

CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE

INQUIRY ON THE IMPACT OF COVID-19 ON SCOTLAND'S CULTURE AND TOURISM SECTORS

SUBMISSION FROM FESTIVALS EDINBURGH

1. Introduction

We bring forward this evidence in the context of the sector-wide recommendations of Culture Counts which we helped to develop, and collaborative discussions with Creative Scotland and sector development bodies across the range of art forms and sectors we work with. We are all part of a rich and integrated cultural offer which is at the heart of Scotland's future wellbeing and prosperity.

This paper highlights key impacts and implications for policymakers that need to be taken into account to sustain the country's leading festival infrastructure, so we can play our part in capitalising on creative excellence for a renewal of Scotland's inner confidence and place in the world. We have also submitted evidence to the House of Commons Select Committee on Digital, Culture, Media and Sport about measures that need to be taken at UK level.

Edinburgh's Festivals have a unique national role to play in our society's renewal following the pandemic crisis. We rely on and help to nurture the wealth of cultural talent across Scotland. Over eight decades, our constant focus on programming excellence and connecting local and global voices has created a resource for Scotland of unmatched cultural power, and a source of joy and meaning for generations of citizens.

Like others working to build back a better society, we need to adapt and renew while holding onto our fundamental purpose and value. Yet the long-term effects of this catastrophic season could have an irreversible nationwide impact on these benefits and on Scotland's creative and service sector workers, without a strategic plan to retain and reimagine their positive impacts.

2. Immediate impact

The pandemic led to our Spring festivals being cancelled in mid-March, followed closely on 1st April by announcements that the August festivals would not be able to take place for the first time in 74 years – news of which was announced by the First Minister and reverberated around the cultural and tourism worlds.

Across the [eleven major year-round Edinburgh Festivals](#) making up our cluster, we immediately identified that the impact would be felt most heavily by the cultural practitioners who had been contracted to appear and on the audiences who had already purchased tickets to attend. A commitment was therefore quickly put in place to mitigate the impact on these two groups by refunding tickets already paid for and

supporting contracted creatives/suppliers to the maximum levels, while also looking at how festivals could support creatives not yet contracted.

Such a commitment was only possible with the support of funders, both public and private, and the willingness of public funders to repurpose this year's existing grant funding towards resilience has been a vital and welcome decision. Several key players across the Edinburgh Festivals landscape and supply chain have also benefited through much appreciated support from the Scottish Government's Pivotal Enterprise and Third Sector resilience funds as well as tailored interventions.

Commitments to artists and audiences placed the festivals themselves in a fragile business position and the announcement of the Job Retention Scheme was met with considerable relief because it not only allowed the festivals to protect the employment position of staff but also created a much needed breathing space within which to plan for an uncertain future.

While several of our Spring festivals were able to pivot at extremely short notice to offer audiences flexible live-streamed or recorded performances, bonus content and digital outreach with education and community partners, others started the process of examining the medium term environment and its uncertainties and implications.

3. Medium term environment

The cancellation of the festivals has meant that a critical platform for sustaining Scotland as a year-round **creative powerhouse** will be missing this year. In the first instance the cultural sector will lose critical income from the festivals: the 2018 study [The Network Effect](#) showed that Scottish based creative individuals and organisations received £5.1m directly from the festivals, while Scottish based event production companies received £9.3m. The loss of the festivals' critical role in the creative and event production supply chain will be felt across the country and perhaps in ways that we cannot as yet envisage.

In the second instance, and possibly of longer term impact, will be the lost profile and professional opportunities. Scotland's **creative talent** and event workers meet the world in the cultural crucible of our festival city. Without a full 2020 season, over 2,000 participating Scottish arts companies and performers will be directly losing the professional opportunities and the future bookings they secure in Edinburgh, thanks to the 2,500 industry professionals and over 1,000 accredited media from across the world who attend. Taken together this means Scotland's capital attracts attendances on a par with a FIFA World Cup every year in the same city, and hosts the world's largest performing arts marketplace at the Fringe.

This also points to the impact of the festivals' cancellations on **audiences**. We connect artists with local and global audiences - split 60:40 between 2.8 million attendances from Edinburgh and Scotland, and 1.9 million from further beyond. They attend in such numbers because our festivals are identified as a unique place for

cultural discovery – affirmed by 92% of audiences in our [Impact Study](#). This aids the wider culture sector in Scotland because more than two-thirds of audiences say that their festival experience will increase their attendance at other cultural events throughout the year. Such a role cannot easily translate to digital offerings because the algorithms directing online browsing often create an endless feedback loop of our own tastes – and thus lose the element of risk and the joy of discovery that festivals bring. So an unsung impact of the festivals' cancellations will be the loss of their audience development role for Scotland's cultural sector.

The cancellation of the August Festivals was also a blow for **workers and businesses** in the capital and beyond who count on the dividend of spending from residents, tourists and artists each summer. The Festivals are Scotland's leading global cultural brand and are central to the capital city's offer, which drives 60% of Scottish tourism visits. The [economic impact](#) of the Festivals was calculated in 2015 and based on recent years' trends, the wider economy now stands to lose at least £360 million and 7,000 jobs from the collapse of the 2020 season. Most of this loss will be felt across the hospitality, tourism, creative and retail sectors, with a likely further impact on the long term viability of many smaller independent businesses. The reality of the cancellation this summer is thus the loss of many people's jobs and livelihoods, with levels of unemployment in a post-covid recession becoming a huge anxiety for communities.

Beyond the economic impact is the **community and education** impact. The Festivals' roles in community life and as learning resources means that the impact of their cancellation has been felt much wider than might immediately be apparent. The residents of Edinburgh, and substantial audiences of all ages throughout Scotland, take the opportunity to extend their creative, social and emotional development through engagement with the festivals – such as through the Edinburgh International Book Festival's On The Road programme and the Scottish International Storytelling Festival's On Tour programme.

At a community level the impact of the festivals' cancellation will be most particularly felt within schools. The recent research study [Inspiring Creativity in Pupils](#) found that the Festivals engaged with 92% of Edinburgh schools, with the highest schools engagement work targeted towards wards with the lowest audience attendance at festivals. And such work is not confined to Edinburgh, as festival engagement programmes aligned to the school curriculum take place in every local authority area in Scotland, such as the Edinburgh Science Festival's Generation Science programme which reached over 60,000 pupils across Scotland last year.

The Covid-19 disruption to these programmes removes a valuable resource from our communities and our schools, a resource which normally provides a whole world of creative experiences and generates cultural connections that nourish and inspire people. Social cohesion and inclusion will have even greater struggles throughout and after the pandemic crisis. The Festivals want to develop further the

collaborations with social development partners they have grown in recent years for community-led creativity and locality-based cultural development, yet this work is among the most vulnerable to future budget reductions.

The 2020 festival cancellations are also being felt around the globe. The loss of the festivals' role in the national life and **global position of Scotland** will be heavy – especially at a time when the UK is leaving the EU and Scotland needs to be deepening and widening international links. The Festivals' very creativity will be essential to Scotland's renewal, to revitalising Scotland's global reputation, to projecting Scotland's contemporary creative energy, and to sharing the values of our open, outward looking citizens.

4. Longer Term Scenario

The 2020 cancellations have had major impacts. However there are grave risks for 2021 and beyond, with those risks focused primarily on:

- Substantial risks around levels of sponsor, donor and customer ticket income needed to finance festivals, noting that only 25% of the festivals' regular income is in public funds
- Private sector ability to support festivals through sponsorship or project funding being seriously curtailed due to refocusing on their own corporate survival and recovery
- Continuing financial risk if national business support is ended but the events sector is unable to open up at a viable level due to public health requirements
- The reluctance of people, particularly from older age groups, to gather in crowds - irrespective of government advice - posing a particular risk to the viability of cultural venues and the events sector for the foreseeable future
- Curtailing of global mobility affecting the ability of artists to travel and thus the international profile and positioning of Edinburgh and Scotland

Edinburgh's Festivals are enviable world-class assets which could not be replicated in scope and scale if Scotland had to start from scratch. Changing conditions and audience needs will accelerate innovation in leading the development of new formats and hybrid live digital events - but digital markets are not a replacement for live collective experiences as a core offer, and they can be limited by issues around intellectual property rights, quality control, audience reach, inequalities and monetisation.

Over the last decade the festivals have significantly diversified their income, particularly through developments in ticketing and sponsorship, but the collapse of these two income streams in the Covid-19 environment - together with the costs of adapting to new public health measures - is leading to a potential market failure for these viable long-term assets, which can only be prevented by timely intervention and risk-sharing from the public sector.

5. In conclusion

For the cultural, economic and social impacts to be secured and existential risks to be mitigated will need government, at all levels, to consider the following further interventions:

- **Sustaining core funding to festival programmes in the recognition that it is the excellence of the programmes and their cultural impact that drives all other economic and social impacts**
- **Refocusing the additional activation programmes set up in recent years - in particular the Festivals Expo Fund and Platforms for Creative Excellence - to support post-covid renewal and adaptation, given their role in creating cultural and social innovation**
- **Designing sector-specific support packages that can help the culture and events sectors to underwrite the risks inherent in managing our way through the next few years, which might include VAT reductions, underwriting ticket income targets while audience confidence is fragile, and match funding to encourage sustained partner and sponsor donations**

It is vital not only to build back but to contribute to a fairer, more sustainable, more equal and diverse society. The Festivals want to be in a position to strengthen skills development opportunities, career pathways in culture and local supply chain benefits. Before the Covid-19 crisis, Edinburgh's Festivals were already collectively working on a long-term development vision for sustaining and increasing the benefits of the world's leading festival city, attached at **Appendix A**.

Beyond the pandemic, it is clear that yet deeper challenges to wellbeing, livelihoods, intercultural understanding and the health of our planet will face us all in the years to come. This vision outlines the headlines of an aspirational strategy for innovation, future proofing and leadership across sectors and agencies. To secure the unique contributions of our cultural capital and world-leading festival city towards a sustainable and successful future for the whole of Scotland, all those who can lead change need to join forces and help address the key challenges for our time and for the generations to come.

Appendix A: Sustainable Festival City Vision

CULTURAL CAPITAL BENEFITS			
<p>Global solidarity</p> <ul style="list-style-type: none"> Local and global issues connected Distinctive and diverse cultures reflected from communities near and far Cultural activists and responsible visitors welcomed 	<p>Inspiring everyone</p> <ul style="list-style-type: none"> Inclusive festival experiences Community-led creativity Locality-based cultural development Digital engagement with live culture locally and globally 	<p>People-centred spaces</p> <ul style="list-style-type: none"> Safe, clean spaces for people to connect and come together Welcoming and accessible for local and large-scale culture 'Plug and play' infrastructure to maximise environmental assets 	<p>Valuable skills and work</p> <ul style="list-style-type: none"> Creative learning opportunities Skilled roles at low risk of automation Rewarding careers in culture Local supply chain benefits



DRIVERS AND ENABLERS			
<p>Sustainable mindsets</p> <ul style="list-style-type: none"> Integrated event planning Sustainable procurement Responsible audience choices Slow and smart travel 	<p>Common purpose</p> <ul style="list-style-type: none"> Shared cultural values and goals Equality and diversity prioritised Stronger links with communities, carers, <u>thinkers</u> and educators 	<p>Agile infrastructure</p> <ul style="list-style-type: none"> Safe systems for public gatherings Renewed cultural infrastructure Eco-friendly public space facilities Pedestrianisation, dispersal, <u>active travel</u> and smart city transport 	<p>Low carbon systems</p> <ul style="list-style-type: none"> Decarbonised power Circular waste management Water efficiency