

Written evidence submitted by the University of Gloucestershire

The Future of UK Music Festivals

University of Gloucestershire - DCMS Evidence Submission

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Summary

The information contained in this report has been collected and presented by the University of Gloucestershire through a coordinated project, aggregating financial reports and written evidence from three key festival providers within the Cheltenham area: Cheltenham Festivals, 2000trees Festival and Wychwood Festival. The University of Gloucestershire has longstanding partnerships with each of these festivals, who account for the core music festival activities associated with the town.

This report explores the future of UK music festivals through an examination of the shared economy between these festivals and their various formats of operation. This has been done by reviewing the areas contribution to the UK's festival industry, evaluating the recent economic impacts of government policy and financial support and analysing the risks presented to festivals taking place in 2021 and beyond.

The report will conclude with evidence of the industry's move in recent years towards more sustainable practices and the growth of virtual festivals and livestream events in 2020. It will also detail a robust regional festival economy that is likely replicated elsewhere within the UK events industry.

"At Continental Drifts we firmly support some of the ideas presented in this report - as an industry we all feel that we're returning to a world that can't really be the same; ideas about using more local suppliers and artists will definitely be something to focus on"

- Chris Macmeikan MBE

(For services to the Music Festival and Live Events Industry)

It is through this emergent model of growth in regional resourcing that this report will close with insights into anticipated trends in the sector, recommendations for future practice as well as a suggested framework for sector recovery in 2021

What is the economic and cultural contribution of the UK's festival industry?

The total estimated loss to these festivals and their supplier base in 2020 was calculated at just under £7.6 million, with over £800k reported in direct losses to suppliers located within Gloucestershire alone. The accumulative impact on suppliers that service more than one festival has presented some insights into the effects upon their capacity to operate in the future, and is to be the subject of further investigation.

Using data provided by each festival, 102 separate businesses from Gloucestershire were identified, with at least a dozen suppliers working on multiple festivals in key areas including staging, sound, power, water and waste management. The impact of these losses has also been a factor in slowing the development of the town's cultural identity. In recent years Cheltenham has actively positioned itself as "The Festival Town", a rebranding designed to expand the town's reputation as a cultural destination as part of a tourism strategy report commissioned by Cheltenham Borough Council in 2015. The loss to ancillary businesses that would benefit from the town's annual festival offering is likely to be extensive. Although this data is not currently available, the most recent study in this area (2011) suggested Cheltenham Festivals alone generates more than £5.2m worth of business for the local economy.

The cultural contribution is much harder to calculate, with many of these festivals' outreach and stakeholder activities rooted in hundreds of regional and national programs. Aside from the chance to see world class artists and performers in Gloucestershire, the opportunities provided through education, artist development and volunteering programs from these festivals creates a system that provides the local population with a framework for both education and employment within this sector. In terms of direct impact on local musicians, 19% of music programming across these festivals in 2019 was made up of artists from Gloucestershire. This aspect alone represents a significant and painful cultural loss in particular for the local music and events community.

Cheltenham Festivals have established comprehensive education, community and talent development programs that are delivered through their partnerships throughout Gloucestershire and beyond. Their education partnership alone involves over 25,000 school children from 250 schools, and the *Around Town* fringe programming with Cheltenham BID provides free performances for the public around retail and business spaces in Cheltenham. These opportunities extend to the wider UK music industry through partnerships with The PRS Foundation (Music Talent Development), Jerwood (Musical Encounters) and Birmingham Conservatoire (Musicate) amongst many others, providing talent development and performance opportunities to the next generation of musicians. The impact of their charitable work is similarly comprehensive, with a variety of models in place that connects these programs with investment through shared delivery of corporate social responsibility agendas.

2000trees presents a similar model of cultural significance in delivering programming, talent development and extended work experience opportunities that provide training and education to a network of providers including the University of Gloucestershire, BIMM and several other UK based institutes. Their partnerships with charities such as ecolibrium, OXFAM and Green Goblet underlines their commitment to events sustainability and working with Safe Gigs for Women, Every Can Counts and FRANK Water demonstrates the wider impact of the festival through the opportunities it can provide for third-sector organisations.

Wychwood Festival provides a sharp focus on platforming local talent, having developed its programming to include stages for various local independent events organisations, an acoustic stage run exclusively by the University of Gloucestershire and venues onsite that have started to incorporate performances from developing partnerships within the county's music education hub *Make Music Gloucestershire*. These partnerships (and those similar to them across the UK Festivals sector) often deliver impacts far beyond their original scope with numerous, extended creative opportunities identified and delivered from subgroups within the main organisations themselves. These can offer critical industry interaction that define the cultural experience of these subgroups, in some cases impacting further on skills development and employability. The cancellation of Wychwood Festival on *Tone Radio* (the University of Gloucestershire's student radio station) provides an insight into the depth of opportunity these partnerships provide:

"It's impacted us massively. It's something we pride ourselves on doing, and is a main selling point to students looking to join the station. It gives our committee and crew a chance to work in a more professional broadcast environment, and interact with industry professionals. This helps them to develop their skills and can partly influence career choices"

- Charlotte Rogers, Tone Radio President
(UoG SU Radio station)

What has been the impact of cancellations on local economies and those who derive income from festivals during 2020?

Using financial reporting from these festivals, the impact of cancellation on local economies and those who derive income from festivals in Gloucestershire in 2020 was at least £807,350, with the actual figure likely to be significantly higher. One of the key factors impacting on the ability to report this accurately is the nature of roles and employment within the festivals/event ecosystem, which is largely based on freelance, part funded or 'gig economy' style working.

The impact on individuals working as freelancers within this ecosystem has been substantial, with various factors (employment status, length of service, financial records) determining eligibility for financial assistance schemes. Admittedly the nature of freelance work creates a difficult environment in which to propose suitable thresholds to ascertain suitability for financial support and there is no easy solution. The impact on those who derive income from festival activities however is unambiguous:

“Almost overnight in March I saw an entire year of work and income disappear, and despite assurances that all would be supported nine months later I and countless like me have not been accommodated in any of the financial schemes yet announced, falling further in to debt with each passing month.”

- James Clay, events freelancer (2000trees, Cheltenham Festivals)

It could be suggested that a regional model for any future funding in this area might be more effective if managed locally. In developing awareness of potential funding gaps, local organisations could also help the government identify and assess distribution of funds on a case-by-case basis. A countywide survey of workers and performers has been undertaken to ascertain impact in this area, but unfortunately had not been concluded at the time of writing this report.

What are the risks to festivals taking place in 2021 and beyond, and how can these be mitigated?

This report found that the main risks to festivals taking place in 2021 and beyond are:

- **Social distancing remaining in place for festivals in 2021, leading to reduced capacity**
- **Short lead times for event programming/no sector reopening date**

These are the immediate/short term issues identified by the participants in this report as having the most extensive impacts to festivals reopening, reflecting a picture reported previously at evidence committees and more widely in the UK media. Cheltenham Festivals state that if social distancing remains in place it “will have a significant financial impact on the live events that we produce. Social distancing reduces the capacity within our venues and therefore reduces ticket income.” This is supported by Wychwood who would find it “extremely difficult to run the same event; multiple venues, staff and audience management. We might have to format it in a completely different way. Also there is a critical mass of sales needed to make the festival work, a reduced capacity might impact our viability.” Directors at 2000trees presented a similar response, stating that “the business model of festivals simply won’t work with a reduced capacity. For example, a 15,000 capacity festival might breakeven at 13k and only then start making a profit.”

Reduced capacity is not the only factor in operating festivals with social distancing in place, for 2000trees “there is also a big risk if festivals are only given the green light with a short lead time. Really we need 6 months in order to have consumer confidence to buy tickets (and also for us to sort the production)” The issues around reopening a sector that needs time to plan is further exacerbated by a large variety of festival formats, venues and locations as well as the desire to build consumer confidence in future events.

Cheltenham Festivals had moved towards a green urban hub model in recent years, locating much of their programming around a temporary site build in two parks and selected venues around the Montpellier area of town. If social distancing was still in place there are concerns from the festival that the “model is too high risk so we’d have to use fixed venues with less

capacity spread across the town moving away from the 'festival hub' which we have built over the previous years. As a result we will have to reduce our live offering at each of our festivals. In 2021 with social distancing in place throughout the year for example the charity could post a loss of £1.2 million"

In the medium term, the impact to the regional economy of these events not taking place in 2021 could result in the continuation of the trend already established in this year's Concert Promoters Association report evidencing 75.5% of festival staff have been on furlough, with an expected 51.2% year end redundancies. An additional risk is that the potential redundancies in this sector - coupled with the difficulty in targeting financial assistance to the self-employed - could make work towards re-establishing festivals in 2021 more difficult in terms of an altered supply chain and reduced staff base for the industry.

Beyond the medium term there will likely be consequences for additional educational, developmental and music leadership engagement programs that are often part-funded by a sponsorship package or partnership model. It is likely that damage has already been done and further delay will increase the scale of impacts here, potentially into other sectors. It is suggested that the wider impact of festival cancellation within the third-sector is the focus of ongoing study, in order to ascertain loss of programs and identify future funding or support opportunities.

The mitigation measures recommended for the main risks are included in the next section of this report.

What measures are needed for audiences to attend festivals without social distancing, and how realistic are they?

In order to present a viable return to festivals running without social distancing, research undertaken across the sector suggests that possible frameworks have already presented themselves. These could act as potential models to promote a gradual return to events running at full capacity in 2021.

With a focus on providing a combination of hard data and consumer confidence statements, a program of study could deliver evidence that would establish standards in tracing, hygiene and information management that could allow for a stage 5 sector reopening date to be set in advance, addressing the significant issues faced by the events industry in lead times for event programming. It would also seek to establish an events response strategy for future pandemics through a coordinated program of research.

This report recommends a strategic, cross sector approach to defining agreed standards in the following areas:

- 1. Audience information/awareness campaigns**
- 2. Rapid testing, potentially integrated into ticketing/site access processes**
- 3. Hygiene protocols (reviewing both front and back of house practices)**
- 4. Event staff/crew training programs**

In terms of viability it is difficult to provide indicative thresholds without further investigation, but creating a schedule for collating evidence from the sector to test in early 2021 is perhaps more straightforward. Building on existing research in events, such as the findings presented in Halle University's study into ventilation technology, or recent advances in UV-C manufacturing would allow for a tested methodology to inform progress.

In order to provide meaningful data it is recommended that these areas are investigated further through a series of events to test viability. Proposals such as the *Test, Clean, Prevent* system presented by the Music Venue Trust or mass testing strategies discussed during the previous DCMS Evidence committee could be examined in a variety of contexts to develop industry led standards in these areas.

One advantage of a festival ecosystem such as Cheltenham (or one similar to it) is that a high degree of coordination through existing partnerships already exists that may provide a suitable framework for initial testing, working towards any thresholds that may be set for reopening festivals without social distancing. With both Cheltenham Jazz and Wychwood Festival occurring early in the annual festivals calendar, Gloucestershire has the potential to offer an environment that would allow for a variety of processes to be tested, reviewed and revised as outputs and recommendations.

The University has already established the *Gloucestershire Music Recovery Strategy* as a response to the current situation, providing support and guidance to local music venues and promoters around the county, as well as testing events management and hygiene practices using on campus facilities.

These measures could be presented in the form of toolkits, training and support delivered through existing sector bodies and organisations, coordinated by the DCMS.

What has been the impact of the temporary VAT cut and Culture Recovery Fund on festivals and their supply chains, and what else can the Government do to secure their futures?

Cultural Recovery Fund

All festivals included in this report submitted applications to the Cultural Recovery Fund, two of which were successful: Cheltenham Festivals received £784,000; Wychwood Festival £50,000. For Cheltenham Festivals "it has provided much needed resilience as we head into 2021. The bid was mainly to bolster our reserves rather than for specific expenditure. Our current expectation is that we will use a large amount of the cash in support of general business overheads in 2021 as long as social distancing is in place and we are unable to generate normal levels of income from festival ticket sales and sponsorship."

For Wychwood Festival the impact of this award was more profound for their business, reporting that "we were lucky enough to receive a £50,000 grant, this will ensure that we get through until the next festival - without it, it would have been very doubtful". Directors

at 2000trees submitted an application, but were not successful in their bid. Within the context of a regional festival economy, this generated debate locally as to the cultural value of each festival and why some applications were successful and others not. Further clarification around thresholds and criteria, or the expanded provision of feedback on applications might help the government offer further support in securing the future of these festivals, should funding be allocated in a similar manner again.

Temporary VAT Cut

The temporary VAT cut has had a range of impacts on the festivals included in this report, with most suggesting that a full picture of its effectiveness is yet to emerge. 2000trees reported the VAT cut as “very helpful” with a rough estimate that around £30,000 could be saved as a result. Similarly, Wychwood Festival reported that “there will be significant benefits, if rules from central government are explicit enough to allow some confidence to return to the market”. Cheltenham Festivals saw minimal impact in this respect, stating that “our ticket sales are VAT exempt (except for Science) and our sponsorship services attracted VAT at 20% as the VAT cut did not apply to such services. A very small amount of our purchases attracted VAT at the lower rate but suppliers did not pass on the benefit of the rate cut, raising their net of VAT prices instead. This increased our costs marginally but as so few suppliers were affected, the increase was immaterial.”

The suggestion that supplier activity may have changed in response to the VAT cut, as well as the necessity for clear guidance for festivals around regulatory changes could indicate additional avenues of investigation that might be worth exploring in order to help the Government secure the future of these festivals.

How has the structure of the UK festivals market evolved over recent years, and what has this meant for consumers, artists and the wider industry? What further changes might be anticipated?

As the structure of the UK festivals market has evolved in recent years, festivals in Cheltenham have offered some award-winning examples of excellent practice through their collated portfolio of events. In this time 2000trees has won “Best Medium Festival” at the UK Festival Awards, grown their industry and consumer reputation for line-up/event atmosphere and grown from a 10K to 15K licence. Wychwood Festival has established a period of stability in recent years, but the events of 2020 now look to have set this development back, reporting that things have “not changed much in the last three years. We were hoping to go into a period of growth. This now is in question”

Although each festival produced by Cheltenham Festivals is distinct within its industry positioning, their drive to secure free provision of elements their cultural output has outlined a proactive approach to creating meaningful links both regionally and internationally. “As a not for profit charity the aim is take the arts and sciences to everyone with multi-faceted income streams from sponsorship, grants and trusts and ticket sales

subsidising the work Cheltenham Festivals does in providing free culture, talent development initiatives and year-round community education and community programs. Between the years of 2016-2019 CF was able to increase its activity in all these areas as its financial position stabilised following a period of financial instability prior to that. Prior to the pandemic Cheltenham Festivals was looking to increase its output and reach across all the areas of free culture provision, talent development work and community and education programs regionally, nationally and in some cases - such as FameLab - internationally."

The most recent change to the festival market structure has been the introduction or growth of virtual/livestreamed events. Initially these events acted as substitutes that would keep festival audiences and musical communities connected, with "2000screens" and "Virtually Wychwood" offering specialist content from their programming for free. The rapid growth (and adoption) of these technologies within the county could be potentially evidenced through Cheltenham Festivals winning Best Event in the FutureBook Awards: Best of Lockdown. This shift in events technologies has similarly bought the business of international festivals into Gloucestershire, with collaborations between the University of Gloucestershire and the virtual *Lost Horizon* and *Melatopia* festivals seeing students providing content and staff to deliver Virtual Reality events programming from around the world.

The wider impact of technology drastically reducing the financial and environmental costs in programming international artists at virtual festivals may be reflected in a shift from booking touring artists to focus on domestic talent at future real world festivals:

"As in Australia, 2021 is looking at much less international touring acts, so there's a great focus on UK acts, and on what we call 'Off Mainstage' artists and entertainment. As experts in just this, we feel it could be a positive note for non-musical acts, performance and installations. The focus of events going forward for the last few years has been around the more interactive and human faced entertainment that audiences are much closer too, so Covid may have helped this, as the fight to spend all budgets on massive international acts has slackened off."

- Chris Macmeikan MBE

This report anticipates that virtual events, and the new interactions that could be afforded by the advancements in this area, will be established as a regular feature of festivals from 2021. It is expected that it will be a significant area of growth and development over the next few years, and widespread adoption of this technology could potentially create a new era of accessibility for cultural events and festivals.

How can festivals be supported to reduce their environmental impact and tackle the dangers of illegal drug use?

Festivals can be supported in a number of ways to reduce their environmental impacts and tackle the dangers of illegal drug use, and the festivals included in this report offer a sample of proactive commitment throughout the county to address these issues directly.

In Gloucestershire festivals are already proactive in how they tackle key environmental and social issues as part of their cultural identity. May 2020 was supposed to be the inaugural *Gloucestershire Music Conference* that would have drawn almost every major musical entity within the county together to discuss a regional strategy for sustainability, diversity and inclusivity in music, events and education. This event was in part designed to capture and share the sustainability practices that are already in place, and discuss new ways to advance Gloucestershire as a hub of culture, sustainability and technological innovation for the UK.

The University of Gloucestershire's reputation as the "Most Sustainable University in the UK" is advantageous in offering advice and guidance to festivals in this area, which has formed an active part of these relationships for some years. Wychwood Festival in particular has a specific local focus as part of its operational model "where possible we try and source local suppliers, we have environmental policies in place for all traders which we will revise further. Where possible we use low emission lighting, encourage lift sharing/ public transport. We are also going to try and encourage a more local audience to reduce travel, and we are engaging with the University of Gloucestershire to have a green audit of the festival and how we can improve our green business practises."

2000trees was built on an ethos of sustainability where the "environmental considerations were a huge part of our plan right from the start" for the festival. This has developed significantly since the festival launched, where nowadays the directors are regularly "Undertaking industry consultation to implement a range of sustainability measures, including better waste management, recycling facilities and consumer education on site, addressing transport and trying to shape better consumer behaviour with parking fee waivers for full cars, coach service and pick-ups from local stations" amongst numerous other activities and initiatives.

Cheltenham Festivals have signed up to the Festival Vision: 2025 pledge on top of the history of delivering sustainable initiatives as part of their event planning. "Reducing our environmental impact is a key objective for our operations and production team and is part of conversations with suppliers and contractors. We aim to use local contractors where possible and reduce travel to site where we can. As we grow our digital offering this enables us to curate and work with international artists without flying them to the UK." Their current activities include "collaborating with the local authority to establish access to increased power supplies in order to reduce our reliance on generators" and have "an environmental action plan in place which includes: positive action with regards to 'single use plastic' on site, reduction of printed materials on site, use of recycled materials for banners and signage, partnering with waste management supplier to achieve 100% zero landfill, use of LED lighting in venues"

Both audiences and festival organisers are keen to progress sustainability and social issues as part of their own cultural agenda. Festivals can be supported by government funding and coordination with third sector groups in implementing strategies to address shared challenges in these areas. Within the context of reestablishing UK Music Festivals in 2021, more discussion should take place in how these issues are addressed as a priority.

The final recommendation of this report would be to further study the structure of regional relationships between festivals, education, music hubs and second/third sector organisations. Exploring these relationships could present an opportunity to not just coordinate aspects of recovery, but to help deliver a more sustainable, inclusive future for UK festivals.

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