

EDINBURGH FESTIVAL ACCOMMODATION - FUNDAMENTAL RISK TO THE VIABILITY OF THE FRINGE AND CONSEQUENT IMPACT ON THE LOCAL ECONOMY

We have read the submission to the Local Government, Housing and Planning Committee by Festivals Edinburgh and do not believe that it presents an accurate picture of the challenge facing the requirements for accommodation for the Edinburgh Festival Fringe, and that the solutions and suggestions for change that Festivals Edinburgh makes, will not, in our opinion, resolve the challenge we face today or create a stable outlook for August's Festivals 2024 and beyond.

We understand that there are only two organisations presenting in the last session and we would gratefully welcome the opportunity to give evidence to the LGHP Committee ourselves. We realise that this is a last-minute but are hopeful of your kind consideration of our request. We really believe that our deep working knowledge of the accommodation requirements of the Festival participants and audiences is an essential contribution to any review of this issue.

We are writing to you as a group of organisations who play an important part in the delivery of Edinburgh's festivals who take the risk to produce, programme and build the venues; and sell in excess of 75% of the tickets sold at the Festival Fringe.

It was fantastic to welcome audiences back to Edinburgh last summer for the festival season. We are proud to have been able to play a part in the revival of such an important cultural event for Edinburgh and Scotland. However, we believe there is a clear and present danger to the future success of the festivals around the question of "affordability", and in particular the cost and availability of accommodation for artists, temporary workers and visitors.

We're at a tipping point where unless action is taken, the August festivals face a downward spiral and are in danger of only being accessible to the wealthiest/elitist of audiences and artists. This debate is often framed in the context of access for artists to accommodation, but unless affordable accommodation is also available for audiences,

then audience levels will not sustain the artists. Then audiences outside of the wealthy and, young audiences in particular, will be excluded and the Festival Fringe will wither away. This will have a knock-on negative impact to Scotland's economy.

In summary:

- Accommodation prices for artists have already increased by 22% between 2019 and 2022. If the supply of accommodation is significantly reduced, then prices will soar with catastrophic consequences. **Our issue with Festivals Edinburgh's submission is that protecting Home Sharing and Home Letting alone will not provide the level of accommodation that today's August Festivals require. Unless secondary letting is also available in all types of property, including tenement stairs, there will simply not be enough accommodation for Augusts Festivals.**
- Research was undertaken by Dancebase in October 2022^[1] (prior to the six month proposed delay in licensing for existing operators) with the owners of properties (secondary lets, home sharing and home letting). **81% of respondents owned secondary letting properties**, 13% home sharing and 15% home letting. So, the vast majority of respondents own secondary letting properties. **The respondents said that less than 10% of secondary let accommodation available in 2022 is likely to be available in 2023 under the new planning and licencing regimes.** That is a VERY CONCERNING loss of accommodation and would make the operation of the August Festivals unviable.
- **This sudden loss of 90% of secondary let accommodation, well over 700,000 bed nights** at a conservative estimate, will have a catastrophic effect on availability and therefore price. This will not only impact the festivals' ability to house artists, workers and audiences, but also the broader year-round tourism economy of the whole city.
- Costs are increasing in every aspect of life currently and inflation is at its highest level since 1993. This places massive pressures on Arts organisations and artists. The cost of living crisis also means there is a reduction in the available spend for households in areas like culture. This backdrop is in itself a serious and significant pressure on Augusts Festivals. If artists, workers and audience cannot be accommodated too, then the situation for us could not be more serious.
- We believe that there needs to be concerted and coordinated action by local and national government across a number of areas.
- We're working with the Fringe Society, Festivals Edinburgh, the Edinburgh International Festival and others, but feel **it is also vital that you hear directly from the organisations who are responsible for the majority of performances across the August festivals.**

We were challenged to find potential solutions, and we believe that all of these areas need action.

SHORT-TERM LETS

We're aware of the multi-faceted housing challenges facing Edinburgh and every area of Scotland. We understand however that the number of residential properties in Edinburgh on Non-Domestic Rates on 17th October 2022 was 1,364. We are aware that much higher figures have been widely used to describe the numbers of short-term lets in the city, but based on the Non-Domestic Rates numbers, we would question their accuracy. We are confident that if the vast majority of secondary short term lets cease to exist, then the August Festivals will face decline and extinction.

We are fully supportive of the following position statement from the Edinburgh Festival Fringe Society:

The Edinburgh Festival Fringe Community are seeking a 12-month staged transition period in implementing the proposed legislative changes to STLs in Edinburgh to:

- *Allow for a proper and full consideration of issues and impact of a change in the property letting market.*
- *Enable a rethink on temporary exemptions.*
- *Find a different approach to planning/licensing in 2023 for full-time STL properties who can demonstrate they have previously ethically let (affordable and comfortable) accommodation to festival workers.*
- *To address the student accommodation market and the potential for accommodation to be made available during the summer between academic years.*

We are collectively supportive of tighter controls that protect Edinburgh residents and artists from exploitation, but we believe this longer timeframe is needed to create workable solutions specific to Edinburgh and that take full cognisance of the wider impact of the Private Residential Tenancy and Short Term Lets legislation.

TEMPORARY EXEMPTIONS

We understood that Temporary Exemptions were requested to be part of STL legislation by the City of Edinburgh Council, so that a scheme could be created to protect the Festivals. But we were surprised to read the details in late September: the scheme is costly, unnecessarily bureaucratic and burdensome. The fees for secondary letting, which makes up the bulk of properties used, are £250 to £600. The Council says they will aim to process applications in three months and that means that last minute properties, which become available from long-term letting typically, will be excluded from supply. We also question whether the Council has the capacity to deal with the applications.

There will be a presumption to rebut exemptions in tenement stairs, which will massively impact supply as most properties in central Edinburgh are in tenement stairs. All the mandatory safety certification which is required will be costly and off-putting for anyone

who only intends on letting a few weeks per year. We cannot see how a legionella test or EPC certificate should be required for a few weeks' let. Also, the six-week period for the exemption must be taken in one continuous period. This will mean that other times of the year, such as Hogmanay, will suffer as no one will get a licence for those few days. Six weeks is also not long enough as some venues require accommodation for eight weeks in the Summer before any requirement for the Winter Festivals which draw so many people into the city. Eight weeks would be more realistic, with the ability to split across two seasons (e.g.: August and December()).

So, it is currently a temporary exemption in name only. It will cost around £1,000 in expenses. This expense will be non-refundable and many people will therefore not apply as they cannot risk an unsuccessful application. Those who do will want to pass the cost on to their guests, once again pushing up accommodation costs for no apparent benefit compared to the 76 years this has been a perfectly functional modus operandi.

RECOMMENDATIONS FOR TEMPORARY EXEMPTIONS

- Reduce the fee to a nominal amount
- Remove the rebuttable presumption against granting licences to properties in flatted dwellings
- Remove the need to apply for an exemption. Create a simple online register for Temporary Exemptions only, where owners of secondary homes, home letting and home sharers can all register quickly, pay a nominal fee, give contact details and address details and upload basic safety certification. CEC will then have contact details in case of any issues for neighbours. Make it easy for people to let, so the Council shows that it is supporting and nurturing events in the city
- Allow owners to let for a total period of eight weeks across the whole year so that Hogmanay and other short events do not suffer

We realise that we need to be creative at finding solutions to provide enough affordable accommodation for Edinburgh's August Festivals to flourish for decades to come.

PRIVATE RESIDENTIAL TENANCIES

We would ask for an amendment to the Private Housing (Tenancies) (Scotland) Act 2016 in order that landlords and tenants are permitted legally to sublet accommodation in Edinburgh during August, with benefits shared equitably between both sides. This will continue to offer security of tenure for tenants under the 2016 Act but would also facilitate those willing and able to give up or share their accommodation in August to be able to benefit from it. For students in private accommodation, it would be beneficial as it would offset the cost of their rent in the period they are not at University; and it should be noted that the Act already has a similar exemption for University owned accommodation.

24 HOUR EFFECTIVE PUBLIC TRANSPORT ACROSS THE CENTRAL BELT

Government should ensure that there are reliable, frequent 24-hour public transport options, preferably by rail to ensure that people are able to stay more widely across the central belt during August. The newly renationalised Scotrail should be an important tool in

allowing people to take advantage of the accommodation options beyond the confines of Edinburgh.

EMERGING ARTISTS FUND

Government and Creative Scotland begin a fund that provides an accommodation subsidy for emerging artists appearing at smaller venues.

Finally, it is worth reiterating that the Culture sector has been through a seismic shock with Covid and, as was proven by the last festival with diminished audiences, it is going to take some years for the Fringe to recover. This is further exacerbated by the current issues of inflation which are impacting on every level of the supply chain, and audience purchasing power to access the festivals. We urgently need Scottish Government assistance to address the issues outlined above in order to support and sustain the festivals and the underlying Scottish economy. We believe it is possible to do so - if all parties work together in a balanced way - whilst still addressing the concerns that have initiated the new regulations.

Thank you for your consideration.

William Burdett-Coutts, OBE

On behalf of:

Assembly Festival

Dance Base

Gilded Balloon

Just the Tonic

Pleasance

Summerhall

Underbelly

Zoo

Annex 1: Dancebase accommodation intentions survey October 2022.

- 311 respondents
- The respondents know about the new regulations:
 - 61% are very familiar and know how that will affect them
 - An extra 28% are familiar but not completely clear about the affects
- Most respondents (81%) offer secondary letting, with 13% offering home sharing and 15% home letting
- For secondary letting (renting out a place you own but don't live in), 92% of respondents say they are unlikely, very unlikely or definitely won't have the accommodation they had in 2022 available again in 2023 under the new regulations. Broken down:
 - 39% definitely not available
 - 34% very unlikely to be available
 - 19% unlikely to be available
- Also for secondary letting, worth knowing that the vast majority of respondents own only one (64%) or two (15%) properties in the secondary letting market. These are small businesses
- The figures are also stark for home sharing and home letting
- For home sharing (renting out spare rooms in your home) 64% of respondents say they are unlikely, very unlikely or definitely won't have the accommodation they had in 2022 available again in 2023 under the new regulations. Broken down:
 - 31% definitely not available
 - 18% very unlikely to be available
 - 15% unlikely to be available
- For home letting (renting out the whole of your own home) 83% of respondents say they are unlikely, very unlikely or definitely won't have the accommodation they had in 2022 available again in 2023 under the new regulations. Broken down:
 - 41% definitely not available
 - 20% very unlikely to be available
 - 22% unlikely to be available

^[1] See Annex 1