

Folk Festival

To:

Councillor Rachel Wade, Executive Councillor for Communities

Environment & Community Scrutiny Committee 20/03/2025

Report by:

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Wards affected:

All

1.	Recommendations
1.1	To note the information provided regarding the Folk Festival 2024, decision making and future planning.
2.	Purpose and reason for the report
2.1	This report is presented following a request for a special meeting of Environment and Community Scrutiny in accordance with Section 43 of the Council's standing orders. The information in the report reflects and responds to the request for this special meeting. It focuses entirely on the fallow year of the Cambridge Folk Festival, the basis and timings of the decision and outline plans for 2025.
3.0	Executive Summary
3.1	The 2025 Cambridge Folk Festival was cancelled following an Executive decision on 7 th January 2025. Up until that point officers were exploring a variety of options, including to hold the festival as normal. Until a decision was taken it was critical for officers to keep all options open. Due to the commercial sensitivities and in the interest of the reputation and future success of the festival this work was kept strictly confidential. While Executive Cllrs supported the recommended fallow year option, they also called for a programme of folk music activity during summer 2025 to mitigate the impact of the decision.

3.2	The decision to have a fallow year reflects the widespread financial pressure across the UK festival sector. Several festivals have historically taken or intend to take fallow years, including Glastonbury, Boomtown Fair, Green Man Festival, Camb Bestival, Black Deer and Shambala. The trend has become more pronounced in recent years.
3.3	In 2024, the Folk Festival incurred a provisional loss of £0.32m. In the years prior to the Covid pandemic it returned an average profit of over £0.2m to fund free community events in Cambridge. While revenues have remained broadly stable costs have increased significantly as they have for the whole of the UK festival sector.
3.4	The City Council is committed to the long-term success of the internationally acclaimed Cambridge Folk Festival. During the 2025 fallow year, the Council will review the format of the festival so that it can return in 2026. Instead of the festival a programme is being planned during 2025, alongside local artists, including free outdoor events and venue based folk concerts. The full programme will be announced week commencing 7 April.
4.	Background and key issues
4.1	The UK music festival industry is facing widespread financial pressures. These have dramatically impacted the continuation of festivals in the recent years. Many festivals have gone bankrupt and in 2024 over 70 festivals including WOMAD – one of the biggest festivals in the UK - and Cambridge Club were postponed.
4.2	Large corporations (Live Nation, AEG, etc.) dominate the festival landscape. Some have used exclusivity deals which tighten their grip on the market. In 2024, Latitude which is normally held on the penultimate weekend in July, chose to move to the last weekend in July, in direct competition with the Cambridge Folk Festival.
4.3	Inflation has significantly increased costs for essential festival infrastructure (staging, fencing, lighting, security, etc.), and touring costs have nearly doubled, which has pushed higher expenses onto festival organisers and venues. COVID and Brexit have exacerbated staffing shortages, which has also raised operational costs. Audience spending patterns have changed too, with greater resistance to high prices for non-premium tickets. Appendix 1 presents evidence and the trend of these effects specifically on Cambridge Folk Festival.

4.2	<p>Holding the festival in Cambridge provides an indirect economic benefit of approximately £2.3 million per annum (adjusted for inflation from the 2014 study). The majority of consumer spending supports local businesses (£1.48m off-site, £183k on-site). Revenue from the festival previously funded free cultural events in Cambridge, but financial losses now threaten this support.</p>
4.3	<p>A financial plan is developed each year to enable the festival to be cost neutral to the City Council. The financial performance of the 2024 festival in the context of the financial pressures facing all local authorities, including Cambridge City Council, which had established a £6m savings target to achieve by end financial year 2027, was a key factor in relation to the recommendation to pause the Folk Festival in 2025. The bottom-line performance of the festival in 2024 delivered a provisional £320,000 loss.</p>
4.4	<p>Appendix 1 provides the headline performance for the years 2016 – 2024 as well as a more comprehensive breakdown of the key income and expenditure lines. It is not possible to fully reconcile the figures from 2019/20 onwards when the Folk Festival came back into the Council from Cambridge Live. To provide context to the position:</p> <ul style="list-style-type: none"> • The number of Full-Festival tickets purchased has declined notably, from a pre-COVID average of roughly 7,300 per year, to a post-COVID average of 5,900. This declining trend is continuing. If sales had held to the pre-COVID average in 2024, this would represent roughly £230,000 in additional revenue. • The number of camping tickets has significantly decreased, more than halving since 2016. • Infrastructure costs surged over 30% over five years, with equipment costs increasing by roughly 60% from 2016 to 2024. This represents an increase of around £250,000.
4.4	<p>An analysis of feedback from those that attended the Folk Festival in 2024 is summarised below. Overall, there was general consensus that the festival was seen as having returned to its ‘classic form’ or ‘the good old days’, with many hoping that future editions</p>

will maintain the same balance of atmosphere, musical diversity, crowd levels and well-managed infrastructure.

- overwhelmingly positive on the most part, with attendees praising the festival's vibrant atmosphere, diverse lineup, and excellent organisation.
- Many highlighted the friendly and welcoming vibe, emphasizing the sense of community, safety, and inclusivity.
- The variety of music, from well-known acts to surprising new discoveries, was a particular highlight, with special mentions for the Norwegian and Americana/bluegrass sections and Robert Plant.
- The mix of food traders, including gluten-free options, and the ability to bring in outside food and drink were a common theme mentioned.
- Attendees also valued the return to a more relaxed stewarding approach than seen in the last couple of years and improvements in festival amenities like shaded areas, picnic benches, and cleaner toilets.
- The festival's family-friendly environment, children's activities, and opportunities to explore different artists and styles were widely praised.

However,

- some attendees felt that Sunday's lineup was weaker and that the festival lacked high-energy, end-of-night acts to close with a 'bang'.
- A few also noted a slight decrease in impromptu music-making around the site.
- While most appreciated the slightly smaller crowd size, some attributed this to clashes with other festivals including Latitude.
- There were requests for continued improvements in festival logistics.

5	Decision making
5.1	During the Autumn there was no officer assumption regarding the outcome of an Executive decision in relation to the festival in 2025. The festival programming team were in conversation with agents, promoters and artists throughout 2024 with a view to booking artists for 2025. Offers are usually made from the autumn onwards up until May, it varies each year depending on a range of factors. Artists contracts tend to get issued from January, sometimes December. Offers to artists, part of the negotiation process before the final contract is signed, were being considered up until January. Meetings were still

	being held by the festival programmer and artists were being pitched to the programmer as late as January 17 th demonstrating that putting on a festival was still viable should that have been decided.
5.2	Prior to Executive Councillor decision, all options presented would have been feasible. There were no conversations with the industry to suggest that the Festival would not go ahead in 2025 until the press announcement on 17 January.
5.3	Festival organisation and programming is an operational matter for officers. These matters have not previously, for over 10 years, been a matter that requires an Executive Councillor decision. Continuing with the festival would not have required an Executive decision.
5.4	Officers developed a number of potential options. These included continuing the festival in its current format, discontinuing the festival, taking a fallow year, or taking a fallow year with an interim alternative event. The decision to recommend a fallow year, was reached after extensive internal deliberation, financial analysis, and insights from industry experts.
5.5	In November senior officers were presented with a draft report, providing options regarding the festival in 2025. It was agreed that further analysis was required, including on the appropriate decision-making process, prior to recommending a way forward to the Executive Cllr for a decision.
5.6	Options were presented to the Executive Cllr in December for consideration. The officer recommendation was to plan for a fallow year. This option would allow time for a review of the format to develop a more financially sustainable festival. To continue with the full festival delivery in 2025 would hinder the developmental work needed to help secure its longevity. The presentation of this analysis would have benefited from being brought to the Executive Councillor earlier.
5.7	In December 2024, officers sought advice on the appropriate decision-making process. None were a 'key decision' but were commercially sensitive in nature. It was deemed any publication or detailed discussions on the financial position of the festival had the potential

	<p>to impede the successful management of future festivals and the confidence required by suppliers, artists, sponsors and ticket buyers. However, as the matter was politically sensitive it was appropriate for any decision to be approved by the relevant Executive Councillor.</p>
<p>6</p>	<p>Timeline of Decision-Making Process</p>
<p>6.1</p>	<p>May - July 2024: Ticket sale tracking for 2024 festival shared among officers and Executive; sales underperforming.</p> <p>July 2024: Special meeting held on-site discussing financial challenges and potential shortfall with sector experts, officers and Executive.</p> <p>August 2024: Festival delivered; payments and reconciliations processed.</p> <p>September 2024: Final sales analysis confirms failure to meet targets; financial projections examined. Initial deliberation of potential options available for 2025.</p> <p>October 2024: Options paper preparation, exploring budget solutions.</p> <p>November 2024: Options paper presented to senior officers.</p> <p>December 2024: Clarification of decision-making arrangements; confidential options report with recommendation presented to Executive Councillor on 10 Dec.</p> <p>January 2025: Executive Councillor decision taken on 7 January to have a fallow year with request to develop additional programming during 2025 to mitigate impact.</p> <p>January 14th: Scoping documents on the 2025 events and principles for review and future festival proposal shared for confirmation with Executive Councillor and Leader.</p> <p>Jan 17: Public announcement following final considerations for additional programme in 2025 in lieu of fallow year. Opposition Spokes briefed ahead of public announcement.</p>

7	2025 Plan
7.1	<p>A proposed budget of £75,000 was approved at Full Council on 24/02/25 to support the delivery of a series of Folk related events throughout 2025. This is being finalised based on the following principles and will be launched the week commencing 7th April 2025:</p> <ul style="list-style-type: none"> ● Invest resource into the local music economy. ● Support local independent promoters, local venues, emerging talent and young musicians in line with the Cultural Strategy. ● Support the promotion of venue based folk concerts across the year from April 2025 to April 2026. ● Deliver a free series of outdoor concert events in August 2025 in the City. <p>Offers of support and engagement from the local folk</p>
7.2	<p>The Council's 2025/2026 budget includes £50,000 to support the independent review. The budget also identified £178,000 reflecting an effective loss in projected surplus alongside associated operational staffing.</p>
7.3	<p>The Festival's financial cycle does not align with the Council's, which means its financial performance, shown within Appendix 1, does not necessarily relate to the budget requirements within the Council's financial year.</p>
8.	Review
8.1	<p>Independent consultancy is required, with a scope already established, to review the Folk Festival format for 2026 and beyond to ensure it is financially viable and can thrive in the future. Specialist consultants are being engaged across a number of areas including production infrastructure costs, programme, commercial income, fundraising, audience development and marketing. The final report will present a set of options for the format, from the radical to a revision, with a financial forecast and business plan, programming principles, and the desired outcomes for the festival.</p>
8.2	<p>There is a significant amount of data already available to be shared with the consultants, including: financial, market context, local talent, sector insight, ticket sale origination, partnership opportunities, public feedback and programme information. The timetable for the review is:</p>

	<p>August 2024 – current: Internal review of outlined key strategic areas (mentioned above)</p> <p>March 2025: Commission independent consultants</p> <p>May 2025: Final Report, review and agree key decisions</p> <p>June 2025: Implementation to support successful 2026 festival</p>
8.2	<p>Until the festival review is complete and recommendations on the proposed way forward have been develop it is not known what decisions may need to be needed by Executive Cllrs. This, together with the impact of changes to future council governance mean the appropriate decision-making process is currently unclear. This will be kept under review and the appropriate process at the time will be followed.</p>
9	Appendices
9.1	<p>Appendix 1. Financial analysis covering 2016-2024 bottom line performance and trend analysis of key income and expenditure.</p>
	<p>To inspect the background papers or if you have a query on the report please contact Frances.Alderton@cambridge.gov.uk</p>