



## Committee report

Committee	<b>EXECUTIVE</b>
Date	<b>13 OCTOBER 2016</b>
Title	<b>REVIEW OF THE TERMS OF THE LAND HIRE AGREEMENT FOR THE USE OF SEACLOSE PARK BY SOLO PROMOTERS LIMITED FOR THE STAGING OF THE ISLE OF WIGHT FESTIVAL</b>
Report to	<b>EXECUTIVE MEMBER FOR PUBLIC TRANSPORT, TOURISM, RECREATION AND HERITAGE</b>

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### EXECUTIVE SUMMARY

1. The council has received a request from Solo Promoters Limited (“Solo”) to vary the terms of its current ten year agreement to use Seaclose Park for the staging of the annual Isle of Wight Festival.
2. Over recent years there has been a significant increase in major festivals being staged across the country which has started to impact on the viability of both new and established events with some being cancelled. Others have been scaled back and most are reporting significantly reduced ticket sales as the choice and range of venues and events has increased.
3. In order to commit to the continued delivery of the Isle of Wight Festival, Solo has requested that its land hire fee for the use of Seaclose Park is waived.
4. The council recognises the wider economic benefit that the Isle of Wight Festival has brought to the local economy since it was re-established in 2002, which in 2009 was estimated at more than £10 million per year. The report sets out in Appendix A revised terms that could be offered to Solo which minimises the financial impact on the council by ensuring Solo takes responsibility for certain aspects of the delivery of the event which are currently undertaken by the authority.

### BACKGROUND

5. The Island is recognised worldwide as a major festival venue based on the iconic Isle of Wight Festival of 1970 where it is estimated more than 500,000 people attended at Afton near Freshwater. In 2002 the Isle of Wight Festival returned with an event organised and funded by the Isle of Wight Council at Seaclose Park, and it has been delivered over the last 14 years by Solo.

6. Solo's current land hire agreement for Seaclose Park expires in 2019. The agreement sets out the terms by which Solo operates the site including times of closure, security of the park, closure of footpaths and responsibility to repair any damage created by the event. In addition Solo also has a separate licence agreement for the event to cover issues such as the capacity of the site for ticket sales, alcohol, traffic management and other related matters. Some of these costs are recoverable by the council under the Isle of Wight Act which gives the council certain controls on events that exceed 5,000 attendees.
7. Although the Festival was originally confined to Seaclose Park, over time, Solo has invested in land acquisitions to the north and west of Fairlee Road for both camping and car parking and the site now covers an area stretching from the park all the way to Whippingham/racecourse roundabout. This includes significant areas of hard surfaced track way in the main car parks following the 2012 Isle of Wight Festival, where heavy and prolonged rain prior to the event made car parks inaccessible and created traffic gridlock across the local road network.
8. The Isle of Wight Festival is considered to have had a major economic benefit to the Island. In 2008 a study was undertaken on behalf of the council which estimated the annual value of the event to the local economy at £10 million. Solo has also estimated it spends in excess of £1.3million with local Island based suppliers. In a recent survey by Festival 250, which ranks festivals around the world, Isle of Wight Festival is ranked 11 based on a range of indicators including ticket sales and sponsorship.
9. A report by the Association of Independent Festivals (AIF) <http://aiforg.com/wp-content/uploads/AIF-Six-Year-Report-2014.pdf> indicates the considerable growth in Festivals between 2000 and 2011 and while there has been a levelling off in recent years the market is still viewed as robust. The report highlights the many factors that could impact on the success of the festival market generally as well as individual events including the effect of the economic downturn from 2008. The austerity measures put in place across the public sector has for example resulted in significantly increased policing costs at festivals as the police seek to coup the reduction in their budgets. As well as factors such as weather and headline acts the report also highlights the impact of cancelled festivals on matters such as consumer confidence and the effect on ticket sales as well as the positive impact of "Glastonbury effect" which is seen by many promoters as a huge market and public awareness opportunity given the saturation media coverage that takes place.
10. The festival location adjoining Newport town centre is seen as beneficial to local traders, although there have been recent concerns that more festival goers are remaining on site due to the increased range of attractions.
11. While Solo is responsible for all issues associated with the delivery of the festival within or in the immediate vicinity of the Seaclose site, there are off site matters that the Isle of Wight Council has managed to ensure that the wider community of the Island is not unduly impacted by the event. These include:
  - management of traffic in the Halberry Lane area;
  - management of west bank of the river Medina and the estuary;
  - additional toilet facilities in East Cowes;

- CCTV cameras on the main road network pressure points (including Racecourse roundabout and Fishbourne Lane);
- contingency car parking plans in the event of extreme weather;
- use of the Newport Harbour area.

## STRATEGIC CONTEXT

12. The council's Corporate Plan 2015-2017 four key objectives are:

- supporting growth in the economy, making the Island a better place and keeping it safe;
- keeping children safe and improving their education;
- protecting the most vulnerable with health and social care, investing in support, prevention and continuing care;
- ensuring that all resources available are used in the most effective way in achieving the Island's priorities.

13. The Isle of Wight Festival is considered to have a positive impact on supporting the growth of the island's economy.

## CONSULTATION

14. There is no requirement to consult on the proposal to vary the terms of this licence for the use of the land at Seaclose Park. The decision is a property matter which rests with the Executive.

## FINANCIAL / BUDGET IMPLICATIONS

15. The council currently receives £55,000 per annum from Solo for the use of Seaclose Park and also holds a bond of £26,000 for the replacement or repair of any damage to the park during the event. The council currently spends an equivalent sum on the activities highlighted in paragraph 11 above. This does not include officer time.

## CARBON EMISSIONS

16. There are no carbon emissions issues as a result of the recommendations of this report.

## LEGAL IMPLICATIONS

17. Section 2 of the Local Government Act 2000 provides the council with the power to do anything which it considers will improve the overall economic, social and environmental well-being of the area provided that such actions are consistent with the Community Strategy. It is felt that the Isle of Wight Festival helps improve the economic well-being of the Island.

## EQUALITY AND DIVERSITY

18. The council as a public body, is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote

equal opportunities between people from different groups and foster good relations between people from different backgrounds. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

19. The Isle of Wight Festival is considered to improve the overall economic well-being of the Island. It is not targeted to any group of people in particular and therefore none of the identified groups will be adversely affected by its staging.

## OPTIONS

20. The options available to the council are as follows:

**Option A** – not to review the terms of the current licence with Solo for the use of Seaclose Park for the staging of the IW Festival 2017

**Option B** – to agree to revise the terms of the current licence with Solo for the use of Seaclose Park as set out in Appendix A for the staging of the Isle of Wight Festival 2017

## RISK MANAGEMENT

21. If the council decides not to vary or waive the annual payment for the use of Seaclose Park there is a risk that Solo may decide it is unable to stage the Isle of Wight Festival in 2017. If the event is cancelled then the council will not receive the land hire fee anyway although the agreement does allow the council to seek another provider. Given the timescales involved and the earlier references to the viability of major festival there is a high risk that the council would not be able to secure another promoter. In addition, another provider would need to secure its own licence for an event and for an event of any scale, would need to negotiate access to adjacent land in Solo's ownership or control.
22. The loss of income from the land hire agreement would place additional resource pressures on the council as these funds are used to provide a range of services and functions associated with the event. This includes management of the river Medina and the area known as the west bank, parking in the residential streets around Halberry Lane and CCTV cameras and monitoring of the road network leading to the venue. This risk is mitigated by proposing that Solo take over responsibilities currently managed and paid for by the Isle of Wight Council. This could be more cost effective for Solo to manage as part of the arrangements with its onsite contractors, which includes highways, parking and security staff. Solo has confirmed that they are looking to negotiate with all of their suppliers and therefore the decision to stage the event will also be depended on the decisions of others.

## EVALUATION

23. The council has made clear in its Corporate Plan 2015-17 that the economy is a main priority and it has been previously evidenced that the Isle of Wight Festival has had a significant impact both in promoting the Island as a visitor destination and offering business opportunities to local companies

24. While at this stage it cannot be confirmed that the varying or waiving of the council's land hire fee would ensure the staging of the festival in 2017 there is a real risk that unless Solo can reduce its costs and or increase ticket sales that the event may be cancelled. This would have significant impact on many local businesses and could make the event difficult to re-establish.
25. It would be unreasonable to assume that the reduction in the land hire charge is the sole determinant as to whether the festival is staged but Solo has made it clear that unless costs can be reduced the event may not be viable to stage in 2017. Solo have indicated that they need to resolve all their costs by the end of October 2016 in order to make a decision as to whether the 2017 event will go ahead.
26. The revised terms of the land agreement offered and set out in Appendix A are considered to demonstrate the council's commitment to supporting the event and recognise its long term value to the Island's economy. The overall loss of income to the council has been largely offset by placing those functions with Solo, the event organiser, while ensuing general oversight of the arrangement ensures it delivers on these terms, which will be reviewed for 2018.
27. The council has asked Solo to provide its detailed accounts for the event in order that a more informed decision around the land hire agreement could be made however, they have are unwilling to provide this information for reasons of commercial confidentiality. The promoter John Giddings has indicated a willingness to attend the Committee to answer questions around the delivery of the festival at some point in the future.

## RECOMMENDATION

**Option B** To agree to revise the terms of the current licence with Solo for the use of Seaclose Park as set out in Appendix A for the staging of the Isle of Wight Festival 2017.

## APPENDICIES

[Appendix A](#) -- Proposed revisions to the land hire agreement between IWC and Solo for delivery of the IW Festival 2017

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