

Title of meeting: Culture and City Development Meeting

Date of meeting: 20 March 2020

Subject: Victorious Festival

Report by: Director of Culture, Leisure and Regulatory Services

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

- 1.1 To update the Cabinet Member on the findings of the value of Victorious Festival to the city including economic benefits and to seek to bring the length of the contract into line with other contracts we have for large-scale events.

2. Recommendations

- 2.1 **To acknowledge the economic benefit and added value that Victorious Festival brings to Portsmouth.**
- 2.2 **To extend the contract which Victorious Festival are due to commence with the council on 1st January 2021 by a further 3 years to a total of 10 years so it is in line with the contract duration of other large-scale events.**

3. Background

- 3.1 A report was brought to the Culture, Leisure and Sport Decision meeting in March 2018 where Members acknowledged the value Victorious Festival brought to the city and at the same time authorised officers to enter into a new contract with Victorious Festival for a period of seven years.
- 3.2 The Festival continues to be an on-going success in regards to the delivery of the core event, for the added value which it brings both in terms of economic value to the city and also for the way in which it supports the community event programme across the city with the loan of equipment and infrastructure.
- 3.3 Victorious Festival have annually commissioned a detailed evaluation report which has been undertaken for the past six years by Bluegrass Research. This has enabled them to draw comparisons year on year and to build a detailed picture of the value of the event focusing on economic impacts and perceptions of the city.

Whilst the full report remains the property of Victorious Festival we are able to share a number of key highlights with their agreement in this report.

- 3.4 The Bluegrass report is compiled through a series of face-to-face surveys, which are conducted on site over all the event days, combined with an online survey which was sent to all ticket purchasers following the event. The questionnaire was the same for each survey although tailored to suit timing and response mechanism.
- 3.5 In summary the audience research showed the following:
- Just over one third of the audience (34%) comes from Portsmouth with almost two thirds from Hampshire (62%)
 - Most visitors came in groups (70%) rather than as a couple (25%) or alone (4%). A quarter (26%) of those visit in a group had children with them
 - Overall audience satisfaction with the event continues to improve with positive and improving ratings on areas such as quality of performances, location of the festival, suitability of the festival for families and value for money and a high proportion (91%) would recommend Victorious Festival to others.
 - Visiting Victorious Festival involved an overnight stay away from home for 33% of festival goers - an increasing proportion with 62% staying for 3+ nights. Of these most, 90% stayed in Portsmouth itself.
 - Visiting Portsmouth for the Festival has impacted on perceptions of the city with 45% now having a more positive view of Portsmouth and 42% saying that they are more likely to visit the city again in the future
- 3.6 The economic impact of Victorious Festival is also significant:
- Highest spending Festival-goers remain overseas overnight visitors spending on average £488 per person
 - Victorious Festival annually supports 154 full time equivalent jobs
 - That the overall direct economic impact of the event when including the value of contracts and crew bed nights and the industry standard multiplier in line with other economic impact assessments has been estimated at £12,500,000 for 2019
- 3.7 Additionally there are a number of areas of hidden support that Victorious Festival provides which are extremely important in the overall support for a cross section of communities:
- £310,000 has been given to 40 charities and good causes since 2014
 - Approximately 20 local charities have the chance for a free stall at Victorious Festival annually
 - 180 local and unsigned acts are booked each year for Victorious
 - Victorious Festival achieved Silver status on Attitude is Everything charter supporting and promoting the accessibility of their event

- That infrastructure and staff support has been directly provided to over 50 events with activities such as the Rowans Hospice Moonlight Memories Walk and the RNLI Santa Fun Run

- 3.8 As Members will have appreciated from the recent Great South Run paper we are now entering into contract periods of 7 years plus 3 years extension and we believe it is appropriate to amend the Victorious Festival contract so it follows a similar potential duration. We would therefore wish to seek to extend the new contract commencing in 2021 to 2027 plus a further 3-year extension to 2030.
- 3.9 We are aware that such an extension would also support the delivery of the council's Events Strategy 2017 - 2021 through developing longer-term relationships with large event organisers. Additionally this proposal also support the Portsmouth Economic Development and Regeneration Strategy 2019 - 2036 especially on the strategic targets of strengthen the Portsmouth brand and investing in and strengthen the visitor and creative industries sector.
- 3.10 The confirmation of the longer-term contract will also enable development of the hotel trade and the wider visitor economy especially as it is forecast that the number of people staying in the city for a minimum of 1 night is anticipated to increase in future years.
- 3.9 We are aware that there is potential for Victorious Festival to be disrupted by the forthcoming coastal defence works which it is currently estimated will have the potential to impact on their usual area along the shoreline for at least two years. Whilst the details of this are currently not known, officers from the coastal defence scheme have been in contact with the festival organisers to share information at this early point in order to minimise the potential for disruption to their event.

4. Reasons for recommendations

- 4.1 The value of this event to the city is significant and this report provides an opportunity to share some of the headline details of this with Members to assist with an understanding of the event and the wider support which Victorious provide to the community. The proposed contract extension will bring the duration of the contract in line with the contract which is under negotiation for the Great South Run events which occupy a similar footprint across the seafront.
- 4.2 The extension of the contract will also encourage the operator to invest in further infrastructure which we anticipate will continue to be available for community groups in Portsmouth to have access to. In turn we feel that this will continue to enable groups to aspire to the best possible safety and operational standards and support the city's reputation for the safe delivery of events.

5. Integrated impact assessment

- 5.1 An Integrated Impact Assessment is attached.

6. Legal implications

- 6.1 The Authority's duty of best value should be measured in light of granting a contract of substantial duration (10 years) - this binds the parties into the payment/consideration provisions of the contract rather than regular reviews which consider the market, economy and company's income/profit. Legal cannot provide comment as to the exact cost ratio benefit to the Authority as against the three year extension and /or market engagement to evidence best value.
- 6.2 The current Victorious contract expires on 31 December 2020 and there is an obligation on the company to deliver the festival. Legal advice has been provided previously that in relation to this contract and is not revised for the purposes of this report.
- 6.3 Note - with the extension there is no absolute obligation on the company to deliver the festival under the Agreement for Lease(s) and there are no typical service provisions. this leaves the Authority with minimal control mechanisms in place but it does mean that the contract is a land transaction.
- 6.4 Extending this contract by a further three years may extend the risk of such challenge. This area of law is currently dynamic and very fluid in the courts.
- 6.5 The impact of the festival extension on other Authority contracts and projects should be considered, for example the PFI contract and imminent coastal defence works. It must be ensured that during any such extension phase, the company should not be able to seek compensation from the Authority for any intrusion/disruption etc. from such works.

7. Director of Finance's comments

- 7.1 It is acknowledged that Victorious Festival generates significant income for the City. There are costs that the event organisers have to pay direct to the council in order to hold the event and in addition to this, there is also a large amount of secondary income for local businesses generated by visitors.
- 7.2 The proposed extension of the contract period will ensure that these income streams will continue for a further three years.

.....
Signed by:
Stephen Baily
Director of Culture, Leisure and Regulatory Services

Appendices:

Appendix 1: Integrated Impact Assessment

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Victorious Festival	Culture, Leisure & Sport Decision Meeting

The recommendation(s) set out above were approved/ approved as amended/ deferred/
rejected by on

.....

Signed by:
Cabinet Member for Culture and City Development