government's budget proposal in Autumn 2011. The £2m allocation for 2012-13 was confirmed in the Budget Bill on 8 February 2012 and the Expo fund allocations for 2013-14 and 2014-15 remain indicative. Requirement for collective consideration by, stakeholders in light of current and future public financial settlements and context of 2012-14 recognised. This has led to Joint-Agency approach to investment for 2012 projects which has lever additional investment from Creative Scotland, CEC and EventScotland.</p>	High
4	<p><b>Recommendation 6</b></p> <p>The Festivals should identify in their strategic plans their required investment strategies to ensure that their</p>	<p>The individual festivals to identify how presenting and/ or commissioning new</p>	<p>Individual Festivals Festivals Edinburgh</p> <p>CEC Creative Scotland EventScotland</p>	<p>See above</p> <p>Development of Festivals Innovation Lab through investment from Creative Scotland launched in 2010.</p>	High

	programming includes a significant element of the presentation (and as appropriate commissioning) of new work and that the rationale for that new work is articulated.	work is significant to their artistic vision. Those festivals for whom it is, to identify and prepare costed plans. Articulation through on-going business planning process and presentation to stakeholders on a regular basis. e.g. six monthly basis. Stakeholder/ funders to collectively review proposals.	Scottish Enterprise		
5	<b>Recommendation 7</b> The Festivals' core funders embrace the relationship between continued pre-eminence and innovation and pay particular attention in reviewing funding proposals to the need that research and development requirements are adequately funded.	Stakeholder/ Funders to individually and collectively review funding commitments to individual festivals. Funders to investigate the possibility of an additional 'innovation' funding stream and establish criteria to encourage research and development of ambitious new work across the festivals	CEC Creative Scotland  EventScotland Scottish Enterprise Scottish Government	Requirement for collective consideration by, stakeholders in light of current and future public financial settlements and context of 2012-14 recognised. This has led to Joint-Agency approach to investment for 2012 projects. Festival Expo fund announced with £8M over 4 years, 2008/09 – 2011/12 and has had significant impact on international ambition among festivals and platforming Scottish artists. A further three-year commitment to the Expo Fund was included in the Scottish Government's budget proposal in Autumn 2011. The £2m allocation for 2012-13 was confirmed in the Budget Bill on 8 February 2012 and the Expo allocations for 2013-14 and 2014-15 remain indicative. Creative Scotland investment of £300k into Festivals Innovation Lab, July 2010.	High



## What happened?

An early attempt to quantify the maintenance and development of high quality events as part of an on-going strategic business planning process via the Optimum Funding presentation was a useful indicator of the scale of ambition - requiring investment of £43m over three years. This subsequently helped to lever in funds through the Capital City Supplement and the Expo Fund.

The introduction of the Expo Fund, investing £15m over 7 years, has been transformational for some festivals and essential for continued survival for all the festivals. Whether this has funded new innovation or enabled the continuation of innovation is a moot point.

The special collaborative programme brought together for 2012 (Olympics) and 2014 (Commonwealth Games) delivered major ambitions across programme innovation, marketing, profile and positioning and international cultural diplomacy.

Festival Edinburgh's Draft Programme Development strategy for 2014-2018 focuses on continuation of the Expo Fund's programme investment; development of international or regional showcasing opportunities; collective cultural diplomacy including the Momentum Programme; profile building and mapping.

The two year Edinburgh Festivals Innovation Lab (festivalslab) instigated some very successful projects including Festival Listings API, Geek In Residence and Culture Hack Scotland. Festivals Edinburgh's Innovation Strategy aims to develop this work by embedding it in its annual work programmes.

The Festival Programmers Group meets regularly and there is some interest in collaborative programming, particularly around the 2012 and 2014 programmes.

There has recently been discussion amongst the Festivals Directors about their potential to act together as bold champions of big new creative ideas and to prove their joint power as a force of deep cultural

and social engagement with the people of the City. Whilst these discussions have touched on the future for ever closer programming and the potential to create a new narrative for the festivals and their connection to the city, there has been no appetite for closer integration and most unanimity around ideas connected to digital innovation and social engagement.

## Our Analysis

Freedom to innovate, facilitated by the Expo Fund and 2012/14 investment, has been transformational and its continuation is vital to the future success of the festivals. Programming excellent, world standard, innovative content is Edinburgh's USP and the key to continued success. The quality of the individual festivals' programme feeds through the whole festival eco-system and attracts visitors to the city at all levels; it is the rock upon which all other achievements are founded.

If Edinburgh is aiming to be the pre-eminent festival city in the world it must focus on providing the best content in the world. However the best festival city concept needs to be more nuanced and include broader notions of innovative quality such as social engagement or environmental sustainably.

There is potential for the Edinburgh Festivals to seize the initiative around digital innovation and to become a global digital phenomenon as well as a physical one, investing resources in taking the festivals out to the world as well as encouraging the world to come to Edinburgh. The 'digital distraction' might be seen as the biggest competitive threat of the next ten years and the festivals and their partners would be wise to tackle it directly.

The potential social value of the festivals working collaboratively has not been fully realised and although there is good work happening, there is a need to tell a coherent story about the festivals' role in community cohesion. The festivals should aim to be innovative in the area of social value as well as in their programmes and to be the City where the world looks for examples of quality engagement and integration.

## Issues

- Maintaining future investment in innovative programming in the light of pressure on public sector budgets is going to be challenging and the Forum should continue to view this as its priority
  - The exercise of identifying the festivals current and future investment needs should be repeated and brought to the Forum
  - Are the festivals interested in developing a new narrative about what the Edinburgh Festivals are and building closer programming relationships?
- What does focusing on digital innovation look like and what are the implications of taking the Edinburgh Festivals experience out of the City, for tourism and direct economic impact?
  - How best can the festivals work collectively to add value to the good work they are each individually undertaking in the education and social engagement spheres?

**Excellent Facilities**

<b>Action point</b>	<b>Thundering Hooves Recommendation</b>	<b>Action required</b>	<b>Lead Agency and Partners</b>	<b>Progress and Timescale</b>	<b>Priority</b>
6	<p><b>Recommendation 8</b> That City of Edinburgh Council undertake a development plan for the infrastructure (including venues) required for the success of the Festivals (drawn up jointly with relevant partners).</p>	<p>CEC will undertake audit of existing venue infrastructure availability and suitability for festivals and issues arising, in consultation with festival partners. Commission development plan for venue infrastructure which identifies infrastructure requirements and investment strategies. Strategic approach to wider support infrastructure issues including transportation and accommodation to be investigated and developed by Festivals Forum.</p>	<p><b>CEC</b>  Creative Scotland EventScotland Scottish Enterprise Festivals Edinburgh  CEC Scottish Government Scottish Enterprise VisitScotland ETAG</p>	<p>Cultural Venue Study considered by the CEC Culture and Leisure Committee 6 May 2009. Up-date presented to Festivals Forum in January 2010.  Major capital projects are ongoing including the £2.3M investment in the King's Theatre and £9.3M Assembly Rooms project.  Multi-use venue options are also being explored as recommended in the ongoing Cultural Venue Study.</p>	High

## What happened?

Since TH1.0 was written the Usher Hall, Assembly Rooms, Churchill Theatre, Kings Theatre (partly) and the Tattoo arena have all been refurbished, many new temporary venues have been created for the Fringe. A new tram system has been introduced from the Airport to the City Centre. Edinburgh Airport has expanded and new routes have been added.

City of Edinburgh Council published its City Cultural Venues Study in May 2009. This highlighted the demand for a potential investment of between £25m-£200m and identified investment in the Assembly Rooms and Kings Theatre as priorities. A Cultural Charrette was held in the Usher Hall in November 2012. This reflected on Edinburgh's reputation as a cultural destination and assessed its ability to support that reputation through its infrastructure. It also considered how to ensure that investment in new cultural venues is complemented by a commitment to strengthen the city's position as a centre for cultural production.

The City Council's Pledge 31 is to 'Maintain our City's reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure'. Its strategy to achieve this is 'Through partnership building, project facilitation and support, continue to assess the city's cultural infrastructure needs and contribute to meeting those needs'. We will consider this assertion in Phase 2 of our work.

We understand that a revision of the City's Cultural Policy is underway and will note its outcome with interest, particularly in relation to venues, infrastructure and festivals.

## Our Analysis

It is unlikely that the public sector on its own will be able to build new performance spaces, which are sustainable year-round, in the foreseeable future. The key point about the priority list produced by the City Cultural Venues Study is that no single public sector partner, particularly the Council, are currently able to provide the required

investment on its own and progress will require a concerted effort by all stakeholders, across all sectors, including education sector and private philanthropists.

Other infrastructure issues such as Accommodation, Broadband, Licensing, Police Charging, and the City Welcome are equally important for the Festival City and these need to be addressed in the short to medium term.

Despite the growth in volume and high occupancy, the quality of the city's hotel stock is variable and does not compare favourably with many European and Middle East destinations. The cost of hotel rooms, driven by Festival demand, has made it increasingly difficult for visiting performers to stay in the city and ultimately audiences may be deterred by the very high prices. There is a perceived lack of supply at the lower end of the market.

Digital connectivity around the city is perceived as poor and some form of city-wide concordat around free Wi-Fi access is urgently required. The recent Council initiative supported closely by Festivals Edinburgh to introduce such a scheme was frustratingly shelved when the supplier went into receivership. Many visitor destinations are introducing integrated event and travel packages offering 'free' travel to those who have event tickets and this may be worth considering as a way to improve the city's welcome to visitors.

## Issues

- Is it possible to intervene in the accommodation market to stimulate appropriate new supply and to regulate pricing?
- Ensure that Edinburgh's reputation as a 'can-do' licensing authority that welcomes temporary interventions is not jeopardised by high charges or the Scottish Government's current review of licensing. The importance of streamlined terms across licensing, police charging, road management and charging, signage, emergency and event planning

- There is a perception that the City's ability to host major events is wavering and that Glasgow has been increasingly successful in this area
- How to ensure that Edinburgh's reputation as a 'can-do' city, supportive of the festivals and that welcomes temporary interventions, is not jeopardised by 'silo' decision making, high charges or the Scottish Government's current review of licensing

- Whilst there is clear support from CEC's Culture and Sport Department, it is not yet clear where the future vision, strategy, or leadership for development of the city's cultural or event infrastructure is coming from. CEC's Cultural Strategy is being currently being refreshed and should be aligned with TH2.0. The Festivals Forum may have a key role to play in this, working in partnership with other groups.

## Strategic Promotion

Action point	Thundering Hooves Recommendation	Action required	Lead Agency and Partners	Progress and Timescale	Priority
7	<b>Recommendation 9</b> The machinery and resources should be put in place under an agreed management structure to promote Edinburgh, the Festival City worldwide.	<p>Establish buy in from relevant national and local agencies for support for this initiative.</p> <p>Establish high-level action group of relevant stakeholders to take forward this recommendation (this may be a sub-group of the Festivals Forum).</p> <p>Investigate appropriate model for Festival city promotion, in relation to the existing Inspiring Capital brand, and the investment required.</p> <p>Develop strategic plan during 2007 with aim of launching in 2008.</p>	<p>Festivals Forum</p> <p>CEC</p> <p>EventScotland</p> <p>Festivals Edinburgh</p> <p>Scottish Government</p> <p>VisitScotland</p> <p>Scottish Enterprise</p>	<p>Marketing Strategy and Plan has been agreed by all festivals and funders and £450,000 of support (from the Scottish Government Expo Fund, CEC, SE and EventScotland) confirmed for current delivery and in negotiation for future development.</p> <p>A highly experienced team took up post in November and implementation of plan began in January 2009. Campaigns and strategic initiatives now underway. Major, successful, promotional, PR and Digital Campaigns have been undertaken in the UK and internationally, attracting significant additional partnership investment from VisitScotland, Time Out and others and winning awards for the FE campaigns and website. Additional strategic work has been undertaken with the Travel Trade with the launch of the Edinburgh Festivals Passport, Broadcasting where the BBC coverage was doubled and 2012-14 planning is well underway.</p>	High

## What happened?

This action was delegated to Festivals Edinburgh, rather than any city marketing agency, as the best vehicle to deliver results. The joint festivals marketing strategy proposed has been through two iterations over the period.

A cross-festival working group - Joint Festivals Marketing Working Group (JFMWG) - comprising marketing representatives from each Festival was put in place to advise and guide on a strategic marketing plan. This JFMWG was chaired by a member of the FE Board and made strategic recommendations to that Board as the ultimate decision-making body. In addition the JFMWG reported on delivery to that Board and evolved a process of informing and engaging a number of key strategic umbrella groups in the city (ETAG, SIG, and CoC).

The resources to support this action were secured from the key stakeholders, with some additional support from private sector organisations. These resources allowed the appointment of an experienced marketing team to implement the strategy, supported by the JFMWG, with new senior personnel joining in mid - 2011.

## Our analysis

We understand that during this period there was considerable upheaval at city marketing level, including major organisational and personnel changes, creating an uncertain destination marketing foundation.

As a result this action was delegated to Festivals Edinburgh and has resulted in the Festivals being one of the few city organisations to undertake national and international marketing, arguably becoming a destination agency by default. We question if this has resulted in the

marketing operation trying to do too many things with limited resources and spreading its self too thin?

However resources appear to have been deployed effectively with a 'return on investment' welcomed by the various stakeholders, on the basis of agreed KPIs.' although questioned by some festivals.

The structure of the JFMWG appears to have been working satisfactorily although the smaller, especially non-summer, festivals still wish for more tactical marketing support from Festivals Edinburgh. However the planned adoption of a new operational framework, with three distinct festival groupings leading on specific markets, may go some way to addressing this.

## Issues

- The importance of metrics and measurement cannot be overstated. Although the previous marketing strategy had a wide raft of KPIs these were very much at an operational level. It is important that the new strategy has a number of top line strategic KPIs
- We are aware of the Edinburgh Visitor Survey but not clear of its effectiveness in measuring visitor numbers, or the reason for visiting Edinburgh, and how therefore the Festivals are measured as a driver.

The following 7 Actions are the remaining recommendations from the TH1.0 report. While the steering group recognised the importance of these recommendations, they were not deemed to be so critical and will be treated as less urgent priorities as we move forward with the Action Plan.

### Investing in Quality over Quantity

Action point	Thundering Hooves Recommendation	Action required	Lead Agency and Partners	Progress and Timescale	Priority
8	<b>Recommendation 4</b> That no new festival should be embraced as part of the City's offer unless its niche and ability to fulfil that niche in the international arena is clear.	A cultural of individual enterprise, innovation and risk-taking is critical for a vibrant city and it is vital that this is not stifled in Edinburgh. The balance is in ensuring that any new events, particularly if embraced as part of the City's offer, do not damage the current festivals position through their timing, branding or programming. The Festivals Forum will have an overall monitoring role in this.	Festivals Forum	On-going Festivals Edinburgh have established criteria for membership that connect any member festival to the ambitions of the TH Implementation Plan.	Medium

### What happened?

The Scottish International Storytelling Festival joined the Festival Edinburgh Group soon after TH1.0 was published. Since then no new festivals have been admitted although there have been five or six approaches, one of which went as far as formal appraisal. Festivals Edinburgh has clear published membership criteria.

### Our analysis

Festivals Edinburgh is widely seen as successful and naturally others want to join in with that success, mostly for their own developmental needs. We have been struck by the commitment of time and resources required by the

twelve member festivals and note the difficulty that some existing members have in prioritising these. Any new festival joining the group would need to make a very strong commitment. Festivals Edinburgh is not currently resourced to provide a developmental and training role, although this could be addressed if the existing members felt it was a priority and the funders would support it.

### Issues

- Is there potential for a two tier membership scheme with the second tier being offered training and development? Would that divert the executive management away from its core purpose and give the existing, hard pressed festivals another task?



## Talented and Experienced Direction

Action Point	Thundering Hooves Recommendation	Action required	Lead Agency and Partners	Progress and Timescale	Priority
9	<b>Recommendation 5</b> The Festivals' boards should give attention to succession planning, and ensure that the recruitment and retention of leadership is undertaken in a way that attracts the interest of the strongest pool of eligible candidates.	Succession planning is the responsibility of the boards of the individual festivals. A number of festivals have been through leadership recruitment in 2006 and an evaluation of their experience should inform future succession planning. Through Festivals Edinburgh, there is an opportunity for this to be shared with the boards of the other festivals.	Individual festivals	On-going Importance of this for the stability of each Festival highlighted through July 2009 meetings. Recent new Director appointments at the EIFF, Edinburgh Mela, Royal Military Tattoo and EAF.	Medium

### What happened?

See also Action Point 13. The Festivals Forum has not played any major part in this area. The Director of Festivals Edinburgh has played an informal role advising individual festivals.

### Our analysis

The Forum has not formally engaged directly with the non-executive boards of the festivals, preferring to deal through the executive

management. This is a delicate area that requires careful consideration but may be an area for future development.

### Issues

- Inviting non-executive board members from all the individual festivals to the proposed annual seminar may be a good first step to building relationships. A dedicated board-only session might discuss matters of common interest that could include best practice in succession planning.

Strategic Promotion

Action point	Thundering Hooves Recommendation	Action required	Lead Agency and Partners	Progress and Timescale	Priority
10.	<p><b>Recommendation 10</b> A joint festivals marketing strategy should be developed by Festivals Edinburgh members and their stakeholders and resourced by those stakeholders that have a strategic interest in Edinburgh's continued pre-eminence as a festival city.</p>	<p>The Joint Marketing group of Festivals Edinburgh will continue to work with TAB to develop this recommendation.</p> <p>This group will propose the aims of a joint festivals marketing strategy and potential projects to test joint working.</p> <p>Funding application to be developed and lodged with relevant funding agencies.</p>	<p>Festivals Edinburgh The Audience Business with CEC Creative Scotland EventScotland Scottish Enterprise VisitScotland</p>	<p>See 7 above Major, successful, promotional, PR and Digital Campaigns have been undertaken in the UK and Internationally, attracting significant additional partnership investment from VisitScotland, New York Times, Time Out and others and winning awards for the FE campaigns and website. Additional strategic work has been undertaken with the Travel Trade with the launch of the Edinburgh Festivals Passport, Broadcasting where the BBC coverage was doubled and 2012-14 planning is well underway</p>	Medium

## What happened?

The initial JFMWG operated to a set of strategic objectives from 2007-2013 that aimed; to directly increase visits and revenue at Edinburgh's festivals; to encourage cross-fertilisation of visits across festivals; to develop long-term strategic initiatives that drive growth; and to cultivate relationships, especially with Tourism & Destination bodies.

This first strategy was reviewed during 2013, with the review including a process of stakeholder interviews and primary audience research. This resulted in a new strategic framework and objectives focused on promoting Edinburgh festival city brand, reinforcing Edinburgh's position as the world's leading festival city and introducing new consumers to the festivals. This new approach was adopted by the Festivals and we understand will become operational from October 2014.

## Our analysis

We agree with the general view amongst the festivals and their stakeholders that, the original marketing strategy was a good first step towards joint marketing of the festivals, which had never really happened previously.

Notable successes from the first strategy include the media visit programme, the joint Festivals website, the API digital listings database, an integrated UK awareness campaign and partnership work with VisitScotland & VisitBritain. An online portal to sell tickets was a key plank in the first strategy and although it became operational the Festivals agreed to discontinue it in light of the new strategy focus on brand not sales.

It is important to bear in mind that much of the product which any joint marketing strategy is selling is outwith the direct control of the Joint Festivals Marketing Group and sometimes out with the control of the individual festivals marketing effort. It is often a function of programme

investment, product availability and resultant capacity and can vary considerably year to year. Whilst the focus on promoting Edinburgh festival city is less prone to fluctuation than a focus on directly increasing festival visits and revenue, there are still many external factors that will affect results.

We understand that attendances across the festivals have not been chosen as a KPI for the new strategy which will focus on brand-building rather than sales. This new strategy appears to have been carefully developed and is welcomed by all those we have met.

To achieve the objective of worldwide promotion requires effective partnership and resourcing. Considerable partnership work seems to have been undertaken to date but at an operational level, for the obvious reasons of organisational upheaval at city marketing level, rather than the necessary strategic level. We understand that there are moves to align planning at city and national level, through partnerships meetings of ME, ETAG, VS and FE, and note the importance of such strategic alignment.

## Issues

- Should moves to align planning at city and national level, through partnerships meetings, be brought into a formal agreement or MOU which all parties could work towards?
- Whilst the tourism sector understandably want to focus on the 'shoulder' months it is important to avoid complacency about the continuing success of the summer festivals period.

Strategic Intelligence

Action point	Thundering Hooves Recommendation	Action required	Lead Agency and Partners	Progress and Timescale	Priority
11	<p><b>Recommendation 11</b></p> <p>The Festivals should continue to commission joint research so they maintain a sense of who their individual and collective audiences are.</p>	<p>The Joint Marketing Group of Festivals Edinburgh will continue its work in this field. The purpose and uses of such a data base need to be defined, the costs and benefits of its development (to Festivals and to others) be quantified and the feasibility be explored before embarking on construction.</p> <p>Plans for future joint research to be developed as an integral part of the joint festivals marketing strategy.</p>	<p>Festivals Edinburgh The Audience Business</p> <p>with CEC Creative Scotland</p> <p>EventScotland Scottish Enterprise VisitScotland</p>	<p>Integrated into Point 10 and the future implementation stage of the strategy and plan.</p> <p>FE continues to work with TAB to provide cross-festival research that continues to inform the ongoing implementation of the Marketing Strategy.</p> <p>Proposal from Scottish Enterprise for on-going Monitoring and Evaluation Study led to commissioning major new Economic, Social, Cultural and Environmental Impact Evaluation supported by all partners. BOP consultants appointed to undertake work.</p> <p>Festivals Impact Study launched in May 2011. Further development of work continued in 2011/12 to embed consistent impact evaluation work across Festivals. All partners involved in the dissemination and profiling of the Festivals Impact Study.</p>	Medium

## What happened?

Intelligence and Research has become one of the key strategic priorities for Festivals Edinburgh, going well beyond audience research. Intelligence is sought through research to enhance reputation, to influence policy, to shape city place-making, to diversify investment into programmes, to grow capacity and to understand audiences.

## Our analysis

An important role for Festivals Edinburgh, research and intelligence is essential both for self-knowledge and evidence based advocacy. The 2011 Edinburgh festival Impact Study is a model of good practice and major research updates should ideally be undertaken every 4 years.

## Issues

- There appear to be fault lines appearing around the collection of data across the festivals, mainly as a result of resourcing issues, and these need to be addressed as it is essential that all festivals continue to contribute.

## Strategic Intelligence

Action point	Thundering Hooves Recommendation	Action required	Lead Agency and Partners	Progress and Timescale	Priority
12	<b>Recommendation 12</b> Additional collaborative projects should be developed that focus on audience and educational development.	The Joint Marketing Group will continue its work in this field.  In addition, Festivals Edinburgh will consider the proposition that among the groups it supports and services there might be a Joint Education Group in which the Education Managers of the various Festivals would explore these ideas.	Festivals Edinburgh  with CEC Creative Scotland  EventScotland Scottish Enterprise VisitScotland	On-going See above  Festivals Edinburgh have established a programming group and will in due course look at education and CPD groups to be led by specific festivals with strengths in these areas.  New project established with CEC Arts and Learning and Arts Development teams with TAB to better record and measure the impact of outreach and learning across the city which includes the festival.	Medium

### What happened?

Projects such as the Environmental Sustainability Strategy 2014-2019 have been very successful with the creation of initiatives like Creative Carbon Scotland.

Innovation Working Group's Festival Lab generated some great new ideas such as Festival Listings API; Creative Brokerage; Geek In Residence; Culture Hack Scotland 2011; Smart Tourism etc. some of which continue to have major impact.

The Knowledge Brand Project looked at the feasibility of FE developing a 'knowledge brand' to encapsulate and monetise the knowledge and expertise residing within the organisation and its members.

A joint Education Group was not convened outside of the Programming Group and joint Education and Social Engagement programmes have not yet materialised.

## Our analysis

This was another rather confused recommendation mixing audience development and education and further interpreted to include Continuing Professional Development.

The festivals need to be world class in the area of social values and integration of culture as well as in the programme; Edinburgh should be where the world looks to for examples of good practice around quality of engagement as well.

Community engagement and education are vital areas for the festivals and there is a need to leverage the value of their collective effort to get the best return for the people of the city and Scotland. The social value of the festivals has arguably not been fully realised and although some good work is happening there is a need to tell a more coherent story about the festival's role in community cohesion.

There is also a potential role to create and promote standards across the festivals in skills development, apprenticeships, interns, placements, volunteers. This could follow a similar approach as to Environmental Sustainability where key festivals with expertise led the way.

The potential Knowledge Brand Project introduces some interesting ideas for the board of Festivals Edinburgh to consider, balancing staff resources, improving networks and potential income.

## Issues

- Education and community engagement can sometime be the 'Cinderella service' for hard pushed festivals trying to manage competing priorities on limited resources and yet some exemplary activity is taking place
- Convening a Joint Education Group for the Education Managers of the various festivals will require high level support. Consideration needs to be given as to whether this group can also oversee a skills development programme.

### Political Will matched by Strong Leadership and Political Independence

Action point	Thundering Hooves Recommendation	Action required	Lead Agency and Partners	Timescale	Priority
13	<p><b>Recommendation 13</b></p> <p>The festivals and their stakeholders should invest in a programme of board development, ensuring that the board composition and <i>modus operandi</i> match the aspirations and achievements of the festivals.</p>	<p>Scottish Arts Council commissions Arts and Business annually to run a programme of board development for arts organisations. Scottish Arts Council, In partnership with CEC, Festivals Edinburgh and individual festivals, will identify those festivals most appropriate to benefit from this.</p>	<p>Scottish Arts Council CEC Festivals Edinburgh Individual Festivals</p>	<p>On-going. Creative Scotland and Arts and Business delivering Chair Matters programme in 2010/11 and 2011/12.</p>	<p>Medium</p>

### What happened?

See also Action Point 9. The Festivals Forum has not played any major part in this area. The Director of Festivals Edinburgh has played an informal role advising individual festivals.

### Our analysis

The Forum has not formally engaged directly with the non-executive

boards of the festivals,. This is a delicate area that requires careful consideration but may be an area for future development.

### Issues

- Inviting non-executive board members from all the individual festivals to the proposed annual seminar may be a good first step to building relationships. A dedicated board-only session might discuss matters of common interest that could include best practice in the role of the board.



**Co-ordinated Process of Monitoring and Evaluation**

<b>Action point</b>	<b>Thundering Hooves Recommendation</b>	<b>Action required</b>	<b>Lead Agency and Partners</b>	<b>Timescale</b>	<b>Priority</b>
<b>14</b>	<p><b>Recommendation 14</b> The Festivals and their core stakeholders should agree the criteria, priorities and processes for monitoring and evaluation of each festival's contribution to the strategic objective of retaining the City's pre-eminent festival status and festivals as a whole. A 'toolkit' should be devised that balances economic, social and cultural goals with innovation and management effectiveness suitable to the regional, national and international fit of each festival.</p>	<p>This recommendation requires further consideration and refining. Although Festivals and stakeholders value the importance of monitoring and evaluation, the development of a 'toolkit' is not a priority and should build on the approaches currently being developed (e.g. Scottish Arts Council's Quality Framework)</p> <p>In the first instance, we will investigate approaches to researching and considering models of evaluations and toolkits which are used internationally to inform our thinking in this area.</p>	<p>Scottish Enterprise CEC Creative Scotland EventScotland</p> <p>with Festivals Edinburgh</p>	<p>EventScotland is working with UK partners to investigate the social, cultural and environmental impact of events. The context of this work will be important as evaluation work into Edinburgh's Festivals progresses.</p> <p>Proposal from Scottish Enterprise for on-going Monitoring and Evaluation Study led to commissioning major new Economic, Social, Cultural and Environmental Impact Evaluation supported by all partners. BOP consultants appointed to undertake work. Festivals Impact Study launched in May 2011. Further development of work continued in 2011/12 to embed consistent impact evaluation work across Festivals. All partners involved in the dissemination and profiling of the Festivals Impact Study. CEC and Creative Scotland are progressing the place agenda for Edinburgh.</p>	High

## What happened?

See also Action Point 2.1. The festivals' main public funders, initially the City of Edinburgh Council and Creative Scotland (and its predecessors), later joined by EventScotland and others, came together to consider the festivals for the first time within the Festivals Forum and the Thundering Hooves Steering Group. The resulting discussions led to a much more strategic approach to supporting the events although they did not implement all the ideas proposed in TH1.0. Whilst by working more closely together the funders were able to gain a fuller picture of the investment

needs of the festivals, it was decided that joint core funding agreements with key performance indicators were not necessary or appropriate. All appropriate festivals now have three year funding agreements with the City of Edinburgh Council and many with Creative Scotland – a considerable achievement. The toolkit approach was not pursued.

## Our analysis

The Festivals Forum was wise not to try and introduce a formulaic approach to assessment across such disparate festivals. The 2011 Economic and Social Impact Study captures the impacts for the whole group.

# Appendix 2 - Phase 2 Report: Review and Analysis of Operating Context

Appendix 2 – Phase 2  
Report: Review and  
Analysis of Operating  
Context

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# 1. Introduction

## 1.1 Structure of this report

### Sections 2–6: Situational Analysis

Each section covers five of the six strategic strands that were prioritised as a result of discussions at the first of three Festivals Forum workshops, on 6 October 2014. The five strands are:

1. Festival City
2. Deep and Wide Engagement
3. National and Global Marketing and Positioning
4. Digital
5. Investment and Enterprise

Each section is introduced by a short summary of what we know about the current situation, highlighting assets and strengths of the festivals.

This is followed by a series of ‘propositions’ – factors that may affect that situation in the next period.

There is an element of crossover between all of the strands, but, investment issues and opportunities that relate to the first four strands are primarily considered under the fifth strand, Investment and Enterprise.

### Section 7: City profiles

Four cities and their festival offers have been profiled in this section:

1. Quartier des spectacles, Montreal
2. SXSW, Austin
3. Venice Biennale

4. Manchester International Festival

Each begins with summary findings, followed by context, and then detailed findings under the relevant strategic strand(s).

### Section 8: Methodology Note

The Methodology Note lists the principal research methods used to develop this report.

## 1.2 Status of this report

The Thundering Hooves 2.0 project will generate three interim reports:

- Phase 1 report: Review of Thundering Hooves 1.0
- Phase 2 report: Review of operating context
- Phase 4 report: Thundering Hooves 2.0 Strategy and Action Plan

The primary content of this Phase 2 report (Sections 2–6) is the Situational Analysis paper that was circulated in advance of the Festivals Forum scenario planning workshop on 27 January 2015. It was an opinion piece intended to provoke workshop discussion.

The resulting discussion and comments have been considered in revising the paper for the Phase 2 report and the Situational Analysis has been updated with points of fact and clarification.

All of the feedback and comments will be reflected in the Phase 4 report, the Strategy and Action Plan, which will form the main part of the final Thundering Hooves 2.0 report.

## 2. Festival City

Edinburgh's position as the unrivalled model for cultural festivals has been remarked over and over again, both in our research and in other publications. The city's history, architecture, topography and scale all have a bearing on this; you simply could not reproduce the quality of the festivals across a much larger city, or one without a similarly rich history, and the physical nature and density of Edinburgh makes the city itself a participant in the festival experience for everyone who attends. Improvements in transport and the built environment continue to better address the needs of both residents and visitors.

Edinburgh offers a beautiful, distinctive environment and UNESCO status helps ensure that its heritage offer is preserved. A strong association between the architecture and the topography of the city and the festivals helps define the Festival City concept. But Edinburgh is not just the Royal Mile and the city centre; there are initiatives to enlarge, improve and reimagine the settings in which festivals activity takes place, from development of new venues for cultural celebration, proposals for a revamped Queen's Hall and the increased commitment of the BBC (through a studio) to ensure that its coverage reflects the national significance of the whole range of festivals.

The City of Edinburgh Council, as a member of the Convention of Mayors and through its commitments to the Scottish Government, has ambitious environmental sustainability targets which are growing increasingly pressing and moving up the agenda. The Edinburgh Partnership recently agreed to seek commitments from partners, which should include the cultural sector, for individual and joint projects to contribute to the Sustainable Energy Action Plan which has a target of

42% carbon emissions reduction by 2020. The Edinburgh Partnership also agreed to start developing the next Community Plan, which will cover the years 2018–21, on the basis of the three pillars of sustainability: economic, environmental and social.

The festivals' ability to demonstrate leadership in understanding and mitigating their environmental impact on the City of Edinburgh and cities generally, as demonstrated both through their own work and through Creative Carbon Scotland,<sup>1</sup> is therefore a growing political and commercial asset, but one that needs to be maintained: the Festivals are no longer the Scottish leaders in this work. Real environmental responsibility, as opposed to 'greenwash', is reputationally important for both audiences and funders. Taking account of new Scottish Government legislation on associated environmental impacts, the ability of the festivals to use the arts imaginatively to help society address seemingly intractable targets, such as 80% carbon reduction by 2050, is an increasingly critical asset in negotiation of an improved public funding settlement. The work done to date by the festivals underpins a bid from the City of Edinburgh Council to the EU Horizons 2020 fund to lead a consortium of European capitals with UNESCO status in a programme of research in how to develop infrastructure in a cultural heritage environment.

### Proposition

#### 2.1 Groaning infrastructure

However, some of that which makes for a perfect festivals environment also places constraints both on the renewal of existing infrastructure (venues, accommodation and transport) and on new development to refresh and update the festivals' offer e.g. the need to preserve the

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<sup>1</sup> Creative Carbon Scotland works with artists and arts organisations to provide training and support in carbon measurement and reductions, initiating special projects which engage organisations, artists and audiences in the sustainability debate and inspire behavioural

change. It has a significant role in lobbying government, funding bodies, organisations and artists for the role of the arts in building a more sustainable Scotland.

distinctive heritage aspects of the city curtails the ability to dress Edinburgh as a Festival City.

The festivals also put a great strain on the city at certain times and it is important that this is recognised and addressed where possible. The large economic benefit and amenity that the residents enjoy from their festivals sometimes need to be better communicated.

### Montreal

Montreal's city government turned constraints on physical space into a regeneration opportunity by investing C\$140 million (c. £78m) since 2007 in turning a run-down area of the city into a place to, 'Live, Create and Entertain in Downtown'. The resulting 'Quartier des spectacles' combines public space, venues, workspace for creative enterprises and ongoing investment in a programme of activities (c. £3m per annum) to allow the city's festival to grow. Digital street columns for advertising and signage, media facades for digital projection, architectural lighting, underground services, Wi-Fi zones and fibre optic communications make the Quartier de spectacles a role model of modern infrastructure.

## 2.2 Licensing takes a toll

Edinburgh has had a strong reputation as a city that says yes and facilitates cultural entrepreneurship within context of the festivals – as set out in Hamish Macrae's book, 'What Works' (2010) – but that reputation is being eroded. Licensing of permanent and temporary performance venues, both in its cost and time taken, has been noted as a constraint on both the expansion and day-to-day operation of the festivals. Regulations around sound levels for music and late night activity are repressing activity at the festivals.

SXSW in Austin reports high levels of contact and cooperation with the city authorities in ensuring the smooth running of a much less centrally coordinated, more freewheeling combination of trade fair, commercial promotion and live performances that spill out of bars and venues across the city. It stands in contrast to Edinburgh's more rigid regime.

## 2.3 Who stays in a place like this?

Many Edinburgh hospitality businesses are effectively underpinned by festivals trade, and the quality of the whole range of accommodation on offer is an important factor in the festivals experience for visitors. There are concerns about capacity at all levels: there is a perceived shortage of 5 star accommodation; and, whilst steps are being taken to address the capacity issues faced by hosting a whole series of international events in a comparatively small city, including the utilisation of student accommodation and university infrastructure during the summer festivals, producers still complain that they cannot find low cost accommodation for performers within the city itself.

The festivals need to build more constructive relationships with owners ranging from multi-national groups to independent operators with a single property to ensure that the accommodation on offer matches the world-class quality of the festivals, and that of competing cities. The idea that the accommodation sector should itself contribute directly to the sustainability of the festivals through funding, in the form of room levies and T-BIDS, has been looked at; but both mechanisms have risks and costs beyond their short term benefits to the festivals.

## 2.4 Edinburgh is not the world's greenest Festival City

Being a green Festival City poses many challenges about transport (to and within the city), accommodation, waste management and energy use which cannot be addressed by the festivals themselves but need improved joined-up thinking and working with many other players. Yet the

reputational risks (or benefits) accrue largely to the festivals. Edinburgh is not managing this process well at present and the festivals need to grasp the opportunity to promote joint working as the City Council begins to grapple with the issue.

## 2.5 Public assets underutilised and lacking investment

Festivals are not defined as a priority within other city policies and manifestos. There is a lack of a joined-up approach across council departments, national agencies and Government bodies that limits usage of public assets (e.g. parks), imposes unnecessary costs and restricts potential ideas and ambition. In addition, falling budgets for ‘basic hygiene factors’ (e.g. rubbish collection, parks, policing and public order) impinge on the qualitative visitor experience.

## 2.6 Border controls

Edinburgh Airport serves an increasing number of international destinations, but still offers fewer direct flights than many other festival cities.<sup>2</sup> The airport is in private ownership, and both its owners, airlines and the airports at place of origin would need to be supported and encouraged to promote the benefits of providing new direct routes and new landing slots. Any increase in the number of international flights would need to be squared with other planning and environmental constraints. However, the package of increased devolution measures recommended by the Smith Commission includes flexibility for Scottish airports to set their own landing and departure taxes – something that may present an opportunity to target the development of new routes.

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<sup>2</sup> Current [20-02-15] number of inbound international destinations to: Edinburgh Airport (84); Manchester (190); Montreal (107).

# 3. Deep and Wide Engagement

More than 60% of Edinburgh’s festivals audiences are from Edinburgh City region and 58% of people in the City of Edinburgh regularly attend one or more of the festivals. The Edinburgh Festivals Impact Study demonstrates how those factors together create very positive economic impacts (multipliers of spend in local economy) and return business.

The festivals have a significant and growing role in promoting social cohesion. Some are focused on social outcomes (e.g. Mela, Imagine) and all of them have social and education programmes and a mission statement about social engagement. Between them, the festivals offer many models of practice and partnerships in schools libraries and communities in Edinburgh and Scotland that have wide and deep impacts. Examples of this include projects that widen access to festival programming and creative skills, such as the Fringe’s Comedy Academy and Imagine’s partnership with Lyra Theatre and North Edinburgh Arts.

The festivals increasingly provide an R&D function for the city and for Scotland, promoting social cohesion and demonstrating leadership in working both individually and collectively with the private sector. The Scottish Government’s commitment to equalities and social justice, in both policy and practical terms, has been restated by the new First Minister. The festivals and the Festivals Forum need to have a clear focus on the potential for transformational outcomes from engagement work when addressing the need for a reshaped and improved public funding settlement to government.

## Rio de Janeiro

Other cities utilise direct and radical methods to engage excluded citizens in areas of multiple deprivation. Rio de Janeiro’s ‘CineCarioca’ initiative targeted young people not in employment or education by building subsidised small screen cinemas programmed exclusively with domestic and international premieres, with every single seat subsidised to the level where the cinema was a direct substitute for a pirated DVD. This created sustainable local infrastructure that extended cultural and educational provision, in the process inspiring citizens from the hardest to reach sections of the community to experience their own city more widely and take up entrepreneurial activities in creative fields.

## Proposition

### 3.1 Pride is not enough

The Edinburgh Festivals Impact Study and other surveys reveal that Edinburgh’s populace feels great pride in the Festivals – but that pride does not necessarily equate to engagement. Many of those people expressing pride do participate in any number of ways; but many, particularly those in the most deprived areas, do not. The gaps between pride, engagement and participation need to be closed.

### 3.2 First contact

To retain and grow local, national and global audiences for the long term, each individual’s first contact with Edinburgh’s festivals must represent an experience of the highest quality, whether through programming or social engagement, and this quality needs to be supported and invested in.



In addition, Edinburgh's festivals need to maintain and build upon that engagement in successive contacts through continuous investment into and improvement of quality, whilst expanding its reach; offering access and programming depth rather than just a 'numbers game' that some stakeholders and media focus on. This is a broader challenge to the city's cultural sector, and one in which the festivals have a leadership role.

### 3.3 Engagement needs to be better coordinated

In a time of budgetary constraint, the festivals' plans need to make a balance between economic (pounds and pence), physical (bricks and mortar) and social (hearts and minds) regeneration. Social engagement and education has been seen as a side-line rather than a focus by festivals' funders, boards and the media. There is not an active, joined up approach in working with the council's Children and Families division and to engage with the wider Community Planning Partnerships. Current siloed approaches represent an increasing threat in a time of funding constraint; but that sharpens the opportunity to exploit the mutual advantages of joint working as a more effective, efficient and economical way to deliver unique social, cultural and economic outcomes.

One of the Thundering Hooves 1.0 recommendations in this area – *additional collaborative projects should be developed that focus on audience and educational development* – has not yet been followed through.

### 3.4 'One volunteer is worth ten pressed men'

Major sporting and cultural events such as the Olympic, Paralympic and Commonwealth Games, the associated Cultural Olympiad and cultural programmes, and the Rugby World Cup demonstrate the attraction of volunteering. Manchester International Festival has a successful

volunteering programme; vital community links to Liverpool European Capital of Culture were developed through volunteering. This is an area where the festivals could offer a gateway to allow a wider sector of Edinburgh's population to access training, skills development and – critically, in terms of funding – employment opportunities. This should avoid the exploitation of those seeking to enter the labour market and targets non-traditional volunteers, such as semi-retired and under-employed.

# 4. National and Global Marketing and Positioning

No city in the world is so strongly identified with festivals, and their excellence, as Edinburgh. Edinburgh punches above its weight: above all other cities we have looked at, including the much larger World Cities Culture Forum (WCCF) global cities, its cultural reputation, *driven by its festivals*, is uppermost in its global positioning.

Edinburgh's festivals are also the only truly national cultural brand for Scotland. Scotland's national marketing needs to recognise and take advantage of Edinburgh's global reputation to emphasise its leadership role and, in this, the importance of the festivals in positioning Edinburgh as a clearly defined global Cultural Capital. Edinburgh has worked successfully with Glasgow around both the Olympic and Commonwealth Games. National marketing needs to make it clear that Edinburgh and Glasgow's positioning is in fact complementary. The challenge for Edinburgh (and for Scotland as a whole) is to address the intrinsic weaknesses and constraints in its proposition, to learn from good practice in other global and festival cities in addressing comparative weaknesses and prevent the erosion (both physical and reputational) of things that have been perceived as strengths. The unparalleled international recognition factor and reputation attached to Edinburgh's festivals represent a unique asset in identifying, maintaining and building on comparative advantages for Scotland.

The forthcoming 70<sup>th</sup> Anniversary of the Festivals in 2017 presents an opportunity for the city and festivals to arrive at a conjoined national and international marketing strategy that emphasises the interdependency of the festivals, the cultural sector, the economic benefits presented by the

festivals to the city's businesses, particularly in the visitor economy, but also in terms of a culturally rich quality of life that enhances Edinburgh's attraction as a business location.

## Proposition

### 4.1 Competition is everywhere

Both nationally and internationally, there is increasing competition amongst cultural cities for audiences, world-leading artists, creative technology innovation and scarce financial resource. The increasing focus on culture as a driver for economic, social and cultural change, innovation and regeneration is a phenomenon expressed most clearly through the 23 global cities represented by the WCCF. Governments of global cities from Bogota to Beijing are benchmarking their cultural offer against common measures and sharing experience of culture-led transformational projects, many of which are using festivals and cultural facilities to promote regeneration and inward investment, through WCCF.

#### **Liberal Cities are Prosperous Cities**

From Austin to Manchester, Munich and Melbourne, we can identify a bracket of small and mid-sized cities whose knowledge clusters look similar – renowned seats of learning, knowledge-intensive industries, highly developed international companies, and culture-led strategies for their marketing and growth. These cities also have in common that they are creators of national wealth; their regional economies outperform their national neighbours and international competitors. Of these, however, Edinburgh is unique in that its festivals lend definition to the international reputation of the city as a whole.

## 4.2 Edinburgh sits alongside global cities, not as one of them

Whilst we have observed that it has a unique global cultural reputation, driven by its festivals, Edinburgh is not a global city like Beijing, Los Angeles or São Paulo and can never expect to compete on the same grounds as those much larger places. Nonetheless, in order to maintain that global reputation, to survive and thrive, this comparatively small city has to maintain and build its profile in the minds of national and international audiences, and influence local and national politicians to prioritise investment in the city, its infrastructure and its festivals.

## 4.3 International partnerships

Existing partnership activities have exploited the existing global positioning of and relationships to Edinburgh's festivals, such as Edinburgh Festivals Momentum Delegate Programme which provides an avenue for the Scottish cultural sector to develop stronger relationships with international cultural figures.<sup>3</sup> International partners benefit from the body of expertise and knowledge built up over decades in the world's leading festivals organisation; both the partner city and Edinburgh itself garner reputational benefit by association. Edinburgh's festivals need further support from all the Momentum partners (including British Council, City of Edinburgh, EventScotland, Creative Scotland and Scottish Government) to assert and express its leadership role through the British Council Global Skills Programme and to build on the work of Momentum in other ways, e.g. leading an exchange of knowledge with other festival cities.

## 4.4 Finding common cause with other cultural cities in the UK

Edinburgh, as the Capital of Scotland, working with the Scottish Government and Westminster, should take advantage of the leadership position of the festivals to implement recommendations of Core Cities UK's Response to the Select Committee Report on the work of Arts Council England<sup>4</sup> in defining a programme of culturally-led transformational investments in the city's infrastructure and people. As with the proposition around Scotland's national marketing, this is not a 'beggar my neighbour' approach but should project Edinburgh's unique combination of a global festivals brand in a smaller city. Although not a direct parallel nor a competitor on the global scale, Manchester's use of central and devolved funding to invest heavily in new cultural infrastructure and programming (The Factory, Home and Manchester International Festival) offers a precedent of how UK cities can use their increased powers to forcibly shift their global positioning through culture.

## 4.5 Great cities inspire great marketing

Edinburgh and Scotland's marketing should demonstrate their shared commitment to the same kind of culture-led transformation that is occupying the minds of leaders of the world's major cities. It needs to take note of the work emerging from the WCCF members. Whilst Edinburgh cannot expect to match the absolute level of funding that these global cities are able to put into it, it should have the ambition to prioritise and coordinate financial, creative and partnership resources in creating coordinated, festivals-led city and national brand marketing.

<sup>3</sup> <http://scotland.britishcouncil.org/programmes/arts/momentum> [accessed 20-2-15].

<sup>4</sup> <http://www.corecities.com/what-we-do/publications/core-cities-uks-response-select-committee-report-work-arts-council-england> [accessed 19-01-15].

## 4.6 Other festival cities are greener

A number of other festival cities are stealing Edinburgh's thunder in terms of environmental sustainability. For example Manchester International Festival has already achieved ISO 20121 Sustainable Event Management and is proud to trumpet its successes on its website.

## 4.7 Blowing our own trumpet

Approval of the festivals amongst Edinburgh residents has grown from 35% to 77%<sup>5</sup> as a result of greater engagement and the publication of the impact study. In a world where recommendation is increasingly a more important marketing tool than marketing itself, telling national and international audiences about the things that locals think are great about the festivals is a simple but effective way to reinforce global positioning.

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<sup>5</sup> 77% of respondents said that the Festivals made Edinburgh a better place to live, Edinburgh People Survey (2013)

[http://www.edinburgh.gov.uk//download/downloads/id/1991/edinburgh\\_people\\_survey\\_2013\\_summary\\_results](http://www.edinburgh.gov.uk//download/downloads/id/1991/edinburgh_people_survey_2013_summary_results) [accessed 09-03-15].

## 5. Digital

Both Festivals Edinburgh and individual artistic directors can show successful examples of digital innovation in both creative process and audience development. The festivals' 'ProjectLab' has allowed the festivals to experiment with small scale prototypes, which has in turn led to a number of social media projects that have become important components of the festivals of which they form part, e.g. Blogmanay, Suggest My Fest and EAF Twitter Map.

This has in turn generated new funding, primarily from Scottish Enterprise, for other innovation projects in the city, e.g. UNESCO City of Literature Tourism Innovation Fund. Scottish Enterprise has cited ProjectLab as a 'pathfinder' within the sector and has asked it to host the Technology for Tourism Conference (20 March 2015). The commercial origins of this funding reflect the fact that Edinburgh is increasing in scale and reputation as a centre for digital innovation, with the University of Edinburgh's Informatics Centre and the city's games developers – including the studio that created the multi-billion dollar 'Grand Theft Auto' franchise – acknowledged world leaders in their fields.

The Edinburgh Festivals Innovation Lab and ProjectLab have allowed the festivals to build on existing strong relationships with University of Edinburgh Informatics and other universities to develop joint work in related areas, such as Smart Tourism. But digital is not just about revenue generation, back office functions and apps. Whilst it is a potent source of cost savings and substitution, it is on the critical path of creative experimentation and renewal too. The Innovation Lab model has the potential to become a digital 'sandbox' for artists and commissioners alike. Individual festivals have used digital to produce creative transformations in response to either the needs of artists or (typically short term) funding opportunities.

Festivals Edinburgh has also had an important role in influencing and helping to shape the council's plans to use DCMS Super Connected Cities funding to provide free Wi-Fi across venues, transport networks and public spaces in the main festival areas. The city and festivals will need to continue to work hard to increase the digital capacity of the public realm not only to keep pace with other festivals – e.g. *Montreal's Quartier des spectacles invested in digital infrastructure and signage which is now serving wider city purposes* – but also to make visible its other forms of engagement with Edinburgh's citizens.

### Proposition

#### 5.1 The next big thing

Digital is the next big area of growth in content and audiences, across all festivals. This is not limited to digitisation of existing content and exploitation of any associated intellectual property rights, but includes creation of new and innovative forms in all of the festivals' disciplines.

The way in which this content is consumed may also result in a shift of festivals audiences, both in location and time, with 'attendees' experiencing the festival in their own homes on their own devices whilst on the move, or in other remote venues, and all year round, rather than at the time of the 'live' event. Though digital can help the infrastructure take less strain it is not a substitute for infrastructure. The findings from SXSW make that point for example.

#### 5.2 Getting the model – and the message – right

Digital strategies should prioritise innovation, engagement and audience development over revenue generation. While artists in some sectors, e.g. popular music, have successfully 'pivoted' their business model by distributing 'content' for free whilst building a revenue base from online

sales of merchandise over platforms like *Bandcamp* and from a hard core of fans prepared to pay high prices for premium physical products, it is not clear what model the festivals could follow that could achieve this effect, much less that all festivals could pursue such a strategy with equal success.

Public investment in the festivals' digital activity is therefore a facet of the wider role of government in underwriting the risks of exploratory R&D and in using culture to address the social, economic and political ambitions of the city and the nation. It reflects the festivals' successful engagement with universities and businesses; its role as an 'attack brand' in building the international reputation of Edinburgh and Scotland; and, nearer to home, its leadership in finding innovative and culture-led solutions to address socially excluded and economic disadvantaged communities. From this it becomes clear why it is important that the approach to funders around support for digital is not expressed in terms of 'additional subsidy for the arts'.

Although there is little immediate opportunity for the festivals to profit financially from digital innovation, the potential impact is enormous. Essential to this will be the festivals driving digital ambition for themselves, the city and Scotland– to become a significant global digital phenomenon as well as a physical one. The festivals, and the Festivals Forum, need to be making the case for additional public investment for leadership in this field to achieve wider benefit and assert their proven ability to drive creative ambition and build global partnerships and reputation.

### **Steve Albini – The Internet has solved the problem with Music (Face The Music, Melbourne, November 2014)**

Steve Albini is a prolific and respected musician and producer. In 1993, he wrote a book, *The Problem With Music*, which described the music business of the time as a corporatist conspiracy riddled with moral hazard and Kafka-esque cruelty in its treatment of artists as units of production.

Two decades on, Albini believes there has never been a better time to be involved in music – as a fan and as a musician: 'I see more bands and I hear more music than ever before in my life. There are more gigs, more songs available than ever before, bands are being treated with more respect, and are more in control of their careers and destinies.

'I see them continuing as a constellation of enterprises: some big, some small, most small but all of them with a more immediate response from their audience and a greater chance to succeed. It is genuinely exciting.'

17 November 2014: [www.theguardian.com/music/2014/nov/17/steve-albinis-keynote-address-at-face-the-music-in-full](http://www.theguardian.com/music/2014/nov/17/steve-albinis-keynote-address-at-face-the-music-in-full)

### 5.3 Need to diversity the funding base

Where third party funding has not been forthcoming, the risk that initiatives will be stillborn is increased (e.g. discussions with the University of Edinburgh over an augmented reality (AR) app). Funding for audience development has typically come from within existing budgets where outlays can be shown to produce returns in the short term (e.g. the successful Fringe mobile ticketing app). Edinburgh's festivals need a proposition to secure, and partnerships to unlock, longer term commitments for either creative programming or audience development from alternative public sector funders with specific interests in research and innovation. These may come both from a range of public bodies – such as Innovate UK, Arts & Humanities Research Council, Economic & Social Research Council, Engineering & Physical Sciences Research Council – and from private sector investors/philanthropists, particularly where there may be a shared commercial return. Public and private sector funding is not a binary function here – private investors will look to see what public commitment is being made and will not want to see themselves as subsidising public sector cuts.

### 5.4 A focus on digital is a focus on the strengths of industry and academia in Edinburgh

There are areas of creativity and audience development in which the Festivals and Edinburgh/Scotland's businesses and universities can together claim comparative advantage over other cultural and commercial offers to the benefit of all, reducing the short term risk of investment in their development and producing new revenue streams for the festivals in the longer term. The festivals have launched successful initiatives with industry and the universities to harness the strengths of the digital and creative economy in Edinburgh. However, the British Council's view of the art forms in which Scotland has particular strengths, do not happen to be those with most economic impact in Edinburgh; Scottish Government is keen to focus on the country as a whole in its foreign direct investment (FDI) marketing rather than individual cities; and

whilst UK Trade & Investment shares the view that strengths in videogames and artificial intelligence are the big weapons in Edinburgh's armoury, it has a marginal influence on trade and investment promotion in the devolved administration.

### 5.5 Digital transformation of the city

The Connected Edinburgh project will deliver Wi-Fi across festivals venues, public spaces and transport, that will offer the opportunity for the festivals' own digital service platforms to be readily (and freely) accessible to many more visitors. But this digital transformation has further to go, and the speed of its progress is constrained by heritage and planning constraints in some areas of greatest importance to the festivals, e.g. George Street currently could not support more ambitious digital signage and infrastructure such as in Montreal.

This also references back to the Festival City: as a city, how can Edinburgh integrate growing IT needs – even for something as seemingly mundane as power points – in new infrastructure, including public spaces? There is a need not just for joined up thinking but mechanisms to coordinate delivery between the council's planning, IT, roads and culture divisions, and with the Business Improvement Districts. The festivals' own planning of infrastructure, content and services will need increasingly to take account of the need to be 'always on', and contain strategies to mitigate risks of any gaps or shortfalls in coverage.

### 5.6 Putting digital in the frame

The current positioning of the digital offer is inconsistent between festivals. A more joined up approach is required to exploit the festivals' brand in the digital arena. Only big brands are having impact in the global digital cultural domain – e.g. Metropolitan Opera, TED, National Theatre (NT Live).

## 6. Investment and Enterprise

Public funding remains essential to the business model of Edinburgh's festivals. There remains a strong case for public funding, built upon the economic, social and cultural value of the festivals and the innovative and collaborative approaches that have allowed them to bring in significant new public funding in a period of extreme challenge. Large scale, radical solutions are needed to replace eroding public funding – these include potential alternative funding models, even if they present their own constraints.

The structure and workings of Festivals Edinburgh have provided the organisational capacity and context in which the public sector partners have been able to continue to invest, and support increased individual and collective ambition, even throughout the recession. Financial challenges have catalysed inventive responses from Festival Directors in terms of both programming and operations – good ideas, delivered to the highest standard, and in many cases taking advantage of innovations in technology.

Creative Carbon Scotland, which was established by Festivals Edinburgh, and the festivals' digital Innovation lab and ProjectLab are exemplars of imaginative and entrepreneurial engagement with communities and businesses that demonstrate Festivals Edinburgh's own ability to research and develop approaches and products within the context of the festivals that can significantly benefit the cultural tourism, environment and other wider sectors of the economy, whilst effectively projecting the 'soft power' of Scotland as a global innovation hub – a reputation drawn in a straight line from its original Enlightenment thinkers.

### Proposition

#### 6.1 An austerity Festival?

Despite its great tradition and the extraordinary innovations brought to life by the festivals in recent years, the reality is that public sector investment is expected to fall 5–10% year on year. Whilst the settlement for the arts in Scotland is different (i.e. devolved), the risks for Edinburgh, as for all UK cities, are those identified in the 2014 Core Cities UK response to the wider settlement for the Arts in a time of government 'austerity':

*'without a new policy direction agreed between the Core Cities and central government, it is likely that in the short to medium term, the national cultural infrastructure based in the cities and serving their regional economies, is not sustainable and its loss will have wide-ranging impact on the competitiveness of the country.'*<sup>6</sup>

#### 6.2 Reputation alone is not enough

Edinburgh, as the most established of all festival cities, can be argued to have weathered the recession better than many of its competitors. It has been able to continue to innovate creatively and exploit its pre-existing competitive advantage in audience perception whilst some new entrants and challengers have stopped or reined back development programmes. However, this is at best a temporary reprieve. The perception does not match the reality of the investment position. Recession also has not put off those challenger cities where there is strong and overt political backing for development – close to home, Manchester, with two new multi-million pound venues, and Glasgow, with its positioning as Scotland's leading city for major sporting events and entertainment, are two examples of this; further afield, Bogota, Buenos Aires, Montreal and others continue to increase their investment in festivals and other forms of cultural infrastructure. From another quarter, trade

<sup>6</sup> Core Cities UK's Response to the Select Committee Report on the work of Arts Council England, 28 October 2014.



shows/festivals such as SXSW (and its host of imitator 'four letter festivals'<sup>7</sup>) and online experiences such as TED continue to crowd the market for new forms of cultural content.

## 6.3 Cultural and political Capital

Given their importance as both a cultural and economic driver for the City of Edinburgh, the festivals have to be able to influence the council's strategic and investment priorities to secure further devolution to the city level of target funding for arts and culture and other key areas that affect them. Other UK cities have used 'City Deals' and other flexibilities secured from either or both of Westminster and Holyrood to set out their case (e.g. Manchester's success in securing £70m for The Factory, £19m for Home; Glasgow's investment in the Commonwealth Games).

As Scotland's capital, Edinburgh should be able to exercise greater leverage over national funding by demonstrating a clear strategy for culture-led investment in infrastructure that will benefit the festivals and the sectors of the city's economy that both benefit from it most and drive prosperity in the form of jobs. It also needs to demonstrate that it has a culture-led strategy for innovation that will involve new partners, e.g. the University of Edinburgh and, via this and other university connections, the Research Councils. If it advances a compelling case to Holyrood and Westminster for funding for transformational investments in infrastructure and content, it will get a hearing.

## 6.4 False dichotomy #1: public vs private sector funding

The festivals need a strong public funding base and clear sense of commitment from local and national government to leverage private

investment and that from other partners, such as universities. There is no substitute for the public element of the funding. Festivals + public bodies/funders = a partnership. Festivals provide public benefits to all members of the community, from excluded individuals to high technology businesses. Public or private funding is not a binary choice: reducing public budgets are a disincentive to private giving. Donors will shy away from a position in which they seem to be subsidising public sector cuts, but will embrace a role in reinforcing public sector investment, particularly in innovation.<sup>8</sup>

## 6.5 False dichotomy #2: between funding for infrastructure and funding for content

In case studies from a number of world cities – including Buenos Aires, Montreal and Paris – we have observed that their respective creative districts programmes (Thematic Districts Programme, Quartier des spectacles, Fabriques de la Culture) are explicitly linked to a programme of subsidy (both direct and through tax incentives) for creative workspaces, as well as for cultural programming and subsidised access to it for residents of those districts. This serves as 'pump priming' for further private investment from creative entrepreneurs that in turn generates demands for improved infrastructure and public transport, access to cultural and creative industries employment, restoration of buildings as they are repurposed as creative workspaces and to service the retail and leisure economy, and general improvements in the quality of public space and the sense of security for people who live and work there.

<sup>7</sup> Festivals inspired by South by Southwest have been collectively nicknamed 'four-letter festivals'. Examples include: C2SV (formerly known as "SVSX") - San Jose, California; Incubate (formerly known as "ZXZW") - Tilburg, Netherlands; Live at Heart - Örebro, Sweden; MidPoint Music Festival (MPMF) - Cincinnati, Ohio; MoSo - Saskatoon, Canada; South by Due East - Houston, Texas; The Goa Project - Goa, India; The Great Escape Festival - Brighton, England;

XOXO - Portland, Oregon; Yes and Yes Yes (YXYY) (formerly known as "Yes by Yes Yes") - Palm Springs, California; South by So What?!, a music festival held twice annually in the Dallas, Texas area is also named after South by Southwest.

<sup>8</sup> See for example: 'Mathew Prichard: Private funds cannot plug arts gap', BBC News 20-01-15 <http://www.bbc.co.uk/news/uk-wales-30886142> [accessed 23-02-15].

### How does TED make money? ([www.ted.com](http://www.ted.com))

TED makes money through conference attendance fees, sponsorships, foundation support, licensing fees and book sales, and we spend it as soon as we get it – on video editing, web development and hosting for TED Talks and TED-Ed videos (ideas are free, but bandwidth is expensive...); support for community-driven initiatives like TEDx and the TED Fellows, and of course, paying fair salaries to staffers and interns.

Everyone who buys a pass to attend a TED conference is helping share free TED Talks video with the world, as well as supporting the TEDx program, the TED Prize, free TED Fellowships, TED-Ed video lessons and more great stuff that is shared with the world for free. For this reason, a percentage of the attendance fee is a charitable contribution.

TED Talks on the web are also supported by partnerships with carefully selected organizations; their ads on the videos and website support making TED Talks available to the world for free in many languages and on many platforms. We are very selective in the organizations we partner with. Other projects and initiatives are supported by foundation funding and individual donors.

And of course we're also supported in kind by tens of thousands of volunteers — like all the amazing translators with the Open Translation Project, TEDx organizers, TED.com conversation moderators, organizations and individuals that support the TED Prize, and everyone who ever shares a TED Talk with someone else. (Thank you!)

[www.ted.com/about/our-organization/how-ted-works](http://www.ted.com/about/our-organization/how-ted-works) [accessed 19-01-05]

## 6.6 Innovation in funding is funding innovation

Other single discipline festivals, such as Sheffield Doc/Fest, have reinvigorated their creative base through use of crowdfunding; Doc/Fest operates shared online resource with two of the biggest platforms, Kickstarter and Indiegogo. Edinburgh's festivals will need increased contributions from other sources of angel or venture capital investment, or innovations such as crowdfunding, in pursuit of their digital transformation: e.g., Edinburgh University's Informatics Lab has worked with Festivals Edinburgh help start-up digital companies to develop products for the festivals and crowdfunding matches that profile.

## 6.7 Please give generously

The festivals and the city need additional support in brokering partnerships with business to secure additional philanthropic giving and private sector investment. The 70<sup>th</sup> anniversary of the festivals calls for a specific narrative to be developed to focus a campaign, along with public funders, to identify private sector champions and influencers who can both provide funding and investment and identify others likely to do so.

## 6.8 Moving targets

Past corporate takeovers and mergers meant that in many cases the corporate decision-making centres of Scottish businesses were no longer in Scotland – there is still the risk of a negative impact on corporate giving and sponsorship in Scotland in coming years.

## 6.9 Risk of falling over the edge

Rebalancing the mix of public sector funding, private sector investment and philanthropy is not an easy transition – there is the risk of a 'cliff edge' where shortfalls in public funding impinge on festivals delivery before the private sector relationships are in place to replace it. The festivals cannot

sustain themselves on the basis of a continuation of the current funding arrangements – so new private capital needs to be secured quickly.

## 6.10 None of us are getting any younger

Very low overall levels of private investment (in common with most other festivals) are compounded by a small and ageing base of private philanthropists. Younger donors (e.g. tech entrepreneurs) are not targeted by the existing festivals approach or narrative. Funding problems exist in the immediate near term; development of new private investors is a medium to long term process. There is a need for leadership in this area to secure the commitment of current donors and identify and bring on board the next generation of philanthropists.

# 7. City profiles

## 7.1 Introduction

Four cities and some of their festivals have been profiled in this section. They have been chosen for their particular insights relating to the five strategic strands.

The four city profiles are:

Quartier des spectacles, Montreal

SXSW, Austin

Venice Biennale

Manchester International Festival

Each profile is structured with the key findings of the research in summary, followed by the festival context, and then detail of their relationship to one or more strategic strand. All of the findings have been informed by interviews with those people directly involved in those cities. The interviewees are listed in Section 0.

## 7.2 Quartier des spectacles, Montreal

### Summary Findings

Montreal positions itself as a year-round Festival City, hosting approximately 200 festivals a year, with some 10m attendees.

The Quartier des spectacles (QdS) is an entertainment district located in the eastern section of downtown Montreal, designed as a centre for Montreal's cultural events and festivals and is managed by a not-for-profit organisation (the QdS Partnership).

The 1km<sup>2</sup> area is home to 30 performance venues totalling almost 28,000 seats.

Since 2007, the City has invested CAN\$140m (around £73m) into regeneration, including street lighting and design, digital advertising points and Wi-Fi.

Having a designated 'festival area' has allowed for streamlining of resources and easier ways to test new technologies, as well as being a focal point for local residents and visitors to congregate for large-scale events throughout the year.

### Context

Montreal has a population of 1.6 million and attracts 26.2 million visitors annually. The city hosts approximately 200 festivals throughout the year.

The overall expenditure budget of the festivals is estimated at CAN\$130m and it contributes to 10–20,000 jobs. Overall the festival's budget is met as follows:

33% public funds

33% sponsorship

33% commercial activity

Montreal has a hotel bed tax 3.5% of the room rate. The CAN\$20–25m revenue generated from the bed tax goes directly to Tourism Montreal to fund marketing campaigns. In addition there is a 5% federal tax and a 10% provincial tax on hotel bills.

Since 2007, CAN\$140m has been invested to refurbish to western part of the QdS. CAN\$4.2m has been invested in extra material for lighting and projections. A not-for-profit company (Quartier des spectacles partnership) was set up in 2003 to manage the area, working closely with the City Council, who is the main funding body. They have an operating budget of CAN\$7m (£3.5m).

The QdS partnership manages services such as cleaning supervision, signage, branding, publicity etc. They produce and procure the public art, particularly lighting, directly and coordinate the programme of events that take place.



**Figure 1: Place des Festivals at night, Quartier des spectacles**

The QdS partnership does not financially support or produce events directly; rather it both responds to requests/ideas for use for the QdS and proactively identifies the experience they want, it then calls for producers to deliver.

An Association of Business Owners currently contributes cash to the ‘animation’ of the districts. The idea of a Business Improvement District is also being looked at, where local business owners would agree to pay a levy towards particular projects.

### **Festival City**

A particular signature of the QdS is the use of light in the public space, both as an identity tool for the venues, general architectural lighting and lighting events.

The QdS has an extensive technical infrastructure that helps to promote the district and make events easier and cheaper to stage. This includes:

- Fibre optic communications network with multiple connection points;
- 8 media facades for digital projection;
- 11 digital street columns from for advertising;
- Wi-Fi network;
- CCTV Central control facilities;
- Temporary power, water and draining services at multiple under street locations;
- Street furniture designed to facilitate events and demountable.

Examples of technologies used in QdS:

- wristbands equipped with Radio Frequency Identification (RFID), allowing for faster transmission of information;
- Electronic passes in smartphones for ticketing;
- Digital broadcasting through the internet, either for live performances or ‘catch up’ services.

## 7.3 SXSW, Austin

### Summary Findings

SXSW is a privately owned music, film and digital industry event which has grown organically since 1987. It has grown to include a specific interactive offering – the technological strand is now part of the festival culture.

Total attendance is approximately 376,600 and the economic impact to Austin is estimated at US\$315m.

Much of the content of the events is influenced by attendee demands, through online channels such as PanelPicker.

The target audiences are digital natives and online tools such as SXSWSocial and streaming of talks are somewhat expected, but SXSW does not have any plans to increase its digital activity. These initiatives are complementary to the physical festival; the essence of the festival is to bring people together, which would otherwise be lost through over-reliance on digital technologies.

### Context

SXSW is a private company, running mainly industry focused events, which receives no public funding. It takes place over two weeks every March in Austin, Texas. It has three main elements: Music, Film and Interactive.

New products have been added in recent years, such as Comedy, SXSWedu (an education conference in spring) and SXWEco (an environmental sustainability event in the autumn). All three take place in Austin.

SXSW V2V is the newest addition, which started in 2013. It is a four-day event every July in Las Vegas with an emphasis on start-ups and creative industries.

SXSW's biggest competition is TED which takes place in North America at the same time. Many speakers speak at both events. TEDx has done well to extend their brand and the Web Summit in Dublin does similar work to SXSW.

SXSW have a good relationship with the City of Austin. The City waives around \$1m of police and city services fees and SXSW throws an international spotlight on the city (and has a significant economic impact). This relationship was not always as good and still takes a lot of work – there are meetings at least once a week. SXSW believes that it owes a large part of its success to their independence and this relationship.

Availability of hotel rooms and venues are ongoing problems in Austin. Crowd control, safety and security are also issues that the City and SXSW need to work on as a priority. In 2014, it was recommended by an independent consultant that the two parties work together to develop a comprehensive integrated safety plan and a multi-year operational plan, to ensure that the festival continues as a success and neither Austin nor SXSW risk eroding their reputation.<sup>9</sup>

### Digital

SXSW have a profile on most major social media channels, including twitter, Facebook, Flickr, Tumblr and SoundCloud. They upload many talks to their YouTube channel, which has just under 84,000 subscribers; many are streamed online.

SXSWSocial is a media channel set up by SXSW which allows registrants to message other conference attendees. Its main purpose was to

<sup>9</sup> Populous (2014) SXSW and the City of Austin: Report on assessment and visioning workshop.

replace published contact lists to avoid the delegates getting spam mail. It is not as sophisticated as Facebook and twitter, or as good at retaining users, so it is not used extensively.

The SXSW website is an easy-to-navigate user interface where registrants can plan their trip in advance (using links to accommodation), buy tickets, schedule their events and interact with other registrants.

Otherwise, SXSW feels that it does enough online activity, and does not have plans to increase levels. It would struggle to make much impact elsewhere given the amount of online competition and it is important not to replace face-to-face networking with digital dissemination.

PanelPicker is a platform for audiences to vote for speakers they want to see at SXSW Interactive. Since its inception 10 years ago, it has been very successful and the bulk of the event content/programme comes from this.

The audience's selection process starts in early July for the following year's speakers in March. It generates around 3,000 ideas/proposals, of which about 400 become actual events. However, some people would like to see more curation.



Figure 2: Pinterest founder Ben Silbermann at SXSW Interactive 2012

## 7.4 Venice Biennale

### Summary Findings

The Venice Biennale is a long-established arts organisation that has a global reputation, running seven different events including the Art Biennale and the Film Festival.

The Biennale organisation has a mutually beneficial relationship with the city; the council provides the venues free of charge, and invests in infrastructure. In return, the Biennale attracts a wealthy, well-liked visitor demographic and is an important element of the city's marketing strategy.

In recent years the festival has focused on engaging more with local residents and education sector, which has led to increased local support and international profile.

The extremely high visitor numbers to the city has led to a strain on accommodation, especially in the lower end of the market, which needs to be addressed.

### Context

Venice is one of the World's most popular cultural tourism destinations, attracting in the region of 9.8 million in 2013.

Established in 1895, the Venice Biennale is one of the most prestigious cultural institutions in the world. Over all the events, the Biennale attracted 700,000 visitors in 2013 and 500,000 in 2014. Approximately 50% of the audience are visitors and approximately 49% of all audiences are under 26 years of age.

The Venice Biennale organisation manages seven distinct festivals brands:

International Art Exhibition – every other year, May to November, 475,000 visitors;

International Architecture Exhibition – every alternate year to the Art Biennale, May to November, 230,000 visitors;

International Film Festival – 10 days every September, 160,000 attendances;

Kids Carnival – 10 days every February;

International Festival of Contemporary Dance – 10 days every alternate June with Architecture, 22,000 visitors;

International Theatre Festival – 10 days every alternate August, 5,000 visitors;

International Festival of Contemporary Music – 10 days every October, 10,000 attendances.



Figure 3: Catalonia in the 55th Venice Biennale

There is a desire to make the Biennale more accessible and socially engaging – to achieve this, it provides transport, guidance and activities to local and national schools as well as international students of the arts to attend.

Since the 1980s, the Film Festival puts on around 100 extra cinema screenings, which attract around 20,000 visitors per year who would not be able to attend otherwise.

In addition they run the Biennale College (a professional development programme), the Biennale Archive and a Biennale visitor centre.

The organisation also manages many of the venues used for the exhibitions and in some cases have been responsible for renovating them as well. The Venice Biennale works closely with the Italian national heritage organisation for permissions to use the historic buildings.

The City Council was very much involved in the setup of the Biennale and overall there is a well-managed relationship at high-level (the Mayor is Vice President of the festival), but there is not a close relationship day-to-day.

The City Council provides the Biennale offices and all working spaces. The Biennale run a festival centre that includes a coffee shop and a bookshop and holds small exhibitions and performances throughout the year. Activity has led to an improved relationship with local residents and increased pride in the Biennale.

The City has invested heavily in technical infrastructure, including Wi-Fi and fibre optic networks, particularly in areas like the Arsenale.

### Investment and Enterprise

The total budget for the Biennale organisation is between €33–38m per year. Approximately 65% is self-generated, 35% is public funding.

Public funding of €14m comes direct from the Ministry of Culture.



All the venues are owned by the City and given to the Biennale free of charge. The City Council does not contribute cash towards the organisation.

The Biennale is in the initial stages of partnering with a tech company, to enable it to harness digital more effectively. They are also in the process of digitising their archive.

A hotel tax was recently introduced in Venice based on a levy of €1 per hotel star per night and brings in €20m per annum to the City budget. VAT is also levied on hotel bills at 20%.

### National and Global Positioning

The Biennale and Venice both benefit from each other's international profiles and their marketing strategies are intertwined. The City Council is responsible for city marketing and they use the Biennale as a brand to promote Venice but as Venice largely sells itself there is not a lot of general promotion. The Biennale's marketing is mainly PR-based with 6000 accredited media at the Art event, 4000 at the Architecture event and 3000 at the Film Festival.

There is a high number of hotels in Venice but there is a lack of cheaper accommodation. This is especially an issue amongst the under 25s, which make up 50% of the Biennale audiences.

The strain of the high number of tourists is an issue in Venice, although because of the profile of the Biennale visitors, they are perceived as more respectful of the local community and welcomed by the local residents.

## 7.5 Manchester International Festival

### Summary Findings

The Manchester International Festival (MIF) was set-up with a clear city-wide aim to have a positive impact on the perception of Manchester as a cultural destination.

Perceptions of the city have been improved and there is good engagement with local residents (60% of audiences are from within Greater Manchester).

The Factory, a major new capital development which will sit within a new creative village, aims to provide a contemporary home for the MIF to grow further and have a wider impact and to establish the city as a major cultural destination.

### Context

Manchester is a major city in the North of England, with an approximate population of 514,417 in 2013.<sup>10</sup>

Established in 2005, Manchester International Festival (MIF) is a biennial festival of original, new work and special events. 2015 will be the 5th festival.

In 2013, MIF presented 314 performances and attracted 246,000 attendances (60% of whom came from inside Greater Manchester). Total capacity was at 88%.<sup>11</sup>

50% of all commissions went on tour to other parts of the world.

MIF feels that strong leadership at the City Council has been key to the festival's success, as it has enabled strong partnerships with businesses to be forged, based on mutual respect and confidence.

<sup>10</sup> Office for National Statistics 'UK Population Estimates (2014)

<sup>11</sup> Manchester City report for Resolution (2013)

Manchester City Council investment had clear long-term objectives; to change perceptions of Manchester from being only a centre for business and football, to a cultural destination as well.

### Deep and wide engagement

MIF has had a considerable effect on the perception of Manchester as a cultural city, and significant impact as an international festival. The MIF 2013 Festival had an economic impact of approximately £38 million to the city.<sup>12</sup>

Manchester City Council has invested heavily in cultural infrastructure as well as in the festival. Major capital projects around the Whitworth Gallery, the new Home Arts Centre and the proposed Factory Manchester have greatly improved the city's cultural offer.

The Factory Manchester has arisen in response to a challenge from the government for cities to come forward with major ambitious projects. They have promised £78m if the project can be realised. It was devised in response to the current constraints and limitations of the centuries-old buildings where MIF performances take place.

The Factory will be a large-scale flexible arts space that will be able to seat 2,200 (5,000 standing) and will be a permanent home to the MIF. It will be artist-led and will encourage work with emerging technologies and new media.

The Factory sits in the heart of a new creative village, St John's, establishing Manchester as the country's most important arts and cultural employment centre outside of London.

### Digital

Digital activity is an important part of the creative process at MIF with many artists using ground-breaking technologies to create new works.

MIF see digital communications and distribution as important, but feel that they have not yet achieved anything special in these realms.



Figure 4: Kraftwerk at Manchester International Festival 200

<sup>12</sup> Economic Impact Evaluation carried out by Morris Hargreaves McIntyre (2013) [www.mif.co.uk/news/2013/10/10/mif13-evaluation](http://www.mif.co.uk/news/2013/10/10/mif13-evaluation) [accessed 17-02-15].

# Appendix 3: Phase 2 Methodology

## 1. Introduction

The Methodology Note lists the principal research methods used to develop the Phase 2 report. It lists the workshop series and attendees, qualitative interviews and describes the desk-based research that has been undertaken.

The Phase 2 research method was refined and agreed with the Thundering Hooves 2.0 steering group. The selection of city profiles and expert informant interviewees was agreed through a process of iteration and refinement of the strategic strands and scoping research findings.

## 2. Workshops

A series of three workshops with the Festivals Forum and the Thundering Hooves 2.0 steering group will inform and co-create Thundering Hooves 2.0. The two workshops have taken place to date have inputted into the strategic strands, the situational analysis, scenario planning and the forthcoming Strategy and Action Plan. Their attendees were as follows:

### Workshop 1 (06-Oct-14)

Lady Susan Rice, Chair of Festivals Forum

Liz Humphreys, Scottish Government

### Workshop 2 (27-Jan-15)

Lady Susan Rice, Chair of Festivals Forum

Diane McLafferty, Scottish Government

Michael Jackson, Scottish Government

	Janet Archer, Creative Scotland
Lorna Duiguld, Creative Scotland	Lorna Duiguld, Creative Scotland
Sue Bruce, City of Edinburgh Council	Cllr Steve Cardownie, City of Edinburgh Council
	Lynne Halfpenny, City of Edinburgh Council
Marie Christie, EventScotland	Paul Bush, EventScotland
Lloyd Anderson, British Council	Lloyd Anderson, British Council
Manuela Calchini, VisitScotland	Manuela Calchini, VisitScotland
Alan Elliot, Scottish Enterprise	David Smith, Scottish Enterprise
David Birrell, Edinburgh Chamber of Commerce	David Birrell, Edinburgh Chamber of Commerce
John Donnelly, Marketing Edinburgh	John Donnelly, Marketing Edinburgh
Robin Worsnop, Edinburgh Tourism Action Group	
Andrew Cubie, Independent	
Faith Liddell, Festivals Edinburgh	Faith Liddell, Festivals Edinburgh
Simon Gage, Edinburgh International Science Festival	Simon Gage, Edinburgh International Science Festival
Ken Hay, Edinburgh International Film Festival	Ken Hay, Edinburgh International Film Festival
Joanna Baker, Edinburgh International Festival	Joanna Baker, Edinburgh International Festival

### 3. Interviews

The following stakeholder interviews were conducted between August and November 2014 by Nick Dodds, Managing Director, FEI International and Jo Burns, BOP Senior Associate, with support from Rossella Traverso, BOP Researcher for Italian language interviews. They informed both the review of Thundering Hooves 1.0 and provided qualitative data for the situational analysis:

#### Edinburgh's Festivals

Royal Edinburgh Military Tattoo (David Allfrey, Producer and Chief Executive)

Edinburgh International Science Festival (Simon Gage, Director)

Edinburgh Jazz and Blues Festival (Roger Spence, Festival Producer)

Imaginate Festival (Tony Reekie, CEO)

Edinburgh International Festival (Fergus Linehan, Festival Director and Chief Executive and Joanna Baker, Managing Director)

Edinburgh Festival Fringe (Kath Mainland, Chief Executive)

Edinburgh's Hogmanay (Pete Irvine, Director)

Edinburgh International Film Festival (Ken Hay, Chief Executive)

Edinburgh Mela (Chris Purnel, Director)

Edinburgh Art Festival (Sorcha Carey, Director)

Edinburgh International Storytelling Festival (Donald Smith, Director)

Edinburgh International Book Festival (Nick Barley, Festival Director and Julie Weston, Administrative Director)

#### Strategic Stakeholders

City of Edinburgh Council (Lynne Halfpenny, Cllr Andrew Burns, Cllr Steve Cardownie, Alastair Maclean, Alistair Dinnie and Lindsay Robertson)

British Council (Dana MacLeod, Graham Sheffield and Lloyd Anderson)

Creative Scotland (Lorna Duiguld, Janet Archer, Leonie Bell and Anita Clark)

EventScotland/VisitScotland (Marie Christie, Paul Bush and Malcolm Roughead)

Scottish Enterprise (Margaret McNeil and David Smith)

Edinburgh Tourism Action Group (Robin Worsnop)

Marketing Edinburgh (John Donnelly)

In January and February 2015, the following international/national informants were interviewed; our findings informed the propositions and city profiles:

#### Expert Informants

Hugh Forrest, Director, SXSW Interactive Festival, Austin, Texas, USA

Pierre Fortin, Executive Director, Quartier des spectacles, Montreal, Canada

Daniel Bissonnette, Associate Director Festivals Cinema and Events, Culture Department, City of Montreal, Canada

Andrea del Mercato, General Director, la Biennale di Venezia, Venice, Italy

Roberto Ellero, Director of Culture, Venice City Council, Italy

Francesco di Cesare, Director Riposte Turismo, Venice Italy

Alex Poots, Artistic Director and Chief Executive, Manchester International Festival

Ching Lee Goh, Director, Culturelink, Singapore

Johan Moerman, Managing Director, Rotterdam Festivals, Holland

David Dixon, Managing Director, DDA, UK

## 4. Desk-based research

The desk-based research was conducted by a diverse project team and synthesized, together with the qualitative data from the interviews and Workshop 1 feedback, by BOP Associate Director Iain Bennett for the Situational Analysis. The proposed city profiles also were informed by internal workshops with the WCCF team as well as scoping research.

Early drafts of the Situational Analysis paper were discussed with the Thundering Hooves 2.0 steering group and circulated to the Workshop 2 attendees in advance of Workshop 2. The resulting discussion and comments have been considered in revising the paper for the Phase 2 report and the Situational Analysis has been updated with points of fact and clarification.