

EAST RENFREWSHIRE COUNCIL

CABINET

20 August 2015

Report by Director of Environment and Deputy Chief Executive

ELECTRIC GLEN 2016

PURPOSE OF THE REPORT

1. The purpose of this report is to ask Cabinet to award the production contract for Electric Glen to a value of £170,000 to the successful tenderer, following the conclusion of the open tender process, in accordance with financial regulations 12.4.

RECOMMENDATIONS

2. The Cabinet is asked to:

- (a) Approve the award of the tender for the production of Electric Glen 2016 following completion of an open tender process; and
- (b) Note the update on Electric Glen 2016.

BACKGROUND

3. Electric Glen is East Renfrewshire Council's nationally recognised lighting festival held in Rouken Glen Park. The first Electric Glen ran in February 2013 and sold out with 12,500 people attending the event over five nights and delivering significant media coverage. 95% of visitors rated the event as of a very high quality and post event analysis confirmed that the event generated a £327,600 economic impact locally and £403,000 regionally*.

4. Electric Glen ran for a second time in February 2014 selling out in advance of the event and attracted an audience of 27,000 over eight nights. 15 local restaurants and 2 hotels participated in the event. The local economic impact was confirmed as £967,680 locally and £1,190,400 regionally*.

*Visit Scotland tourism multiplier effect.

5. The event did not run in 2015 due to a lack of funding. This break was used as an opportunity to review the offer for visitors and identify new opportunities for the event, using visitor feedback and developing even stronger ties with local businesses to enhance the visitor experience.

6. At its budget-setting meeting in February 2015, the Council agreed a one-off investment of £80,000 in the Council's events programme. The investment was intended to support Electric Glen, the development of the FeastRen brand, and deliver an additional local event. In response, the following events programme has been agreed:

- £60k investment in Electric Glen 2016, delivered by Communications Service.
- £20k investment in FeastRen Dine Around and also a Barrhead Christmas Market, delivered by Economic Development.

ELECTRIC GLEN 2016

7. The 2016 event will run for 8 nights, with the option of an additional VIP and Press night. The event design will provide an enhanced show and improve the visitor experience for people with a disability. This, coupled with meeting the costs of general inflation, will result in higher overall event cost of £231,000. Estimated funding and costs for the project are shown as follows:

Funding/Event Income	
ERC Events Budget	£60,000
Ticket Income @ 80% sales	£125,000
Sponsorship	£10,000
External Funding	£30,000
Concession Fees	£6,000
TOTAL	£231,000

Costs	
Creative concept development	£8,500
Live event set-up, site management and production – Open Tender	£170,000
Front of House, Box Office, Event Safety, Marketing & Sales	£52,500
TOTAL	£231,000

8. External funding applications have been made to Event Scotland as part of The Year of Innovation, Architecture and Design and to Creative Scotland's Open Project funding stream. Current indications from both agencies are positive and the outcome of external funding applications is likely to be confirmed during September 2015.

9. In order to deliver the event, two tender processes have been undertaken:

- (a) A Creative Director was appointed in May 2015 following a Quick Quote tender to design the concept and narrative for the 2016 event and to support external funding applications; and
- (b) An open tender to appoint a production company to manage the development of the live event was issued in July 2015. The value of the contract is £170,000. Five tenders are currently being evaluated.

10. In accordance with Financial Regulations 12.4 which states that with regard to revenue expenditure 'no expenditure shall be incurred on an individual project (including projects funded or part-funded by external sources) estimated to cost more than £50,000 unless it has been approved by Cabinet', approval is now sought from Cabinet to award the production contact to a value of £170,000 to the successful tender, following the conclusion of the open tender process.

FINANCE AND EFFICIENCY

11. The production cost of delivering Electric Glen for 2016 will be £231,000 made up of £60,000 of Council funding, supported by £46,000 external funding – with the balance of £125,000 being met from ticket sales.

12. The model for outdoor events requires the Council to commit investment, prior to event income being realised and confirmed. In the case of Electric Glen, the main events costs are met through ticket income, which is not realised until the event has closed. Prior to this the Council will be required to enter into legal agreements with event contractors and suppliers, and to commit to the overall event budget.

13. As with any major event involving upfront expenditure and a reliance on ticket sales there is a financial risk to the Council. Successful delivery of the event is weather dependent and any requirement to cancel or refund a show would impact on the income generated to meet fixed costs. Specialist insurance is being sought to protect the Council against cancellation of the event in whole or in part. Costs for any insurance policy agreed will be met from within existing departmental budgets.

CONSULTATION

14. As part of the event development there will be on-going consultation with a range of internal and external stakeholders including East Renfrewshire Cultural and Leisure Trust, local businesses, local historical and community groups, Creative Scotland and Events Scotland, and the national media. There has been on-going collaboration with Procurement in relation to the development of the event tender process.

PARTNERSHIP WORKING

15. An Events Management Board has been established with representatives from Communications, Economic Development, Health and Safety and Parks to ensure a collaborative and pro-active approach is taken during event development and live show management.

IMPLICATIONS OF THE PROPOSAL

16. There are no staffing, IT, equalities or other implications associated with this report. The Council investment in the project will be met from within existing departmental budgets.

CONCLUSIONS

17. Previous Electric Glen events have generated 100% ticket sales and a media reach of over 1.2million. We believe that given previous demand, Electric Glen 2016 will also be a sell-out event, generating the required level of ticket income. There is a continuing high demand for quality local and regional events and Electric Glen has a proven track record in delivering economic impact.

18. In order to deliver Electric Glen 2016, the Council will be required to commit to invest in the event, prior to all income streams being realised.

RECOMMENDATIONS

19. The Cabinet is asked to:
- (a) Approve the award of the tender for the production of Electric Glen 2016 following completion of an open tender process; and
 - (b) Note the update on Electric Glen 2016.

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KEY WORDS

Rouken Glen, Lighting Festival, Events, Tourism, Electric Glen, Parks