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| Agenda Item | 14a       |
| Report No   | CIA/19/21 |

## THE HIGHLAND COUNCIL

**Committee:** City of Inverness Area Committee

**Date:** 27 May 2021

**Report Title:** Inverness Common Good Fund - Events & Festivals

**Report By:** Executive Chief Officer - Transformation

### 1. Purpose/Executive Summary

Following a detailed review, this paper presents a proposed delivery model for the ICGF Events & Festivals programme to help ensure realisation of the vision, values and objectives as agreed at The Inverness City Area Committee (CIAC) 18<sup>th</sup> February 2021.

### 2. Recommendations

#### 2.1 Members are asked to:

- i. agree the new operating model and for High Life Highland (HLH) to be invited to act as managing agent for a refreshed ICGF events programme;
- ii. note HLH's involvement in potential transfer of the Events and Festivals programme;
- iii. note that HLH officers have been instructed to respond positively to any formal requests to adopt the management and operations of Events and Festivals in the City of Inverness.
- iv. note the 2021/22 events budget will be allocated to HLH for delivery of the ICGF events programme;
- v. agree the governance structure as detailed in section 9 and [Appendix 6](#);
- vi. note that the operating model falls within the scope of existing operational agreements in place between the Council and HLH.

### 3. Implications

- 3.1 Resource: Defining the exact resourcing requirements required to deliver a safe and successful events programme will be determined by the managing agent and addressed as an operational matter through the existing governance arrangements and in particular through the Inverness Events and Festivals Working Group (EFWG); any financial implications will be inclusive of the allocated £303k budget. This will provide flexibility within the overall resourcing requirements taking into account a number of operational and delivery variables. To date there have been no cost implications from this project.

- 3.2 Legal: All legal considerations are encompassed in the legal agreement that exists between Highland Council and the proposed managing agent (High Life Highland).
- 3.3 Community (Equality, Poverty, Rural and Island): Delivering against the agreed vision, values and objectives will help ensure inclusiveness and continued commitment to supporting wellbeing. Furthermore, delivery of a successful events programme can support the mental and physical wellbeing of some of the City's more disadvantaged communities. Whilst this proposal relates specifically to the Inverness City events programme, adopting a partnership approach with the wider sector through a creative forum will help encourage stability and prosperity for the City Area with wider benefit in connecting with the region and its communities.
- 3.4 Climate Change / Carbon Clever: Events will continue to be organised and delivered with consideration of their impact on the environment and in-line with appropriate guiding policies.
- 3.5 Risk: A simplified risk register can be found in [Appendix 2](#), providing an overview of related risks and proposed mitigation.
- 3.6 Gaelic: By working in greater collaboration with partners, there is an opportunity to support the Council's corporate objective to enhance the profile of Gaelic culture and to secure new investment for events that can be harnessed for the economic benefit of the wider City.

#### **4. Background**

- 4.1 In May 2020, noting the impact of COVID-19, previous work on developing events and festivals was revisited as part of the Council's post-covid Recovery Plan. This intervention specifically related to the development of a revised events and festivals programme for the City area, with a particular focus on improved cross-organisational working with key partners. Due to the ongoing implications of COVID-19 this work was disrupted.
- 4.2 In November 2020 [under item 6a](#) a paper was taken to CIAC informing Members that due to the cancellation of the events programme there was a £253k underspend in the Events Management Budget. Members were also made aware that the officer occupying the Inverness Events Manager post had retired. This report asked Members to note that a further report would be brought to the February 2021 committee updating on the progress of the ongoing EFWG work.
- 4.3 On 14 December 2020 a workshop was held consisting of City Members and partners from the Events and Festivals Working Group (EFWG) – the aim of this session was to discuss and agree the vision, values and objectives of the group in relation to ongoing delivery of an events and festivals programme (the final output of this workshop can be found in [Appendix 1](#)).
- 4.4 On 18<sup>th</sup> February 2021 [under item 5](#) a paper was taken to CIAC proposing a refreshed approach to the development and delivery of an ICGF funded events programme, underpinned by enhanced collaborative partnership working that would help support and enable the following benefits -
- A more resilient programme of events that is closely aligned with ambitious wider City developments;

- Enhanced access to specialist skills, expertise and funding;
- The ability to present a more cohesive events and festivals programme across the City;
- Potential to realise best value through economies of scale and scope.

Following presentation of the paper by the ECO for Transformation, CIAC agreed and noted the following -

- I. **AGREED** the vision, values and objectives;
- II. **AGREED** to preserve the current events & festivals budget in the sum of £0.303m to support the development of a refreshed events and festivals programme;
- III. **AGREED** that any under-spend on the budget be retained for the following year;
- IV. **NOTED** that the governance arrangements with scrutiny through the Events and Festivals Working Group, with annual reports to the CIAC, would continue;
- V. **NOTED** the next steps as detailed in section 7.1 of the report and that a subsequent paper would be presented at the May 2021 CIAC; and
- VI. **AGREED** that all Committee Members receive meeting invites to the Committee's Sub Committees/Working Groups.

## 5. Sector Engagement

- 5.1 Following February CIAC, officers met with a range of local event promoters, service providers and suppliers associated with the delivery of events and festivals to present the vision, values and objectives and to better understand the challenges facing the Highland events sector and determine opportunities for support and collaboration.
- 5.2 Stakeholders welcomed the opportunity to openly discuss how a cohesive approach to events would enhance the quality and scale of offerings. It was recognised by the group that collaborative working – sharing ideas and supporting the development of high quality events and interactions – will benefit the sector and help generate demand and promote a vibrant and healthy events market in the City and area along with enhancing links between providers in the City and in Highland.  
Highland.
- 5.3 To support improved co-operative working, partners agreed to the formation of a creative forum. Specific Terms of Reference (ToR) would be compiled and presented by the managing agent seeking agreement. However, based on discussions with the sector leaders, it is envisaged that the ToR would enable partners to openly discuss ideas, opportunities and challenges based on the following key principles -
  - **Collaboration** – Partners agree that collaborative working will help realise economies of scale and scope, helping to de-risk the delivery of events and minimise costs through the complimentary scheduling of events and shared use of infrastructure.
  - **Ambition** – Partners firmly believe improved cohesion and a refreshed events programme presents an opportunity to better reflect and celebrate the needs and demands of a changing city and region, with a renewed focus on exciting and highly ambitious event offerings.

- **Parity** – Partners want to ensure balance and fairness in the planning and delivery of events delivered by the “private sector” and those that fell within Events and Festivals to be included as part of the City programme.
- **Flexibility** – Partners want to see increased autonomy and elasticity in the type or scheduling of events. This will provide greater opportunity for improved programme alignment and will help ensure the group is well positioned to react to situational or circumstantial opportunities in a challenging and competitive sector. This objective is supported by the governance arrangements which ensure that the EFWG oversees the delivery of the programme on the basis that it fits with the vision and allows for events professionals to exercise artistic discretion in designing and delivering events.

5.4 The inaugural meeting of the Inverness City Area Events Creative Forum will take place as soon as practicable after this meeting. It is envisaged that this forum, supported by a Terms of Reference, will be administered by the managing agent as part of the proposed service delivery model and will feed into the overall governance of Events & Festivals via the EFWG.

5.5 Additionally, a significant amount of analysis and soft market intelligence has been undertaken – helping to better understand potential operating models, examples of resilient events operations and commercialisation or monetisation of events – to help inform the proposals within this report including recommendation.

## 6. Current Events Position

6.1 The pandemic has had a hugely detrimental and long-lasting impact on the events industry. There is still a lack of certainty on when legislation will allow for the safe re-introduction of large scale, public events and whilst a number of high-profile national festivals are planned for summer 2021, this is deemed speculative with only a small likelihood of actually taking place. Anecdotally, several local events promoters have indicated they do not envisage events taking place until much later in the year; it is therefore realistic to assume the end of 2021 at the earliest - this is in the context of managing financial and reputational risk. Draft guidance for local authorities is currently being refined and further developed, which is expected to give prescriptive guidance on the restrictions on attendance and social distancing likely to face events and gatherings.

6.2 Due to this ongoing uncertainty it has made it impossible to develop a refreshed and fully costed events programme: for example, there is still a lack of clarity on whether testing procedures or COVID-19 passports/certificates will be required and the related costs implications, which would significantly impact any modelling and the overall budget. Additionally, any re-profiling of the events programme will need to reflect the change in budget allocation from £340k (18/19) to £303k (current) for future years.

6.3 When events are re-introduced, at least initially, they are likely to be smaller, hosted in expansive open spaces and spanning a number of days to help minimise the obvious risk factors around large-scale gatherings related to the pandemic. Many organisations and local authorities are responding proactively and have laid out plans to digitise events and identify alternative creative delivery methods to help protect cultural heritage and promote activeness and wellbeing.

6.4 Once a managing agent has been agreed, supported by discussions with the sector through the agreed creative forum, it is envisaged that there will be additional clarity

and context that will help determine what can be delivered in 2021/22. Noting that the 2021/22 budget has been agreed, any events deemed deliverable will be assessed and agreed through the Inverness City Area Manager in consultation with the EFWG.

## 7. Recommended Delivery Model

- 7.1 Taking into account Members feedback (from EFWG and Feb 2021 CIAC) and from discussions with cultural and managing agents, it is evident there is a desire and need for collaboration.
- 7.2 Working collaboratively with partners, sharing the workload, particularly in these uncertain times, will help minimise exposure to risks that are inevitable due to ongoing challenges of organising and delivering events as we recover from the pandemic. This also presents an opportunity to utilise industry expertise that will be essential in helping the city and region move from a period of recovery, to stability and ultimately prosperity through a cohesive and inclusive Highlands events sector.
- 7.3 Various operating models were considered and discussed amongst the project team, underpinned by soft market intelligence, discussions with successful managing agents and sector analysis. High level SWOT analysis and key considerations for each operating model can be found in [Appendix 3](#) - these options included:
- Option 1: Status Quo
  - Option 2: Commission events through commercial vendors
  - Option 3: HLH acting as managing agent
- 7.4 Through the aforementioned work and insights from discussions with private events providers it became clear that HLH would be the best agent to deliver an events programme on behalf of ICGF (Option 3). This model not only allows HLH to deliver events, or elements of events, but also commission works or content through providers (i.e. infrastructure, amenities, creative content or schemes); this ensures existing strong working relations with trusted contractors continues. Furthermore, adopting a managing agent approach (a common relationship between Highland Council and HLH through the SDC), provides additional flexibility and allows for expertise and skills to be commissioned to support ongoing delivery of safe and high quality events.
- 7.5 This approach also helps address the “single point of failure” risk associated with the status quo option regarding the management and delivery of this programme; progressing this as a partnership should resolve that issue and help ensure continuity and resiliency in the nature and standards of the work being progressed
- 7.6 Not only is this the most effective delivery option from a financial perspective, it is also the only model that ensures the wider considerations - wellbeing, inclusivity, increased partnership working, economic recovery - are fully appreciated and a key driver moving forward. HLH has a wide reach and a strong standing amongst both residents and potential working partners, therefore this is seen as an exciting opportunity to transform the events sector and ensure delivery against the agreed vision for Inverness Common Good Fund.
- 7.7 Adopting this partnership working approach, led by HLH, is further supported by key findings of the UK-wide [Cultural Cities Enquiry \(2019\)](#) report which states that smart investment through cultural activities can bring enormous benefits to our cities and their people, and that partnership working is key to unlocking potential and maximising the social and economic benefits of a thriving cultural ecosystem.

## 8. Managing Agent

- 8.1 HLH is a Charitable Company, Limited by Guarantee, registered both at Companies House and the Office of the Scottish Charity Regulator. HLH is wholly owned by Highland Council and was formed in 2011 to provide culture, leisure and sports services on behalf of Highland Council. HLH wholly owns a subsidiary High Life Highland (Trading) Community Interest Company (HLHT) which can pursue commercial, non-charitable activity on the charitable company's behalf (and thereon, the Council's behalf). The relationship is formalised through an agreed Service Delivery Contract (SDC), which specifies the service that the Council expects HLH to deliver on its behalf.
- 8.2 The partnership between Highland Council and HLH has proved to be successful and is a model replicated elsewhere in Scotland. Since its inception in 2011, HLH has received transferal of over 40 services, facilities and assets, consistently demonstrating an ability to successfully develop and invigorate services (including Inverness Leisure, Avern Leisure Centre, Inverness Castle North Tower Viewpoint, Strathpeffer Pavilion and North Coast Leisure). Having a more focused remit allows HLH to be proactive and ensure strong collaborative working and enhanced benefits realisation; which is clearly evidenced through the transfer of Music Tuition which has seen an increase in the creation of new permanent employment opportunities to deliver enhanced services and resulted in an over 20% increase in pupil numbers in the first year since music tuition transferred to HLH in 2018. Overall the Charity has reduced its dependency on public funding from 79% to 50% since its inception in 2011, demonstrating significant value for money for the public purse.
- 8.3 High Life Highland is intrinsically involved in supporting the delivery of events and festivals across the Highlands, ranging from the small, for example: working with schools to deliver music concerts for parents and pupils to a few hundred people; to medium sized events such as shows and events taking place in venues such as Strathpeffer Pavilion, MacPhail Centre and Craigmorie Centre up to 1,000 people; to large scale events such as music concerts and events, indoors at Inverness Leisure and outdoors at Bught Park and Northern Meeting Park attracting 10,000-15,000 visitors.
- 8.4 As well as the events operated and managed directly by HLH staff, there are a number of other larger-scale events undertaken in partnership with local and regional promoters and event's organisers, delivered in a multi-agency model. It is envisaged that, as a trusted partner, HLH would engage these, and other agencies to dovetail any City Events and Festivals programme, thus creating a larger, more desirable and comprehensive events calendar that will have the potential to assist in the promotion of the City of Inverness and the Highlands as a venue to which organisers, of all sizes, can bring events. HLH would also look to engage with smaller businesses such as caterers, retailers and event infrastructure suppliers from across the Highlands that would be identified in order to enhance events around the City.
- 8.5 Highland Council legal advisors have confirmed that both HLH and HLHT are Teckal compliant companies meaning that the Council can contract with the company to provide services on its behalf without running a full procurement process. ("Teckal compliant" refers to a European Court case which established the exemption from EU procurement regulations for in-house companies which are controlled by the contracting authority, in this case Highland Council). Wider considerations for transferal of service delivery responsibilities to HLH can be found in [Appendix 4](#).

- 8.6 To ensure transparency and strong communication, the potential for a transition of service to HLH (given this was one of the identified 3 options), was raised at the HLH Trading Board meeting on 24th March 2021. Whilst no formal arrangement was discussed, it was made clear this was a consideration relating to the future delivery of Events and Festivals.

The Board AGREED:-

1. to support HLH's involvement in potential transfer of the Events and Festivals programme; and
2. to authorise HLH officers to respond positively to any formal requests to adopt the management and operations of Events and Festivals in the City of Inverness.

## 9. Process and Governance

- 9.1 Enhanced partnership working, particularly with commercial partners, requires increased autonomy and this needs to be reflected in any operating or delivery model.

- 9.2 As managing agent, HLH would be tasked with translating the broad strategic goals (vision, values and objectives) into deliverable work packages (events). It is important that some delegated authority is granted to allow for a much more streamlined and autonomous operating model – this allows greater flexibility to react to changing landscapes and finite opportunities, all whilst delivering against the agreed vision. Client-side governance would continue to be the executive responsibility of the Inverness City Area Manager. The key tactical forums will be -

- Events and Festivals Working Group (EFWG) - the working group, the formation of which was approved at City Committee in September 2008, would continue to provide scrutiny of the development, delivery and spend of the programme whilst ensuring sufficient creative flexibility to allow improved collaborative working. Terms of reference for this forum, established and approved in October 2008, can be found in [Appendix 7](#).

City Area Events Creative Forum - comprised of events promoters, providers and content creators, this setting would act as a transparent forum to discuss and engage, ensuring that the ongoing development of events help to compliment wider proposals. **This is a consultative forum with recommendations made to the EFWG.**

- 9.3 This streamlined approach will allow a refreshed programme to be developed with closer linkages to wider developments and reflecting a changing and re-imagined sector. The managing agent would feed into regular reporting to the EFWG and will ensure transparency and ongoing best value, whilst annual reports to CIAC will ensure strategic oversight and allow benefits to be quantified and acknowledged (this will form part of a composite report at the end of the financial year). Best Value would be achieved through HLH having to meet the criteria set by the vision under the scrutiny of the EFWG.

## 10. Budget and Resource



- 10.1 The annual budget allocation for the events and festivals programme for 2021/22 is £303k (budget is formed from Common Good funds). Any resourcing requirements will form part of this allocation.
- 10.2 Adequate and appropriate resourcing will be crucial in ensuring consistent dialogue between the partners and governance forums to support transparent and effective decision making.
- 10.3 The resource would form part of the HLH staffing establishment and the exact requirements will be determined at an operational level by the managing agent to help ensure flexibility in the planning and delivery of events and to ensure strong alignment with wider initiatives (i.e. Inverness Castle), which will help implement strong cross-organisational working with key partners and the wider sector. It is suggested that any surplus created through a revised E&F offering will be ring-fenced and reinvested into the development of future programming.

## 11. Benefits

- 11.1 Significant benefits can be realised, directly and indirectly, through the delivery of a considered and inclusive events and festivals programme. Not only will the re-introduction of events promote wellbeing and much needed footfall, it will also help support wider economic recovery through secondary spend at city bars, restaurants and accommodation. Furthermore, entrusting HLH as a managing agent increases the reach and impact events can have through a more holistic approach to the celebration of culture, arts and leisure.

It should be noted that as the sector recovers and a programme is developed it will be easier to quantify specific deliverables and benefits. Expected benefits and how they relate to the agreed values and objectives can be found in [Appendix 5](#).

## 12. Income and Sponsorship

- 12.1 Opportunities exist to realise income through priority ticketing and exclusivity of access or through differential charging to protect vulnerable residents across our communities. Whilst, this presents an opportunity it can also disadvantage some of the public and significant analysis needs to be undertaken to determine the impact of potentially excluding some residents from access to culture and arts. The High Life Highland budget *highlife* card is a good example of how such a scheme could be implemented and operated to help ensure inclusivity.
- 12.2 Alternatively, income could be realised without any impact on the public; this could be through commercial sponsorship, franchising of food or drink or increased street vending presence. It should be noted that neither option guarantees a reliable source of income – entry fees result in increased spectator demand and expectation (which results in higher event costs), charging for entry may dissuade some sponsors and poor weather or risk of cancellation may result in sponsors withdrawing. Further work needs to be undertaken to shape a programme and establish the likely income opportunities and implications, with any decision point being brought back to CIAC for wider discussion.
- 12.3 Income can also be realised through strong branding and merchandising of events, this has already been clearly demonstrated through interest and sales of Red Hot



Highland Fling (RHHF) merchandise; a small inventory exists to act as a springboard for potential expansion in this area via the managing agent.

- 12.4 Officers have engaged with Association for Public Service Excellence (APSE) to establish opportunities for monetisation of events and to better understand the socio-economic impacts of doing so. This is an area of renewed focus for many public sector organisations as a direct result of increased use, and therefore maintenance, of public realm and green assets throughout the pandemic. APSE is currently consulting on commercialisation, including the monetisation of events, on a national level through their Commercialisation Advisory Group (costs covered through Council's Annual Membership).

### **13. Next Steps**

- 13.2 Establishing and consulting with the City Area Events Creative Forum, through the Inverness City Area Manager and HLH, will be an essential first step in developing a refreshed programme of events that focus on encouraging footfall. When any future events are referenced or proposed, they will be progressed adhering to Government policy on social interaction and wherever possible events will be 'COVID-19 resilient'; for instance, elements of a suitable events may be digitised to make it more widely accessible or the events may be smaller and over a number of days to minimise condensed footfall. Furthermore, minimal abortive costs will be incurred during planning stages to further protect the allocated budget.

Designation: Executive Chief Officer Transformation

Date: 12 May 2021

Author: Allan Gunn, ECO Transformation

David Haas, Inverness City Area Manager

Martin Macdonald, Corporate Improvement Project Manager

Background Papers:

## Appendix 1: ICGF Events Vision, Values and Objectives

### Vision

We will spearhead the development of a vibrant, inclusive and iconic programme of Events and Festivals that celebrate the unique identity and culture of our City and Region. We will build on previous successes, striving to utilise expertise and talent from across the Highlands and attract additional sources of external funding to help support economic prosperity and encourage physical and mental wellbeing for the City, its residents and visitors.

Our vision is a point of reference. It will inform future events and working practices and serve as a high-level document we can use to build confidence with our delivery partners and potential funders.

### Values

**Inclusive:** We will remove barriers to ensure that all activity is inclusive and accessible, enabling participation and engagement with the City of Inverness's most vulnerable residents.

**Ambitious:** We will be ambitious and aspire towards producing an iconic programme of events and festivals that profile the Highland's cultural excellence.

**Collaborative:** We will work collectively to maximise the expertise and capacity of a broad network of Highland cultural organisations and individuals, striving to ensure value for money.

**Dynamic:** We will build upon past success by producing a programme that adapts and responds to changing cultural contexts and to opportunities that arise.

**Responsible:** We will adopt strong and clear governance to help ensure events and festivals will be conducted in a safe, secure and compliant manner that recognises the wider environmental and community impacts.

Our values set out core beliefs that are shared and embraced across the cross-organisational group and our partners. They reflect the behaviours and considerations we promote that will help us achieve our vision.

### Objectives

To deliver a **dynamic approach to producing events** that is flexible and responsive to opportunities to attract new funding and develop mutually beneficial partnerships.

To develop a programme that is **outcomes-driven** and that embeds processes of monitoring and evaluation that enables evidence-based future decision-making.

To demonstrate **value for money** by supporting activities that have the potential to leverage additional funding and attract earned income and mitigate the need for additional public funding.

We will support events that **value, trust and strengthen individual and organisations** engaged in cultural activities that make a unique contribution to society and economy.

To enable a **year-round programme of activity throughout the seasons** with a co-ordinated approach to marketing and promotion.

To curate an events programme that is rooted in **the characteristics of the City and its people**, acknowledging the City's past whilst looking to its future.

Our objectives outline what we want to achieve through this intervention. They are high level statements of intent that will help shape programme and help inform the expected outcomes from individual events.

## Appendix 2: Overview of Risks and Mitigation

Risks in relation to HLH taking on Agent role is development and delivery of an events programme.

| Risk ID | Risk Category | Risk  | Risk Mitigation(s)  |
|---------|---------------|---|---|
| EF1     | Financial     | 2021/22 budget of 303k is a reduction on previous years (2018/19 budget was £340k), therefore number or scale of events will need to be amended | <ul style="list-style-type: none"> <li>Increased autonomy to ensure appropriate budget allocation to events – focus on quality</li> <li>Creative control over event content, scale and spend</li> <li>Cost/benefit analysis where required</li> <li>Continued strong governance and budgetary monitoring</li> </ul>   |
| EF2     |               | COVID19 related safety measures may result in increased cost in staffing, transportation and erection of infrastructure etc.                    |   |
| EF3     | Resourcing    | Agent currently has insufficient resource to develop/refresh a full events programme and co-ordinate creative forum                             | <ul style="list-style-type: none"> <li>Use analysis to substantiate resource requirements</li> <li>Future development of events (or any programme) will reflect available budget and project resource</li> <li>Agent to recruit through budget allocation</li> </ul>  |
| EF4     | Delivery      | Ongoing uncertainty over COVID-19 and ability to re-introduce events  | <ul style="list-style-type: none"> <li>Ongoing engagement with partners to understand sector developments</li> <li>Adhere to Government guidance at all times</li> <li>Ensure any proposals or ideas are 'COVID-19 resilient' where possible i.e. smaller scale, open area, potential to digitise, spread over a number of days etc.</li> <li>Ongoing comms with public to ensure transparency</li> </ul> |

## Appendix 3: Summary appraising potential E&F Delivery Models

To discuss potential operating models for the delivery of a refreshed ICGF events programmes. For all stated options, robust governance and approval will continue through the EFWG and CIAC, whilst ongoing client-side governance would be the executive responsibility of the Inverness City Area Manager.

### ICGF Events Budget: Total £303k (of which £50k funds an Events Manager Post

The immediate and sustained focus would be on delivery of the following core events; The Highland Games, Ness Islands Halloween, Fireworks Display, Christmas Lights and The Red Hot Highland Fling.

Other key drivers or options to be further explored through any delivery model include –

- Exploration of sponsorship opportunities
- Enhanced partnership working and identification of wider event opportunities including potential expansion of events calendar to ensure wider range of seasonal events
- Opportunities for income generation (including merchandising)

#### Option 1: Status quo

This is very much seen as the BAU option. Currently this role is funded directly through the ICGF and reports to the Inverness City Area Manager.

| Strengths  | Weaknesses   |
|--|--|
| <ul style="list-style-type: none"> <li>• Dedicated resource</li> <li>• Fixed cost – certainty</li> <li>• No change or transition of function (continuity)</li> </ul>   | <ul style="list-style-type: none"> <li>• Single point of failure</li> <li>• Failure to widen ambition and maximise partnership opportunities</li> <li>• Lack of knowledge share and succession planning</li> <li>• Lost opportunities</li> </ul> |
| Opportunities  | Threats  |
| <ul style="list-style-type: none"> <li>• Role could be reshaped to have a wider remit</li> <li>• Wider links / benefits could be realised from changing the operating model</li> <li>• Strength in shared risk / workload</li> </ul> | <ul style="list-style-type: none"> <li>• Concerns over capacity to undertake scale of works</li> </ul>   |

**Considerations:** It is recognised that the previous post occupier often went ‘above and beyond’ to ensure successful and safe delivery of core events. It is vital that the ask of any replacement is fair and furthermore that we don’t approve an operating model that creates a single point of failure and lack of service delivery continuity.

#### Option 2: Commission events through commercial vendors

Commercial vendors could be employed on an individual event or programme basis; albeit recognising that economies of scale could be realised through adopting this model across

the wider events programme. A scope for each core event could be developed and issued for tender, allowing the wider events sector to submit fully costed proposals for delivering the events/programme.

| Strengths  | Weaknesses  |
|--|---|
| <ul style="list-style-type: none"> <li>• Strong track record of delivery</li> <li>• Supporting economic recovery through direct spend</li> <li>• Access to expertise that don't exist in THC or events team currently</li> </ul> | <ul style="list-style-type: none"> <li>• Increased workload in developing, launching and scoring tenders</li> <li>• Cost increases</li> <li>• No fixed cost certainty</li> <li>• Perceived loss of control</li> </ul> |
| Opportunities  | Threats   |
| <ul style="list-style-type: none"> <li>• Synergy with wider events sector developments</li> <li>• Potential larger scale opportunities</li> </ul>  | <ul style="list-style-type: none"> <li>• Reputational risk still sits with ICGF (with reduced control)</li> </ul>   |

**Considerations:** Resource, and therefore budget, would still be required to develop detailed scoping and tender documentation. Whilst the resource required to co-ordinate events may be graded lower than the current HC08 grade, it is expected (based on experience and soft market intelligence) that the cost profiles for each event would almost certainly increase to factor in commercial rates and event management resource.

### **Option 3: Adopt partnership approach with HLH acting as delivering agent**

This is seen as a hybrid model. HLH would take on responsibility for refreshing and delivering the events programme, whilst contracting industry experts to enable events and commissioning the creative sector to help develop content and themes (where appropriate).

| Strengths  | Weaknesses   |
|--|--|
| <ul style="list-style-type: none"> <li>• Charitable status</li> <li>• Existing Service Delivery Contract (SDC)</li> <li>• Excellent track record of service transition</li> <li>• Higher profile (i.e. Music Tuition, Museums etc.)</li> <li>• Access to wider funding opportunities</li> <li>• Strong brand reputation / public support</li> <li>• Resiliency through wider resource</li> <li>• Trusted THC partner</li> <li>• Strong existing relationships with culture sector and promoters</li> <li>• Good track record of delivering multi-disciplinary events</li> <li>• HLH assume operational responsibility</li> </ul> | <ul style="list-style-type: none"> <li>• Perceived lack of events knowledge</li> <li>• Insufficient capacity to deliver through current staffing levels</li> </ul> |
| Opportunities  | Threats  |

|   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Closely align with key HLH programmes and objectives</li> <li>• Commercial partners would still be commissioned to deliver essential works – access to skills and knowledge</li> <li>• Creative sector would be commissioned when required - access to skills and knowledge</li> <li>• HLH membership benefits</li> <li>• Expand programme and remit</li> <li>• Economies of scale &amp; scope</li> <li>• Direct alignment with the development of the events programme within the Inverness Castle project</li> </ul> | <ul style="list-style-type: none"> <li>• Commercial sector may feel excluded</li> </ul> |
|---|---|

**Considerations:** It is recommended a **flexible resource management** model is adopted; this would require the allocation of the full £303k events budget to HLH to deliver the programme. This provides autonomy and allows HLH, with overarching governance the Inverness City Manager (and EFWG), to respond to the demands and wants of the City, whilst ensuring sufficient flexibility to adapt to a changing sector (the programme may change year to year and flexibility in the resourcing model will allow for wider benefits and stronger strategic alignment).

## Appendix 4: Proposed Transfer Considerations To HLH

The following key considerations have been discussed in detail to ensure there are no evident barriers with regards to any transfer of service delivery -

**Contractual implications:** There is a Service Delivery Contract (SDC) between THC. If the transfer of the Events and Festivals delivery occurred, the SDC can be updated to reflect this addition. Such transfers from THC to HLH have occurred on many occasions since the establishment of HLH in 2011, including the management of Ben Nevis Visitor Centre, the Countryside Ranger Service and the Music Tuition Service.

**Legal capacity, procurement and state aids:** THC obtained advice prior to the establishment of HLH on its legal capacity to transfer its Public Service Obligations to an Arm's Length External Organisation (ALEO) and whether such a transfer would be in compliance with EU procurement and state aids legislation and case law (Teckal and Altmark principles). HLH was set up so that it (and THC) complies with the legislation and case law. Events & Festivals is non-statutory and fits within the work already delivered by HLH for THC and any transfer to HLH would be into an organisation which complies with EU procurement and state aids legislation.

**Transfer arrangements:** There are three main considerations with regard to transfer arrangements:

- Staff transfers – there are no staff involved in the proposed transfer;
- Data sharing – this would be governed through the data sharing agreement already in existence between both parties;
- Finance – a payment to support the delivery of the transferring service will be agreed between Inverness Common Good Fund and HLH in advance of a transfer.

**Property implications:** There are no implications relating to the Property Agreement between THC and HLH arising from this business case.

**VAT implications:** There would be no significant VAT implications for the budget with both THC and HLH being treated the same for the majority of costs (staffing). There could be a small amount of additional VAT for the purchase supplies by HLH in support of the delivery of events.

**Insurance implications:** THC provides HLH with its insurance cover and there are therefore no insurance implications to be considered as part of this business case.

**ICT implications:** There is an SLA between THC and HLH for the provision of ICT services and there are therefore no ICT implications, in principle, to be considered as part of the due diligence associated with the business case.

**Finance and payroll implications:** There is an SLA between THC and HLH which covers the provision of the financial management system (Integra), banking and payroll and there are, therefore no finance and payroll implications associated with a potential transfer of business.

**Funding implications:** Excluding income from the Highland Games, financial commitment comes directly from the ICGF revenue budget. For 2021/22 the allocated total budget is £303k.



## Appendix 5: Benefits Overview

All benefits will ultimately delivery against the ICGF Events & Festivals Programme Vision statement (as agreed at CIAC on Feb 2021) –

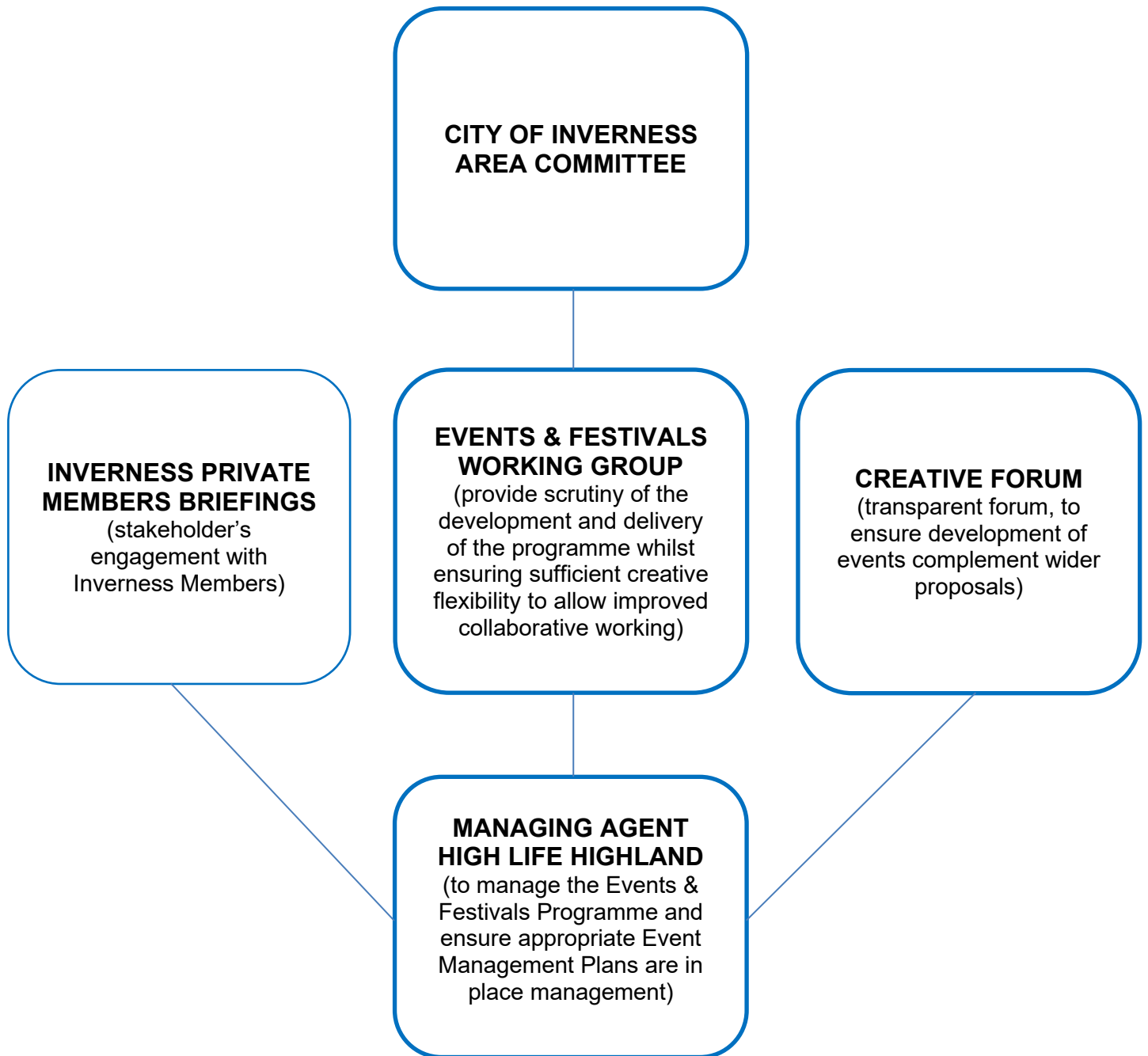
***We will spearhead the development of a vibrant, inclusive and iconic programme of Events and Festivals that celebrate the unique identity and culture of our City and Region. We will build on previous successes, striving to utilise expertise and talent from across the Highlands and attract additional sources of external funding to help support economic prosperity and encourage physical and mental wellbeing for the City, its residents and visitors.***

Any key benefits, or project justification, should deliver against the agreed strategic objectives adhering to the stated values – this will continue to ensure delivery against the vision.

| Benefits   | Related Objective  | Related Value   |
|--|--|---|
| Improved partnership working (including external or commercial organisations)  | We will support events that <b>value, trust and strengthen individual and organisations</b> engaged in cultural activities that make a unique contribution to society and economy.                   | <b>Collaborative:</b> We will work collectively to maximise the expertise and capacity of a broad network of Highland cultural organisations and individuals, striving to ensure value for money. |
| Improved access to external support and funding  | To demonstrate <b>value for money</b> by supporting activities that have the potential to leverage additional funding and attract earned income and mitigate the need for additional public funding. |   |
| Increased flexibility and artistic license to develop events that meet a specific demand or utilise a unique opportunity | To deliver a <b>dynamic approach to producing events</b> that is flexible and responsive to opportunities to attract new funding and develop mutually beneficial partnerships.                       |   |
| Ability to attract sponsors and partners through strategic oversight of wider regional developments                      |  |   |
| Increased city centre footfall – aiding economic recovery through secondary spend  | We will support events that <b>value, trust and strengthen individual and organisations</b> engaged in cultural activities that make a unique contribution to society and economy.                   | <b>Ambitious:</b> We will be ambitious and aspire towards producing an iconic programme of events and festivals that profile the  |

|  |  |   |
|--|--|---|
|  |  | Highland's cultural excellence.   |
| Close alignment with transformational projects across the city/region (i.e. Castle)  | To enable a <b>year-round programme of activity throughout the seasons</b> with a co-ordinated approach to marketing and promotion.  |   |
| Ability to refresh programme working closely with partners and content creators to ensure events compliment wider regional sector developments | To deliver a <b>dynamic approach to producing events</b> that is flexible and responsive to opportunities to attract new funding and develop mutually beneficial partnerships.     | <b>Dynamic:</b> We will build upon past success by producing a programme that adapts and responds to changing cultural contexts and to opportunities that arise.  |
| Build on strong local and national reputation for quality, inclusive events (supported by strong comms and engagement)                         | To curate an events programme that is rooted in <b>the characteristics of the City and its people</b> , acknowledging the City's past whilst looking to its future.                |   |
| Resilient working practices through organisational buy-in and delivery from HLH (i.e. no single point of failure)                              | To develop a programme that is <b>outcomes-driven</b> and that embeds processes of monitoring and evaluation that enables evidence-based future decision-making.                   | <b>Responsible:</b> We will adopt strong and clear governance to help ensure events and festivals will be conducted in a safe, secure and compliant manner that recognises the wider environmental and community impacts. |
| Ongoing high standards of health and safety  |  |   |
| Added value – links drawn with existing or developing initiatives that create wider opportunity and benefit                                    | We will support events that <b>value, trust and strengthen individual and organisations</b> engaged in cultural activities that make a unique contribution to society and economy. | <b>Inclusive:</b> We will remove barriers to ensure that all activity is inclusive and accessible, enabling participation and engagement with the City of Inverness's most vulnerable residents.                          |

## Appendix 6: Proposed Events & Festivals Governance Model



## Appendix 7: Inaugural EFWG meeting and definition of remit (Terms of Reference) – October 2008

### **The Highland Council Inverness City Committee City Events and Festivals Working Group**

Minutes of Meeting held in the First Floor Committee Room, Town House, Inverness on Wednesday 29 October 2008 at 11.30am.

#### **Present**

Mr P Corbett  
Mr F Parr  
Mr R Pedersen  
Mrs G Sinclair

#### **In attendance:**

#### **Officials in attendance:**

David Haas, Inverness City Manager  
Douglas Wilby, Senior Community Learning And Leisure Officer  
Cathy Shankland, Area Cultural Officer  
Gerry Reynolds, Recreation Officer (Events & Promotions)  
Morven MacLeod, Senior Administrative Assistant

### **BUSINESS:**

#### **1. Apologies for Absence**

All Members were present.

#### **2. Remit of Working Group**

The City Manager outlined the proposed remit of the City Events and Festivals Working Group as detailed in the Report to the City Committee on 15 September 2008.

*1) There are a number of activities which can be co-ordinated through a Working Group, including:*

- festivals, such as the Winter Festival and plans for an enhanced Summer Festival;*
- making use of the opportunities provided by events such as Rockness, Belladrum and other music festivals which are developing year on year, and*
- generally assisting in the co-ordination of the work done to market the City brand and co-ordinate this with other complementary organisations such as Destination Loch Ness.*
- providing a forum that takes an overview of planned events and can assist in ensuring any clash of events does not occur.*

*2) It will be important to integrate the above into the existing network of service providers, public agencies, community or voluntary groups that organise events and partners, such as the Inverness BID Company (who sit on the Inverness*

Partnership).

3) Also important will be the need to ensure any work links with the Highland Events strategy currently being developed.

In discussion Members raised the following points:

- Paragraph 1) '*There are a number of activities*' did not fully cover the remit of the Working Group and that apart from co-ordinating events, the Working Group should also facilitate, organise and bid for events in the city;
- the Working Group should be used as a catalyst for festivals and events to engage with each other;
- bidding for national and international events, such as World Championship Highland Games, would help to raise the profile of the City;
- the City needs to be more pro-active in bidding for events;
- the Multi Agency approach taken by the Highland Council when large scale events were being organised had been praised by promoters and organisers;
- the Winter Festival had highlighted a resource issue in terms of staffing, particularly in administration, fundraising and marketing roles;
- the Working Group should meet with other event organisers and promoters to establish what their expectations and requirements were;
- large scale events required a long lead in time to be able to secure preferred artists and financial support;
- the Council already organised a number of events e.g. Highland Games, Fireworks, Kirking of the Council and these events should be brought into the remit of this Group; and
- the Working Group would aim to organise four festivals a year i.e. Spring, Summer, Autumn and Winter.

The Working Group thereafter **AGREED** that:

- I. the Remit of the Working Group should be amended to include the words 'facilitate', 'organise' and 'bid for';
- II. in the short term, the Chief Executive's Service would provide some administration support for the Winter Festival;
- III. following evaluation of this year's Winter Festival, the Group would review current resources and establish requirements for any future festivals;
- IV. a seminar for Event organisers and promoters would be arranged for the New Year.

### **3. Reporting to Committee**

The Working Group would report back to the City Committee by means of Minutes of meetings. However, Officers would be able to provide the City Committee with updates on specific projects as an item on the City Committee Agenda.

### **4. Winter Festival Programme - Update**

The Recreation Officer (Events & Festivals) updated Members on activities planned for this year's Winter Festival.