

EAST AYRSHIRE COUNCIL

CABINET – 23 JUNE 2010

FIREWORK DISPLAY

Report by Depute Chief Executive/Executive Director of Neighbourhood Services

1. PURPOSE OF REPORT

- 1.1 To consider the potential to generate additional income of £10,000 for the annual Firework Display to offset a reduction of £10,000 in the budget available. This follows on from the decision of Council on 11th February 2010 relating to the 2010/11 revenue budget.

2. BACKGROUND

- 2.1 At its meeting on 11th February 2010, Council agreed that the then Executive Director of Neighbourhood Services should consider how additional income of £10,000 could be generated from the Firework Display as part of its consideration of a report on the Revenue Budget 2010/11 to 2012/13. A report was requested by the end of June 2010. Mixed views regarding the Council's financial commitment to the Firework Display had been received during the public consultation process. However, in view of the Council's commitment to community safety, it was decided to investigate options to reduce the overall cost of the event.
- 2.2 Funding for the firework display is allocated from Neighbourhood Services budgets. In 2009/10, £20,000 was met from Leisure Services budgets with the remainder met from departmental surpluses
- 2.3 The Firework Display has been organised by Leisure Services for many years. Strathclyde Police estimate that the event attracts over 30,000 people each year. The costs of running the event are as follows:-

Item	Expenditure
Fireworks	£13,400
Plant/Equipment	£3,750
Security	£3,200
Road Closure/Parking	£1,250
Entertainment	£2,750
First Aid Cover	£650
Advertising	£1,500
Staff	£500
Total Costs	£27,000
Income Generated	(£1,800)
TOTAL NET COST	£25,200

- 2.4 These costs can be explained further as follows:
- Fireworks – includes the supply of fireworks, design of the display, coordination of music for the display and the safe delivery and ignition of the fireworks on the night;
 - Plant equipment – includes the provision of crowd control barriers, fencing, stage, and lighting with generators;
 - Security – includes external security personnel to manage crowds and supervise entrances;
 - Road Closures/Parking - includes the cost of permits to allow closing local roads for the day of the event and the cost of providing traffic cones to restrict parking on roads around Kay Park;
 - Entertainment – includes the costs of hiring a West Sound DJ which is linked to radio advertising and local bands to entertain the crowd before the event;
 - First Aid – this relates to a payment to provide appropriate, qualified first aid cover for the event including paramedics and the Scottish Red Cross;
 - Advertising – includes the costs of newspaper advertising for the event;
 - Staff – includes costs of Council staff involved in the setting up and clearing of the event;
 - Income generation – includes the payment from fairground rides, catering services and other vendors with permission to operate at the event.

2.5 As can be seen from the above at para 2.3, the event has grown to such a scale that it requires significant expenditure including the hiring of lighting for paths; toilets and stage; road closures and parking control; live entertainment; advertising and additional staff. The firework display itself has been the main attraction of the event and a professional firework company has been contracted to manage all aspects of the display. Income of around £1,800 is generated from fees for traders licenses and ancillary facilities such as fairground attractions; however, there was no charge for attending the event and the event was not ticketed.

2.6 The event has required extensive support from Strathclyde Police and professional security staff who are appropriately licensed; the size of the expected crowd has dictated the number of police officers and security staff required to be on duty at the event; for an anticipated attendance of 30,000 people, 28 police officers and 72 security staff are required.

3. INCOME GENERATION

3.1 A detailed review of the options for income generation has been undertaken with a view to bridging the £10,000 budget reduction. The findings are shown below:

3.1.1 Option 1 – Mandatory Charging *(a) Advance Ticket Sales*

It is possible to sell tickets in advance for any event. The facility to do so is available in the Palace Theatre where the computerised booking system is both

well established and well used by people locally and by those from outwith the area wishing to enjoy our events.

Our largest venue is the Grand Hall with a capacity now of 1,500 and the ticketing system can meet this capacity. However, for an event of 30,000 attendees, revised arrangements would be required to manage such sales; this would include extending ticket sales outwith current opening hours and most probably include the preceding two weekends. The resultant additional costs would be an estimated £1,000.

Other outlets such as our local offices could also be utilised and again, if this facility was to be extended beyond normal opening hours there would be an additional cost.

With an event that is so weather dependant there must be appropriate arrangements for refunds which, in effect, would double the staff costs outlined above. In other words, we would be required to manage the reverse of the sales process.

The printing of secure tickets would also be required and the costs would be in the region of £1,500. In addition to the foregoing, arrangements for controlled entry would be required as discussed at 3.1.2 below.

(b) Admission Payment at the Event

If admission is paid at the entrance to the event none of the foregoing costs would be incurred. However, arrangements would be required to control entry and these would be of the same nature and scale as for ticketed entry as outlined at para 3.1.2 below. This may appear to be a simpler process but has inherent potential crowd safety implications.

As described below, a controlled perimeter and entry points would be required. This is particularly so for an admission payment on the night of the event where money is collected. This, by its nature, builds in delays and, therefore, queues. While it is possible to manage this, the cooperation and assistance of additional security staff would be required. This has not been costed as a full risk assessment would be necessary and full and detailed discussion with Strathclyde Police would be needed. Initial soundings have been taken with Strathclyde Police who have been alerted to potential changes to the event arrangements.

(c) Combination of Options 1(a) and 1(b)

The combination of options 1(a) and 1(b) would mean both a presale of tickets and the option of paying at the gate. The arrangements outlined above and detailed below would apply to this combined option.

3.1.2 In order to manage a mandatory charge for attending the Firework event it would be necessary to create a secure perimeter around the display area and limit

entrance to specific, controlled entry points. Temporary fencing, increased lighting and additional security would be required to examine tickets and/or collect admission fees. Entry would be limited to 6 official entrances around the park and the remainder of the park, with the exception of a very short section, would need to be fenced as the existing fences would not generally prevent unauthorised entry.

3.1.3 While any anticipated additional costs associated with mandatory charging would require to be recovered by the income generated, as would any other shortfall, the additional arrangements required are not considered to be easily achievable this year, but are options which could be developed for consideration in the future.

3.1.4 Notwithstanding the arrangements described above, and it being concluded that mandatory charging is to be introduced, there remains the risk that the weather could cause the late cancellation of the event resulting in a full loss of the unavoidable and significant additional costs such as the perimeter fencing and ticketing booths estimated to be in the region of £8,000.

3.1.5 It should be noted that several Councils which organise similar, free events (including Aberdeen City Council, Dundee City Council, North Lanarkshire Council and Inverclyde Council) have not considered mandatory charging because their venues do not have secure boundaries.

3.2 Option 2 – Voluntary Contributions

3.2.1 Voluntary contributions can be an effective way of increasing income and offsetting the cost of an event. This is successfully managed in Cumnock by the Round Table in respect of the fireworks display. There are, however, fundamental differences between that and the Council-run Kilmarnock event:

- The Cumnock event is significantly smaller with a total cost of approximately £4,000 and attendance of 2000 – 3000 people;
- It is managed by the Round Table with the main funding coming from the Council (£1,000-£1,500), the Minerals Trust (£1,000) and the balance being sought from voluntary contributions;
- Any losses are covered by the Round Table, sometimes in the region of £700.

3.2.2 In respect of the Kilmarnock event, voluntary contributions could be sought on the night by positioning secure containers at strategic positions both inside and outside the park. Each container would require to be supervised and placed under the lighting already provided. This would incur no additional cost other than the hire or purchase of the containers and their secure removal from the site at the end of the event.

3.2.3 As part of our advance advertising of the event through West Sound and in the Kilmarnock Standard, we would encourage donations, the message being that the

Council is seeking to ensure that the event is more financially sustainable now and in the future.

3.2.4 While the cost of the secure containers has not been verified, it is estimated that 2 containers per entry point, for the 6 points would be required at an estimated cost of £250 per unit subject to the appropriate tendering exercise. These units could be used at a range of Council events and their costs could be met from current budgets.

3.2.5 Notwithstanding the work in Cumnock by the Round Table, the scale of managing the voluntary contributions at the Kilmarnock event would, in the first instance, be best managed by the Council's employees on site. For future years, work could begin with local voluntary groups to develop this element with a view to their involvement which might include the collection of donations in advance.

3.2.6 In all of this, there remains uncertainty as to the level of contributions which could be collected; however, an estimate of £7,000 has been included in the financial implications section of the report.

3.3 Raising Additional Income

3.3.1 Three potential sources of additional income exist; namely from additional traders on site on the night, from sponsorship of the event by local businesses and financial support from Community Planning Partners.

3.3.2 (a) *Income from Traders*

An additional £500 has been estimated as being possible to achieve from the extension of the range of fairground attractions. This is limited by the available suitable space within the park and the willingness of additional traders to pay to attend the event. The attraction of the event is limited by its relatively short duration and the fact that the focus is mainly on the fireworks display. However, work can be done to attract the additional traders. It will be important to manage this extension carefully so as to avoid changing the nature of the event away from the display to a fairground and to minimise damage to an even wider area of the park, the restoration of which requires Council resources.

(b) *Sponsorship*

While the event offers limited scope for the promotion of sponsors on the night, early discussion with local businesses indicate that they would be willing to be included in our advertising in advance of the event; this would allow the company names to appear alongside any promotion of the event. An estimated £3,000 has been included in the financial implications section in this respect.

(c) *Community Planning Partners*

Strathclyde Fire and Rescue have indicated their commitment to promoting community safety and take the view that the firework display contribute to the

safety of our communities. They have agreed to make a contribution of £3,000 towards the cost of the 2010 event. It is particularly important to Strathclyde Fire and Rescue that the event takes place on 5th November, with the 4th or 6th November as less attractive alternatives.

4. COST REDUCTION MEASURES

4.1 The organising team also considered potential cost reduction measures; however, as costs have always been kept to a minimum and the team recognises that public expectations of this event are very high, it was felt that it would be possible to reduce costs without reducing the quality of the event.

5. FINANCIAL IMPLICATIONS

5.1 The following table sets out in summary form the additional estimated costs and the potential increased income and cost reduction measures outlined in this report.

	No Charge		Mandatory Charge for the Event		Voluntary Charge for the Event	
	Income	Cost	Income	Cost	Income	Cost
Event Cost (based on 2009 costs)		£25 200		£25 200		£25 200
Costs of applying charges		£0		£10 500		£0
Traders fees	£500		£500		£500	
Sponsorship	£3 000		£3 000		£3 000	
Strathclyde Fire & Rescue	£3 000		£3 000		£3 000	
Income from charges	£0		£10 000		£7 000	
Total Income	£6 500		£16 500		£13 500	
Event Costs		£25 200		£35 700		£25 200
Net Balance		£18 700		£19 200		£11 700

5.2 The initial income/sponsorship/savings package would be applicable to each option for the operation of the event. The mandatory charge would require additional expenditure of £10,500 offset against an estimated income of £10,000 while it is estimated that the voluntary charge would generate additional income of £7,000.

5.3 Traditionally, our event has been held on 5th November; should Cabinet approve arrangements to meet the £10,000 additional income targets, every effort will be made to retain this date.

6. COMMUNITY PLANNING IMPLICATIONS

6.1 The Council has funded the Firework Display to promote community safety by offering an alternative to personal/domestic purchase and use of fireworks. While

the Council has never been able to quantify effects of the event on community safety, Strathclyde Fire and Rescue, as well as informal customer feedback, has supported the idea that many families prefer to attend a safe, well organised firework display rather than buy their own fireworks. Accident and incident levels at our Firework Displays have always been low.

7. POLICY/LEGAL IMPLICATIONS

7.1 There are no policy/legal implications arising from this report.

8. RISK IMPLICATIONS

8.1 The Firework event in Kilmarnock has a reputation as a safe, well managed event and any event of this size requires considerable expertise to ensure that the large crowd is managed in a safe, effective manner. There are effective risk assessment and control measures in place and the changes proposed in this report will not compromise the high levels of public safety which have always been achieved at the event.

9. CONCLUSIONS

9.1 A review of the management and promotion of the Firework Display has been carried out, and it is concluded that:-

- The additional costs involved in introducing a mandatory charge for attendance at the event mean that it is unlikely that a net reduction in the cost of the event would be the result of this measure. Several councils which offer similar free events have recognised this and do not consider mandatory charging as a feasible option for their events;
- There would be potential for increasing income from traders and sponsorship to reduce the overall running costs of the event;
- Voluntary charging offers the potential to generate income from people attending the event and it is proposed that this is introduced in 2010 and is widely advertised before the event;
- The financial contribution of £3,000 from Strathclyde Fire and Rescue Services would assist significantly with the event.

10. RECOMMENDATIONS

10.1 It is recommended that Cabinet:-

- (i) notes the findings of the review in relation to raising additional income for the Firework Display;
- (ii) approves the acceptance of a financial contribution of £3,000 from Strathclyde Fire and Rescue Service;

- (iii) approves the proposals to generate increased income as described in the report;
- (iv) approves the recommendation that a voluntary contribution arrangement be introduced as described in para 3.2 of the report;
- (v) approves the spend to save purchase of units for the collection of voluntary contributions at a cost of £250 per unit for use at this and future events;
- (vi) remits to the Depute Chief Executive/Executive Director of Neighbourhood Services, to report to Cabinet on the outcome of the 2010 event and proposals for the future; and
- (vii) otherwise notes the contents of the report.

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EM/JAG/CF

16th June 2010

LIST OF BACKGROUND PAPERS
NIL

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