Visit to Festivals Edinburgh

21 November 2016

Meeting hosted by:

Ken Hay, Director – Edinburgh International Film Festival
Joanna Baker, Director – Edinburgh International Festival
Donald Smith, Director – Scottish International Storytelling Festival
David Allfrey, Producer and Chief Executive – The Royal Edinburgh Military Tattoo
James McVeigh, Head of Marketing and Innovation - Festivals Edinburgh

Members in attendance: Gordon Lindhurst, Gordon MacDonald and Andy Wightman.

Creative Industries Federation – Brexit Report

The EU referendum and its implications for Scotland – Festivals Edinburgh
Written submission

Cultural

Before and beyond the EU

Edinburgh has been a festival city since 1947 and has grown into a world leading festival city. The Festivals help raise Scotland’s cultural prominence and international profile. Each of the Festivals have different operating models which show variations as to their commercial and public subsidy/investment income.

The impact of the EU referendum has led to a blend of support and caution. Some have received encouragement and assurances that nothing will change whilst others have noticed caution, finding it hard to assess whether National companies will prioritise the Edinburgh festivals. Brexit has led to invitations from equivalent festivals to dry up.

Many international collaborations have been slow to progress due to uncertainty concerning their domestic partner. This has led to some festivals being viewed as an unviable bidding partner as they will soon be ineligible.

Next year marks the 70th Anniversary of the International Festival and the onus is for Edinburgh to be seen as a welcoming city. The directors saw that there needs to be a positive, outwards outlook.

Financial

The initial concern has been the exchange rate; the International Festival prefers to negotiate contracts in sterling, protecting itself against fluctuation. Artists are now looking to be paid in their own currency. Inevitably, budgets and profits are more vulnerable to the changing performance of currencies. But it was noted that there
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were different business models in operation: for example, the Tattoo’s acts invest in their attendance in their own currency and therefore the Tattoo might be spared the potential impact felt by other festivals when currencies fluctuate unhelpfully.

However, Sterling’s weakness in relation to the Euro is seen as an incentive to visitors, making Edinburgh (and its festivals) more attractive to tourists and for locals choosing to stay at home. Last year saw an increase in visitors from outside the UK with visitors staying for an average of 10 days. Ticket sales vary from festival to festival according to their different business models but on average sales account for c30% of turnover.

A significant amount of funding for the festivals comes from public and corporate sponsorship. Public funding has been in gentle decline with the shortfall coming from corporate sponsorship. Corporate sponsorship itself is at risk with lower commitments likely. Trusts and foundations are also warning of lower funding.

An important source for funding has been the EU (European Regional Development Fund, European Social Fund) other international sources are limited. For the festivals to maintain their international reputations this funding will need to be matched.

The directors pointed to the wider Scottish events and festival sector and its part of the Scottish economy.

Artists and Administration

Edinburgh Festivals form the largest annual cultural festival in the world, hosting over 25,000 performers each year.

The primary concern for the festival directors was that performers from EU nations would require visas and work permits. Should the current requirements for non-EU nationals be extended, the number of performers able to take part would be greatly reduced. The increased costs, paperwork and time spent applying for visas and permits would make the festivals prohibitive for many touring groups.

The Tattoo, the International Festival and the Fringe have Permit Free Status. These festivals are able to invite entertainers or artists to take part in their event without the need to issue a certificate of sponsorship under the points based system. Where entertainers or artists are established professionals it may also be possible for them to use the visitors undertaking permitted paid engagement route.

The Festival Directors were keen that the permit free status model, or something similar, be extended to other festivals.

In addition to the performers themselves, the festivals’ staff are equally international – accounting for 25-30% of the workforce. This diversity has invaluable in terms of the cultural knowledge gained and has allowed the festivals to provide world-class programmes. Any changes in in the rights of EU nationals would have a marked impact.
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General

The Festivals agreed on the need for Governments and leaders to do their utmost to minimise complexity and politics in what are already a complex, febrile and highly politicised circumstances – while also taking a long-term strategic view to try and set the conditions for success while businesses and their workforces work to deliver that success.