



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

ECONOMY, ENERGY AND TOURISM COMMITTEE

Wednesday 20 August 2014

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ECONOMY, ENERGY AND TOURISM COMMITTEE

21st Meeting 2014, Session 4

CONVENER

*Murdo Fraser (Mid Scotland and Fife) (Con)

DEPUTY CONVENER

*Dennis Robertson (Aberdeenshire West) (SNP)

COMMITTEE MEMBERS

Richard Baker (North East Scotland) (Lab)

*Marco Biagi (Edinburgh Central) (SNP)

*Chic Brodie (South Scotland) (SNP)

*Alison Johnstone (Lothian) (Green)

*Mike MacKenzie (Highlands and Islands) (SNP)

*Margaret McDougall (West Scotland) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Gordon Dewar (Edinburgh Airport)

Faith Liddell (Festivals Edinburgh)

Kath Mainland CBE (Edinburgh Festival Fringe Society)

Jenny Marra (North East Scotland) (Lab) (Committee Substitute)

Joan McAlpine (South Scotland) (SNP)

Lady Susan Rice CBE (Edinburgh's Festivals Forum)

Amy Saunders (Creative New Zealand)

CLERK TO THE COMMITTEE

Douglas Wands

LOCATION

Committee Room 4

Scottish Parliament

Economy, Energy and Tourism Committee

Wednesday 20 August 2014

[The Convener opened the meeting at 10:00]

Decision on Taking Business in Private

The Convener (Murdo Fraser): Good morning, ladies and gentlemen, and welcome to the 21st meeting in 2014 of the Economy, Energy and Tourism Committee. I welcome our witnesses, whom I will introduce in a moment, and any visitors in the public gallery. I remind everyone to please turn off—or at least turn to silent—all mobile phones and other electronic devices so that they do not interfere with the sound equipment.

We have received apologies from Richard Baker, and Jenny Marra joins us as a substitute. You are welcome, Jenny.

Under item 1 on the agenda, I ask the committee to agree to take in private consideration of item 3, which is to review the evidence that we are about to hear. Is that agreed?

Members indicated agreement.

Edinburgh Festivals (Economic Importance)

10:01

The Convener: We move to agenda item 2. The committee decided to look at the economic importance of Edinburgh's festivals, and we have one panel of witnesses this morning to help us to do that. Amy Saunders is the senior adviser, international, with Creative New Zealand; Gordon Dewar is the chief executive of Edinburgh Airport Ltd; Faith Liddell is the director of Festivals Edinburgh; Lady Susan Rice is the chair of Edinburgh's festivals forum; and Kath Mainland is the chief executive of the Edinburgh Festival Fringe Society. I welcome you all.

We have about 90 minutes for this evidence session. Members will be interested in exploring issues around how the festivals are set up and run; what their economic benefit is to Edinburgh; what the economic benefit is to the rest of Scotland of having the festivals here; and what the infrastructure requirements are, including the airport and transport. We have quite a large panel and we will quickly run out of time if you all want to answer every question, even if you keep your answers very short, which I hope that you will do—I always exhort members to keep their questions short and to the point. Therefore, I ask members to direct their questions to a specific member of the panel initially, and if a panel member wants to answer a question that has been directed at somebody else they should catch my eye and I will bring them in. I will bring as many people into the debate as time allows, but even with 90 minutes the time will quickly run away from us.

To give you all the chance to have a say at the start, I ask you all to comment briefly on a couple of issues. To what do you attribute the success of Edinburgh's festivals? They are obviously a success story. We have only to try to walk or drive around Edinburgh at this time of year to see how successful they are, and we have seen the statistics about the number of bed nights that are being filled in Edinburgh. To what do you attribute that success? Secondly, what are the challenges going forward? If we are seeing year-on-year expansion of the festivals, as we seem to be, what are the challenges to that continuing in the future?

Kath Mainland CBE (Edinburgh Festival Fringe Society): Thanks very much for inviting us to come and talk to you this morning.

Why are the festivals successful? We will, undoubtedly, talk this morning about collaboration and our unique collaborative model in Festivals Edinburgh. However, you must remember that each of the 12 festivals is distinct and independent

and has been formed because of artistic directors' and programmers' desire to show the best of what they want to show to the world. The festivals have a very beneficial economic impact, which we will talk about, but they are distinct, individual, world-class platforms—the best platforms in the world for Scottish artists and the best platforms for the international artists who come here.

The Convener: Do you have any thoughts on the second point, about the challenges in terms of continual growth?

Kath Mainland: I think that the challenges are about continuing to remember that that is why we are successful, and about continuing to ensure that we have the best environment in this city for artists, the media, the industry and audiences who come here to experience the festivals.

Lady Susan Rice CBE (Edinburgh's Festivals Forum): There is a saying that there is strength in numbers. We have a lot of festivals and a lot of activity. They are all absolutely unique unto themselves, but can come together, through, for instance, Edinburgh's festivals forum, to work on shared infrastructure and other needs and to work with the stakeholders in the city government, national Government and various supporting organisations. They can come together and converse and make the city a better and stronger place for all of them, while maintaining their separate identities, which is important—they should not all be swept up into one common festival.

The infrastructure in Edinburgh has grown and developed to support the festivals over the years. Every festival needs different kinds of infrastructure. What is helpful is that we have festivals that run pretty much throughout the entire 12 months of the year. The greatest activity is centred on these few weeks in August, but we have a lot of important festivals that happen throughout the year. That means that the city, and the people who live and work in it, can support the necessary venues, hotels and transport infrastructure. That all works throughout the year because there is a need for it throughout the year. The 12-month aspect is important, with festivals coming together when they can and staying separate when they ought to.

The festivals have been very fortunate indeed in sustaining funding from the national and the city sources, even over the past six or seven years of financial difficulties. That is essential and I know that they are hugely grateful for that.

Faith Liddell (Festivals Edinburgh): I think that you will all be aware of the impact study that we did a few years ago and which we continue to update. It concerns our economic, social, cultural and environmental impact. One of the clear

statements at the beginning of that independent study was that none of those impacts would exist without what it described as the diverse and high quality international programmes of the festivals. My colleagues have already mentioned the importance of those individual festivals and their programmes, but the point is that the festival programmes sit at the heart of every impact and need to continue to be innovative, to develop and to be invested in.

The issue of the adaptive city is also important. Since the international festival was founded in 1947—followed, in the same year, by the fringe and the film festival, and then by the tattoo—the city has adapted and responded to the needs of the festivals and their audiences and artists. We can show off to visitors from abroad not only our festivals, but how our city has responded to them through investment—of course we need investment—and through the ability to say yes when dealing with all the complications that occur around planning, health and safety and so on. We are engaged in an enormous enterprise and our success is definitely founded on that attitude.

Our festivals are also loved by the people of the city. Almost 60 per cent of the people in the city attend them. Obviously, we want more to be able to come, but that is a remarkable figure. International colleagues cannot believe that figure when they hear it. A city of individual festivals that are loved by its own people can bring in and host visitors from elsewhere in a generous way. If you walk around the city, you can see that all the people who provide the other services are positive and welcoming, which is important.

On challenges, we would have to say that the contracting public purse and pressures on council and broader Government budgets are a threat to us. We have commissioned a follow-up to the "Thundering Hooves" report, which will be called "Thundering Hooves 2.0". Its aim is to ensure that we remain the world's leading festival city and remain competitive, and it will consider factors around that. Although I would like to identify more of those challenges at the moment, that report will properly analyse them and bring them to the fore. However, I can say that we know that financial pressure is a key challenge.

Obviously, there are other trends that we must respond to, and there is a continuing issue around competitor cities. We are generous with our model, but there are still cities around the world that want to knock us off our pedestal.

Gordon Dewar (Edinburgh Airport): I will declare some other, wider interests. My Edinburgh airport interest is obvious, but I am also on the board of VisitScotland, and of the Scottish Tourism Alliance, which represents the industry throughout Scotland. It is in that context that I echo Faith

Liddell's view that key to this is the general support for the festivals and the fact that stakeholders embrace their value. I cannot comment on the internal workings or indeed the artistic value of the festivals—I am not really qualified to do that—but what I see all the time is how much stakeholders value the contribution of the festivals.

We are already making progress against the two obvious challenges. We are addressing overall capacity and dealing with the enormous peak that the festivals represent to the city and the surrounding areas, as well as all the infrastructure that supports them. The answer has already been looked at in terms of scheduling. The festivals have widened their reach, spread that load and given us an opportunity to do more. The economic impact has of course also been enhanced by having that value coming through for more of the year. The two themes there are working together and there is a huge amount of optimism that we can do even more of that in future.

Amy Saunders (Creative New Zealand): To give the committee some context, New Zealand has brought over 200 artists to the festivals. We have invested 1 million New Zealand dollars in that, which is about £500,000, because no other platform in the world exists for us to give our artists that opportunity. It is the biggest marketplace for us, so we have artists across all the festivals. They are here to look at onward touring and professional development opportunities. It is on such a scale here that we cannot do it anywhere else. It has been a very successful season and all those things have happened. Most of our companies have got touring opportunities, although we have not had any sell-outs yet. The festivals offer us and other countries from all over the world a unique platform to showcase, year round, artists across all the art forms.

A number of other services are offered through the Edinburgh Festival Fringe Society and Festivals Edinburgh, such as the momentum programme, which brings in other international producers with whom we can connect our artists and producers. There are also services that the Fringe Society runs, which provide an enormous amount of professional development for our artists and producers. We have been meeting regularly with our artists and producers during this month and their capacity building goes up and up. They take that home and it increases our own sector. We will continue to invest in that, maybe on a smaller scale in future. This was a big risky project for us and it has certainly had a lot of benefit. I can see other countries doing the same sort of thing. What Edinburgh has to offer has not yet been replicated anywhere else in the world. The scale is phenomenal, as is the expertise in the city.

The challenges are the obvious ones, especially for artists coming from a long way away. The costs in the city are escalating. Accommodation is a big part of every company's budget, which can be off-putting, particularly for artists coming from a long way away who have air fares and so on. Accommodation has been one challenge in the budgets that we have put together for the companies coming over. On the whole, they are still coming—at the moment.

The Convener: Thank you. It was interesting, listening to the contributions, to hear a lot of the same issues repeated: the strength and diversity, and the collaboration and mutual support, that comes from having the 12 festivals working together. There is also the support that comes from the wider community, whether that is the public sector or just the people of Edinburgh, who are very supportive of the festivals. We have heard about the challenges around costs, and about infrastructure constraints and so on.

Members will want to explore quite a few of those issues in more detail. I remind members to keep their questions as concise as they can. It would be helpful if they would direct them initially to one member of the panel, and if we could have answers that are as concise as possible. If a panel member wants to come in, they can try to catch my eye and I will bring them in as time allows.

Dennis Robertson (Aberdeenshire West) (SNP): We always try to stay on the right side of the convener. I will put my question to Gordon Dewar, because of his multiple hats.

There seems to be a feel-good factor in 2014 in Scotland—partly due to the success of the Commonwealth games, the upcoming Ryder cup and the festivals that are going on. Susan Rice said that there is a 12-month aspect to the various festivals in Edinburgh, but the perception is that August is usually festival time. Will it be difficult to measure the economic success of the festivals this year, given the other factors, which might conflate the numbers?

10:15

Gordon Dewar: Measuring economic benefits is an inexact science, but the tools that we are using—through VisitScotland or the festival itself—look at the impact on visitor numbers, the spend they make and so on. If someone arrived to watch the tail end of the Commonwealth games and then spent the next period at the festivals, it might be slightly difficult to distribute the value of that visit, but the value for Scotland plc is very clear—we can see and measure that in reasonable terms. I do not overconcern myself about that boundary effect. The beauty of the festival is that we can measure the bed nights, the ticket sales and the

number of other retail spend that is going on, because all the partners that understand the value of the festival share that information in a lot of detail.

The one thing that we can be absolutely certain of is that 2014 is a phenomenal opportunity not only to talk to the people who came this year, but also to put Scotland on the world stage for those who might come next year or the years after, but who have not quite made up their minds.

Dennis Robertson: We have had the homecoming as well.

Edinburgh airport is proposing expansion, but are you coping with the visitor numbers that are coming in?

Gordon Dewar: Always. We keep ahead of the demand for business. We are about to open the new extension in October and we will start work on the next one later in the year. We understand that we must keep ahead of demand. It is a wonderful synergy: we know that if we make it easy and affordable for people to come to Scotland, because of the festivals and the wider Scottish tourism product, we will always have people who want to come. I am often asked whether there is a limit to the number of passengers we can service in a country of 5 million people, but I think that that is to look at the wrong end of the routes: there are 7 billion people out there that we want to attract.

Faith Liddell: We deliberately did not carry out an economic impact evaluation in our normal methodology this year because we felt that there were so many factors that might warp the results. However, as Gordon says, we will measure all the other things that we can measure against previous years.

Dennis Robertson: Do you see the new “Thundering Hooves” report as the way forward in terms of future impact?

Faith Liddell: Yes, the forthcoming “Thundering Hooves” report will be important in terms of the way forward. Susan Rice, as the chair of the festivals forum, may wish to say something on this, too.

The examination of how much we have achieved to date on the previous “Thundering Hooves” report—

Dennis Robertson: I thought you were about to say that Susan was in the saddle. [*Laughter.*]

Faith Liddell: We are also looking at the current context—the threats and opportunities and the wider environment. We will be establishing the terms for moving forward in partnership with our stakeholders and funders, which has been the recipe for our success to date.

Lady Susan Rice: First, I have never climbed on the back of the Lloyds black horse, who was called Cancara.

The festivals forum believes that the report will be formative. The first “Thundering Hooves” report contained 14 recommendations and since that came out and the festivals forum was formed, we have assiduously gone through those recommendations. We have prompted, supported and seen that many of them have been achieved. The report was a terrific roadmap; it is not formulaic, but has been absolutely specific to our needs. We expect the same from the new report and we are very excited about it.

Chic Brodie (South Scotland) (SNP): I will start with a question for Amy Saunders and Susan Rice. The festival is a tremendous product—sorry to be so crude—that is internationally known. Should we try to replicate that worldwide, and if so, how would we do that?

Amy Saunders: In a way, it is being replicated worldwide, organically. There are festivals modelled on the Edinburgh festival fringe all over the world. What is unique about Edinburgh is encapsulated in that famous statement that the city itself is the world’s stage. I have not seen a model that has come anywhere close to being as good as the fringe, or on the scale and size of it. Festivals throughout the world are replicating our model.

The Edinburgh fringe ran a world fringe congress at the weekend. Two of our fringe festivals that were over were part of that congress.

Another great thing that the festivals here are doing is sharing that collaborative model and enhancing the global reputation of festivals, and offering artists and companies opportunities worldwide. Most people know that the fringe festivals around the world were birthed out of Edinburgh, so to speak. Obviously, other international festivals throughout the world have appeared, and they are all here every year looking for work. The Edinburgh festivals are sort of the mother ship, from my perspective.

Chic Brodie: The mother ship! [*Laughter.*]

Lady Rice: Amy Saunders put that very well. Forgive me, though, because I am not sure that I would want to see the Edinburgh festivals replicated everywhere else and I do not think that that is possible. Part of what is unique here is the city of Edinburgh. It is an extraordinary city, as we all know. It is an extraordinary city for the festivals because of its physical backdrop, its infrastructure, its size, which makes it possible to walk round it, and its people. You cannot lift that and put it anywhere else. Any other festival or, indeed, festival city would have to build on its own assets.

I do not know of any city in the world that could do what is done here.

That said, the reach of our festivals is phenomenal. Amy Saunders has talked about the fringe. The book festival set up a word alliance over several years with book festivals around the world that has influenced and helped create and support other book festivals. Other festivals here do the same thing. Elsewhere, we are seen as the leader in prompting what other cities and places can develop for themselves.

Faith Liddell: This week, we have had the secretary of state for culture for the city of Rio de Janeiro, the mayor of Santiago and the culture secretary for Buenos Aires city. We have been looking after them this week, and I had dinner last night with the culture secretary for Buenos Aires. They are here to observe how we work and they think that what happens here is astonishing and that there is nothing else like it in the world. What they will take back is a sense of our generosity in sharing our model; of the strength and power of our individual festivals and how they work; of the models of how they collaborate; of how the city works; and of how Scotland supports and enhances the festivals and how they are part of what contributes to our sense of a confident, outward-looking national identity.

Every level—from how the festivals work, to how they relate to the city, to how Scotland is seen—is perceived by those people as being something incredibly strong. It cannot be replicated, but elements of it can feed back into how we work. What we hope is that those other countries will develop ways of working that will allow their artists to come back to Edinburgh in a strong and confident way that will enhance our programmes in due course.

Kath Mainland: Amy Saunders referred to the congress, at which we had 39 fringe festivals from 15 different countries in the city. Our colleagues at the international festival had the culture summit here in the Parliament last weekend, and Susan Rice referred to the literary alliance. Those are about not replicating but sharing our models and increasing the international reach of the brand of the festivals, and that is important in terms of routes for artists.

All these festival directors, producers, cultural entrepreneurs and policy makers are in the city looking at what we do and we are generously sharing that with them. Ultimately, that leads to the marketplace element, which means that Scottish artists and artists coming here have routes to other work, tours and career and professional development. That is really good for not only those artists but brand Scotland, which is a recognised international cultural brand.

Chic Brodie: No one can doubt your success—well done. I apologise for my rather crude question earlier, which came from my financial background, but I was really looking to see what we get from our investment and sharing. That is great and develops brand Scotland even more, but what financial return do we get from spreading or marketing the brand?

Faith Liddell: The first return from marketing the brand is that we are bringing in more visitors and artists. There are more than 20,000 artists in the city, which for some places would be a festival in itself.

When we go out into the world, we do a number of things. We are doing consumer marketing, which is dependent on the strength of the cultural brand. We are also engaging in high-level cultural diplomacy and relationship marketing, which is about perception.

More broadly, we are engaging actively with artists and producers, and encouraging them to come back here to enhance what happens on the platforms of our different festivals.

Every one of those things contributes, some in more subtle ways. Our consumer marketing is about increasing the number of visitors and the visitor spend. Ultimately, from our selfish perspective, it is about bringing more people into the city to buy tickets, but every time that happens, they extend their spend. There is a direct value from building the brand internationally.

On the cultural diplomacy side, we definitely see ourselves as part of team Scotland when we are out visiting a country. When I was in China, I met both artists and cultural organisations. We were part of a travel trade fair working with VisitScotland and VisitBritain, and I also held inward investment meetings for Edinburgh while I was there.

We do not do that on every occasion. We will normally get into partnership, if we can, with Scottish Development International on the ground, and we will meet its representatives. To give another example, the director of the international festival has held launches for his programme around the world in connection with SDI's programme. We also encourage SDI and partners at a diplomatic level to ensure that the business community is engaging in that work.

There is a sense that we are conveying, with our very strong cultural brand, an image of a dynamic, outward-looking connected country that is engaged in exchange in both directions. That exchange matters. We cannot just go out there and say, "We're fabulous"—we are also learning from and connecting and exchanging ideas with those countries.

Chic Brodie: We think that you are fabulous, so that is okay. [*Laughter.*]

Lady Rice: If we draw a fence around the rest of the world and focus on the nation, there is a big ripple effect outside Edinburgh, and we should not lose sight of that.

I am sorry to mention the book festival again, but as I chair its board as well as the festivals forum, it is the festival that I know best. I have lost count of how many little local book and literature festivals take place around Scotland. They all help local economies, often in very small localities and villages, by bringing people in. They also create a feel-good factor that ultimately has an immeasurable impact on the economy. We must not forget that type of influence as well as the broader context.

Gordon Dewar: There is a huge amount going on, and it is quite difficult to quantify the value of that, but it is evident what is happening. I will give you a tangible example. We are out there all the time selling Edinburgh and Scotland as an opportunity for airlines to invest. On page 3 of our 24-page sales document, which sets out what Edinburgh and Scotland have to offer, the festivals are front and centre because they generate huge demand.

We have gone about that with a numeric, business-orientated investment agenda. We put a business case in front of airlines and say, "This is how you can make a profitable investment from coming to Scotland."

Looking at long-haul flights alone, two years ago we had one long-haul flight running between Edinburgh and New York; we now have seven. That expansion is driven hugely by the fact that we can show that the festival contributes directly to demand not only in August but for seven or eight months of the year.

The festival also raises the brand profile for the rest of the year. People want to come to Scotland and Edinburgh because of what they have heard and seen in the coverage elsewhere from VisitScotland, social media or whatever.

With regard to the ability to sell the brand—and this is in no way either a criticism or a boast—we have to look at the scale of the festivals. They are significantly larger than the Commonwealth games, and they happen every year. Scotland did itself proud, and Glasgow did a fantastic job in talking to new audiences, especially sports-orientated audiences, and in selling the fact that Scotland is not just Edinburgh. However, we cannot undervalue what Edinburgh does every single year in driving people to come and sample—and, we hope, to come back time and again to visit—one of the best brands in the world.

Without remotely exaggerating, I think that Edinburgh is the best place on the planet to be in August; the festivals are at that level of quality.

Chic Brodie: I accept that. My final question—

The Convener: Amy Saunders wants to come in.

Chic Brodie: Sorry.

10:30

Amy Saunders: We brought a large number of artists this year, and not only are those people going off to visit Stirling and other places on their days off, but when they go home you will immediately have 200 people who have come on board as ambassadors for Scotland, who will come back on holiday in the off season—I have heard our artists talking about bringing their families back. Such effects, which we might not think of as immediate impacts, are strong, because people generally have such a positive experience while they are here.

Chic Brodie: That is fabulous, and a great success.

Faith Liddell mentioned an analysis of opportunities and threats. What threats do you envisage to the continued growth of the festival? I am thinking about infrastructure, for example.

Faith Liddell: First, I want to say that it does not need to be all about growth. What is most important for the brand is that we ensure that we maintain the quality and innovativeness of the programmes.

There is an issue with how we can extend, in all areas in which we work. We are strong, and of course we need to continue to be invested in. At the heart of everything is investment in our programmes—that is the most important thing. We also want to be able to extend the benefits of what we do. We want to be capitalised on, on all levels—I want that to be part of the conversation.

For example, on the relatively local side, new rail networks are coming and we think that we can continue to grow if people stay outwith the city as well as in it. The benefits can extend into the Borders, up into Fife and further afield. For a lot of international visitors, the distances that we are talking about are not major. We learned a lot from the co-operation between Glasgow and Edinburgh this summer. We co-operated a great deal on positioning and media, and we really understood that the distance between the two cities is nothing to most of the people who come here. There is a real possibility of bringing benefits by encouraging movement so that people stay throughout the central belt and beyond, almost becoming festival commuters.

On the global side of things, we could be used more effectively. We have amazing contacts, we have profile, and we are a global brand. We could be used more effectively to be part of the messaging. Gordon Dewar already uses us when he builds relationships and encourages companies to invest in Edinburgh airport and bring in new routes. We genuinely believe that our profile and positioning, and our internationalism—that generous, accepted connection with other countries—offer a great route whereby Scotland can say, “Yes, we’re here to do business, but the first point is that we understand you and are connecting to you.” Those are the foundations on which we think we can build.

The Convener: Susan Rice made an interesting point about spreading the benefits of the festival throughout Scotland. Mike MacKenzie has a question on that.

Mike MacKenzie (Highlands and Islands) (SNP): Thank you. I have a couple of other questions, too. I will just ask the full suite, if that is all right.

The Convener: Briefly, I hope.

Mike MacKenzie: I am known for my brevity, as you know.

We have been talking in business and economics terms, and I am struck—and, I suppose, surprised—by what a sophisticated and complex business the festival is. I was struck by Faith Liddell using words such as “ecosystem” and “organic”, and Kath Mainland talking about collaborative competition—she might have said competitive collaboration, I am not quite sure. There is an open source feel to what you are doing. Are there lessons for other business sectors in the festival’s success?

Who wants to respond to that?

Lady Rice: I will start, while everyone else comes up with a sensible response.

The answer is yes, to some extent. We see some of these things in very different ways. What festivals do is present something to the public, so we connect with them in a certain way and have ways of working together, as well as separately, as I said. Someone who is primarily on the festivals side will try to think in organisational and business terms, and someone who is primarily on the business side will tend to look at other factors, too—it is not just all one or the other. I talked about the little festivals springing up around Scotland and the sense of wellbeing that that creates in other parts of the country. That is not a business concept, but it is very important.

That said, we can look at the oil and gas sector, for example. It is primarily up in the north-east and has a geographic invisible fence to some extent.

Businesses in that sector have grown up together, and they have a body that pulls them together, speaks for them, reaches out around the world, invites people in and so on. Similar things are done, but we do not see them in the same way, because we do not see into businesses in the same way that we as the audience or people in the city see into the festivals. The festivals bring to us what they bring, whereas other businesses bring their stuff out, if you see what I mean. We perceive them differently.

I think that some of those things happen, but I am not sure that there are primary lessons. There are times when businesses get together because they share a common problem or issue, and there are times when they compete. If that is what you are talking about, we do the same things.

Faith Liddell: In Scottish terms, we have talked about imitation elsewhere, but our key partner Scottish Enterprise describes us in our collaborative context as a pathfinder. We work out ways to do things in quite a complex and organic way. We evolve effective models, test them out in a very big environment, and then often roll them out into the wider cultural sector or, indeed, the wider tourism sector.

Kath Mainland: Faith Liddell has covered it. I do not know whether there are things for businesses to learn, but what we have learned in the past six or seven years of our collaborative model has been very interesting for us. As we said at the top of the discussion, our festivals are, of course, individually distinct, unique and competing festivals in many ways, but we have worked out a system in which we are stronger when we collaborate, particularly in markets and countries. For the fringe in particular, it is very beneficial for us in international work to have in that collaborative working model not just Festivals Edinburgh but the Edinburgh International Festival, which is a proper pathfinder for international companies and artists who come here, working out where there are challenges and where we have to work with stakeholders on challenges so that they become easier to work with in some ways by collaborating together. I do not know whether there are lessons to be learned in that for our businesses, but we have certainly learned a huge amount from that in the past few years.

Mike MacKenzie: Thank you.

I will move on to the other issue that interests me. To what extent do you see yourselves as a hub and a springboard for other festival-type events that happen in other parts of the country? I am thinking about the Highlands and Islands. Obviously, Orkney does those pretty well, but there is a folk festival in Shetland, a jazz festival in Islay and Hebrideanfest in the Western Isles. Equally,

there are areas across the Highlands and Islands that are cultural deserts in festival terms. Do you see an opportunity to help? Given the socioeconomic impacts and the good that arise from festivals, do you feel a responsibility and see an opportunity to spread out into other areas that are as yet untouched by the phenomena?

Faith Liddell: We have to be a bit concerned about trying to colonise areas that have their own wonderful cultures and ways of doing things. Many of our individual festivals work across Scotland with programmes that are drawn out of them. We do not go in and land a festival on people.

I will give some examples. Our science festival runs the biggest theatre-in-education programme in Scotland. It is out there working with a quarter of the schoolchildren in Scotland every year, and it moves on and communicates with more of them the following year. Our Imagine festival for children and young people runs a major touring programme of its work. Those festivals roll out the riches of their content to the rest of Scotland. I think that the tattoo, for example, was in Aberdeen yesterday or the day before. There are such elements in what the festivals do. The international festival has reached out and done outreach events, but they are one-offs. It is not a question of landing with everything that we do.

However, we do act as a kind of centre for advice. As I said, we test out ways of working and how we collaborate. We have codified some of our knowledge and turned it into a seminar series, which we share. I and some of my colleagues go out and talk to people. For example, we ran a workshop with the cluster of festivals in Aberdeen, which had not quite consolidated and did not quite know how to work. I spent a day with them workshopping and defining the things that they could work on together, using our methodology, to try to bring them together to work in a new way.

We advise and support and we have created a culture of festivals that is infectious. I would say that the growth in festivals throughout Scotland is partly because of what has happened in Edinburgh. Our individual festivals, such as the book festival, have supported the growth of a network of festivals around Scotland.

Kath Mainland: Edinburgh and its festivals are a gateway to the rest of Scotland for the audience and, as Amy Saunders touched on, for artists. We should not forget that, as Faith Liddell mentioned, there are 25,000 artists throughout the year who are here not only as artists but also as audiences.

The momentum programme, which Amy Saunders mentioned, is about bringing international cultural practitioners, cultural agencies, Governments and creative entrepreneurs from around the world to Edinburgh

not only in August but throughout the year. We always ensure that we widen that out to the wider cultural sector in Scotland, not to determine what they might do but so that connections are at least made and there might be a legacy for work to develop throughout the year.

We know from the impact study that lots of work comes out of the meeting of artists here. Lots of artists who come to the festival—and not only those from Scotland—said that it had encouraged them to meet more people, see work from other countries that they would not normally have seen and then go on to create work that they perhaps would not otherwise have created.

Faith Liddell: It is the gateway idea. Think of us as a tourism gateway for people coming here and as a gateway of opportunities for artists in Scotland to present their work in Edinburgh, take ideas back and nourish their communities with them.

Mike MacKenzie: If you had an ask of the committee, the Parliament or the Scottish Government, what would it be?

Lady Rice: Off the top of my head, I would ask them to be, or continue to be, champions of this agenda and the cultural agenda more widely. Culture goes in and out of fashion in societal terms. I believe and have frequently said in public that we do not have a healthy society unless we have a strong cultural base. It is utterly important to continue to support cultural activities, and something as strong and powerful as the Edinburgh festivals is a jewel. Therefore, I would ask for championship from parliamentarians and anyone in public life.

I said that we have been hugely grateful for the funding that all the festivals have, particularly through the expo programme over the past few years. We worry every year and every day about where the money will come from in the future—that is what festivals do—so we would also ask that you keep that on your agenda and that you give us the funding but keep the style of not intervening in what we do, because culture must be delivered by the artists.

Kath Mainland: You should continue to remember that the impacts are not just cultural and not just in Edinburgh. We are strong on attracting talent, investment and jobs into businesses in the creative economy. You should remember that and then exploit us. We have talked about the work that we do and the different areas that we touch on. Do not forget that we are an exploitable resource through VisitScotland, SDI and business communities.

Faith Liddell: We really appreciate the cross-party support that we have had and we do not take it for granted, nor do we take for granted the

additional investment. In the first “Thundering Hooves” report, programme innovation and investment were pointed out as being essential to everything else. The expo fund has been really important for that, but it has also allowed us to lever in an extended partnership. We brought in more than £1 million of additional investment in 2012 and 2014 through partnership working, and the expo fund definitely helped to motivate that partnership, not just among ourselves but in the extended community.

In order to carry on investing in our success for the benefit of Scotland, we also need to think about what we are dealing with in terms of budgets and contracting support, and you should think with us inventively about how we address that. The “Thundering Hooves 2.0” report will consider that, but we know that there is a contracting public purse and we need to work with our partners in the private sector to ensure that we invest not only in the festivals themselves but in their marketing in collaboration with the other assets of the city and of Scotland.

10:45

Gordon Dewar: That is true. I will come at the question from the point of view of a supporter. We contribute as a company to Marketing Edinburgh, which considers everything that Edinburgh has to offer, with festivals being front and centre. Recognising the limited ability of the public sector, I think that the private sector needs to find mechanisms for putting more investment in, and the case for making a return on that investment will be very strong. What we are missing at the moment is some of the mechanisms that would allow that to be rolled out.

I will not give you a guesstimate of which mechanisms might be successful, but it is important that the Parliament and the City of Edinburgh Council find an environment that allows private investors to feel that whatever is asked of them is equitable and has minimal administration costs and, most important, that there is visibility around how the money will be invested. If we achieve those three things, I expect to find quite a willing audience among the corporates and the business community. As I said at the start, people genuinely understand the value of the festivals and tourism. We just need to find an efficient way for them to put their money where their mouth is whereby they can see the benefits that the festivals bring rolling in every single year.

Margaret McDougall (West Scotland) (Lab): I apologise that I was not able to attend the event last night because I was at the tattoo, which I have to say was really enjoyable—it was absolutely fabulous. My question is on that. The tattoo is happening over these few weeks. How do you

extrapolate the benefits of the tattoo from everything else that is going on in the fringe and the rest of the festival?

Faith Liddell: Through very detailed Government green book analysis. The tattoo is one of our festivals—it is part of our extended collaboration—so we analyse it in exactly the same way as we analyse our other festivals. We look at the economic benefit by means of an agreed Government green book economic impact process.

Margaret McDougall: So you can show the benefits.

Faith Liddell: We can break down the benefits between the festivals. We all know that such methodologies change, but we have to use the methodology that is agreed by our partners and stakeholders and which is comparable with what happens in other areas, so that, for example, we are able to compare the economic impact of our festivals with that of golf tourism—our impacts are significantly greater. We are able to do that because we stick to a Government green book approach.

Margaret McDougall: I think that it was Faith Liddell who mentioned the costs for tourists and artists alike. What collaboration on costs is there with hoteliers and other businesses that provide accommodation? I know that it is a free market, but is there a limit to costs?

Faith Liddell: At the moment, it is a market limit. We engage in constant dialogue, particularly through the Edinburgh tourism action group, and we regularly raise our concerns. There is an issue about not interfering too much and allowing the market to operate, but we need to think about the visitors as well. Kath Mainland might wish to say a bit more about this from a fringe artists perspective. I know that it has been said that costs are at the limits of what is tolerable. We all need to work on that together, but at the same time we want the hotels to benefit. That is part of the exchange of value that we are all engaging with in the city.

Kath Mainland: From a fringe perspective, our job is to ensure that we still have an environment where artists and companies want to come and showcase their work. Amy Saunders touched on this from an international perspective. It is undoubtedly true that it is an expensive undertaking; it is a creatively risky experience for fringe companies, and it can be financially onerous, too. We just have to be aware of that and to work with our partners to balance the benefits to the business community and the economy with the ability of fringe companies and other artists to present their work here.

Margaret McDougall: Do you find that hoteliers are co-operative? We have all heard stories that the prices triple during the festival. How collaborative are they?

Faith Liddell: The hoteliers are there to make a profit within the marketplace. We feel that we are at the stage where they need to look at the issue of costs as a risk to all of us. We cannot oblige anyone to do anything. A lot of how Festivals Edinburgh works, as a collaborative body, is through influence, not power. It is about having a conversation, and the conversation that we are raising is about city reputation, which is in all our interests.

When we undertake our economic impact survey, which we will probably do again next year, we would like to work on trying to look at attitudinal data, which we will then be able to feed in. We need evidence to have a proper discussion about these things.

The conversation continues. The cost of accommodation is an issue, but in order to address it we need to do some serious research.

Lady Rice: I have a small point about where we put the people who come in—the artists, producers and whatever. In Edinburgh, there are a limited number of rooms and they can be costly, but other entities jump in. For example, the University of Edinburgh—that is another hat that I wear—opens up a lot of its residences at low cost to people who come in. That helps the university, which fills rooms that might otherwise be empty, and it provides more beds on a different basis from hotels. We are endlessly inventive in trying to tackle such issues.

Faith Liddell: That, in turn, contributes to the economy. If we think about the university as both a host for spaces and an accommodation provider, the festivals are part of the economy that allows it to operate all year round.

Kath Mainland: The festivals are also a big contributor to people wanting to come and study at the university.

I should point out that fringe artists, in particular, do not stay in hotels—there are other places for them to stay. Following on from Chic Brodie's question about spreading the benefits, maybe new models and increased infrastructure links can help us to find solutions that are not just in the city centre.

Gordon Dewar: Keeping up with the pace is always an issue, but the planning environment for hotel development in Edinburgh is quite positive at the moment. The city is supportive of providing more capacity, and I see a lot of green shoots of projects that are coming online. We are going to develop a hotel at the airport in the next couple of

years and we know of a number of other developments that are planned for the vicinity. That is probably coming a little too late and it has not been helped by the downturn in the economy, but I hope that in the coming years the capacity will catch up with the demand.

The big challenge is to ensure that such developments are profitable all year round. That goes back to my comments about the need to ensure that we harvest the benefits of the festivals throughout the year, although we have moved significantly on that over the past few years.

Marco Biagi (Edinburgh Central) (SNP): As the member for the Edinburgh Central constituency and someone who, when I was a student, used to stand on the Royal Mile handing out fliers to get people to come to my show, I never needed to be convinced of the great strength of Edinburgh. Nevertheless, I take a bit of credit for having pushed the idea of having this evidence session at our agenda-setting meeting.

I am concerned about the breadth of participation. Other members will refer to the audiences, but you have touched on the difficulty of the costs for the artists. My question is for Kath Mainland. The fringe programme is full of shows and events, the vast majority of which will not break even. Is that an issue?

Kath Mainland: We talk a lot about costs and benefits. I do not know whether there is evidence that what you suggest is correct, but we certainly know that it is incredibly onerous—creatively and financially—to bring a company here. Much as we do what we can about the costs of coming here, we also try to look at the other side of that and increase the benefits. The vast majority of companies that come to the fringe each year do it as an investment in the future life of their company.

As Amy Saunders said, we have a big programme of professional and career development advice. We work with the arts industry and we accredit more than 1,000 arts industry professionals who come to the fringe each year from over 40 countries, who are here looking to buy work. We provide all sorts of opportunities for fringe companies to get in front of those people and sell them their work and we put them in front of international media. It is expensive for companies to come here, but people see it as an investment in their work.

Companies and productions such as Catherine Wheels with "White", "Black Watch" and Stomp, which started here, have gone on to have a life outside Edinburgh for quite a long time. A producer whom we are working with, who is not Scottish but is putting on a show this year, launched a show here 10 years ago. She said that

it was an incredibly expensive undertaking but that she managed to launch something that went to 40 countries and toured for 10 years on the back of that.

We have to be aware of the costs to companies and ensure that this is still an environment that they want to come into, but the other side of that is to ensure that there are benefits and that it is still a place where people can create a significant life for their work and their company.

Amy Saunders: Most of our companies have done well, but they have also learned a lot of lessons. It is good for them to return to New Zealand with those lessons. We had a lot of meetings with them beforehand about their expectations, their budgets and so on. One lesson is to have realistic expectations and set box office takings at a realistic percentage, whether that is 30 per cent or 40 per cent. Another is to come prepared. When we asked everyone what their top three reasons were for coming to the festivals, none of their reasons was to make money. The reasons were onward touring, professional development and networking.

The box office is still onerous and people are walking around saying, "Oh no—there's only one week to go," but if we asked them whether they would come back, their answer would be yes, although they would come back slightly more prepared in terms of what to expect. We have learned that companies must be clear about why they are coming.

I hear what you say, but if the companies do the right preparation, have the right mindset and know why they are coming, the benefits exceed the potential negative financial outcome.

Faith Liddell: There are multiple platforms available for artists to meet their different needs. For example, the programme that Amy Saunders has brought here with Creative New Zealand features across seven of our festivals.

Marco Biagi: An important issue for the festival that drives a lot of the costs is the venue chains, such as Assembly, Gilded Balloon, C and the rest. How is the relationship between the fringe in particular and the venue chains, and how important will it be to the on-going economic viability of artists wanting to come here and showcase their work?

Kath Mainland: Venues are crucial to the fringe's growth and success—and not just to the managers to whom you have referred but to the landlords whom Faith Liddell and Lady Rice mentioned. The fringe is fuelled by a creative entrepreneurial drive. There seems to be an unending ability not only to find space and make it available, but to create different models of space and venues. There are very big venues with

multiple spaces producing a huge amount of work, while other venues are very small and site specific. Other companies will say, "Actually, I do not fit into that model—let's find another one." One thing that I love about the fringe is that the model is completely organic and people solve such problems themselves.

Marco Biagi: A lot of people are involved in the fringe, and a lot of them work mainly for the venues. The participants might not be making profits, but the venue chains seem to be pretty good at doing so. What is the balance between paid employees and volunteers in the venue chains? I am sorry that we do not have anyone representing venue chains but, Kath, you seem to be the closest to an expert in that area.

Kath Mainland: I do not know the answer to your question. As far as professional development is concerned, the Newcastle-based theatre company Northern Stage, which has had a venue here for the past few years—it has a new space this year—is staffed entirely by its volunteers, which it brings along. It is a great way for the volunteers to learn how to build a theatre, deal with a company and put work on.

I do not know what the balance between paid employees and volunteers is, but different opportunities are available. The fringe is a great training ground not only for the artists on stage, but for venue technicians and box-office staff. Indeed, it is where a lot of people start their career.

Faith Liddell: I will throw a statistic at you: 77 per cent of temporary staff—the people who are passing through—said that their employability had increased as a result of their festival work.

Lady Rice: I was going to make the exact same point. *[Laughter.]*

As a more general umbrella statement, we have a model for measuring economic impact through bids, spend and all the rest. However, a lot of other elements that we do not measure also have an economic impact. One example is what happens to the volunteers, particularly younger people, some of whom might not have been in work; the experience of volunteering gives them a story to tell about themselves and enough courage to go and get a job. On a one-by-one basis, that has an economic impact. We do not measure that impact in numbers, but we must not forget it.

11:00

Marco Biagi: I guess that I am asking the question because of my interest in the *cui bono* issue—in other words, who benefits? Do the people who make the fringe happen—those who

staff the box office, man the lighting and all of that—also benefit?

Another question occurred to me just as I sat down. I have been on the Economy, Energy and Tourism Committee for two years now and I do not think that I have ever seen a panel that is 80 per cent women. Does that reflect the movers and shakers in Edinburgh festivals, and is that a good sign?

Faith Liddell: Of course it is a good sign.

Lady Rice: I thought that you were going to say that you have never heard a panel be so articulate.

Marco Biagi: That—and engaging, spirited, convincing and persuasive.

Gordon Dewar: I am sorry to spoil it.

Faith Liddell: The cultural sector is driven by a lot of strong, competent women, but we have a lot of gifted men as well. We do not have to think about the issue too much. Interestingly—and I think that it was Gordon Dewar who pointed this out—we would think it relatively normal to have a panel of women. Occasionally, when we are not paying enough attention, we see a panel of men for an event that we are organising. It makes you go, “My goodness!”, but it is very rare.

It has to be said, though, that 10 of our 12 directors are men.

Lady Rice: I also point out that the festivals forum umbrella body is—as I visualise the table—roughly half men and half women.

Alison Johnstone (Lothian) (Green): Like Margaret McDougall, I am sorry that I could not join you last night, but I was taking part in a just festival event.

It has just dawned on me that I once took part in an international festival event in which I joined hordes of people running about Arthur’s Seat with torches on our heads. My next venture might be something in the fringe, with or without Marco Biagi. That is something to look forward to—or not.

A few weeks back, I saw an article in one of our national newspapers in which Jonathan Mills suggested that the festivals needed more funding to maintain their prominent position as a world leader. This question is probably for Faith Liddell. How much money in total does Festivals Edinburgh receive from local and national Government? What is the position in that respect?

Faith Liddell: I am very happy to get the festivals to send individual details. We do not aggregate them, partly because it is for individual festivals to negotiate their own terms with their funders.

First of all, I want to note that we completely understand that we are in a very privileged position with the city, because we have had standstill funding while other budgets have been cut. That said, in what have been very challenging economic circumstances, we have been able to bring in more investment for our programme, which has had a transformative effect on the amazing projects that have taken place, the audiences and the profile. Those projects and that investment have allowed festivals to do remarkable things. When festivals get investment, they are innovative, and almost all of them from the storytelling festival to the book festival, which has alliances with book festivals around the world, have extended their network of contacts. Festivals have used investment to create not just programmes but wider networks.

Although we need to look at that, I do not want to pre-empt some of the work that will definitely be part of the “Thundering Hooves 2.0” analysis of levels of needs. At the very beginning, when Festivals Edinburgh was founded, we looked at what we needed to do to maintain what we already did, which in itself would have been a good thing. However, what we should all do is invest in success.

Relatively modest levels of investment can be transformational for a festival. The very first investment in the storytelling festival from the expo fund—I think that it was something like £30,000—was the foundation on which a massive network of storytelling festivals around the world was created, and new opportunities were created for the artists who were involved in that festival.

Alison Johnstone: How big is the Festivals Edinburgh team?

Faith Liddell: We are almost all project funded. I should explain that Festivals Edinburgh is the festivals, and its board of directors comes from the 12 festivals. They are my 12 bosses, and my team works to their agenda. We have a clear business plan, and we have collaborative projects that we agree to invest in on the environment, innovation, programme development and United Kingdom and international marketing. Those projects are bound by particular timescales and are only project funded.

We have only a very small amount of core funding. We are a very agile organisation. We do not serve ourselves as an administration or an executive; we are here to respond to the festivals’ needs and to the possibilities of how partnership among ourselves and with our partners can enhance us and our work both in the city and in Scotland as a whole.

Alison Johnstone: It must be very challenging to have 12 bosses.

Faith Liddell: Oh no—it is wonderful. There is a great texture.

Alison Johnstone: You have put that on the record.

I know that Edinburgh has discussed the idea of a bed tax—which is a tourist tax, not a bedroom tax. I am not sure how far that discussion has gone, and I have no doubt that it will be returned to. Have your organisations been involved in that discussion? Perhaps some of that tax could be ring fenced for reinvestment in the festival, given that it provides so many economic, social and cultural benefits.

Faith Liddell: Gordon Dewar might want to say something about that, too. He and I worked closely on what was called a visitor levy, which sounds slightly less controversial than a bed tax, and there has certainly been a lot of work on—and examination of—the idea.

However, we are not set on it. We are, as Gordon Dewar has said, trying to look at an alternative funding model. That is what we want to do, and it is not just about investing in our programmes, but about looking at the marketing of the city as a whole and, where appropriate, the public realm. All those things have been identified as needs. We need to look at methods of meeting those needs, and we need to do it collaboratively.

Gordon Dewar: At the outset I said that if we are to get a visitor levy off the ground with a degree of enthusiasm and commitment, the idea of equality is important. First, people need to feel that they are paying a reasonable sum and to see what they are getting back for it. Secondly, we need an efficient way of collecting that sum. Thirdly, and perhaps most important, we need to understand what that money will be spent on.

The previous debate about the visitor levy answered none of those points. It certainly did not answer the equality element; it would have hit hoteliers far harder than other businesses, and they made the perfectly legitimate case that such a focus was unfair, given who got all the wider economic benefits in the city.

I do not want to predicate what might work, but there are a number of models out there, particularly schemes such as the business improvement district scheme, that seem quite efficient and which would enable us to cast the net fairly flexibly. Until we have written down what the money raised will be spent on, which will enable us to predict what benefits might arise and who will get them, it will be very hard to get any business to sign up to a visitor levy. The real push is whether, working with Marketing Edinburgh, the festivals, the city and—we hope—some of the leading thinkers in the private sector, we can achieve the third aspect, which is about

understanding, first and then work out how the other two aspects can support that.

I think that we are talking to a listening environment. Obviously, until people see the scale of the idea and understand what it means for their businesses, we cannot entirely predict who might be enthusiastic followers and who might be reluctant. However, there is a general understanding that the private sector has to step up to the plate and find a way of getting round the issue. I certainly do not get an awful lot of pushback in my private conversations with people.

In short, it is all about answering the equality and efficiency points and understanding what return people can expect to get. After all, we all have boards to convince when we make cases for investment.

Alison Johnstone: Thank you.

On a slightly different topic, it was mentioned earlier that about 60 per cent of people in Edinburgh participate in the festivals.

Faith Liddell: That is right. The figure is 58 per cent.

Alison Johnstone: I still have concerns about who we are attracting. When I walk down the Royal Mile, as I do every day and have done for years, I get a certain feeling about the crowd. Obviously some people still do not feel that the festival is for them, and I would like a bit more information about that.

Timing, too, is a massive issue. I realise that we are trying to fit in with global holidays, and I am quite pleased that, from next year, the international festival's dates will align with other activity because I have always felt that there is a different feeling in the city in the last week of the festival. Our schools went back last week, right in the middle of the three-week run. I know that the Imagine festival, the Edinburgh international science festival and other events go on over the calendar year, but is the timing issue reviewed from time to time? Are we doing everything that we can to include as many people as possible?

Faith Liddell: Yes. In fact, it is a particular area that we are working on at the moment. We now have more data on that after carrying out a social impact study, and that study and questions in the Scottish household survey have allowed us to analyse levels of attendance. For example, we now know that attendance is more than 90 per cent in the centre of Edinburgh but down to 37 per cent in the least-attending area. We are not smug about that, but those attendance figures are quite high for any community in any city in the world.

I should also point out that the individual festivals run programmes that are not included in the key attendance figures, and that many of them

run year-round engagement programmes in the communities. We are working with the city on a programme called creative lives and are starting to do some serious, in-depth mapping not just of where things are taking place and in what numbers but of the kinds of work that are happening and which need to happen to address those communities' needs. Again, it is a key area of work that we will be looking at in "Thundering Hooves 2.0".

Lady Rice: I want to highlight a couple of examples—and I hope that you will forgive my referring to the book festival again. Some years ago, we set up a schools programme, and it is important that it overlaps with the start of the school term. Of course, that date varies each summer, and sometimes we find it very hard to overlap. As part of the programme, we sell tickets to schools, provide buses so that teachers can bring classes to the book festival and have special programmes for schools as well as a day that is for them alone. The programme can reach quite widely; indeed, it reaches as wide as any school or teacher who might be interested in it, and it is a way of reaching out that covers different socioeconomic classes.

We also run specific events. For example, we had an event involving schoolchildren in Craigmillar that was about creating a story in a picture book. We go to communities in Edinburgh that would not think of walking into some of the festivals and bring a festival event to them. A lot of the festivals focus on that kind of area, and it is important that they do so.

Faith Liddell: Festivals do not have to do the same things in the same way or on the same scale. For example, one of the benefits of working together is being able to understand the strengths of different festivals' work in particular areas. However, what we do think about together is whether we are delivering to the community, and we are doing that more intensively than we ever have before.

Alison Johnstone: Thank you.

Joan McAlpine (South Scotland) (SNP): Good morning. I want to develop the points that my colleague Alison Johnstone raised about tax. We have been given some figures from, I believe, the Scottish Parliament information centre on economic impact. I take it that the £261 million figure that is mentioned is based on your own most recent economic impact assessment.

Faith Liddell: Yes.

Joan McAlpine: And the 5,242 full-time jobs in Edinburgh are part of that impact. Does the £261 million include tax revenue?

Faith Liddell: No. Basically, what you are referring to is an analysis of tourism visits from outside Edinburgh. The economic impact assessment is based on tourism impacts.

Joan McAlpine: Right. Is the amount of money that is raised through VAT as a result of, for example, people coming into and staying in the city in addition to the £261 million?

Faith Liddell: What we analyse is the spend on shopping, transport, entertainment, food and drink and accommodation by people coming into the city from outside Edinburgh.

Joan McAlpine: So the figure includes VAT.

Faith Liddell: Yes.

Joan McAlpine: I suppose that it is a similar situation with the jobs. The income tax and national insurance generated, too, will be included.

Faith Liddell: We count the number of full-time-equivalent employees, so it is not a financial but a numerical figure.

Joan McAlpine: But those jobs also generate tax, national insurance and things like that.

Faith Liddell: Yes.

Joan McAlpine: And your main public funders are the City of Edinburgh Council and the Scottish Government.

Faith Liddell: This is the thing: we are 12 festivals. As an example of the variation in models, we have a festival that receives 25 per cent of its funding from the City of Edinburgh Council and 25 per cent from Creative Scotland, which is a national agency. The expo fund, which is a programme innovation and development fund for Scottish artists, provides an additional amount of money for investing in programmes. On the other hand, 80 per cent of the book festival's income is self-generated. The models vary to such an extraordinary degree that it would be hard to pin the figures down.

11:15

Joan McAlpine: Absolutely. I totally understand that it is a very sophisticated operation, but your main public funders are the City of Edinburgh Council and the Scottish Government.

Faith Liddell: In terms of scale, yes. The funding comes through Creative Scotland.

Joan McAlpine: So ultimately it is Scottish Government money.

With regard to the tax that is generated, you have talked about looking at other ways of raising additional taxes from the private sector because of what you have eloquently described as a squeeze on public sector funding. Of course, you already

raise a lot of tax through the festivals, but that does not go back to your main funders.

Faith Liddell: No.

Joan McAlpine: Would it make a difference if it did?

Faith Liddell: Are you talking about the VAT on the tickets?

Joan McAlpine: I am talking about the tax that you generate. Your main public funders give you grants, but the tax that you generate does not go back to those funders. Instead, it goes to the UK Government.

Faith Liddell: Again, that is an issue for you, not us, to address.

Joan McAlpine: Indeed.

The Convener: That is what we call, in court terms, a leading question.

Chic Brodie: Yes, but it is a very good one.

The Convener: I believe that the witnesses might not want to be drawn on those issues.

Joan McAlpine: Okay, but it is an important point. We are living in very constrained times; for example, the Scottish Government's infrastructure budget has been cut by 26 per cent. Presumably you are generating a lot of tax that could be reinvested in infrastructure to benefit the festivals.

Faith Liddell: There are also complications with regard to the city's tax base because of the services, including our own, that are being provided to a significantly wider catchment area—globally, of course, but also in Scotland. There are challenges in that respect.

Joan McAlpine: Mr Dewar, I know that you have spoken about air passenger duty in the past. Does that have an effect on the Edinburgh festival?

Gordon Dewar: I think so. Our analysis of air passenger duty shows that its current level probably equates to 2 million missing passengers who would otherwise be flying into and out of Scotland. A proportion of those passengers would be associated with the festivals and other tourism in addition to those on business and Scots taking outbound leisure trips. I do not have a breakdown of the proportions, but I think that 2 million passengers missing from the Scottish economy, from whom we would otherwise have had economic value, represents a pretty serious and significant gap.

Joan McAlpine: That would also apply to the festival. Amy Saunders has mentioned the difficulties with long-haul flights bringing people in and how expensive they are. I take it that you

would be able to bring in more people if doing so were more economically viable.

Gordon Dewar: We believe so. In a sense, the real impact is on the airlines when they look at where to start investing or where to invest next. APD in the UK is more than double that in the next most expensive country; in fact, most of our direct competitors—for example, Ireland, France, Holland and Spain—have no air passenger duty at all.

When we talk to an EasyJet or a Ryanair, and they are thinking about where to put their next aircraft, we start at a minimum of £14 per passenger behind our opposition in Europe. Given that my charge for using the airport, never mind the tax associated with it, is less than that, we are talking about quite a big gap to try to bridge.

Edinburgh has to trade very well on its wider value and the fact that airlines know that it is a place where they can have a very successful route. Interestingly, although its passenger numbers are less than half of those at Manchester airport, Edinburgh airport has more international arrivals than Manchester. We see things such as the festival as a very strong explanatory factor behind that. It feeds the largest of Scottish industries, which is tourism.

Joan McAlpine: My final question is on a completely different topic—a personal interest, in fact. The committee is going to look at the creative industries, including the film industry, and the cross-party group on culture, of which I am co-convenor, is also going to look at some of the challenges faced by the same industry. There has been a lot of talk about the move in the timing of the film festival. Now that the new arrangements have been in place for a few years, do you think that moving the film festival to June was the right thing to do, or should it be held at the same time as the Edinburgh international festival, as it used to be?

Faith Liddell: The film festival feels very strongly that moving the festival was the right decision. Obviously, any festival needs to carry on asking big questions if any issues about it are raised, but at the moment it feels like the decision was absolutely the right one. You would need to talk to the film festival directly to get more detail on that.

Joan McAlpine: Thank you.

The Convener: Before I bring in Jenny Marra, I want to go back to the point about air passenger duty. I listened to what Gordon Dewar had to say, but there is not much evidence that Edinburgh airport's expansion has been held back by APD, is there? Every time I go to the airport I fall over workmen who are building your latest new extension.

Gordon Dewar: Would it not be better if we were doing it twice as fast? The evidence is very strong: there are 2 million passengers missing from Scotland, and I reckon that Edinburgh's share would be at least 1 million.

It is all about connectivity. It is all about the pace at which we can get the airlines to invest in Scotland. We know that, whenever it becomes easier and cheaper to come to Scotland, people will come in huge numbers. What is evident to anyone who is walking round the streets of Edinburgh this year is how many more long-haul passengers there are, in particular from China, India and the middle east—I say “Salaam aleikum” as often as I say “Good morning” in the airport, because of our new routes. If we make it possible for people to come, they come.

Nick Finnigan at Edinburgh castle can plot his visitor numbers directly against the routes that start at Edinburgh airport. If we make it easy, people will come—it is as simple as that. Currently, it is hard for me to attract as many visitors as we could do, simply because we start at a minimum of £14 per passenger behind my competitors in Europe, and we are sometimes as much as £140 per passenger behind.

The Convener: Alison Johnstone is about to explode.

Alison Johnstone: I am fine, convener.

The Convener: You will let that pass.

Alison Johnstone: I will let it pass for now.

Jenny Marra (North East Scotland) (Lab): I put on record my party's thanks for the work that the witnesses do. The festivals are extremely important and successful for Scotland, and we all really appreciate the hard work that goes on.

I want to go back to our discussion about participation in the fringe. Kath Mainland said that it is an expensive undertaking to put on a fringe production. I know that a variety of organisations come to the fringe, and when I look through the programme I am always conscious that a lot of schools put on productions. Being part of a production is an exciting, confidence-building and life-affirming experience for the pupils who are involved.

Can you say a bit about the balance of schools that take part? I am thinking about whether schools from more deprived communities in Scotland participate, given the expense. Does the Edinburgh Festival Fringe Society provide support to help productions to come to the fringe, including financial support?

Kath Mainland: We are an open-access festival, so we do not give direct financial support to any of the companies that come. It can be

expensive for companies to come, but there are models that are not expensive. For example, productions by school or student groups often do not use the traditional venue model that Marco Biagi described.

We know from the impact study that taking part in and even just seeing a festival production is an incredibly important part of a young person's development, in sparking imagination, bringing wellbeing and so on. It is not just schools in Scotland that take part. Thousands of American high school children take part in the festival each year. They fundraise at home so that they can come, and it is often the first time that they have been outside the States, let alone performed elsewhere.

You make a good point. It is important that we continue to ensure that there are other models, venues and routes for companies that are here for reasons that are different from some of the reasons that Amy Saunders talked about. We talk to companies all the time about coming to the fringe, and we always talk about why they are coming. For a vast number of the professional companies that take part, it is about the media and industry exposure and forging international links that will lead to onward touring. You are right to suggest that, for other companies and artists, it is about something very different. It is our job to support all that.

Jenny Marra: I understand that you are the host and that you do not necessarily have funding streams for the kind of thing that I am thinking about. However, my perception—which might be wrong—is that it is children from more affluent communities who get the chance to put on a production at the fringe. Might there be opportunities for funding from other organisations, such as the City of Edinburgh Council or the Government, to support activity from around our country?

Kath Mainland: There are opportunities. Alison Johnstone's point about the timing of the festivals was interesting. We talk a lot about the dates, because we are still tied to the bank holiday at the end of August, and term dates peregrinate around the calendar. As we make the leap next year, as we do every seven years, we will coincide more with school term dates, so I think that the opportunities will be greater. We want to work on that.

Jenny Marra: Thank you.

Faith Liddell is a former director of Dundee Contemporary Arts, and I think that she would be surprised if I did not ask a Dundee-related question. My home city put in a bid to become UK city of culture last year, but we were pipped at the post, which was unfortunate. Faith talked about

the seminars that Festivals Edinburgh runs for people in other parts of the world. Are those seminars available to cities and communities in Scotland, too, to enable people to learn from your experience and build up expertise in relation to festivals?

Faith Liddell: I would say that Dundee is doing pretty well.

Those seminars are available to other cities and communities in Scotland. I gave an example earlier: I went up to Aberdeen, where I think that there are maybe 13 festivals, to run a version of one of our seminars on how we work collaboratively. Sometimes we do a standard seminar, but a lot of the time it is specific. For example, we did some initial sessions with the venue network that has been set up in Edinburgh to get it up and running. We make that information and sharing available, not just on how we collaborate but on areas such as cultural tourism and our innovation programme, on which we have given talks and presentations around Scotland.

We have also created collaborative models. We had a thing called a geek in residence programme—people often talk about artists in residence, but we had geeks in residence—and culture hack Scotland, which brought the developer sector together with the festivals to create new approaches to solving our big challenges in creating new apps and tools. Both those programmes have been rolled out nationally.

Similarly, on our environmental work, we have learned a lot—we have evolved our practice and learned how to work with venues and artists—but we realised that we could not do what we needed to do and Scotland's cultural sector could not do what it needed to do without that becoming a national programme, so Festivals Edinburgh joined with the Federation of Scottish Theatre and the Scottish cultural resources access network to create its first spin-off company, Creative Carbon Scotland, which is leading on environmental behaviour change in Scotland. We are very proud of that.

We have created a peculiar business model where we test things out. We share the pain and the process so that other people realise that such things do not happen readily in a collaborative environment. However, when we get there, we get there very thoroughly, and when we get there, we share.

Jenny Marra: My final question is on the "Thundering Hooves" review, which I see as a strategic and important piece of work, as was the very successful report from 2006.

This festival, I was lucky enough to get one of the last tickets to see "James I: The Key Will Keep the Lock" and I enjoyed it immensely. I was also

lucky enough to get to speak to some of the cast afterwards, and they talked about the importance of the festivals to them as they were going through their careers. They discussed the importance of audiences and the audiences taking the festival seriously, and the critical mass of critics who come to the city. We have talked about this a bit. As you go into any review you are probably aware of the main threats from other parts of the world but, as you approach "Thundering Hooves 2.0", what is the main thing that Scotland and Edinburgh must do to remain the premier international arts festival?

Faith Liddell: Invest in our programmes. The triumph of the James plays trilogy at the international festival is a classic example. That collaboration simply could not have happened without the expo fund investment—it would have been unimaginable for all the parties involved, and yet it is a wonderful production. Investment is the biggest single thing.

We also need to respond to issues in relation to trends. We need to increase our understanding of the possibilities that investment in such events can bring in terms of tourism and inward investment—all the things that we are talking about and that we achieve—not just in cultural and festival cities. We are still looking at our competitive environment in terms of other cities, but we are also looking at a core threat that is just as important: how do we preserve what we do? The heart of what we do, which is the diversity, quality and international nature of our programmes, leads to every other impact, particularly the economic one. That is our content and it takes investment.

The Convener: We have time for one final question.

Dennis Robertson: My question is about opportunities and challenges. What are the opportunities for performers with disabilities in the festivals? What about accessibility to all the festival venues? Susan Rice mentioned the book festival, but how accessible is that to people with, let us say, sensory impairment, whether it be people who have lost their vision or who are deaf or hard of hearing? How do we accommodate people with disability? Disability is far reaching and diverse. Do we do enough? Are we managing that? Perhaps Susan can go first.

11:30

Lady Rice: Those are constant challenges. The festivals think about these things, because they have to think about their audience and their performers. For example, at the book festival on Saturday night, Frank Gardner, the BBC journalist who was almost killed in Syria, wheeled himself up on to the stage for an absolutely superb event and

conversation. I have also been to dance programmes in which some of the dance troupe's dancers had mental deficiencies or other difficulties while others were fully enabled. A lot of performances can accommodate various disabilities.

All the sites present various challenges, although theatres are probably better able to provide words for those who cannot hear. The sites vary, but we are working all the time on what are often very specific and unique challenges for audiences. I think that we are better able to handle some of the performers' challenges.

Faith Liddell might be able to give you more information.

Faith Liddell: Over the past few years, we have been evolving a cross-festival accessibility guide. The individual festivals work in their own ways in this area, but we have now aggregated all of that information in a way that we have not done before. From a performer's perspective, one of the most wonderful things about the made in Scotland programme and the investment from the expo fund is the support that has been given to and the successes that have been achieved by some of the most amazing disabled performers. That is seen as a major strength of the work in Scotland, and we have been able to promote that work across our festivals and to present it to the wider world.

Kath Mainland: I was going to mention the made in Scotland companies. Not only have they been very successful here, but some of the work that has been toured the most has come out of made in Scotland.

As Faith Liddell has pointed out, we do a lot of work on access issues with venues, by which I mean not just fringe venues but old venues. Temporary fringe venues, in particular, are not necessarily instantly accessible, but we have done a lot of work across the festivals to try at least to gather that information and to see whether there is anything that we can do to help.

Over the past few weeks of this year's festival, we have been taking advantage of the combination of artists and practitioners who have come from elsewhere to ask them about what is happening elsewhere and whether there are any programmes, particularly on deaf access, that we can roll out. There are perhaps a number of things that can be done more easily and which will help to build that audience.

Dennis Robertson: Thank you.

The Convener: That brings us to the end of our session. On behalf of the committee, I thank you all very much for what I think has been an

interesting and engaging session that has given us a lot to think about.

Faith Liddell: Thank you, convener. We really appreciate the opportunity. It has been very good to meet all of you and, if you have any more questions, please get in touch with us directly.

The Convener: Thank you. We now move into private session.

11:32

Meeting continued in private until 11:55.

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