

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO COMMUNITY SERVICES COMMITTEE

Agenda Item No

meeting date: 30 OCTOBER 2018
title: CLITHEROE FOOD FESTIVAL 2019
submitted by: DIRECTOR OF COMMUNITY
principal author: MARK BEVERIDGE

1 PURPOSE

1.1 To provide an update on how this year's event performed and seek a view regarding the Council's support for the 2019 event.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – To sustain a strong and prosperous Ribble Valley, encompassing our objective to encourage economic development throughout the borough, with a specific emphasis on tourism.

2 BACKGROUND

2.1 The Council approved the 2018 Food Festival by members following receipt of a report to this committee at your meeting in January 2018 (minute 486; 04.01.18).

2.2 This Committee agreed to the proposals for previous events based on the condition that the Council would take the lead in organising the event, control the budget and that any future financial concerns were brought back to this committee for consideration.

3 THE 2018 FOOD FESTIVAL

3.1 The Council had sole responsibility for the 2018 event, following the disbandment of the Food Festival Company Ltd. The event was organised by Council officers and with help from staff who worked on the day, undertaking various roles, volunteers, plus the casual appointment of a previous employee.

3.2 The event was again very popular with both traders who attended and the public. However, some issues highlighted on the day by businesses in the town will need addressing for future editions. This year some new initiatives were tried; more street entertainers were booked, these were on a roving basis and were well received. We hired deck chairs to try to address the seating issue that has proved troublesome to find a suitable solution. In addition, an extra music area was provided. All seem to be well received.

3.3 For the event to be more than simply a very large market and to add to the atmosphere on the day, the use of street entertainers and music was seen to be important. This is an area that will need to develop for future editions and will require suitable budget provision.

3.4 The Clitheroe Food Festival contributes to our promotion of the area as a tourist destination and in our economic development role. Although there is limited hard evidence to support the economic impact of the event on the town. For some in the local business community it is a boom day and for others possibly one of their quietest of the year.

4 ISSUES

- 4.1 The amount of sponsorship attracted by the festival has fallen over the past 4 years. In 2015 - £27,900, 2016 - £19,500 and 2017 - £12,500, 2018 - £8,500, and although some sponsorship was achieved this year, it is far from guaranteed next year. The demands of sponsors does require time to satisfy, unsurprisingly they require different things in return for their funding. The sponsors were; Deli Solutions, Fort Vale Engineering, Bowland Brewery and Lloyd Colne BMW, each paying £2,000 and Ultraframe £500 for a stall space. For that sum, the principle sponsors received recognition in the paid advertising placed, banners, social media and media releases. Apart from Fort Vale, the rest were present on the day, Lloyd had some cars on display, Deli had a stand giving away produce and Bowland had their bus plus a bar.
- 4.2 The event despite large numbers of people attending will not generate sufficient income to cover the cost of staging it, simply because it is primarily a free to attend event. That has always been the case and there is no way to change it, other than securing a sponsor large enough that they cover the costs. In such a situation the Councils' role in delivery would be lost.
- 4.3 Other than sponsorship, income is generated from: stall holder fees, park and ride and selling tickets to attend demonstrations and food tastings. Some other festivals are able to charge for entry because they are in a closed area, such as a park or private land. The Clitheroe festival is held on the streets of the town. Whilst celebrity chefs have been used at some other ticketed events, Clitheroe would not be able to recoup the cost of buying one in for the day at a fee of upwards of £10k, unless a significant sponsor was prepared to support the event. The charge levied for a stall is in line with other similar events, therefore presents limited opportunity for increasing it much beyond inflation.
- 4.4 The true economic impacts of the event for the area are difficult to determine without a full study, the cost of which would be beyond the scope of the present Food Festival budget. Anecdotal evidence suggests that the festival gets visitors from further afield than the immediate areas, e.g. Manchester, Wales and Cumbria. However there is no reliable evidence to indicate the numbers from these areas. It is undoubtedly busy, how much more so than a normal Saturday shopping day is not possible to say. It is known that stall holders at the festival enjoy brisk trading and many end the day having sold out of the stock they bring.
- 4.5 For the past 2 years, the Council has organised the stallholders and layout, in addition to the logistics of staging the event. A previous employee agreed to help for this years' event on a casual basis and worked on this element. For the future, an in-house resource will need to be arranged or alternatively this will need to be bought from an external source.
- 4.6 The event is only one day, which both concentrates the attendance and limits the ability to spread the cost of staging it over two days. The reasons for staging it on one day are; the park and ride facility is only available to the event for a Saturday, the staff resources of the Council would be severely stretched to run it into a second day, without a greater input from external sources, security would be a significant issue with all the stalls set up with produce on the open street areas.
- 4.7 The marketing of the event was previously done externally, which cost £4,000 and the costs for advertising and printed material were an additional sum. This year the Council controlled all marketing/advertising spend and where it was spent. One magazine owner and a sponsor questioned the level of spend in the run up to the event, as they believed the amount of marketing was lower than in previous years, however both the amount spent on advertising and printed material was within broadly similar. The primary difference being the removal of previous fly posting

activity. The attendance overall for the 2018 event did not appear to be to be diminished by the approach taken to marketing this year by the Council.

5 FINANCIAL PERFORMANCE

5.1 The final outturn for the Clitheroe Food Festival 2018 showed a deficit of £2,660 (Annex 1). This is considerably better than the forecast position that was presented to you at your meeting in January 2018, which predicted a deficit position of £15,230 and was prepared on the basis of no sponsorship monies being received.

5.2 There are a number of items that are not specifically charged to the running of the food festival, which are otherwise absorbed, such as officer time and use of various council assets.

5.3 As was the case last year, the net cost of the event will be funded from the earmarked reserve that has created from past surpluses, the intention in previously setting these aside being to fund any deficits, should they occur.

5.4 The resulting position on the reserve is summarised in the table below, alongside the movements from last year and the originally forecast position for the 2018 festival.

	Outturn Position Clitheroe Food Festival 2017 £	Forecast Position Clitheroe Food Festival 2018 £	Outturn Position Clitheroe Food Festival 2018 £
Expenditure	44,425	37,180	35,265
Income	-36,248	-21,950	-32,605
Net Cost of the Event	8,177	15,230	2,660

Food Festival Earmarked Reserve			
Opening Balance	-25,913	-17,736	-17,736
Funding of Net Cost of the Event	8,177	15,230	2,660
Closing Balance	-17,736	-2,506	-15,076

5.5 The better than expected outturn position was largely as a result of the sponsorship income that was secured which was not budgeted for, and was all from organisations that had supported the event in past years. In addition, savings made on running the festival, compared to previous years, however these should not be relied on in future years because it takes staff away from their primary work role to help with the festival. There remains £15,137 in the earmarked reserve to fund future food festivals.

5.6 One of the considerations of this report is whether the council agrees to undertake the organisation of the food festival event in 2019. It is anticipated at this stage that such costs would be similar to those of this year, with an ongoing requirement for sponsors to mitigate the cost falling on council taxpayers.

5.7 Should committee agree to the council undertaking the organisation of the food festival event in 2019, detailed budgets will be considered in line the council's normal budget setting process.

5.2 The Council contributed significantly in kind support to the event through staff and resources. This would be case again for 2019. In addition a grant of £5,000 was given to the event from the economic development budget and it is anticipated that this will continue.

5.3 A budget has been proposed (appendix A), based on the Council fully staging the event. The budget shows an actual deficit of £2,660, for 2018. It is proposed that this is met from the earmarked reserve.

6 RISK ASSESSMENT

6.1 The approval of this report may have the following implications:

- Resources – In the event that no further sponsorship income is received towards the food festival, the council has financial resources available to support a further year of the festival. This is achievable by using past surpluses seen on the food festival that were set aside at the time to help support the running of the festival in any year when resources may be more scarce.

Should sponsorship be secured there may be resources available in the earmarked reserve for further years. Should members be supportive, the food festival could be mainstreamed within the council's overall budget and supported as part of the overall costs of council services. However, the running of the food festival has further impacts for the council than financial resources, with a sizeable amount of staff time being directed to the event.

- Technical, Environmental and Legal – The success of the event in attracting people to Clitheroe makes safety a constant challenge given the limited street space available within the town. The event extended the full length of King Street this year. Development of the Clitheroe market in the future will require significant revisions to the way the festival is run and it would be sensible to have dialogue with the business community before any decisions were taken on the future layout of the festival, due to the impact on the town.
- Political – None.
- Reputation – The 2018 Festival was a well-run event which enhances the Council's reputation, it received considerable media coverage and the general feedback from attendees was very positive.
- Equality and Diversity – The festival is located on the streets of the town and all areas are accessible. Demonstrations are located in accessible buildings.

7 CONCLUSION

7.1 The Clitheroe Food Festival continues to exist because the Borough Council provides the staff resources for it to continue. There has been no indication that any other body or the private sector wish to take on the logistical issues with staging the largest one-day event in the Borough. Although the work which the Council has undertaken to underwrite the festival and provide event management of it, has not always been recognised by those attending it.

- 7.2 Going forward as a wholly run Council event, it will be the largest single event the Council runs annually and is a large commitment in terms of staff and financial resources.
- 7.3 The only real alternative to the Council running the event is for Event Company to be engaged to run it on behalf of the Council. The costs of which could be as much as £25,000, but the Council would still have to foot the costs of staging the event, the event company would simply manage the process and provide some staff on the day to help organise and ensure the Festival was safely staged.

8. RECOMMENDED THAT COMMITTEE

- 8.1 Note the report and decide if the 2019 event should be staged in light of the information provided in this report.

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HEAD OF CULTURAL & LEISURE SERVICES

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BACKGROUND PAPERS – CFF File

ANNEX 1
Clitheroe Food Festival Budget and Outturn

Clitheroe Food Festival	Actual 2017 £	Original Estimate 2018 £	Actual* 2018 £
EXPENDITURE			
EMPLOYEE RELATED			
Staffing Costs Before, During and After the Event	5,124	6,080	6,944
<i>total employee related</i>	5,124	6,080	6,944
PREMISES RELATED			
Marquees, Stalls and Staging for Town Centre Entertainment	10,248	10,460	8,263
Demonstration Venues	960	980	900
Portable Toilets	475	480	475
Park and Ride Facilities	670	820	670
<i>total premises related</i>	12,353	12,740	10,308
TRANSPORT RELATED			
Park and Ride Coach Hire	1,700	1,730	1,820
Hire of Van	0	50	0
<i>total transport related</i>	1,700	1,780	1,820
SUPPLIES AND SERVICES			
Advertising and Promotions Online and in Print	4,155	3,820	4,034
Printed Leaflets and Posters	2,604	2,620	2,043
Film	0	0	0
Town Crier - To make proclamations in week prior to festival	160	0	0
Postage	77	80	167
Volunteer T-Shirts	201	200	0
Sponsored Banners (Cost of)	1,180	0	0
On Street Entertainment	1,050	1,070	2,165
Two Way Radios for on the Festival Day	435	440	480
First Aid Provision	1,325	1,350	1,568
Festival Site Security	1,835	2,000	1,628
Children's Workshops	1,570	0	0
The Mad Science Funstations	800	820	550
Refreshments	289	300	405
AA Signs within Clitheroe and Perimeter	1,173	1,200	1,284
Traffic Management Signage and Coning	1,946	1,990	1,606
Other Directional Boards/Signage	218	230	0
Competition Prizes and Associated Costs	122	120	0
Other Miscellaneous Items	1,635	340	265
<i>total supplies and services</i>	20,775	16,580	16,193
THIRD PARTY PAYMENTS			
Beats for Cancer 50% Share of Flag Income	473	0	0
Food Festival Marketing - Latitude Studios Limited	4,000	0	0
<i>total third party payments</i>	4,473	0	0

Clitheroe Food Festival	Actual 2017 £	Original Estimate 2018 £	Actual* 2018 £
<i>Total Gross Expenditure</i>	44,425	37,180	35,265
INCOME			
CUSTOMER AND CLIENT RECEIPTS			
Park and Ride Income	-4,201	-4,280	-4,140
Chargeable Events - Demos/Tastings	-639	-650	-432
Charges to Exhibitors	-11,783	-12,020	-14,358
Recharge to Clitheroe Festival of Food re Launch event	0	0	0
<i>total customer and client receipts</i>	-16,623	-16,950	-18,930
GRANTS REIMBURSEMENTS AND CONTRIBUTIONS			
Grant from Ribble Valley Borough Council	-5,000	-5,000	-5,000
Overs/Unders	0	0	75
Fair	0	0	-250
Sponsored Promotional Banners	-2,125	0	0
Total Sponsorship	-12,500	0	-8,500
<i>total grants reimbursements and contributions</i>	-19,625	-5,000	-13,675
<i>Total Gross Income</i>	-36,248	-21,950	-32,605
DEFICIT (to be funded from earmarked reserve)	8,177	15,230	2,660
Opening Balance on Earmarked Reserve	-25,913	-17,736	-17,736
DEFICIT (to be funded from earmarked reserve)	8,177	15,230	2,660
Closing Balance on Earmarked Reserve	-17,736	-2,506	-15,076

**Subject to final invoices being received for estimated value included above.*