

# Public Document Pack

## **ADDITIONAL CIRCULATION**



To: Councillor Young, Convener; Councillor Donnelly, Vice Convener; and Councillors Allan, Cameron, Crockett, Dickson, Jackie Dunbar, Flynn, Len Ironside CBE, Laing, Milne, Nicoll, Reynolds, Jennifer Stewart, Taylor, Townson and Yuill.

Town House,  
ABERDEEN 29 November 2016

## **FINANCE, POLICY AND RESOURCES COMMITTEE**

The undernoted items are circulated in connection with the meeting of the **FINANCE, POLICY AND RESOURCES COMMITTEE** to be held here in the Town House on **THURSDAY, 1 DECEMBER 2016 at 2.00 pm.**

FRASER BELL  
HEAD OF LEGAL AND DEMOCRATIC SERVICES

## **B U S I N E S S**

- 3.4 Charter for Household Recycling in Scotland - Referral from Zero Waste Management Sub Committee (Pages 3 - 18)
- 7.6 Financing Strategy for the Capital Programmes (REPLACEMENT REPORT) (Pages 19 - 26)
- 9.1 Events Strategy Plan (Pages 27 - 86)

## **ITEMS THE COMMITTEE MAY WISH TO CONSIDER IN PRIVATE**

- 12.2 Property Update Report (Pages 87 - 122)

Should you require any further information about this agenda, please contact Mark Masson, tel. 01224 522989 or email [mmasson@aberdeencity.gov.uk](mailto:mmasson@aberdeencity.gov.uk)

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## **REMIT**

### **ZERO WASTE SUB COMMITTEE**

**22 NOVEMBER 2016**

#### **CHARTER FOR HOUSEHOLD RECYCLING IN SCOTLAND (ZWSC/16/7678)**

The Sub Committee had before it a report by the Interim Director of Communities, Housing and Infrastructure which provided a review of the Scottish Government's Charter for Household Recycling in Scotland (Recycling Charter) and associated code of practice and their implications for Aberdeen City Council.

#### **The report recommended:**

that the Sub Committee -

- (a) notes the aims and content of the Recycling Charter align with the Aberdeen City Waste Strategy;
- (b) notes that in signing the Recycling Charter, the Council commits to 'design our household collection services to take account of the Code of Practice for the variety of housing types and geography in our community. In doing so, over time, we will establish common collection systems';
- (c) notes that formally signing up to the Charter will not commit the Council to any expenditure, only to exploring the options developed from a transition plan to be developed with Zero Waste Scotland;
- (d) notes that the current and developing collection system does not match that of the Code of Practice and that the timeframe required to adopt fully the collections methodology is likely to be long without significant external funding to offset investment already made; and
- (e) recommends to the Finance, Policy and Resources Committee on 1 December 2016 that the Aberdeen City Council signs the Recycling Charter.

Mr Lawrence, Waste and Recycling Manager spoke to the report and advised the Sub Committee that the Charter aimed to align waste and recycling collection services across Scotland's local authorities. He advised that the Charter and Code of Practice did not fully align to Aberdeen City's current and developing collection and recycling systems, however, the Charter did not aim to force changes which made no financial or service sense for an individual local authority.

Mr Lawrence further advised that additional funding to make changes to services was unlikely, however, by signing up to the Charter the Council would be able to apply for any available funding from Zero Waste Scotland in the future and the Council would be in a better position to engage with and influence the Scottish Government and Zero Waste Scotland by demonstrating current practice.

#### **The Sub Committee resolved:**

to approve the recommendations contained in the report.

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Zero Waste Management Sub Committee
DATE	22 November 2016
INTERIM DIRECTOR	Marc Cole
TITLE OF REPORT	<b>Charter for Household Recycling in Scotland</b>
REPORT NUMBER	ZWSC/16/7678
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

The purpose of this report is to review the content of the Scottish Government's Charter for Household Recycling in Scotland (Recycling Charter) and associated code of practice and their implications for Aberdeen City Council.

### 2. RECOMMENDATIONS

The Zero Waste Management Sub-Committee:

1. Notes that the aims and content of the Recycling Charter align with the Aberdeen City Waste Strategy
2. Notes that in signing the Recycling Charter, the Council commits to 'design our household collection services to take account of the Code of Practice for the variety of housing types and geography in our community. In doing so, over time, we will establish common collection systems'.
3. Notes that formally signing up to the Charter will not commit the Council to any expenditure, only to exploring the options developed from a transition plan to be developed with Zero Waste Scotland.
4. Notes that the current and developing collection system does not match that of the Code of Practice and that the timeframe required to adopt fully the collections methodology is likely to be long without significant external funding to offset investment already made.
5. Recommends to the Finance Policy and Resources Committee on 1 December 2016 that Aberdeen City Council signs the Recycling Charter.

### **3. FINANCIAL IMPLICATIONS**

There will be no direct financial implications from this report. By committing to the Recycling Charter there may be costs and benefits for the Council. These are laid out in Sections 5.5 and 5.6 below.

### **4. OTHER IMPLICATIONS**

**Sustainability and environmental.** Adopting common policies and waste management practices will facilitate common understanding of householder's involvement in recycling activities and encourage greater participation.

**Resources.** Adoption of common policies and practices will streamline the development of policy and standardise communications. As a result, fewer resources will be required in comparison to each authority developing its own approach.

### **5. BACKGROUND/ MAIN ISSUES**

#### **5.1 Introduction**

##### **Zero Waste Plan**

In 2010, the Scottish Government developed its Zero Waste Plan as a blueprint for sustainable waste management. Since 2010 and the establishment of Zero Waste Scotland as its delivery body, the government has further developed national policy through the introduction of the concept of the Circular Economy and the introduction of the Waste (Scotland) Regulations 2012. Embedded in the government's approach is a strong push towards the movement of resources away from a 'use and dispose' culture to one where value is created through reuse, remanufacture and recycling of high quality materials. The Recycling Charter and associated Code of Practice is the product of this approach focussing on the household waste stream.

##### **Recycling Charter**

The Charter is a short document (included at Appendix 1) that sets out high level principles for recycling and waste management service delivery. It falls in line with the waste hierarchy (prioritising waste prevention, re-use, recycling and then recovery) and strives to encourage commitment to increasing participation in services, improved resource management, sustainable employment and investment in the economy.

The Charter has 4 bullet points, broadly summarised these state:

- Maximise capture and improve quality of recyclable waste
- Encourage participation in recycling and re-use

- Operate safely and train staff
- Develop and implement a Code of Practice

The concept of a Recycling Charter for Scotland is welcomed, and we generally believe this is at the right level - setting out the key principles without being restrictive on the way these are achieved.

## **5.2 Charter Development and Adoption Process**

The driving force behind the charter was the Zero Waste Task Group, established by the Scottish Government which included local authority membership. Aberdeen City Council contributed to the development of the Charter and Code of Practice, however, officers' views on the fundamental issue of recycling collection systems was not reflected in the Code of Practice (more detail on this below).

The Charter and principle of developing a Code of Practice (CoP) was agreed by the Confederation of Scottish Local Authorities (CoSLA) on 28th November 2015. There was no direct or specific engagement from the Scottish Government with the Scottish Local Government Partnership (SLGP) on the development of the Charter or the Code of Practice. Officers from all SLGP members did contribute to a 2-day workshop developing the Code of Practice in October 2015. The Code of Practice was published in final form by Zero Waste Scotland in March 2016 (Appendix 2).

To date it is understood that approx. 20 Local Authorities have either signed the Charter or indicated their intention to do so.

There has been no discussion across the Scottish Local Government Partnership on this matter that officers are aware of and each authority is developing its own response. Renfrewshire and South Lanarkshire Councils have signed the Charter, Glasgow City Council are yet to decide.

## **5.3 Issues for Aberdeen City Council**

The Recycling Charter sets out 21 commitments, many of which are already compatible with Aberdeen City Council Strategy and Policy. For example, maximising access to recycling services, being consistent, reducing capacity for non-recyclable waste and partnership working are all areas where the city is already making excellent progress.

The Code of Practice is a much more extensive document of 43 pages and takes a much more prescriptive approach to what is expected of signatory authorities. The Code of Practice sets out requirements that are defined as either "essential" or "desirable".

Waste and Recycling Service officers have undertaken a review of the Essential Requirements in the CoP and consider that all are compatible with our strategy, policies or operational practices, with the exception of some of those set out in Section 3 - Designing household waste & recycling services.

Underpinning this section is the preference for a 'three bin' recycling collection service with one for paper and card, a second for plastics, cartons and metals and a third for glass. In effect, this approach means that each household will have five separate waste (and containers) streams to manage when organic and non-recyclable waste are added to the recycling streams.

In a densely urban environment such as Aberdeen, officers do not see how such a system can be implemented and still meet the clear requirement under the 2012 legislation to provide recycling collections to all households for all the specified materials. In section 3.4.3.1 dealing with tenemental or flatted properties, the Code of Practice indicates that it is not essential to collect glass from every property but it is acceptable to expect a householder to carry glass, the densest of all recycling materials up to 1 km from their home to recycle it. Zero Waste Scotland as authors of the Code of Practice appear to be condoning or even encouraging a breach of the 2012 regulations. The approach also accepts that householders in flatted or tenemental properties can be provided with a sub-standard recycling collection service in comparison to those in individual houses with room for 5 containers.

Notwithstanding the issue of glass recycling, the use of a 3 recycling bin system supplemented by three-colour glass recycling points represents a significant increase in the number of containers on streets or in/around flats and tenemental properties. Current experience of introducing the three bin (mixed recycling, organic and non-recyclable waste) system in Aberdeen has proven very challenging. In private courtyard flatted properties especially, it is highly unlikely that factors and residents will sacrifice further parking and amenity land without significant backlash to the Council.

Aberdeen City Council has adopted the fully mixed recycling system, supported by a high quality Materials Recycling Facility at Altens East, as the means to ensure full compliance with the 2012 regulations and officers consider this approach will be demonstrated to achieve both high volume and high quality recycling in the city.

In committing to the charter, the Council agrees to undertake a review of its current activities and consider how they compare with the CoP. Whilst this is achievable, the investment made in new services and infrastructure clearly establishes a high bar for a business case to be made to move away from our current and developing delivery model. It is understood that Zero Waste Scotland is in a position to assist local



authorities to undertake this review and business case analysis, however, their resources are limited and potentially committed to other authorities that have already entered into the process and show more compatibility with the 3-bin model.

Other essential criteria in the CoP are broadly compatible with the Council's current or developing policies and practices.

#### **5.4 Risks and Benefits of Signing Recycling Charter**

Risk:

Expectation to change services at ACC's cost. It should be made clear that signing the Charter does not commit the Council to any course of action but will allow the Council to access support from Zero Waste Scotland to develop a transition plan. This will highlight any cost effective changes required to move towards a system consistent with the Code of Practice. If viable, the Transition Plan would develop an implementation plan detailing timescales and financial considerations. Formally signing up to the Charter will not commit the Council to any expenditure, only to exploring the options developed from the transition plan. As a result, it is not considered that signing the Charter represents a significant financial risk to the Council.

Benefits:

- Engagement in the future development of policies in CoP
- Potential funding support especially for communications activities
- Alignment of services and policies with other LAs will facilitate more efficient working and potential for shared services

#### **5.5 Risk and Benefits of not Signing Recycling Charter**

Risk:

- Loss of influence on future waste policy. The Code of Practice will set the standard for household waste management across Scotland in coming years. It is intended to be an evolving document taking account of changing policy, technical and service solutions. Those signed up to the Charter will be in a position to influence the evolution of the CoP, whereas those 'outside' are unlikely to have a strong voice..
- Loss of funding opportunities. Zero Waste Scotland has indicated that no ZWS funding will likely be considered for authorities that have not signed the Charter. Aberdeen City Council has benefited from significant capital funding for food waste collections and the introduction of communal mixed recycling services in tenemental areas in recent years (value in excess of £1.3M)

Benefits:

- The Council is not required to adopt CoP. The current (and foreseeable) incompatibility of collection systems aside, there are few elements of the CoP that differ from the Council's policies or strategy, therefore this benefit is considered small.
- Financial. No financial benefits are apparent in comparison with signing the charter as the charter does not commit the Council to undertaking any service change.

## **5.6 Conclusion**

On balance, signing the Charter provides more opportunities for the Council than risks.

## **6. IMPACT**

### **Improving Customer Experience –**

Adopting the common policies outlined in the CoP will help current householders understand how this and other Scottish local Authorities will provide services and what expectations there are of householders. Common provision of services in areas such as materials collected and capacity of residual bins will avoid current concern over variable service provision across local authority boundaries.

### **Improving Staff Experience –**

Adoption of the Code of Practice ensures that the city Waste and Recycling Team remain in the mainstream of policy development in Scotland and can be confident in having a strong voice in developing policies and practices that meet the needs of the city.

### **Improving our use of Resources –**

There will be no negative financial consequences of signing the Charter, the Council is not committed to changing its current collection operations. By signing, there is opportunity to secure funding and support for mutually beneficial activities from Zero Waste Scotland that would otherwise not be available.

### **Corporate -**

Adoption of the Charter helps us to work towards achieving the Smarter Environment (natural resources) element of the Smarter City vision by helping to manage waste effectively and in line with UK and European legislative requirements by improving the efficiency of our collections thereby reducing our costs and carbon footprint.

### **Public –**

It is expected that signing the Charter will lead to more common approaches to managing waste across Scotland and therefore make it easier for householders to understand how to manage their waste.

An EHRIA is not required as there are no service changes arising from this report. A PIA is not required for this report.

## **7. MANAGEMENT OF RISK**

Sections 5.4 and 5.5 consider the risk implications.

## **8. BACKGROUND PAPERS**

Appendix 1 Recycling Charter

Appendix 2 Code of Practice

## **9. REPORT AUTHOR DETAILS**

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## Charter for Household Recycling in Scotland

This charter is a declaration of our organisation's intent to provide services that deliver local and national benefits, encouraging high-levels of citizen participation in waste prevention, recycling and reuse.

We, as leaders in local government and the main providers of services to households, acknowledge that significant progress has been made in achieving greater value from recycling and reusing household waste over the past 10 years. We also acknowledge that further progress is required to achieve better national and local outcomes.

We welcome the opportunity to make a commitment to our future waste, recycling and reuse services that will build on the progress achieved to date to ensure that waste is considered a resource and our services support sustainable employment and investment within the Scottish economy.

We recognise the opportunities of a more circular economy and better resource management to support sustainable employment and investment in the economy for the benefit of Scotland and its local communities.

We commit:

- To improve our household waste and recycling services to maximise the capture of, and improve the quality of, resources from the waste stream, recognising the variations in household types and geography to endeavour that our services meet the needs of all our citizens.
- To encourage our citizens to participate in our recycling and reuse services to ensure that they are fully utilised.
- To operate our services so that our staff are safe, competent and treated fairly with the skills required to deliver effective and efficient resource management on behalf of our communities.
- To develop, agree, implement and review a Code of Practice that enshrines the current best practice to deliver cost effective and high-performing recycling services and tell all of our citizens and community partners about both this charter and the code of practice.

Signatories

.....

Council Leader

.....

Chief Executive

Scottish Ministers welcome this declaration and will work in partnership with the signatories and their representatives to support the delivery of these commitments.

.....

Cabinet Secretary for Rural Affairs, Food and Environment

To achieve this, we will do the following:

### Designing our services

1. We will design our household collection services to **take account of the Code of Practice (CoP)** for the variety of housing types and geography in our community. In doing so, over time, **we will establish common collection systems, as appropriate**, for paper, card, glass, plastics, metals, food and other commonly recycled materials deemed feasible (e.g. textiles, small WEEE, nappies) across Scotland.
2. We will ensure that **all citizens have access to services** for recycling to include paper, card, glass, plastics, metals and food. Thus, we will ensure that all citizens, whether at the kerbside or within their local community, are provided with adequate volumes of containers in line with the Code of Practice (CoP).
3. We will ensure that our household collections give **consistent definition of materials** (paper, card, glass, plastics, metals and food) that can be competently recycled in line with the Code of Practice (CoP). Thus, we will eradicate discrepancies on what can and cannot be recycled in different localities across Scotland.
4. We will **reduce the capacity provided for waste that cannot be recycled** to give the appropriate motivation to our citizens to recycle. Thus, we will ensure that all citizens, whether at the kerbside or within their local community, are limited to non-recyclable (i.e. black bag/general waste/residual waste) waste volumes in line with the established Code of Practice (CoP).

### Deliver consistent policies

5. We will ensure that our local policies, in line with the Code of Practice (CoP), encourage citizens to recycle by **reducing the collection of waste that cannot be recycled (i.e. excess waste/side waste)**.
6. We will ensure that our local policies **provide citizens with sufficient capacity for their waste**, recognising that some households will produce more waste than others, in line with the Code of Practice (CoP).
7. We will ensure that our local policies **direct our collection crews to not collect containers for waste that cannot be recycled that clearly contain recyclable materials** (including paper, card, glass, plastics, metals and food) in line with the Code of Practice (CoP).
8. Where citizens have not followed our collection advice and policies, we will ensure our **policies for communicating and taking corrective action are delivered consistently** in line with the Code of Practice (CoP).
9. We will ensure that policies for **bulky or excess waste encourage citizens to recycle and reuse, where this is practicable to do so**.

### Operating our services

10. We will **collect household waste when we have said we will** and ensure materials are managed appropriately upon collection.
11. We will manage materials so that the **highest possible quality is attained and we seek to accumulate value** by working with partners to encourage inward investment for our economy.

12. We will ***record complaints and alleged missed collections*** and ensure that we respond to these in line with the Code of Practice (CoP).
13. We will ***listen to special requests or challenges*** that citizens are having in relation to household waste collections and ensure that we respond to these in line with the Code of Practice (CoP).
14. We will deliver services so that they ***take account of current policies with regards to environmental crime, litter and flytipping*** in line with the Code of Practice (CoP).
15. We will deliver services so that our ***staff and citizens are not endangered or at risk from harm*** in line with the Code of Practice (CoP).

#### Communicating our services

16. We will ***clearly explain to all citizens*** what services we provide by providing information on a regular basis. This will take recognition of different housing types, collection routes and service availability and be as specific to each property as necessary, in line with the Code of Practice (CoP).
17. We will ***deliver service information directly*** to citizens periodically in line with established Code of Practice (CoP).
18. Where we need to ***change our services for any reason, we will communicate with citizens directly.***
19. We will ***provide clear instructions to citizens on what can and cannot be recycled***, giving clear explanations where materials cannot be competently recycled.
20. We will communicate with citizens when they have not understood our services to ***improve awareness and reduce contamination of recyclable materials.***
21. We will ***record accurate information*** on the amount of waste collected and the destinations, as far as practicable, of these materials in order to give confidence to citizens that it is being properly managed.

## Citizens

To aid with the delivery of this charter and the Code of Practice, we expect our citizens to participate in the recycling, re-use and non-recyclable waste services that we deliver, using them in accordance with the policies communicated to them, and hence assisting in improving both the quality and the quantity of materials provided for recycling.

## Partners

In committing to this charter we request that our partners in national and local government, the resource management industry, retailers, manufacturers, packagers, the third sector and others provide leadership and support in helping us deliver this commitment.

This charter is a clear statement of local government's intent to encourage high-levels of citizen participation in waste prevention, recycling and reuse. All of our partners will have a part to play in utilising the influence they have on our citizens to compliment this intent.

Furthermore, our partners are requested to assist the development of the Code of Practice by providing expertise, information and evidence wherever possible.

The following commitments have been given by each of our partners:

### Scottish Government

- To provide the leadership in supporting the delivery of this commitment.
- To provide the necessary policy framework to support local government in delivering the commitments in this Charter and the associated Code of Practice
- To liaise with partners to support the local government delivery of this commitment.
- To support the national behaviour change process required to deliver the foundations of a circular economy

### Zero Waste Scotland

- To provide the evidence, research, benchmarking and examples required to deliver the commitments in this Charter and the associated Code of Practice
- To provide support, advice and guidance to local government that allows successful implementation of changes to services.

### SEPA

- To advise local government on the regulatory impacts of the commitments in this Charter and the associated Code of Practice.
- To regulate waste and recycle processors to ensure compliance with relevant legislation, particularly with respect to achieving appropriate destinations and markets for material.



### Retailers, brands and packaging manufacturers

- To provide information to inform specifications for local government that will encourage consistent collections
- To provide technical, public relations and consumer behaviour advice to local government and its partners.
- To consider what resources, 'in kind', including behaviour changing measures, or financial, they can provide to support the delivery of the Charter.
- To inform, advise and guide local government and its partners on the technical scope of this Charter and related Code of Practice

### The resource management industry

- To provide information to inform specifications for local government that will encourage consistent collections which consistently achieve high quality recycling and reuse.
- To support local government by providing targeted information and data that allows them to reduce contamination and improve public participation and confidence in recycling and reuse.
- To provide leadership and public support for the Charter and the related Code of Practice.

### The third sector

- To provide leadership within the Third Sector on waste prevention, recycling and reuse and work in partnership with local authorities to develop the Code of Practice and support the effective delivery of the commitments in the Charter.
- To work with the Scottish Government and local authorities to promote effective communication with communities, groups, organisations and individuals on waste prevention, recycling and reuse and facilitate engagement in the design and development of services in line with the commitments in the Charter.
- To encourage and support practical action by communities, groups, organisations and individuals at a local level on waste prevention, recycling and reuse in line with the commitments in the Charter

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy & Resources
DATE	1 December 2016
DIRECTOR	Richard Ellis
TITLE OF REPORT	Financing Strategy for the Capital Programmes
REPORT NUMBER	CG/16/150
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

The purpose of this report is to provide committee with details of the outcome of the recent project to obtain a Credit Rating and to secure funding towards the Council's Capital Programmes by issuing bonds up to £370 million pounds in value.

### 2. RECOMMENDATION(S)

It is recommended that the Committee:

- i) Notes the work undertaken and the outcome of the project

### 3. FINANCIAL IMPLICATIONS

- 3.1 Whilst there are no financial implications arising directly from this report, it is important to note that the issue of the bond places a financial commitment on the Council until 2054. The purpose of the bond was to put in place capital financing for the Council's two capital programmes – namely the Non Housing Capital Programme and Housing Revenue Account Capital Programme, which would normally be done through other forms of long term borrowing.

- 3.2 Detailed financial implications were covered in a previous report to Council on 17<sup>th</sup> August 2016, including consideration of: Best Value; Affordability; Investment Strategy; Counterparty List; Prudential Indicators; and Credit Rating

#### 3.3 *Best Value*

The Council has statutory duty to secure best value and ensure the long term affordability of its capital investment programme. Three products

were identified which were independently assessed to determine their suitability.

With market rates varying on a daily basis the initial recommended financing solution was an index linked public bond providing the optimal solution as:

- It delivers the lowest net present cost of debt service over the terms of the finance (35 years);
- It provides a better inflation hedge with AECC income than the next best option (PWLb), given AECC income is generally expected to rise with inflation over time;
- It provides an ability to provide debt service to meet the cash flows of the capital programmes thereby offering flexibility that is not possible using PWLB;
- A public Bond can be traded in the secondary bond market thereby potentially offering the Council the opportunity to “buy back” its own issued bonds at a point in the future. Please note that any future sale of the bond has no impact on the cost to the Council as this is fixed; and
- This solution also means that the repayment of the bond will not start until 2019 thereby offering the council the additional benefit of deferring repayment (in line with private sector construction) during a period of austerity that the Council is likely to face over the next few years which means this solution provides all round better financial resilience for the Council.
- When compared with the original financing solution, the net present value of the cash flows associated with the bond offers potential savings to the Council of up to £99.8m over the 35 year lifespan of the instrument.

### 3.4 Affordability

Audit Scotland published a report in 2015 called “Borrowing and treasury management in councils” which stated that:

*“Councils are using the prudential indicators to demonstrate and monitor the short-term affordability of borrowing. But councils are not clearly analysing and reporting their assessment of the longer term affordability and sustainability of borrowing. Officers present the repayment profile of borrowing to councillors, but are not presenting this together with other information such as different budget scenarios, interest rates scenarios, or capital investment strategies. This is important to inform councillors of the future risks to the affordability and sustainability of current and new borrowing.”*

In working towards obtaining a credit rating a long term financial model was developed based on a range of assumptions and modelled accordingly.

As previously indicated the Council has considered different investment strategies. What the Audit Scotland report does not touch on however,

is the access to liquidity, level of working capital and financial management exhibited by an authority. These are three of the most critical elements in examining long term affordability and this is demonstrated through a 35 year projected cash flow position.

The Prudential Code also requires the Council to demonstrate affordability in making investment decisions and the use of a 35 year financial forecast on an “all things being equal” basis demonstrates this.

### *3.5 Investment Strategy 2016/17 to 2018/19*

The Council is required annually to set an Investment Strategy covering at least a three year period. The strategy is required to cover a number of areas including the type of investment that will be permitted and the amounts that can be invested. The strategy for the period 2016/17 to 2018/19 was updated taking account of the additional investment capacity required to invest the funds resulting from the bond issuance and approved by Council on 17<sup>th</sup> August 2016.

The Council has invested the bond proceeds across a range of fixed term deposits, call deposits and notice deposits, in line with the revised Counterparty list. This mix of investments will provide the Council with the necessary liquidity to meet its anticipated cash flow requirements over the coming years.

### *3.6 Counterparty List*

The Council, as part of its Treasury Policy, has an approved listing of banks and other financial institutions (the Counterparty list) with which it can undertake short-term money investments. Basically, if the Council has “cash” then the counterparty list determines where officers can invest this cash.

The Council's Counterparty list is compiled using credit rating information supplied by the major credit rating agencies to Capita Asset Services who are the Council's appointed Treasury Management advisors.

A revised Counterparty list taking account of the additional capacity required to invest the funds resulting from the bond issuance was approved by Council on 17<sup>th</sup> August 2016.

### *3.7 Prudential Indicators*

As stated earlier the Council is required to comply with the requirements of the Prudential Code, which includes the setting of a number of Prudential Indicators. Included within these indicators are a number of Treasury Management Indicators for External Debt. Taking account of the bond issuance and other anticipated borrowing over the next 35 years, the Prudential Indicators 2015/16 to 2020/21 were updated and approved by Council on 17<sup>th</sup> August 2016.

### 3.8 *Credit Rating*

Before the Council was able to issue its bond on the London Stock Exchange, it had to secure a credit rating from a recognised credit rating agency. The demands and detail of that process are set out below.

In determining a credit rating, the agency considered the strength of the institutional framework within which a Scottish local authority operates as well as considering the economic performance of the economy within which the local authority operates.

The Council was required to submit detailed financial information to the ratings agency in order to demonstrate its stewardship. This information was studied by the agency in great detail, and was followed up by many questions and queries on particular aspects.

The Council was also required to submit detailed information outlining the institutional framework in which Scottish local authorities operate. This was particularly important, with this being the first time a Scottish Council had been publically rated.

Information was also provided to the agency describing the Council's local governance framework, the political make-up, the committee structure, the executive structure, the decision making process and its key functions and responsibilities.

The Council was also required to submit a wealth of economic information about the city and the wider city region, outlining both its economic performance and potential.

Having supplied the credit rating agency with the above information, the final step was for key Council officials to make a management presentation to Moody's at their London offices. This was undertaken in late July.

On 23<sup>rd</sup> August 2016, Aberdeen City Council received an indicative credit rating score from Moody's Investor Services of Aa2, and was placed on negative outlook. The 'negative outlook' mirrors the negative outlook on the UK sovereign rating, following the vote to leave the European Union. This rating is one notch below UK government, and the third highest rating out of the 21 that Moody's award.

After further examination and due diligence by Moody's, on 7<sup>th</sup> October 2016 the Council was publically awarded the credit rating of Aa2, with a negative outlook. Having secured the rating, we were then in a position to issue the bond.

On 7<sup>th</sup> November 2016, based on the final Offering Circular, Moody's assigned the rating of Aa2 to the £370 million bond.

#### 4. OTHER IMPLICATIONS

- 4.1. A suitable credit rating will be required to be maintained during the term of the bond. In order to maintain a credit rating, the appointed credit rating agency will be required to conduct reviews at least once every twelve months.
- 4.2. Officers will be required to provide such information promptly and the way the Council conducts business will have to change. As part of the Governance Review, the Governance Review Programme Board will require to work with relevant organisations to ensure that the outcomes of the Governance Review are aligned to the requirements/expectations of holding and maintaining a suitable credit rating and being an Issuer of Bonds.
- 4.3. With a requirement to maintain a credit rating comes an increased emphasis on the need for caution by officers and members in discussing and/or disclosing information on major projects in advance of them being announced publicly. There will be potential for adverse impact not only on the individual project but also on the overall position of the Council in relation to its credit rating and the issued bonds. Further information on this will be the subject of a report to Council in December 2017.

#### 5. BACKGROUND/MAIN ISSUES

##### 5.1. *Bond Background*

A bond is essentially an IOU; it is a promise by a borrower (called an issuer – in this case the Council) to repay (or pay) money to an investor (called a bondholder), usually with interest.

Issuing bonds is a way of raising finance. The issuer borrows money by selling bonds to bondholders; the issuer receives the money and the bondholder receives a promise from the issuer to repay the debt at a later date, usually with interest. Bonds are a type of debt security that can be traded (bought and sold) in the capital markets.

##### 5.2. *Bond Issuance Process*

With a suitable level of Credit Rating achieved, the Council was in a position to proceed towards issuing its bond. HSBC, the Council's appointed book runner, had already been 'soft-sounding' potential investors about the issuance and initial feedback had been encouraging.

##### 5.3. *Bond Documentation*

A suite of necessary bond documents had been prepared in draft form early on in the process and these were worked on by officers, our legal representatives and the legal representatives which had been appointed on behalf of the investors. Challenges and suggested amendments to

clauses in these documents were made on a daily basis, right up until launch day.

#### 5.4 *Investor Marketing*

A comprehensive investor presentation was produced. This was an extension of the management presentation which had been produced for the credit rating agency, with additional slides to answer investor's questions. This was sent to potential investors by HSBC to complete the soft-sounding process. Investor feedback was still encouraging, however caution was urged by the book-runner, and it had been suggested that despite strong interest in the issuance, due to uncertain market conditions, we should not expect to be over-subscribed.

#### 5.5 *Bond Announcement*

On 24<sup>th</sup> October an announcement was made to the markets by HSBC via Bloomberg of a potential bond issuance by Aberdeen City Council. This was followed up by a series of roadshow meetings to potential investors. These were presented over three days at the end of October by key Council officials in both Edinburgh and London.

#### 5.6 *Bond Pricing Day*

After some follow up calls to investors by HSBC to gauge both appetite and pricing indications, it was agreed that the bond would be launched on 1<sup>st</sup> November. The bond documentation was then finalised and executed as required.

The bonds were being issued 'above-par'. This meant that the Council would receive a premium of around 12% on the bonds, on the understanding that the council would pay interest of 0.1% on the outstanding sum.

On the morning of 1<sup>st</sup> November, the book for the bond issuance opened at 9am. Investors placed bids steadily throughout the morning. Around lunchtime it became clear that the bond issuance had been slightly over-subscribed. Although the Council had sought £350m of bonds, it had received offers for £373m. A decision had to be made whether to accept the previously ratified level of £350m, or to obtain permission from the Council to accept a higher level, by means of an Urgent Business Committee meeting.

An Urgent Business Committee meeting was quickly convened, and this approved that the Head of Finance could now accept up to £400m of bonds. The book was closed at £370m and the bonds were allocated to investors.

#### 5.7 *Bond Settlement Day*

The bond proceeds of approximately £415 million (being the total cash receivable based on the above par issuance) were received into the



Council's settlement account on 8<sup>th</sup> November. These were subsequently invested in a range of high-rated fixed term deposits, Money Market Funds and notice deposits, in line with the recently revised Counterparty list.

## 6. IMPACT

### **Improving Customer Experience –**

The bond provides a source of financing which allows part of the Capital Programme to be funded while diversifying the financial portfolio of borrowing to allow an element of long term flexibility within the portfolio.

### **Improving Staff Experience –**

The ongoing requirements in relation to the credit rating and LSE listing requires that the governance around decision making and the processes that the Council adopts remains clear. This will allow employees and citizens to have a greater confidence in the decision making and actions of the Council.

### **Improving our use of Resources –**

The index linked public bond provides the optimal solution as it delivers the lowest net present cost of debt service over the terms of the finance (35 years). The proposal allows a diversified financial portfolio of borrowing to allow an element of long term flexibility within the portfolio.

### **Corporate -**

The bond allows the Council to part fund the Capital Programme and assist the Council in moving forward to achieve its objectives in line with the strategic infrastructure, Smarter City. Carrying out this funding places Aberdeen City Council at the forefront of creative lending solutions and drives Aberdeen City forward as a Council for the future.

### **Public –**

This report may be of interest to the public as it explains part of the Council's proposed strategy to finance the Capital Programme which the Council wishes to pursue. It also explains the rationale for the Council obtaining a credit rating.

An Equalities and Human Rights Impact Assessment (EHRIA) has not been undertaken as this is not relevant to this project

A Privacy Impact Assessment (PIA) has not been undertaken as none of the proposed projects should impact on the privacy of any individual

## 7. MANAGEMENT OF RISK

- 7.1. The Council requires to ensure that it takes all steps within its control to maintain a suitable credit rating and that the Credit Rating is maintained at Aa2. Should the credit rating fall the liquidity of the Bonds in the secondary market will drop and the confidence in the Council will weaken. This will place pressure on the Council from Bondholders and

alternative financial products may become more difficult/expensive to access. This may be mitigated by the Council putting in place and maintaining robust governance around capital projects to ensure that the Council is able to react promptly to commercial situations arising from the various capital projects and address these promptly to ensure that these projects are delivered in a timely and cost efficient manner.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

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## SUBMISSION OF LATE REPORT

**NAME OF COMMITTEE** : Finance Policy and Resources

**DATE OF COMMITTEE** : 1 December 2016

**TITLE OF REPORT** : Aberdeen 365 – Events Strategy

**Reason for late submission of report (to be completed by report author)**

Consolidation of reports by CH&I and OCE to provide committee with a single report for consideration on Aberdeen's events strategy and programme of events from 2017 -18.

**Reason why Convener is requested to consider accepting report as a matter of urgency / why the matter cannot wait for a future meeting (to be completed by report author)**

The report links to the Aberdeen 365 project in the City Centre Masterplan and supports the city's ambitions to use events as a driver for the economic and social ambitions of the City. Detailed in the report are two events that need urgent committee approval so partner planning can commence. Also, due to procurement requirements, the programme of events needs to be agreed so the tendering process can commence for event services in 2017.

**Reason why Convener / Vice Convener has agreed to accept the report (to be completed by Convener / Vice Convener)**

**Convener/Vice-Convener**

:

[Redacted Signature]

**Date**

: 22.11.16

**Director/Representative**

:

[Redacted Signature]

**Date**

: 22.11.16

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	1 <sup>st</sup> December 2016
DIRECTOR	Angela Scott, Chief Executive
TITLE OF REPORT	Aberdeen 365 – Events Strategy
REPORT NUMBER	OCE/16/040
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

To provide members with an update on the Aberdeen 365 Events Strategy and to seek approval for the 2017 -18 city events programme.

To update members on the need to undertake competitive tendering exercises for some of the activities within the proposed programme and to seek approval for this.

To seek approval for two new events as detailed in the SIP/City Centre Masterplan (CCMP) report, relevant to the city's ambition to grow its existing events portfolio.

To seek approval for a higher than estimated aggregate spend on event security services from Showsec for 2016/17.

### 2. RECOMMENDATION(S)

Members are asked to:

- (i) Approve the Events Strategy detailed in Appendix 1, to allow officers to develop an operational plan and budget to implement it;
- (ii) Instruct officers to report to the February Finance, Policy & Resources Committee with a recommended operational plan and budget to implement the Strategy;
- (iii) Agree the appraisal criteria detailed within this report to inform which events Aberdeen should target;

- (iv) Applying these, delegate authority to officers with the Head of Legal & Democratic Services and the Head of Finance to negotiate [the delivery of a three-year programme of events]with SweetSpot and EventScotland to host [an annual] Tour Series Event in Aberdeen; and to develop plans for the Nuart Festival;
- (v) Approve the events programme for 2017 – 2018 as detailed in Appendix 2.
- (vi) Approve expenditure of £530,000 from the existing Communications & Promotion budget subject to the Council's budgetary process, to be funded as follows:
  - a. from the events budget - approximately £140,000 for Security Services per annum for three years with the option to extend for a further year on the 3<sup>rd</sup> and 4<sup>th</sup> anniversary of the commencement of the contract ,
  - b. from the Beach Ballroom budget - £20,000 for Security Services per annum for three years with the option to extend for a further year on the 3<sup>rd</sup> and 4<sup>th</sup> anniversary of the commencement of the contract ; and
  - c. from the events budgets already detailed within Appendix 2 of this report - approximately £110,000 for Production Services per annum for three years with the option to extend for a further year on the 3<sup>rd</sup> and 4<sup>th</sup> anniversary of the commencement of the contract .
  - d. from the existing approved events budgets to meet costs associated with additional events previously approved by committee - additional contractual stewarding spend of £30,000 for the remainder of 2016-17.
- (vii) Approve the undertaking of competitive tendering exercises via Public Contracts Scotland for both Production Services and Security Services related to the safe organisation and delivery of events in Aberdeen; and
- (viii) approve aggregate expenditure of £73,039.51 (increased from £55,000 on event security services from Showsec for 2016/17.

### 3. FINANCIAL IMPLICATIONS

The Aberdeen 365 Events Strategy seeks to significantly raise the level of ambition of events in Aberdeen - the City Centre in particular - as part of the implementation of the CCMP, and to raise profile, and achieve economic and community benefit.

As the Strategy was being developed, two opportunities have come forward that will require an early decision by Members – the Pearl Izumi Tour Series and the Nuart Festival.

The cost of securing the Pearl Izumi Cycling Tour Series event is £60,000 per annum. Preliminary discussions have taken place with EventScotland and the event 'owners' SweetSpot, whereby the local host would provide £45,000 and an application would be made to EventScotland under its International Events Programme for a grant contribution of £15,000. This is an indicative estimate and further discussion between officers is required.

However at this stage, a bid has been made to the CCMP budget under the Aberdeen 365 project for up to £45,000 to secure the event<sup>1</sup>, and officers would also work with VisitAberdeenshire, partners and the private sector to generate financial and 'in kind' support. Officers will confirm the recommended funding package at a future committee.

The cost of the proposed Nuart Street Art Festival is £200,000. A contribution of £75,000 from the CCMP Budget to match Aberdeen Inspired's contribution of £75,000 is requested, in addition to the £50,000 external funding being sought<sup>1</sup>.

It should be noted that there are significant budgetary pressures placed on all individual event budgets due to the costs associated with production services, traffic management, and the provision of essential events support - stewarding, security, medical and local authority obligations under Health and Safety legislation.

In order to ensure that Aberdeen City Council meets its public procurement responsibilities, procurement for essential event services should commence in January 2017, so they are secured for 1 April 2017 and the start of the 2017 -18 event programme, which sees additional events including the Great Aberdeen Run 2017.

Both Production Services, and Security Services will be competitively tendered via Public Contracts Scotland for a period of three years with the option to extend for up to a further 24 months. The costs estimated in recommendation (vi) are annual costs.

The tender for the provision of Security Services requires to include the Council's aggregate requirements and accordingly will incorporate the needs of the Beach Ballroom. The Beach Ballroom is a venue under the management of Aberdeen City Council and is a multi purpose licensed venue, hosting a variety of events from pop concerts, sporting events e.g. boxing, dinner dances and conferences. The venue has a small team of door staff but with the closure of the Music Hall, it is receiving many more bookings with higher requirements of Stewarding. In order to follow government guidelines there is a requirement for additional resources.

It should be noted that the cost to deliver Hogmanay in 2016 exceeded the current budget by £25,000 with monies being redirected from service underspend. This is not sustainable in future years, so

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<sup>1</sup> A separate item on this Agenda as part of the SIP report seeks this approval.

additional monies are required to be approved by committee from the service budget to deliver an event of this scale going forward.

The Council has an existing arrangement with Showsec for the provision of event security services. At the time of procuring these services, the cost was estimated to be £55,000 and the competitive quotes procedure (standing order 6 of the Standing Orders relating to Contracts and Procurement (2014)) was followed. The actual value of the services to be procured has exceeded the original estimate. The total expenditure to the end of 2016/17 is £73 039.51. The reason for the increase is additional stewarding to support the safe delivery of existing and new events in the city events programme for 2016-17.

#### 4. OTHER IMPLICATIONS

**Staffing:** The City Events team is currently staffed by one full-time Senior City Events Officer, two full-time City Events Officers and one full-time City Events Executive. The successful delivery of the city events programme is dependent on a fully-staffed team.

To ensure the most appropriate use of staff time and resources in delivering events in Aberdeen, officers from the team work with colleagues in other Council services including Economic Development, Cultural Services, Licensing, Environmental Services and Traffic Management to ensure the safe coordination and delivery of events.

The City Events team also works closely with a number of partners including EventScotland, VisitScotland, Aberdeenshire Council, Visit Aberdeenshire, the Aberdeen City and Shire Hotels Association (ASCHA) and Aberdeen Inspired so that events held in Aberdeen present opportunities accessible to local business and offer exciting activities to support the weekend leisure destination break market and maximise the opportunities for securing net additional benefit to businesses in the city and wider region.

#### 5. BACKGROUND

In May 2013, EventScotland published Scotland, the Perfect Stage, a national event strategy with the 2020 vision – ‘Scotland firmly established as the perfect stage for events’. This aims to utilise and develop the assets that Scotland has for staging sporting and cultural events, focused on:

- cultural identity and heritage
- people
- natural environment
- built facilities
- signature events

Securing the Future of the North East Economy – A 20-year Vision for the Wellbeing of the Place and Our People is the economic plan for Aberdeen and Aberdeenshire. A key objective of the



Internationalisation Programme area is to improve the attractiveness of the city for international trade, investors and visitors, and in response there is a commitment to develop an events strategy to target international, national and regional events.

Delivering culture and tourism impacts, and to facilitate diversification into new national and international events, is also a key strand of CCMP delivery through the Aberdeen 365 Events Programme, the Broad Street public realm proposals, and the focus on development of a new arena and conference centre to anchor existing international event activity.

To develop this proposition, in a report dated 16<sup>th</sup> February 2016, Finance, Policy and Resources committee (OCE/16/006) instructed officers to conduct an events review with the aim of producing a three to five year events strategy.

## 6. MAIN ISSUES

### **The Strategy**

A central theme of the consultant's brief for an events strategy was to create a compelling programme that supported the Regional Economic Strategy and the City Centre Masterplan objectives.

Blue Sail consultants were appointed following a competitive tender. Their approach involved a review of the existing programme of events financed or delivered by the Council, the role of other providers and, based on a 'gap analysis', development of a strategy and 'route map' to create an events programme worthy of a major European city and one that matched the City's economic and social objectives. The methods employed included interviews and workshops as well as a desktop review of other European cities that had successfully launched their city brand via a proactive events programme.

In coming to their conclusions the consultants reviewed previous work on culture and events programming:-

- UK City of Culture feedback via Regeneris
- BOP consultants 2013 cultural assets map for the city
- The new Aberdeen Art Gallery and Museums store
- 2014 report 'Creating a New North'
- BDP's City Centre Masterplan reports
- Aberdeen Festivals 2015 Catchment analysis

The Strategy highlights a need to develop a new portfolio of events that can be attracted to Aberdeen that develop the city's offering as well as continuing to meet priorities within the existing events programme, and can be accommodated in new 'event space' that is coming forward under the Broad Street proposals – eg street markets, small concerts/ street entertainment etc.

It refers to a 'string of pearls' approach to deliver high profile and high octane events that will draw in residents and tourists alike. Within the strategic approach recommended in the proposed Events Strategy, a typology for events is proposed across four broad categories:

- Headline events
- Feature events
- City events
- Community events

It proposes a series of new 'bought in' events according to their potential contribution to the city's economic objectives, in some cases expanding or re-focussing existing events, and relating them to available facilities and infrastructure.

Further work is required on the implementation and resource plan needed to deliver the Strategy. Officers will undertake further work on the operational plan needed to implement the ambitious proposals within the Strategy; and the nature of what investment funding is needed to develop the new events proposed. A report will be provided at the February 2017 Committee.

The Consultant's (Blue Sail) Report (Aberdeen 365 Events Strategy 2016-21) is attached as Appendix 1.

### **The 2017/18 Programme:**

The events detailed in the City Events programme (Appendix 2) contribute to the common good of the city, are inclusive, maintain and develop the city's continued civic pride and showcase Aberdeen's ability to attract and host major cultural and sporting events.

Through the Christmas Village Funding and Service Provision Agreement (SPA) a separate annual report will provide members with feedback on the Christmas Village by March of the following year.

The proposed Programme of existing events for 2017 – 18 will be aligned to the principles of the events strategy, and will provide a balance of city events that are well established in the Aberdeen calendar that continue to provide social and cultural benefits for Aberdeen, while including new events that will support the growth and development of the events portfolio and reflect the ambitions of the implementation plan that will be presented to a future committee for consideration.

### **Appraisal Criteria**

A clear set of criteria should be adopted to inform which events, within the categories above, should be targeted to achieve [the desired outcomes for Aberdeen].

As the proposed Events Strategy contributes directly to the national events strategy and the regional economic and tourism strategies, it is important that any event in Aberdeen delivers the objectives of the event itself (eg sporting, cultural); but also maximise the economic and 'legacy' impacts of staging that event, and growing the city's national and international reputation.

In making a decision to invest in an event, officers would propose using the following criteria:

- Alignment to economic/tourism and events strategies – does the event contribute to the strengths of the city and wider area;
- Visitor attraction potential – does the event have the potential to attract visitors from outside the area, and overnight stays/return visits;
- Economic impact – could the event generate a substantial economic benefit to businesses in the event and wider area;
- Media profile – does the event have the potential to attract media attention, advancing Aberdeen and the region's reputation nationally and internationally;
- Place shaping – does the event celebrate the distinctiveness of Aberdeen and the north east of Scotland and the built and natural environment;
- Funding – if the Council contributes, what added-value is there from that investment in terms of leveraging external funding (e.g. EventScotland, sponsorship) and in-kind support.

Any reprioritisation may involve stopping funding of some current events, improving on some existing events that demonstrate potential against the criteria, bidding for existing high profile national and international events and stimulating the development of new proposals to be funded via partners or other sources.

It takes at least three years for an event to be associated with a place and the economic and tourism benefits to be maximised. Successful events therefore require multi-annual funding streams and commitment and clarity around decision making.

Many of the event opportunities identified by the Consultants will require additional resourcing (above the amounts discussed in this report). The consultants noted that the success of events is often reliant on public sector support with the benefits felt in terms of regional economic impact. However rarely if ever are such events fully funded by the private sector.

In terms of Headline Events, the Council has recently agreed to a substantial contribution of £150,000 contribution to holding the Great Aberdeen Run in the City Centre in August 2017. The details of two further Headline Events for which additional financial support is required are set out below.

The challenge for ACC is to identify the sources of support, from both within the City Council, and externally in the knowledge that through rigorous application of the identified criteria, the economic benefit to the region will offset the costs of securing and hosting an event.

## **Upcoming Opportunities**

### **Pearl Izumi Cycling Tour Series**

Aligned to the strategy is the potential for the Pearl Izumi Tour Series to come to Aberdeen in 2017, the ninth year of the series. Officers approached SweetSpot, the owners of the event, to explore the potential for one of the series' events to come to Aberdeen to provide economic impact and exposure for Aberdeen at a national and international level.

The event involves ten teams of the UK's best riders competing in hour long races or criteriums in city and town centre circuit for an overall 'Fastest Team' in the country accolade. It would be the first time that elite cycling was available in Aberdeen, and officers from across Council services would work to expand the event into a wider celebration of cycling and encouraging business, spectator and community participation. For example, the Tour Series can also enable delivery of support races and activities providing a 'celebration of cycling' and a platform for corporate participation and sponsorship.

The proposal being discussed is to work with SweetSpot for three years 2017 – 2019:

- To create a community-based festival of cycling in Aberdeen in the summer of 2017 and thereafter;
- To promote cycling as a mode of transport and mass participation, in keeping with the aspirations of the City Centre Masterplan;
- To capitalise on the Tour Series event to promote Aberdeen, Aberdeenshire and the North East of Scotland as a cycling destination; and
- To promote a day of cycling and the opportunity for local people, businesses and schools to participate.

If the event is secured in Aberdeen, initial indications suggest that it would be scheduled for a Thursday night; but in subsequent years, officers have proposed a Friday night in order to provide an opportunity to develop a weekend schedule of complementary activity, working with colleagues in Aberdeenshire Council.

### **Nuart Street Art Festival**

The Nuart Street Art Festival, to be led by Aberdeen Inspired, would be held in Aberdeen City Centre in April 2017. This is a world class event, originating from Stavanger and developed over the last 15 years, which entails a main event bringing internationally renowned artists who

converge on Aberdeen City Centre, supported by a community programme. The Event would build on earlier initiatives in the City, including the 'Painted Doors', Street Art at UTG and 'Play me I'm Yours' initiatives, on which the feedback has been universally and overwhelmingly positive from all stakeholders and people of all ages.

To complement this approach, Aberdeen Inspired is currently working with both the University of Aberdeen and Robert Gordon University to determine the feasibility of developing an Academic conference which will give visiting artists, local artists, students and other stakeholders the opportunity to take advantage, and learn from, guest lectures, film screenings and debates in the city centre.

The potential for increased footfall, extensive positive media and marketing of the city centre for local, regional, national and international tourism is considerable. The personal development opportunity and skills development potential for the community programme participants and local artists, even more so – and, individually and collectively as part of the Events Strategy.

## 7. IMPACT

The Pearl Izumi event attracts 120,000 spectators across its ten venues. Evaluation of the 2015 series indicates that 15,000 spectators attended the Bath event and 12,500 the Canary Wharf event.

Each round is broadcast on ITV4 (including live streaming on ITV.com and access on ITV Player) and Eurosport UK and across 60 international markets, which in turn provides an additional platform for the promotion of the regional tourism offer and the city centre. Highlight shows are run every evening after every round, and each episode provides coverage of the race and a local tourism segment.

Average viewing for the 2015 series was 235,000 with the repeat show averaging 65,000. The event receives extensive coverage in national print media, regional television and radio, as well as cycling press. Independent evaluation of the Tour Series round in Edinburgh estimates a gross economic benefit in the city centre of £440,000.

The Nuart Festival has the potential for increased footfall, extensive positive media and marketing of the city centre for local, regional, national and international tourism. The personal development opportunity and skills development potential for the community programme participants and local artists is also considerable. If the events are attracted to Aberdeen, as host venue, officers will work with the organisers on their commission of an independent economic impact assessment of the events.

### **Improving Customer Experience**

Events and participation by the Council provide an opportunity to promote and enhance the long-term economic prosperity of Aberdeen and the wider region by attracting additional visitors to the city on account of the event. In turn this attracts additional commercial activity in the city and officers will work with business customers to maximise both the benefit of the event on city-centre businesses and provide information on the event itself.

Supporting and delivering a diverse programme of city events is expected to improve the customer experience by:

- Enhancing the reputation of the city for staging local, national and international festivals and events;
- Better positioning of Aberdeen as a leisure tourism destination for those looking for new and unique event experiences
- Providing city infrastructure that attracts and supports external event organisers

### **Improving Staff Experience**

Staff within the Council's Communications Service will work closely with colleagues from Economic Development, Culture, Transportation and Environmental Communications to improve the economic impact of the events in the city. The Strategy and subsequent implementation plan allows much greater alignment of effort and resources within the Council and with external partners and stakeholders. Delivering a diverse events programme provides the staff involved with valuable experience of dealing with a wide range of internal (Elected Members, senior officers) and external (businesses, contractors, suppliers etc) customers from diverse sectors including creative, cultural and event industries.

### **Improving our use of Resources**

Collaborating with local, regional and national partners improves our use of resources and maximising financial leverage to secure an event. By working in partnership the Council is able to share the workload and take lead or supporting roles where appropriate, without compromising the level of service delivered.

### **Corporate**

The Council is a member of VisitAberdeenshire and Aberdeen Inspired. At a strategic level, it has a key role in the long-term development of tourism in the city and north east of Scotland. Aligned to this, is its corporate role in providing confidence to the events market that the Council supports the attraction of the 'right' event for the city, and the contribution to wider economic, tourism and City Centre Masterplan objectives.

The report is also directly contributing to delivering the Smarter Aberdeen Objectives.

## Public

Neither a Equality and Human Rights Impact Assessment nor a Privacy Impact Assessment is required for this report. There may be some public/media interest in the parts of the city events programme that involve participation by Elected members and/or officers.

### 8. MANAGEMENT OF RISK

The risk to the Council would be managed through specific contracts for each event between the organiser and the Council. This would be drafted in conjunction with the Head of Legal and Democratic Services and the Head of Commercial and Procurement Services. Any such agreement will seek to mitigate financial risk to the Council.

There is a reputational risk to the Council if an event does not develop as planned. This is mitigated by the experience of Council officers in securing and supporting the delivery of international events and a robust internal and external communications plan for any event.

Aberdeen's city events programme is key to the destination promotion that Aberdeen City Council, VisitAberdeenShire, Aberdeen Inspired and VisitScotland currently undertake.

Should this diverse and engaging programme not continue, then Aberdeen could potentially cease to be an attractive destination for visitors and local residents with economic spend being distributed elsewhere in Scotland and event organisers considering alternative delivery locations.

### 9. BACKGROUND PAPERS

In a report dated 16th February 2016, Finance, Policy and Resources committee (OCE/16/006) instructed officers to conduct an events review with the aim of producing a three to five year events strategy.

### 10. REPORT AUTHOR DETAILS

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## ABERDEEN 365 EVENTS STRATEGY 2016-2021

REPORT FOR ABERDEEN CITY COUNCIL

SEPTEMBER 2016

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*This Strategy Report is accompanied by two further reports, one providing more operational detail and guidance on implementation and another summarising the five case studies of successful event cities.*

# 1 EXECUTIVE SUMMARY

Aberdeen is a city with ambition. It is looking to emulate other successful cities in using **events to strengthen its image and reputation** as a place to do business, to invest, to live, to work, to study and to visit reactivating, connecting and animating the city's spaces supporting the objectives of the City Centre Masterplan.

**Successful events cities offer festivals and events which are connected to the place inspired by its location, history, heritage, people and living culture.** They deliver authentic, high quality occasions which for the most part can only be found and experienced in that way in that particular place. Following this approach this 5 year strategy will transform Aberdeen's events programme from a series of low key, local events **to high octane, big impact cultural and sporting highlights giving the city a national and international profile.**

The strategy here is to develop over the next five years a **String of Pearls**. An approach based on **quality not quantity**, constructed around an annual calendar of **Headline** (major) and **Feature** (niche, specialist) events and festivals that punctuate the year with something significant happening each month. Within the current programme there are a small number of events with immediate potential as Headline or Feature given the right investment and development. The programme can be enhanced through appropriate sporting and cultural bought-in events.

The implementation of the strategy should be driven by Aberdeen City Council through a **new Events Unit** bringing together events-related staff and budgets currently dispersed across different departments and teams. The Events Unit will act as an **enabler, commissioner, and facilitator** rather than a direct deliverer of events and be responsible for programme development, brokering council requirements, procuring and commissioning events, and managing the investment process. Its work will be overseen by an **independent Steering Group** to ensure engagement with the events sector and strategic partners.

This investment process will involve an **annual open call for bids** and all organisers seeking funding must demonstrate how an event will deliver against **clear criteria** including quality, ambition, visitor appeal, capacity building and sustainability. All events should be required to bid under the new arrangements and given the opportunity to 'step up' - to grow, develop or enhance their. There should be a separate **bid fund for bought in events**.

To deliver the Aberdeen 365 Events Strategy programme will require a minimum investment of **£3 to £5 million per annum for at least 5 years**. This is the level invested by the leading comparator cities of Rotterdam and Belfast which are transforming their reputations through events. (The numbers are eye watering. Edinburgh spends £9M of public money on its 12 key festivals from a total of £36M of which the City Council provides around £2M. Manchester City Council allocates £2M to one festival alone – its flagship biennial event Manchester International Festival. At least £35M is estimated to be the requirement for any future European Capital of Culture – Liverpool spent £130M in 2008 of which the city council contributed £75M. Derry spent over £18M on its year as City of Culture. Hull is planning to spend at least £12.5M on its programme of events. Glasgow's budget for its 2014 Commonwealth Games was £472.3M made up of £372m of public money with the remainder coming from commercial income generated through sponsorship, ticket sales, broadcasting rights and merchandise sales.)

This all means that to make an impact in a highly competitive events marketplace significant investment will need to be provided through public funds from Aberdeen City Council, strategic partnership with EventScotland and Creative Scotland and ideally the commercial sector. As the Aberdeen energy sector recovers major Headline Events should be attractive brand sponsorship propositions and individual event organisers would also be expected to generate income from alternative private investors.

#### ABERDEEN 365 EVENTS STRATEGY - VISON MADE REALITY

Over the next 5 years the Aberdeen 365 Events Strategy will deliver events and festivals that create distinctive experiences for visitors and that support the image and reputation of the city of Aberdeen.

The programme will dramatically increase year round activity and position the city centre as a 'happening' destination. The city centre will gain a reputation as a lively and vibrant place throughout the year with high profile cultural and sporting events and a series of small-scale events where one can dance, play and listen to music.

Aberdeen will be more vibrant than it used to be - there's more to do for young people and people are proud of where they live. Lively bars and cafés overlook city spaces with striking art installations, creating meeting places where outdoor performance and activity attract people to the city centre at all times of the day and evening.

Aberdeen's offer to visitors will be framed around high octane, big impact cultural and sporting 'Headline Events' that will contribute to the international profile of Aberdeen. These stand-out events will draw large crowds of residents and visitors alike, matching the city's cultural narrative and capturing the imagination on an international level.

### **So what could the 365 Event Strategy programme of Headline Events look like when transforming the vision into a reality?**

The SPECTRA light festival produces an event matching that of Fête des Lumières in Lyon and Glow Festival in Eindhoven for an equivalent budget of £1.5m. SPECTRA commissions Europe's most exciting international light installation artists to create site-specific light installations and 3D projection mapping to transform Aberdeen's unique architecture, spaces and coastal landscape.

Runners from across the UK are drawn to the 'Great Aberdeen Run' featuring both 10k and half marathon courses. A buzzing atmosphere over the weekend is heightened by a supporting programme of live cultural happenings in the new events spaces in Broad Street, Castlegate and Union Terrace Gardens. During the run music zones, DJs and live bands accompany the runners entertaining large crowds along the route which incorporates the architectural landmarks of the city including Union Street and Beach Esplanade.

In its new summer spot an enlarged LookAgain celebrates Aberdeen's architecture, innovative visual art and design. It remains authentically grounded in and inspired by Aberdeen whilst successfully attracting larger audiences. An investment of £75k results in an international collaboration with Stavanger's 'Nuart' contemporary street and urban art festival. LookAgain animation is delivered by large-scale street theatre urban and aerial performance companies. The French Transe Express, for a fee of £50k, provides a monumental work to match the imposing scale of Aberdeen.

June hosts The Great City Games on Union Street, a showcase of athletics in an iconic city centre setting. Unique in Scotland, it provides an up close and personal experience for spectators featuring elite athletes from around the world and giving the public the thrill of competition outside of a traditional stadium setting.

July sees a visit from a Tall Ships Race attract a fleet of 100 sail vessels off Aberdeen's coast. They moor up in the harbour, which now benefits from better connectivity with the city and new public access since the investment at Nigg.

In August is a unique performance by the world renowned street theatre company Royal De Luxe with their Saga of the Giants. These colossal creations staged in the heart of the City draw huge crowds, engage local residents as participants and deliver significant media coverage (cf. Liverpool, Reykjavik, London). They are always memorable and leave a city transformed in return for an investment of £1.5 million.

Aberdeen's Summer Festivals, a new collective brand, places a focus on events between May and September that incorporate and support Headline Events and include: Aberdeen Highland Games; Enjoy Music transformed into a 'park & inner city' pop/rock festival, with curated stages across the city; Energetica Festival promoting the eco-credentials of Aberdeen as a global energy city; whilst The Taste of Grampian is transformed into Scotland's biggest food festival as city & shire collaborate in a multi-event format celebrating regional food and drink produce, and chefs and restaurants.

The Summer Festival culminates in early September when Aberdeen hosts the Tour of Britain's Grand Depart, the country's largest annual free-to-spectate sporting event. It will see the riders roll out from Union Street and traverse the length of Beach Esplanade live on national TV - promoting the splendour of city and shire. This winning combination of city and terrain will see Aberdeen recognising the economic benefit of investing £3m to host the UCI World Road Race Championships.

Aberdeen's year concludes with its winter calendar starting with the Beach Esplanade Fireworks in early November, through Christmas lights, Christmas Village and Hogmanay. The new Winter Festival brand offers a distinctive, authentic and creative promotional 'umbrella' to increase the national and international profile of Aberdeen as a UK Christmas visitor destination. The Winter Festival programme is framed around high-profile events, but also integrates the city's wider cultural offer of high class theatre shows, seasonal concerts, and distinctive exhibitions.

## 2 INTRODUCTION

### SCOPE

Aberdeen is a city with ambition. It is looking to strengthen its position as a place to do business, to invest, to live, to work, to study and to visit. It is looking to build on its success as an oil and gas city diversifying into new sectors and economic activity.

Successful cities use their cultural credentials (among other things) to reinforce their image, profile and reputation. Aberdeen wants to follow this proven path and, in particular, build the range and scope of events staged in the city to deliver a year round programme of high quality, distinctive events which will appeal to visitors (and residents) and support the promotion of the city across all its agendas.

This report sets out a strategy to guide the investment in, development and delivery of **Aberdeen 365** – an events programme which will establish Aberdeen as a destination for outstanding events. It was produced by Blue Sail and is informed by consultation with key stakeholders in the city, a research review, review of five successful international event cities (case studies available separately), a review of the current events programme and our knowledge and analysis from years of working in this sector.

The Aberdeen 365 Event Strategy focuses on arts, cultural and sporting events and festivals. It is concerned with **quality** not quantity – because only the very highest quality of content and delivery can hope to attract global attention and support Aberdeen’s profile and reputation. It is only with real commitment to such a programme that Aberdeen can achieve its national and global ambitions and sit alongside the leading small cities of the world.

*The city centre events programme should aim to increase year round activity and reposition the city centre as a ‘happening’ place. The focus should be on curating a lively and distinctive destination through a number of high profile events, as well as a programme of animation and activity throughout the year that utilises city centre spaces for cultural offerings.*

Aberdeen City Masterplan 2015

## STRATEGIC CONTEXT

The *Regional Economic Strategy* and the *City Centre Masterplan* provide the local context for this events strategy.

Events are not ends in themselves – their purpose is to support the city’s **economic growth** aspirations. Events should directly address two weaknesses identified in the Regional Economic Strategy: “lack of awareness of opportunities and quality of life” and “vibrancy and image of city centre make it hard to attract people to live and work”. Events do this by providing opportunities and content for marketing and promotion validating the message that Aberdeen is a vibrant place with its own distinctive culture delivering unique experiences to its visitors and its residents.

At the national level the tourism strategy *Tourism Scotland 2020* identifies events and festivals as one of the key drivers of the visitor economy and hands responsibility to EventScotland which has articulated the strategic approach in *Scotland – A Perfect Stage*. The focus of the strategy is to support a portfolio of events which are unique, distinctive and embedded in Scottish culture as well as high profile itinerant events attracted to Scotland by its singular appeal as a destination and international reputation as a country which delivers events of the highest quality. It is up to places themselves to identify and programme events which are right for them – there is no national prescription other than the designated themed years which drive tourism development, promotion and to some extent funding streams including those for festivals and events.

To date there has been little funding support from EventScotland for Aberdeen’s event programme reflecting the current scale and local focus. Discussions which have taken place during this work however clearly indicate EventScotland’s desire to work closely with Aberdeen on the implementation of a clear strategy, and explore opportunities to support those events which fit the national objectives around quality, scale, profile and impact.

## ABERDEEN’S CULTURAL NARRATIVE

Successful events cities offer festivals and events which are connected to the place inspired by its location, history, heritage, people and living culture. They deliver authentic, high quality events which for the most part can only be found and experienced in that way in that particular place.

*This cultural heritage and its celebration can act as a strong and powerful catalyst for contemporary art and culture to respond to and add to.*  
Creating a New North RGU



Cities which nurture this approach –even for those events which are bought in rather than home grown – tend to be more successful and sustainable. Reykjavik and Rotterdam are good examples of this.

A strong ‘cultural narrative’ which captures the essence of the intrinsic and extrinsic culture of the place in its widest sense provides the strategic framework to judge whether an event is right or not for that place.

Aberdeen is a place with a strong identity. Work is underway by the Chamber of Commerce to articulate this sense of place which will feed into the cultural narrative. *Creating a New North* produced by Robert Gordon University for the North East of Scotland, identifies a number of cultural drivers which have been developed following a recent think tank of events stakeholders to provide the elements of a cultural narrative . These are of course interdependent and intertwined but can broadly be split as follows.

Narrative Element	Example Event
Latitude	Light Summer / Dark Winter nights
Geography	Events connecting city & shire
Coast	Seaborne events (Tall Ships)
Global links	Transnational cultural collaborations
Cityscape	Architecture as creative backdrop
Natural Resources	Local food & drink

Any particular high impact event supported by this strategy should be capable of referencing at least two of the narrative elements.

## 3 REVIEW

### THE ROLE OF CITY FESTIVALS AND EVENTS

Festivals and events are acknowledged for improving the quality of life of the local population. They provide occasions for expressing collective belonging to a group or a place, creating opportunities for drawing on shared histories, cultural practices and ideals.

They are an important element in the marketing of tourism. They provide an additional reason for tourists to visit a particular location and can also be the key factor in the tourist's decision to choose one destination over another. They provide enjoyable 'things to do' for visitors, allow informal and rewarding contact with the local population and provide new cultural experiences.

The last fifteen years or so have seen a remarkable rise in the number of events and cultural festivals in cities throughout Europe and elsewhere. International evidence shows that a properly resourced events programme, with a distinctive creative vision, and staged in an interesting and accessible location, can generate significant profile, attract new visitors and deliver substantial economic benefit.

Unlike permanent stadiums and museums, festivals and events are fleet of foot; they're able to switch venues and upscale programming if necessary. They're also much more inclusive. Many are free to the public, utilise existing public spaces and cultural assets, spark interactions among community members and nurture positive images of urban areas, especially those that might need a boost.

Charles Landry in his 2011 profile of the city commissioned by ACC commented that Aberdeen's approach to culture was that it may be 'focusing too much on the issue of cultural participation, and may be overlooking the 'more high-status, representational or image driven benefits that the arts can offer'.

*Aberdeen does not enjoy a cultural profile to match its setting, history, or economic prowess; a city that is perceived as distant and remote from the rest of the UK; and lacks a recognised contemporary cultural identity. Aberdeen needs to be bold in its aspirations to gain its place on the UK cultural map.*

UK City of Culture 2017 Bid

## REVIEW OF ABERDEEN'S EXISTING VENUES AND PUBLIC SPACES PROVISION

We have reviewed the existing provision of venues and public spaces identified in the City Centre Masterplan and with additional provision informed through consultations. We have classified and selected the most relevant to the Aberdeen 365 Events Strategy. These are set out in the table below where we have identified, where possible, the actual or approximate capacities. A summary of each venue and relevant issues that may impact upon their infrastructure or viability and their current programme of activities is also included.

For a city of over 230,350 people, Aberdeen's venue asset infrastructure is well developed, and matches or exceeds many similar sized UK cities. Principal venues are Aberdeen Exhibition and Conference Centre; APA's, His Majesty's Theatre, The Music Hall, and Lemon Tree; ACT community theatre, ACC operated Beach Ballroom; and independent commercial venues, Blue Lamp jazz, and Aberdeen Tunnels live music and club.

The Music Hall and Art Gallery are currently benefiting from a capital investment programme that is expected to deliver significant venue refurbishment. AECC is transferring to a new site delivering 12,500 capacity that will enable an increased event and entertainment programme, providing an essential facility for any aspiring event city.

Hiring suitable performance spaces for concerts and events is an issue for several independent festivals, due principally to a lack of availability caused by venues' regular in-house activities. A number of promoters suggest that there is a need for a mid-size (circa. 400 - 700 capacity) flexible 'arts centre' style venue. The Cultural Mapping of Aberdeen report<sup>1</sup> commented that "the lack of a mid-sized venue may help explain why Aberdeen has no resident ensemble".

Successful public spaces help to animate city centres day and night, and the City Centre Masterplan has the reactivation and connectivity of Aberdeen's existing public spaces as a priority. However, in Aberdeen, outdoor public space can be problematical, specifically:

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<sup>1</sup> BOP Cultural mapping of Aberdeen

- ▶ Urban fabric: the dimensions of public event spaces in the city centre are limiting with no large sized public space. None of the three principal city centre public spaces, Castlegate, Union Terrace and Union Terrace Gardens are ideal for outdoor performance.
- ▶ Logistical: transport issues in the city centre constrain street closures. This will potentially impact on staging major sporting events - marathon, cycle races or City Games.
- ▶ A more co-operative, flexible and understanding approach to the requirements of event practitioners through developing 'event friendly' policies from the council. And limited independent professional event management expertise and resource from those delivering.
- ▶ The Masterplan refers to Castlegate as the 'central civic space'. However, the space is small in scale and compromised by the position of the Mercat Cross. Future development will need to allow for at least part of Castlegate to be a flat floor - and possibly additional performance infrastructure. An open public space would enable activities such as music, dance and street arts festivals, (*e.g. Merchant Quarter Festival, Glasgow*) exhibitions, schools and community performances, food festivals, and Christmas market etc.
- ▶ The Masterplan also proposes Union Terrace Gardens redevelopment as a public hub with performance amphitheatre. This would offer an attractive space for small-scale performance and installations. However, there are logistical issues around public and technical infrastructure access.
- ▶ Broad Street pedestrianisation and the adjoining Marischal Square development will provide a new city centre event ready space, including those previously held on Union Terrace. Although design plans are at an early stage, it has potential as an attractive location for small to mid-scale street based animations and events.
- ▶ Marischal College Quad - as a public courtyard style space - also has potential for small-scale public events interventions (cf. Somerset House, London). However public access is inhibited by the glass doors which designate 'private space'.

Venue/Space	Event Capacity	Venue Overview	Current Programming
<b>AECC</b>	4,800 seated 8,500 standing	Currently located at Bridge of Don. Transferring to new site near Aberdeen Airport in 2019. Will feature arena capacity increased to 12,500 with a moveable stage, greater exhibition space and 3 hotels on site. Its location restricts linkages to city centre.	The AECC hosts over 550 events a year attracting over 207,000 visitors. Entertainment programme is approx. 40 large rock & pop concerts per year, major comedy tours, Disney on ice, sporting events. Core business is exhibitions and conferences
<b>His Majesty's Theatre</b>	1,470 seated	Managed and operated by APA. Located on Rosemount Viaduct, Frank Matcham designed was refurbished and glass extension added in 2005.	Major A-list performing arts venue presenting theatre, opera and dance. Attracts visits from national companies such as Scottish Ballet and Scottish Opera.
<b>Music Hall</b>	1,282 seated 1,500 standing	Managed and operated by Aberdeen Performing Arts (APA) . Category A listed Georgian building located on Union Street. £7m renovation underway to upgrade auditorium & create new spaces. Reopening in 2018 and will have a significant new entrance onto Union Street.	Major venue for classical, pop and folk concerts and comedy shows. On reopening it plans to add more daytime and late night events in a new 100 seat performance space, and more events and activities for young people, children and families and international programming.

<b>Lemon Tree</b>	Lounge 550 standing 300 seated. The Studio 166 seated	Managed and operated by APA. Unassuming, intimate fringe style theatre venue on West North Street.	APA utilises the venue for an artistic programme of up and coming experimental and alternative music, theatre, dance, performance art, comedy, spoken word. Home of the city Youth Theatre.
<b>Arts Centre &amp; Theatre Aberdeen (ACT Aberdeen)</b>	350 seated - fixed rake	City Centre community run multi-arts venue occupying a category A-listed converted church. Managed by Castlegate Arts, a limited charity, dependent on volunteers to keep it running. Its size and proximity to Lemon Tree require it to develop a distinct offer. It is in need of significant refurbishment across front of house, backstage, and stage areas which are limited by tech and access issues.	Artistic Activities: Regular programming by local amateur companies and professional small-scale dance, drama and music companies. Other Activity: Workshops, club meetings; regular exhibitions of work by local artists
<b>Aberdeen Art Gallery &amp; Cowdray Hall</b>	Cowdray Hall 250	The Art Gallery complex on the corner of Blackfriars Street and Schoolhill comprises Art Gallery, War Memorial Hall and Cowdray Hall It will re-open in Winter 2017 after a full-scale transformation project for the Gallery redevelopment to expand exhibition galleries and open up the frontage of the building complex to improve the visitor welcome.	A major provincial art gallery, with exhibitions of visual art, design, heritage, craft, decorative arts. Strong collection of 19th and 20th century English and Scottish as well as contemporary art. Cowdray Hall programmed mainly classical music recitals; occasional dance performances. conferences

<b>Queens Links &amp; Beach Esplanade</b>	In excess of 10,000	Area comprises of open land and beach footpath adjacent to busy dual carriageway which is known to cause issues in respect of road closures affecting local residents at major events. Queens Links used for major touring tented entertainment. Performance infrastructure required: Mobile stage; electricity power supply points; performer changing space. For audience: Road closure, shuttle bus/park & ride, signed safe walkways.	Large scale circus, light entertainment shows (Ladyboys of Bangkok), Aberdeen fireworks display, and community sporting activities, e.g. weekly Park Run, annual charity Color Run.
<b>Aberdeen Sports Village</b>	500 Aquatics Centre	Located in Seaton areas, the ASV is a joint venture between ACC and University of Aberdeen. A new purpose-built venue, its facilities include indoor and outdoor athletics tracks, sports halls, full-size indoor football pitch, aquatics centre comprising 50m pool and diving pool. Its audience capacity is too small to attract or afford major international events and Aberdeen's location hinders attracting UK events.	Events have included: Commonwealth Water Polo Championships, and Europe U21 Netball Tournament. Host in 2020 LEN European Swimming & Diving Junior Championships. It was a 2012 Olympics training camp. It also hosts the annual Golden Games.
<b>Hazlehead Park</b>	30,000 (attendance at Northsound 2007)	Hazlehead Park is a large public park in the Hazlehead area. 180 hectares in size, it was opened to the public in 1920. Ticketed event would need significant fencing structure to stop unauthorised entry.	Aberdeen Highland Games, Celebrate Aberdeen, Enjoy Music Festival The park has a significant collection of sculpture.

<b>Duthie Park</b>	Approx. 5,000 (main grass area)	Situated by the banks of the River Dee, well located close to city centre good distance from built up residential area. Attractive grass area for public events. Ticketed event would need significant fencing structure to stop unauthorised entry.	Hosts BP Big screen opera in the park 1 night each summer
<b>Union Terrace Gardens</b>	Approx. audience capacities (central grassed area) 1,800. 2,500 Standing. 800 Seated (picnic) or 1,800 (theatre style)	Union Terrace Gardens in Denburn Valley stands close to mid-point of Union Street. It has been a public park for two centuries. Steep sides of ravine afford some protection from elements but cause access issues. Performance infrastructure: Flexible performance space (mobile flat floor or raised stage); electricity power supply, water and drainage at underground points; vehicle access for unloading, performer changing space and artists' parking.	Host venue of: Spectra, Winter Festival, Celebrate Aberdeen, community concerts and events



<b>Union Street</b>	In excess of 100,000 along paved extent	<p>The City's principal street is a straight mile long thoroughfare with outstanding vista. Currently major issues exist in events requiring road closures. The Masterplan's proposed removal of cars and rationalisation of bus infrastructure also with expanding pedestrian footway will deliver a major opportunity to create a safe environment street activities environment and as a location for major events.</p> <p>Performance infrastructure required: Mobile staging; electricity power supply points; performer changing space.</p>	Events use is primarily parades: Armed Forces Day, ATUC May Day, Celebrate Aberdeen, Christmas Lights Switch-on, and Winter Festival Reindeer parade. Celebrate Aberdeen's Union Street Mile running event.
<b>Union Terrace</b>	Approx. 2,000 on pavements	<p>Union Terrace links Union Street and Rosemount Viaduct and His Majesty's Theatre. Although a visually attractive thoroughfare it's narrowness and residential properties &amp; parking on one side do not make for a satisfactory event space. It also requires road closures for events.</p> <p>Performance infrastructure required : Mobile stages; electricity power &amp; water supply at underground points; Road closures, Market Stalls, vehicle access &amp; parking for traders unloading</p>	Winter Festival market, Continental street markets

<b>Broad Street with Marischal Square</b>	In excess of 10,000	The Broad Street pedestrianisation and the adjoining Marischal Square development will provide a new city centre event ready space. Although design plans are at an early stage, it has potential as a location for mid to large scale street based animations and events. Performance infrastructure required: Mobile staging; electricity power and water supply points; performer changing space.	N/A
<b>Castlegate</b>	Approx. 2,000	Historic market place considered in Masterplan as the 'central civic space' for Aberdeen forming a desired destination at the end of Union Street. The space, surrounded by less than family friendly properties, is small in scale and severely compromised by the intrusive central position of the Mercat Cross. As an event space its most critical requirement will be for a flat paved floor + installation of power & water.	In 2016 events include: Christmas Tree and lights switch-on ceremony; Look Again Festival's Mirrored Pavilion installation; Aberdeen Oktoberfest with marquee erected for 1,000 people.
<b>Marischal College Quad</b>	300	Located in a landmark building the quadrangle courtyard space is within City Council offices. Public access through impressive gothic has entrance impeded by glass doors. The Quad is affected by swirling gusts of air Performance infrastructure required : Mobile staging; electricity power and water supply points	Irregular use for small touring exhibitions (Oor Wullie) and location for registry wedding photos.

<b>St Nicholas' Roof Garden</b>	200	The roof garden is situated above St Nicholas and is accessible from Upperkirkgate and St Nicholas Street. It incorporates a children's play area, picnic area, seats and display of flowers. This detached multi-level area has limited open space or good sight-lines to accommodate audiences.	A venue for Jazz Festival's Jazz on the Green AIYF and True North festival performances
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## ABERDEEN'S CURRENT EVENT PROGRAMME

Aberdeen's programme suggests a city that has only recently discovered cultural festivals and events and does not yet have major attractions to pull in audiences and visitors. There are a limited number of small-scale professional festivals and events but with one or two notable exceptions, these lack scale and ambition and have not achieved profile beyond the city. However, there is now a broad based resolve to exploit the potential of festivals and events to enhance the city brand and as an economic stimulus.

In the course of this work we reviewed a number of European comparator cities that are widely recognised as exponents of best practice in the strategic co-ordination and promotion of festivals and events (report available separately). Although there are variations in governance and operational models, they present a number of consistent themes which Aberdeen can learn from:

- ▶ Primarily for citizens recognising that local audiences are what sustain the event and ensure they support public sector funding decisions
- ▶ Successfully challenged/changed external perceptions, and increased pride and self-confidence of residents in their city
- ▶ Exploit the authenticity and distinctiveness of the city
- ▶ Provide a crucial stimulus to tourism
- ▶ Major headline events supported by a year round programme of smaller events.

***Horsens** re-invented itself utilising festivals and events to alter residents perceptions and change negative city brand. **Reykjavik** used cultural events to change attitudes and increase pride and self-confidence of residents in their city. **Rotterdam** uses festivals and events to build a contemporary creative city narrative, celebrate cultural diversity, and strengthen identity as globally prominent city.*

Aberdeen City Council's 2013 Cultural Mapping Report<sup>2</sup> noted that "Aberdeen's festival offer, though varied and often strong, is rather 'niche' in its appeal – indeed, its strongest elements are often its most specialised". We agree that the majority of festivals and events are specialist in nature, small in scale, and in the process of finding their feet, both artistically and financially. SPECTRA apart, most have yet to attract large audiences.

As a seaport with strong international ties and cosmopolitan population, Aberdeen events and festivals programming is unexpectedly more about 'local' than 'international'. The current programming is primarily aimed at Aberdeen residents, demographically already considered 'culturally confident'. The localness is demonstrated in that 90% of audiences live in or close to the city<sup>3</sup>. Reykjavík also views festivals as principally for its citizens; however, it has used the benefits of local authenticity to build high quality events that also deliver tourism and wider objectives.

The Aberdeen festivals and events programme possesses elements that reflect the distinctive and unique culture of the North East of Scotland<sup>4</sup>. There is also a contemporary (and sometimes challenging) artistic perspective which positively replicates the city's global business reputation for innovation and technology. However, this is at variance with an internal perception that Aberdeen's events are inhibited in the face of a cautious, risk averse city that is not comfortable with the new and untested.

Many events are multi-venue, both promoted indoors and outside. A number prominently use the backdrop of Aberdeen's city spaces and architecturally striking buildings to deliver site specific events. On the margins of the city centre the Beach Esplanade is used for touring tented circus, light entertainment shows, and sporting activities, whilst Hazlehead and Duthie Parks are used for both cultural and community events such as Aberdeen Highland Games, Celebrate Aberdeen and BP Big Screen.

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<sup>2</sup> BOP Cultural Mapping of Aberdeen 2013

<sup>3</sup> Aberdeen Festivals 2015 Catchment Analysis (Culture Republic)

<sup>4</sup> Creating a New North RGU

## ISSUES AND CHALLENGES FOR ABERDEEN

The UK City of Culture bid states that “Aberdeen’s association with the oil industry, comes at the cost of being considered a culturally vibrant city ... the city’s location in the North East of Scotland has led to a perception that it is nationally and internationally isolated from the main cultural centres and this in turn has led to reluctance by national and touring cultural organisations to make or present significant work in the city”.<sup>5</sup> This view is widely held in the city.

Aberdeen has proportionately low investment by the arts funding system; only Citymoves Dance Agency, Peacock Visual Arts, Aberdeen Performing Arts (APA), Edinburgh based Centre for the Moving Image (CMI) which runs Belmont Cinema, and Jazz Scotland producers of Aberdeen Jazz Festival are supported by Creative Scotland as Regularly Funded Organisations, although project grants have been made to Sound and LookAgain festivals.

Aberdeen’s relationship with Creative Scotland appears to be improving, but there remains an expectation of handouts rather than proactively demonstrating to Creative Scotland what additionality Aberdeen offers within the wider Scottish national context.

Event Scotland has provided Aberdeen organisations with only a small level of grant funding. During 2016 the University of Aberdeen and LookAgain had grants for projects linked to the Year of Innovation, Architecture and Design. Despite positive intentions expressed by Event Scotland, Aberdeen is largely seen as focusing on local events with no event in its portfolio that currently fits Event Scotland’s mega (e.g. Commonwealth Games) or signature events categories (large scale, iconic events which confirm Scotland’s status as a world leading international events destination e.g. Edinburgh’s Festivals, portfolio of golf events including regular staging of Open Championships).

Aberdeen has a small professional arts sector, with an absence of nationally established professional performing arts organisations resident in the city unlike most comparator cities which have established creative practitioner ecologies.

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<sup>5</sup> Illuminating the North UK City of Culture 2017 Bid

The two Universities are significant festivals and events stakeholders playing influential roles in the city's events programme as 4 out of the 10 Aberdeen Festivals members. These 4 are either promoted by a university (MayFest, a University of Aberdeen campus-centric event) or very reliant upon them (TechFest, Sound, LookAgain). Often university events are as much about public engagement and research objectives than having a wider purpose. University of Aberdeen also runs the Aberdeen Sports Village in partnership with Aberdeen City Council.

Despite the numbers of creative graduates educated in Aberdeen, the city struggles to retain talent. It is suggested<sup>6</sup> that "creative talent is therefore understandably attracted to the already established scenes and opportunities that Edinburgh, Glasgow and London offer".

Sponsorship for the city's festival and events over the past 18 months has seen a dramatic reduction due to the downturn in oil and gas sector. Available funding seems to be going to Corporate Social Responsibility activity rather than cultural sponsorship.

There is frustration across the creative sector at the city's lack of confidence and self-belief: that it promotes an insular mentality that has cultivated an un-cohesive and un-collaborative cultural sector, with motives often being financially driven for a "share of a funding pot" rather than working collectively together for the good of the city.

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<sup>6</sup> Illuminating the North UK City of Culture 2017 Bid

### The Role of Aberdeen City Council

Various issues were voiced by those we consulted with regarding relationships with ACC. These are listed below with our thoughts on how these might be addressed.

- ▶ The challenge for the future development of events and festival in Aberdeen will be the support given for a consistent strategic approach by both Aberdeen City Council's members and senior executive
- ▶ Fragmented funding schemes across a range of ACC departmental budgets is a major issue. There is a fundamental need to consolidate funding streams into a single budget with strategically driven programme objectives and clear and transparent criteria.
- ▶ Funding decisions are frequently made too late in the event events planning process have serious ramifications on programming and event management arrangements. The grant process should recognise the need for major events to plan at least a year in advance of the event. The funding policy should introduce a 3 year funding programme for major events with an annual funding round for smaller scale events. Delegated authority to officers will help to speed up decision making.
- ▶ Understanding that festivals and events require breathing space to bed-in and grow, and that demands for immediate results are unrealistic. A three year funding programme with clear objectives for each year of support will enable more security for the events
- ▶ Ad hoc decision making and lack of focus on strategic outcomes. The adoption of a strategic approach and consistent application of funding criteria
- ▶ The grant portfolio contains some festivals that receive relatively generous funding seemingly based on historic precedent rather than any relationship to their current quality or impact. This partiality would be addressed in the implementation of more rigorous funding criteria
- ▶ Requirement for Aberdeen to bid for and procure major sporting and cultural 'blockbuster' events. All comparator cities have access to a designated bidding fund for making pitches. This investment is normally generated from one or more of grant allocation, reserves, business tax or hotel tax
- ▶ An improved collaborative partnership between ACC and Aberdeen Inspired that avoids competitive commissioning, funding and event delivery. This will be critical to the delivery of a joined up events strategy that will contribute a step change for city based events activity.



### Aberdeen City Council Events Budgets

We have attempted to identify the total budget for supporting the events programme in the city. This information has been difficult to fully quantify due to a lack of clarity and budget accountability across relevant ACC departments as to the full cost of the events. The table below summarises our findings:

<b>City Events Programme</b>	
Revenue	£175,000
Other expenditure	£70,000
	<b>£245,000</b>
<b>Common Good Fund</b>	
	£325,000
	<b>£325,000</b>
<b>Culture Programme</b>	
Granite Noir	£40,000
Spectra	£230,000
Beach Ballroom	£20,000
True North	£40,000
Youth Arts Hub	£50,000
Creative Spaces/Make	£75,000
AAG Closure	£40,000
Library events	£35,000
Year of History	£110,000
Made in Aberdeen	£20,000
Festivals Collective	£50,000

Diamond Jubilee/Travel	£20,000
	<b>£730,000</b>
<b>Core Funding</b>	
AIYF	£122,393
	<b>£122,393</b>
<b>Commissioned Development</b>	
Dancelive	£20,000
Sound	£18,000
Jazz Aberdeen	£11,250
	<b>£49,250</b>
<b>Total</b>	<b>£1,471,643</b>

## 4 STRATEGIC APPROACH

### STRING OF PEARLS

It is imperative that Aberdeen's offer should be framed around high octane, big impact cultural and sporting highlights to achieve the ambition for events in the city. However potential audiences are limited by the local population catchment which makes it challenging to deliver events of the required scale. In addition Aberdeen also has a number of high quality 'niche' festivals which, while never likely to attract huge audiences, are of a quality and standard to support the positioning of the city as a vibrant, happening place.

Our vision is therefore of a **String of Pearls**. A strategic approach constructed on an annual calendar of **Headline** (major) and **Feature** (niche, specialist) events and festivals that punctuate the year with something happening each month.

These would be delivered as stand-alone events of national and international status – most home-grown but some bought in - or as a series of events branded under umbrella themes e.g. Summer / Winter festivals.

### EVENTS CATEGORIES

We propose that Aberdeen's events and festivals are classified under four distinct groups:

#### Headline Events

These are established, new start-ups or bought-in events that can secure a national and international profile for Aberdeen and attract large numbers of visitors. The aspiration should be for innovative events that: display excellence in quality and high levels of ambition; deliver major impact; can attract new audiences; will be of level of impact to achieve significant media coverage; and will generate more overnight stays in the city.

They will primarily consist of work not previously seen or performed in Scotland. This programme of annually recurring activities would be supported by procured one-off events of national or international status. From the current programme, only SPECTRA verges on achieving Headline status.

### Feature Events

Established, growing or one off events that have potential and ambition to achieve national profile and attract visitors to the city. They may currently lack the resources to achieve these goals but will clearly be able to demonstrate how - with enhanced funding and programming - they can deliver strong artistic quality and high levels of ambition, achieve greater public profile and attract visitors to the city. We suggest that Aberdeen Truenorth, Sound, DanceLive and LookAgain have the potential to be Feature Events.

### City Events

These are cultural and sporting events delivered at city level that although of a recognised quality are predominantly aimed at residents with have limited impact or attraction to visiting audiences beyond Aberdeen environs. We suggest that Aberdeen Jazz Festival, Aberdeen International Youth Festival and Celebrate Aberdeen currently fit this category. We would group touring tented circus and light entertainment shows that take place on Queens Links, Beach Boulevard as city level events.

### Community Events

There are a number of smaller scale community or community of interest festivals and events taking place across the city which although important for those communities will not be part of the Aberdeen 365 approach. These included thos taking place in Duthie and Hazlehead Parks and communities such as Torry. ACC provides advice and guidance, and runs several grant schemes including the Common Good and Community Festive Funds which eligible organisations can apply to for project funding. The rationale for funding them lies outside the objectives identified for Aberdeen 365.

### STRING OF PEARLS EVENTS

We have reviewed Aberdeen's current events and classified them according to the proposed strategic framework. It is important to note that this categorisation is in terms of what events are currently delivering. Under the new strategic approach there should be the opportunity for all events to 'step up' - to grow, develop or enhance their programme against the criteria for each category. We have provided various comments and suggestions for each below:

### Headline Events

- ▶ **SPECTRA**, an ACC event, is a light festival that uses the architecture and spaces of urban Aberdeen. It has shown that the city's residents are receptive to innovative work with significant artistic impact. However, compared to comparator light festivals (Lumiere Durham; Fetes des Lumieres, Lyon; Glow Festival, Eindhoven) SPECTRA is doing so on a relatively low budget. This restricts its vision and ambition and it ultimately falls short of providing the 'wow'<sup>7</sup> factor. A more substantive budget would enable the commissioning of leading international light installation artists, creating uniquely site specific work effectively using public spaces such as the length of Union Street.

### Feature Events

- ▶ **Truenorth** is a product of APA's championing of culture in the North East. The 2016 programme places greater emphasis on a broader less regionally distinctive, singer songwriter genre. In the future, a fusing with APA's own Northern Arc roots music themed programme could potentially provide a festival with as uniquely distinguishing an offer as Glasgow's Celtic Connections.
- ▶ **LookAgain**, produced by Aberdeen based SMART in partnership with RGU, is a festival that aims to get "residents curious about their own city". It has the potential for a bigger scale. As an outdoor event it could advantageously relocate to the summer. A major step change in this event could be delivered through the additionality of collaborating with Stavanger's 'Nuart' currently being pursued by Aberdeen Inspired. Consideration should also be given to programming outdoor performance arts to animate the City centre. These elements could deliver a unique and innovative festival with international scope, engage broader audiences and build capacity, whilst remaining authentically grounded in Aberdeen
- ▶ **Sound** led by the University of Aberdeen and Woodend Barn promotes Scotland's 'leading festival of new music'. It provides a rare instance in Aberdeen of a cultural event of national status, attracting national profile and media coverage. However it is specialist and so unlikely to achieve more than modest visitor impacts nor engagement with wider local audiences.
- ▶ **DanceLive**, established 10 years ago, is the only festival of contemporary dance in Scotland. It is organised by CityMoves dance agency which is preparing to become independent from ACC. The current aims of the Festival are to present new work from guest companies, and provide a national showcase for dance and choreography from the region. The cultural mapping of Aberdeen report (ibid) states that "Contemporary dance would seem

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<sup>7</sup> Regeneris Consulting UK CoC Feedback Points

to be the art form in which Aberdeen is closest to having a nationally significant presence". However the future development of the Festival will require: a cogent and consistent programming policy; an artistic director with high-level professional expertise and networks; addressing the lack of a dedicated dance house; dance education in the city to build required dance ecology, attracting and retaining professional and aspiring dance artists (cf. Dance City Newcastle, Deda Derby).

### City Events

- ▶ **Aberdeen Jazz Festival** has grown out of the city's intimate Blue Lamp jazz club. Its programming and scale limits its national profile beyond contemporary jazz cognoscenti. In 2016, investment from Aberdeen Inspired and local traders enabled it to promote *Jazz on the Green*, events in outdoor spaces across the city centre's Merchant's Quarter, Belmont Street, Union Square and St Nicholas Street. Jazz on the Green provides a benchmark for future city centre events in the city.
- ▶ **Enjoy Music** an outdoor one day pop music festival in its second year, produced by local music promoter Digital Love, it takes place in early June in Hazlehead Park. The event is small-scale but is the only pop/rock style festival of its kind in Aberdeen and offers potential for growing, either in situ or as a 'park & city' festival such as Sheffield's Tramlines inner city music festival, where live music venues and promoters collaborate to curate stages and venues across the city.
- ▶ **Aberdeen International Youth Festival** is over 40 years old and is generally considered to be a tired format trading on past reputation. It fails to display the innovative spark of new, fresher festivals, nor effectively uses the festival to showcase Aberdeen's aspiring young talent. It has a limited appeal beyond a demographic audience that "contrary to the name of the festival, the International attendees noted in the total [Aberdeen Festivals Catchment] analysis, did not attend this festival"<sup>8</sup>. The prevailing view is that AIYF survives due to political influence rather than to any judicious evaluation of its quality, benefiting from an ACC grant that significantly exceeds any to other festivals. A more participatory youth music concept to run under a summer festivals umbrella could be delivered by a specialist music tours operator (cf. Harrogate Youth Music Festival) in collaboration with ACC Schools & Music Service, with savings transferred to city festivals that more effectively fulfil Event Strategy criteria.

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<sup>8</sup> Aberdeen Festivals 2015 Catchment Analysis, Culture Republic

- ▶ **Celebrate Aberdeen** offers the conceptual potential for a large-scale, participatory city-wide cultural event (cf. Rotterdam's Zomercarnaval). It incorporates community performing arts activities yet it appears to have little engagement with the 'professional' cultural sector in the City. The City of Culture bid identified that "there is a struggle to attract talent to the city ... and that while the city's amateur cultural scene is strong, the routes between amateur and professional are non-existent". Upscaling the event beyond the parade to incorporate more cultural organisations and collaborative participation, could provide a unique celebration of Aberdeen (e.g. block buster Art Gallery exhibitions, live concerts in Music Hall, aspiring DJ in The Tunnels ) providing an attractive proposition for visitors (cf. Reykjavik Culture Night). It could additionally offer gateway opportunities for skills development to aid future cultural capacity building.
- ▶ **BP Big Screen** The annual screening of a Royal Opera House broadcast of opera and ballet in Duthie Park has limited popular appeal and free entry delivers a poor return on ACC's £20k investment. However, open air and pop-up cinema has seen massive growth in recent years garnering popular and wide appeal in the UK. Using carefully selected settings for a mobile screen (e.g. pedestrianised Broad Street, city parks or the beach) aligned to attractive family programming and a mobile screen could achieve greater impact at a significantly reduced cost.
- ▶ **Granite Noir** is a new crime festival to be launched in February 2017. It will be a partnership of Aberdeen Performing Arts, the Anatomy Rooms, Belmont Filmhouse and ACC's Library and Archive Services. Its aim is to be rooted in the City's location and landscape and explore unusual spaces and places. As the best-selling literary genre, crime fiction festivals have expanded rapidly across Europe over the past decade Granite Noir will need to work hard to attract significant audiences or profile outside the city.

## NEW EVENTS

The current programme could be enhanced by new events – home grown and bought-bought in. We have identified the following as opportunities (which are developed in more detail in the operational report)

### Home grown Events

- ▶ **Aberdeen Winter Festival** - Aberdeen has a series of events that punctuate key moments in the winter calendar ranging from the Beach Esplanade Fireworks in early November, through Christmas lights, Christmas Village and Hogmanay through to SPECTRA in February. Aberdeen Inspired has recognised the benefit of high profile events during the Christmas season to enhance the City's reputation as a festive retail destination and to attract visitors. Aberdeen needs to offer more than the ubiquitous 'faux' German chalet proposition of many UK Christmas Market cities, but stamp a distinctive marker as a UK Christmas destination. This could be achieved by promoting Aberdeen region's crafts, produce and entertainment alongside the international northern arc links. However, to achieve this will require a fully functioning collaborative partnership between ACC and Aberdeen Inspired, which does not currently exist. It should also engage more widely to ensure both a joined-up approach and creative input. The potential exists to build the 'Winter Festival' brand. A distinctive, authentic and creative, promotional 'umbrella' branding that creates the opportunity to increase the national and international profile of Aberdeen as a winter visitor destination. The Winter Festival programme will be essentially framed around high-profile events, but should also integrate the City's wider cultural offer promoting theatre shows, seasonal concerts, and distinctive exhibitions.
- ▶ **Aberdeen Summer Festival** - An umbrella Summer Festival brand between June and August (cf. Cardiff Festival summer-in-the-city) would promote events such as, Aberdeen Highland Games, Enjoy Music, AIYF and Celebrate Aberdeen. It could also incorporate the Energetica Festival and Taste of Grampian (if extended to a regional + city multi-event format). LookAgain as an outdoor city event would benefit from repositioning to the summer.
- ▶ **Food & Drink Festival** – this could take Taste of Grampian as a jumping off point for a week-long festival to promote local food and drink and to encourage off-season tourism. Local restaurants, cafes and pubs would participate by adding locally sourced dishes to their menus. Food and drink trails and events across the region

*Reykjavík has a growing reputation as an alternative Christmas destination; Turku, is identified as the official 'Christmas Capital' of Finland where events are organised by the city during this period.*

*York Food & Drink Festival is a 10 day event run in partnership with York City Council. The festival focuses on Yorkshire food and drink, produce and chefs and restaurants. Around 400,000 visitors attend.*



could further boost its appeal.

- ▶ **Summer Screen** – outdoor screening using a mobile inflatable screen
- ▶ **Music Festival** – the programme could benefit from an outdoor music festival. This could either build on Enjoy Music or be new.
- ▶ **Midsummer Festival** – the long summer days provided an opportunity for some sort of midsummer celebration – music, culture or lighting eg a summer edition of SPECTRA.

### Bought in Events

Aberdeen's annual calendar of events should be supported by big impact, cultural and sporting events that are procured as one-off events of national or international status.

- ▶ **Outdoor Sporting Events** - Tour of Britain cycle race, UCI World Road Race Championships, WTC Ironman championship; Swatch FIVB Beach Volleyball World Tour; ITU Triathlon World Championship Series, and IAAF Half Marathon. These events would benefit from a city and shire collaboration and joint proposition.
- ▶ **Great Aberdeen Run & Great City Games**- Great North Run Company has been approached to create the Great Aberdeen Run, as part of the national Great Run Series. It is worth noting however that Event Scotland does not invest in the Great Scottish Run as they consider nothing unique about it. A possible future outcome is a City Games on Union Street attracting world-class athletes.
- ▶ **Indoor Sporting Events** - Aberdeen Sports Village (ASV) has proven capability and market knowledge to attract international sports championships to Aberdeen. Its Business Strategy sets out its intention to "identify and aim to host a minimum of 4 international level events and 8 national level events per year". However, there is usually a significant cost in the competitive process to procure major events and ASV will require pitch investment funding in order to bid for prestigious events that match Headline Events criteria.
- ▶ **Sea based events** - connectivity to the sea and maritime history is lacking from the current events programme. This could be addressed, for example, by a visit from The Tall Ships Race or a Tall Ships Regatta to coincide with the opening of the new Nigg Bay harbour.

- ▶ **AECC** - The AECC has proven success in delivering major international business conference and events. It is the venue for the Offshore Europe conference and exhibition, an event that is widely regarded as providing an opportunity for a public celebration and cultural showcase, comparable to the Stavanger ONS Festival. This is likely to have good sponsorship potential and a positive role for the universities. The new 12,500 capacity AECC at Bucksburn opening in 2019 will have the potential to host large scale cultural and indoor sporting events which would boost and validate Aberdeen's national and international profile as an events city. Potential events could include **MTV Europe Music Awards, MOBO Awards and BBC Sports Personality of the Year**
- ▶ **Spectaculars** – a quick (but not cheap) way to achieve something of scale is to buy in 'spectaculars' such as Liverpool's Spider or Hull's Place des Anges. UK cities' investment in urban outdoor performance spectacles provide demonstrable visitor impacts and media coverage. Using established international companies could deliver high profile, impactful events in a relatively short time-frame.
- ▶ **Commissions** – special commission are neither quick nor cheap but they have the benefit of being original, of the place and reflecting the city's narrative; and the potential to attract media attention and visits. Manchester International Festival has built a considerable reputation for the city through a festival entirely dedicated to original commissions.

## 5 MAKING IT HAPPEN

### FUTURE SUPPORT STRUCTURES

We have considered whether support for the different types of festivals and events in the City should be combined under one department or organisation. We feel that there are many synergies between sports events and cultural events both at a logistical and promotional level. We also believe that it is important to engage with cultural community festivals. Ideally one body should be responsible for commissioning, bidding for, co-ordinating and, where necessary, directly delivering events in order to achieve the objectives of the Events Strategy and make most efficient use of resources.

We recommend establishing a comprehensive **Events Unit** to support, develop and fund the sector in the city, working in partnership with other key funders including Aberdeen Inspired, Creative Scotland and Event Scotland.

### In-house or outsourced

We have looked at other models in the UK and Europe and summarise the advantages and disadvantages of outsourcing vs. keeping support within the Council as follows:

Outsourced	In-house
Advantages: <ul style="list-style-type: none"> <li>▶ Strong, long- term commitment for festivals</li> <li>▶ Quicker decision making and reduced bureaucracy</li> <li>▶ Ability to fundraise and partner</li> <li>▶ Less subject to changing political priorities</li> </ul>	Advantages: <ul style="list-style-type: none"> <li>▶ Can be set up quickly and cheaply</li> <li>▶ Does not require long-term commitment</li> <li>▶ Closer liaison with council departments</li> <li>▶ Access to council support services</li> </ul>

<p>Disadvantages:</p> <ul style="list-style-type: none"> <li>▶ Requirement for minimum 3-5 year financial commitment from Council</li> <li>▶ Larger organisation required</li> <li>▶ Difficulty and cost in procuring an arms-length organisation</li> </ul>	<p>Disadvantages:</p> <ul style="list-style-type: none"> <li>▶ Not easy to fundraise</li> <li>▶ Council bureaucracy can hold up decision making</li> <li>▶ Subject to political interference and changing political priorities</li> </ul>
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**Glasgow Major Events Forum** was established in 2005 by Glasgow City Council bringing together public and private agencies with the aim of developing Glasgow as an events city. The Forum agreed a programme of events and targets for bought-in events through to 2020. An appraisal model was developed with clear criteria for any event supported through the Forum. The Forum is chaired by the city council and included Glasgow Life (outsourced leisure and cultural services, Scottish Enterprise, SECC and others). The DMO – Glasgow City Marketing Bureau – take a leading role in delivering the strategy, marketing and bidding for events.

**Festivals Edinburgh**, a strategic umbrella organisation created in 2007 by the Directors of Edinburgh's 12 major festivals has the sole focus to maintain the Festivals' and Festival City's global competitive edge, via major collaborative projects and strategic initiatives. Its mission is to:

- act on behalf of and represent the collective strengths of the Edinburgh Festivals
- develop and deliver collaborative projects and initiatives which support growth, product development, leadership and audiences
- help sustain the Festivals and Edinburgh and Scotland's pre-eminence as the world's leading festival destination.

It is funded by members with project funding from City of Edinburgh Council, Creative Scotland, EventScotland and Scottish Government which come together as a **Festivals Forum** with other strategic partners and a remit to ensure that Edinburgh maintains its position as the pre-eminent Festival City.

## Options

1. **Enhanced Status Quo** ‘Virtual’ team approach as tasks, roles and decisions remain in current ACC Cultural and Events departments. Disparate funding pots consolidated into a single budget and bid process.
2. **New Dedicated Events Unit.** Situated within ACC that brings together staff from Cultural and Events departments. Disparate funding pots consolidated into single budget and bid process. Independent stakeholder Steering Group established ensuring delivery of the Event Strategy with responsibility for setting strategic priorities, commissioning Headline Events, and managing the distribution of events funding.
3. **Events Aberdeen** sits as an arms-length external stand-alone independent not-for-profit organisation (Rotterdam model) or set-up within Visit Aberdeenshire (Reykjavik model). Disparate ACC funding pots consolidated into a single budget and transferred under a service level agreement to Events Aberdeen which would also manage the bid process funding events. It would act as liaison with ACC for sector policy and operational matters across the events and festivals sector. An independent board will be responsible for setting strategic priorities, commissioning Headline Events, and decision making in approving funds

Events Aberdeen would be headed up by a proven high calibre events professional with excellent national and international networks. Working to the Board the role will be responsible for managing and maintaining key stakeholder relations, guiding and managing the overall programme strategy, actively seek and create consortium bids for major events, and to have general management responsibility for Events Aberdeen

On balance, we recommend initially establishing a New Dedicated Events Unit within the CEO’s office of Aberdeen City Council. The Events Unit should be reviewed and evaluated after 3 years and consideration given to Option 3.

## SERVICES

The principle underlying the operation of the unit is to create a single approach to festivals and events that the city wishes to see succeed, and provide a co-ordinated approach to helping them achieve their potential. It would provide:

### Programme Development

The Events Unit will act as an enabler, commissioner, and facilitator rather than a direct deliverer of events. The programme would be developed and advanced through a process of stakeholder engagement, commissioning and collaborative working to create and shape a high-quality annual calendar of activity. Opportunities should be taken to broker linkages among events organisers, encourage use of public spaces and manage a clash diary for the city.

### Broker and navigator within the City Council

This has been identified as a key role in supporting existing and new events. The Events Unit would be a single point of contact for festivals and events with good working relations with relevant council departments including licensing, highways, cleansing, property and communications. Close relationships with external agencies such as the police and emergency services, Aberdeen Inspired, Aberdeen Festivals, Aberdeen Culture Network, Creative Scotland and Event Scotland would be required.

### Manage the investment process

Using clear criteria (see below) for funding of events at each level of Headline, Feature City and Community layers, it would support and advise applicants and manage expectations. Staff would make recommendations to the Steering Group for decision.

### Procuring and commissioning events

Using clear criteria, the Events Unit would engage with local, national and international external organisations and agencies to identify and bid for one-off Headline sporting and cultural events. Staff would make recommendations to the Steering Group for approval and bid funding sign off. An essential criterion would be that an external local lead or co-partner(s) is secured. The priorities of the national events strategy and national themed years will be another driver.

### Community Events Management Support

The ACC City Events team has provided hands-on management advice and guidance to community events - this is not a role that would be expected for a dedicated Events Unit.

Community grant applicants should be directed to the EventScotland practical guide to event management which provides a resource of general advice and support material for event managers. Primarily, designed as a support tool for the National Events Programme it is also relevant to the wider events sector providing a useful step-by-step guide to the planning process, together with sample checklists and adaptable templates.

[www.eventscotland.org/development/our-key-publications/event-management-a-practical-guide](http://www.eventscotland.org/development/our-key-publications/event-management-a-practical-guide) .

A community focused Event Toolkit which could be tailored to Aberdeen's particular needs and requirements has been produced by Dumfries & Galloway. [www.eventscotland.org/development/our-key-publications/downloads/get/119.pdf](http://www.eventscotland.org/development/our-key-publications/downloads/get/119.pdf) .

We recommend that applicants should be required to demonstrate effective project planning and how they would deliver a quality event even at local level. However the rigorous requirements for larger scale events are less relevant and can be onerous for small scale community events so we recommend that the City Council reviews how this can be loosened within the constraints of licensing and health and safety.

One option might be that all outdoor events receiving funding could be required to engage a professional event manager to prepare the Event Management plan as part of the funding agreement. This professional input would allow the Events Unit to have a lighter-touch regime.

### STAFFING

A dedicated Events Unit would bring together currently dispersed staff with responsibility for events, management of city spaces, health and safety/SAG and marketing within the Office of the Chief Executive. This model has been successfully applied in Rotterdam and Stavanger among other cities and ensures better focus, less duplication and less confusion around the delivery of the strategy. It is more effective and efficient and will ensure that staff are working as one team to consistent priorities and objectives. It will be for the city council to determine numbers of staff and management arrangements within the new Events Unit but we suggest the following posts and experience as a starting point:

- ▶ **Director** – General management responsibility for the Events Unit; combines both strategic direction and overseeing commissioning programme; responsible for managing and maintaining ACC and key stakeholder relations; ensure single investment fund managed to deliver strategy, and monitor delivery to agreed budgets. Experience in the management of diverse major events; extensive UK and international networks.
- ▶ **Project Manager** – Unit's interface with the existing events and infrastructure in Aberdeen; provide guidance on quality and ambition of proposals. Track record in collaborative partnership working essential with knowledge of the national events scene and key stakeholders desirable
- ▶ **Technical & Operations Manager & Assistant Technical & Operations Manager** - Ensuring all events fully compliant with ACC risk assessment and health & safety procedures, advise events producers where necessary on production issues including: licensing and permissions; health & safety; stewarding; and sustainability best practice
- ▶ **Development Manager** - To cultivate & champion commercial and public sector partnerships; acquire investment for commission projects
- ▶ **Marketing & PR Manager** promote the Events programme as a whole rather than for individual projects; work with events and VisitAberdeenshire to maximise all resources to increase the effectiveness of individual event' marketing.
- ▶ **Finance Manager** - administer the day to day financial activities of the Unit. This will include ensuring financial compliance for ACC and public sector funders.
- ▶ **Events Co-ordinator** – provides administrative support to the Unit and co-ordinating the Community Programme.

This arrangement should be in place as soon as possible so that work can begin on the next year's events programme as soon as possible.



## GOVERNANCE

Ideally the unit would be a partnership initiative with other stakeholders closely involved in setting priorities, providing funds and support. The Events Unit should therefore have an independent Steering Group, with one or two Council members involved to ensure democratic representation. Other group members could include: Aberdeenshire Council; Aberdeen Inspired, Visit Aberdeenshire, AECC, ONE, a commercial sponsor such as Statoil, and up to three representatives from Aberdeen's cultural and sports sectors. We recommend keeping membership at a maximum of 9 to facilitate effective decision making, with appointments made on a rolling basis for 3 years.

We would hope that Creative Scotland and Event Scotland would be represented on this group and that this might lead to shared investment decisions. We recommend that an independent Chair, with proven high-level events knowledge and influence, is appointed by the Council (cf. Liverpool appointed Phil Redmond cultural ambassador for its cultural partnership to create a world-class calendar of cultural events and activities in 2018).

A transparent appointment and management process should be established to avoid conflicts of interest likely to prejudice the independence and objectivity of any member of the Steering Group who is employed, a board member, trustee, or director of any organisation seeking a grant.

The bidding process for funding support would be managed by the Events Unit team. The final decision would be the responsibility of the Steering Group.

## FUNDING

It is important to understand that arts and cultural festivals, with the exception of commercial music festivals, are usually not-for-profit charities that require on-going public investment. Over time the festivals and events can improve their commercial income (from ticket sales, sponsorship and other activities) and council support can reduce but they will **always** require some subsidy.

Comparator cities have all put in place consolidated budgets offering multi-year funding with clear criteria to ensure quality and sustainability and have separate budgets for major events bids. ACC currently provides support for existing events and festivals on an ad-hoc basis. A number of funding pots have unsystematically been established across a range of ACC departmental budgets of which we have identified: Commissioned Development, Core

Funding, Made in Aberdeen Bursaries, Culture Programme, City Event revenue programme, Common Good Fund and Lord Provost's Civic Events. Based on figures made available to us, we would expect the consolidated Council annual budget for the Events Unit to be circa. **£1.5 million**.

Our recommendation is that the Event Unit funding scheme commences with the budget year 2017/18 with **all** funding applied under the new arrangements (other than contractual arrangements already entered into). The process should be as transparent as possible. Proposals for support should be solicited through an Open Call process in October 2016 so that as far as possible the new strategy will be implemented for the 2017 event programme. Each application will be judged on its ability to deliver against the strategic funding criteria. All successful events should have a funding agreement and be required to complete an annual review of performance against agreed targets.

A practical issue for Headline and Feature Events is that due to timescales, growth plans will need to be built into an application for 3 year funding and potentially not drawn down until year 3. Funding not committed in years 1 & 2 should be used to initiate a restricted Bid Fund for procuring one-off headline events of national or international status.

#### Potential annual grant bands for each category

Headline Events	£100,000 +
Feature Events	£30,000- £100,000
City Events	£10,000 - £30,000
Community Events	£2,000-£10,000

#### Criteria

We recommend that the Events Unit applies a robust, consistent set of criteria on which to base investment decisions to ensure the objectives of the Events Strategy are achieved.

Any organiser seeking funding must demonstrate how an event will deliver against the following:

- ▶ Does it promote a positive city image?
- ▶ Does it fulfil a cultural narrative strand for the city?
- ▶ Does it demonstrate both high quality and a high level of ambition?
- ▶ Will it attract wide and broadly-based audiences?
- ▶ Will it have the potential to attract visitors and generate spend from VisitAberdeenshire's target markets/segments in the UK, Germany, Norway and Netherlands (see Visit Aberdeenshire's marketing plan for more details)?
- ▶ Does it provide opportunities for Aberdeen artists?
- ▶ Can it provide capacity building opportunities for sector development?
- ▶ Does it have a sustainable business model and management that can deliver?
- ▶ Will the festival sign up to the evaluation criteria and conditions?

## 6 APPENDIX 1 CURRENT EVENTS

There are a number of different types of festivals and events in Aberdeen, and whilst there is crossover between groups, the following categories demonstrate the range.

### Larger Arts and Cultural Festivals and Events

There are a range of arts and cultural festivals of small to mid-scale in the City. Most are members of Aberdeen Festivals:

- ▶ Spectra
- ▶ Dance Live
- ▶ True North
- ▶ Sound
- ▶ Look Again
- ▶ Aberdeen Jazz Festival
- ▶ MayFest
- ▶ TechFest
- ▶ AIYF
- ▶ NEOS
- ▶ Enjoy Music
- ▶ Granite Noir - a new crime and film festival having its first edition in February 2017.

### City and Community Events

- ▶ Armed Forces Day Parade
- ▶ ATUC May Day Parade
- ▶ Celebrate Aberdeen Parade
- ▶ Christmas Lights Switch-On Parade / Christmas Tree Lights switch-on
- ▶ Aberdeen Fireworks Display
- ▶ BP Big Screen in Duthie Park
- ▶ Christmas Village
- ▶ There are also a number of smaller scale community or community of interest festivals and events taking place across the City, in Duthie And Hazlehead Parks and communities such as Torre. ACC provides advice and guidance, and runs several grant schemes including the Common Good and Community Festive Funds which eligible organisations can apply to for project funding.

### Sports Events

Apart from the Aberdeen Highland Games delivered by ACC City Events, the principal sporting events are promoted through Aberdeen University's Sports Village, and ACC's Sport Aberdeen. National events include Commonwealth Water Polo Championships, and Europe U21 Netball Tournament. Host in 2020 LEN European Swimming & Diving Junior Championships.

Community focused event include; Transition Extreme music & skateboard festivals; Aberdeen Baker Hughes 10k, Golden Games and commercial events such as Colour Rad.

**Disclaimer:** All information and analysis supplied by Blue Sail Consulting Ltd and our sub-contractors is delivered in good faith and represents our professional judgement based on the information obtained from the client and elsewhere. The achievement of recommendations, forecasts and valuations depend on factors beyond our control. Any projections, financial or otherwise, in this report are only intended to illustrate particular points of argument and do not constitute forecasts of actual performance



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