

Written evidence submitted by the Edinburgh Festival Fringe Society

Impact of Covid-19 on DCMS sectors

EVIDENCE TO UK PARLIAMENT

What has been the immediate impact of Covid-19 on the sector?

The Edinburgh Festival Fringe Society is the charity that underpins and supports the wider Edinburgh Festival Fringe landscape. It was set up some 60 years ago by artists as a lean organisation with charitable purpose to support artists participating in the Fringe, to help audiences find the work and to represent and promote the Fringe in its entirety. The Fringe Society receives little in the way of public subsidy and relies on ticket sales, donations, subscriptions and sponsorship to fund its activities.

The Edinburgh Festival Fringe brings an economic impact of well over £200m annually to Scotland and the UK (other sources put this figure closer to £1bn). The Fringe is a vital annual economic driver for much of the city business infrastructure and makes an enormous contribution to Edinburgh, Scotland and the UK's global reputation as a cultural, creative economy and destination.

The Fringe not happening in 2020, meant a revenue gap of £1.5M for the Fringe Society. However, the damage to the Fringe ecology is far wider reaching. Specifically, most Fringe venues are not in receipt of public funding (or less than 10% of public funding) and fall through the cracks of current government support. Collectively, and at early and frugal estimates, the deficit facing these venues is sitting around £21M.

The Fringe is made up of many micro businesses from across the UK, including around 323 venues plus hundreds, if not thousands, of producers, designers, technicians and creative professionals. The Fringe provides in excess of 2,840 full-time jobs in Edinburgh and over 3,400 across Scotland and the UK [these statistics will have increased since research in 2015]. Each of the venues employ a vast number of staff from across Scotland, the UK and internationally. In addition, there are a wide range of small business providers who service the venues, from skilled trades, catering, equipment hire, accommodation, marketing, food and drink, materials and resources, who rely on the Fringe for over 25% of their annual income. They will be demonstrably impacted by a conservative estimate of over £15M.

With the Fringe not taking place, shows don't perform, venues don't operate, smaller local businesses don't get that work and accommodation providers don't benefit - the overall impact and picture is immense, and extends beyond 2020, especially if these organisations and businesses (not able to avail of the existing public assistance) are unable to survive to make the return to business in the future.

Therefore, a catastrophic year, brought on by Covid-19, could lead to the loss of Edinburgh's infrastructure as the world's leading festival city, and the pivotal role the Fringe plays for the UK creative Industries. Unless financial support of £1M can be secured within this financial year, the Society and the Fringe itself, the largest non-curated performing arts festival in the world, will face significant costs with existential consequences.

Collectively, the Fringe not taking place will be hugely damaging to UK's economy. Unlike Germany and Canada where substantial financial investment has been promised to the creative sector, there seems to be no immediate recognition of the fragility of the creative sector in the UK.

Following the lead of these nations, the UK Government should seriously look at setting up a specific distress fund for those organisations in the creative/culture sector who have less than 10% public subsidy.

• How effectively has the support provided by DCMS, other Government departments and arms-length bodies addressed the sector's needs?

The Society has applied for all relevant funds where we meet the criteria. We were unsuccessful in receiving funds from the Scottish Government's third sector resilience scheme and are still awaiting an outcome on rates grant. We have furloughed 70% of staff, made 4 redundant, and the remaining team taking a 20% pay cut. In addition, we have stopped all spend, appealed to the public and our supporters for donations, working with sponsors to honour their commitments whilst working through online opportunities in 2020. With all of these measures in place we still face the stark reality that the Fringe, and the associated economic benefits to the UK economy, is under threat as we still face a shortfall in the region of £1M.

• What will the likely long-term impacts of Covid-19 be on the sector, and what support is needed to deal with those?

Many of the artists, producers, venues and the creative sector are facing their own financial hardships and we conservatively estimate that this will be in the region of £21M to the Fringe stakeholders in August. However, as many are all year-round concerns, Covid-19 may mean they will be unable to attend the Fringe marketplace in 2021 and receive the benefits of their work being picked up and toured extensively, securing ongoing future income and a number of years of work. Indeed, quite a number of individuals and organisations who attend the Fringe will not recover from this pandemic.

The Fringe is a leading cultural brand for the UK and central to our attractiveness as a global destination supporting economic sustainability and community wellbeing. This sits alongside our key roles in the creative economy and reputation of the UK as a leading creative nation, retaining and attracting talented people to live, work, visit and study here. The Edinburgh Fringe is an essential connector for Scotland's cultural sector to the UK and the rest of the world. Artists and cultural entrepreneurs across the UK rely on the Fringe to feed their livelihoods, their festivals, their venues and their annual pipeline of creative talent and work.

The Fringe is a key milestone for thousands of artists' annual commitment and employment. It is not just the 2020 Festival at risk, but the longer-term recovery and sustainability of the arts, creative, business and tourism sector as a whole.

The work presented at the Fringe is seen and bought by other festivals, venues and curators across the UK and the world, which leads to numerous years of work for those artists, scriptwriters, stage designers, etc. Without a vibrant marketplace for this work, many of the theatres – already in a precarious situation with Covid-19 – will struggle to find content in the winter months and well beyond 2020. The double-edged sword is that if the

Fringe is under threat, we can make a fair assumption that there will be a serious reduction of employment for many people and a lack of shows for many theatres and festivals up and down the country, when they are already struggling to get back on their feet.

For the whole ecosystem of independent performers and presenters, for example those at the Fringe who self-finance, the potential losses are substantially higher and will have a devastating effect on cultural venues and independent artists for years to come. Potential ticketing income losses are in excess of £30m across the Fringe and in most cases reflects well over 70% of total income for artists and venues.

The Fringe is made up of hundreds of SMEs and entrepreneurial creative talent and is supported by a network of trades and industry, much of which is local and relies on the spike of available work in August to sustain their business year-round.

• What lessons can be learnt from how DCMS, arms-length bodies and the sector have dealt with Covid-19?

The Fringe supports so many creative livelihoods well beyond three weeks in August, and yet the Society finds itself in a situation where, unlike other festivals that are in receipt of public funding, we are facing insolvency. It is unconceivable that the UK's most important cultural festival, which attracts such a high social, creative and economic impact is facing a precarious, fragile and uncertain future.

• How might the sector evolve after Covid-19, and how can DCMS support such innovation to deal with future challenges?

If the Fringe Society survives the current crises, we already are looking to technological solutions and innovations to develop the Fringe into a more sustainable model. There is already a proposition sitting with DCMS to support the UK creatives participating at the Fringe, enhancing our ability to promote the work more successfully at the UK's premium arts marketplace. With over 3,200 shows appearing the UK (over 2,000 from England) it is important the UK Government recognises the Fringe for what it is, and does, for the UK's cultural sector. Ongoing DCMS core support could be transformative to the creative and culture sector across the whole of the UK.

A strengthened Fringe Society (which would lead to a strengthened Fringe) and would reduce its reliance on single sources of income. Our futureproofing and resilience will require a more mixed economy model

The Edinburgh Festival Fringe Society delivers by far the greater economic impact and global reputation than any other festival in the UK. The provision of a UK core grant annually would provide an underlying stability to our charitable purposes and public good.

This would enable us to cap our market share of the Fringe box office and therefore take less from the wider Fringe eco-system and providing more kick-back to artists, producers and venue operators. We could also reduce registration fees for artists and companies.