

# MIDDLESBROUGH COUNCIL

## FINAL REPORT OF THE CULTURE AND COMMUNITIES SCRUTINY PANEL CULTURAL EVENTS IN MIDDLESBROUGH: - THEIR IMPACT AND FUTURE

### CONTENTS

<b>Aims of the investigation</b>	Page 2
<b>Council's Core Objectives</b>	Page 2
<b>Terms of Reference</b>	Page 2
<b>Background Information</b>	Page 3
<b>Term of Reference A</b>	Page 5
<b>Term of Reference B</b>	Page 11
<b>Term of Reference C</b>	Page 16
<b>Conclusions</b>	Page 17
<b>Recommendations</b>	Page 18
<b>Acknowledgements</b>	Page 19
<b>Background Papers</b>	Page 19
<b>Acronyms</b>	Page 20

## **AIM OF THE INVESTIGATION**

1. This investigation attempts to identify how cultural events delivered in Middlesbrough contribute to important strategic objectives and the well-being of Middlesbrough residents. In doing so it is hoped to show that rather than one-off set pieces, cultural events have the ability to provide long lasting impacts that cut across demographic barriers.

## **COUNCIL'S THREE INTERRELATED AIMS**

1. The scrutiny of this topic aligns with the Council's three core objectives as detailed in the Strategic Plan 2021-2024<sup>1</sup>:
2. People - Working with communities and other public services in Middlesbrough to improve the lives of local people.
3. Place - Securing improvements in Middlesbrough's housing, infrastructure and attractiveness, improving the town's reputation, creating opportunities for local people.
4. Business - Promoting investment in Middlesbrough's economy and making sure we work as effectively as possible to support our ambitions for People and Place.

## **TERMS OF REFERENCE**

1. The terms of reference for the scrutiny panel's investigation were as follows:
  - A. Using examples of best practice, learn how cultural events are delivered in Middlesbrough and how they contribute to wider social regeneration initiatives.
  - B. In light of Covid-19, explore different delivery formats to understand if future events can be sustainable in a post Covid-19 world.
  - C. To learn how Cultural Events can contribute to wider Economic Initiatives in Middlesbrough.

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<sup>1</sup> Middlesbrough Council's Strategic Plan 2020-2023

## BACKGROUND INFORMATION

2. The impact of Cultural events have, arguably, never been more important. Not only do they create windows into how other people live, they provide almost unique mechanisms that allow people to celebrate and learn.
3. In the shadow of the Covid-19 pandemic cultural events, and the creative industry generally, stand on the edge of a seeming precipice. While able to act as vehicles to re-introduce “normality” after a long period of disconnectedness and isolation, there may be an urgent need to examine if they can ever be held in the same way again.
4. The Cultural sector has been adversely affected by the Covid-19 pandemic, arguably more than most. The impact has been likened to a “Cultural Catastrophe”<sup>2</sup> by the Creative Industries Federation. While the full impact of the pandemic is still being felt, in mid - 2020 there were concerns that, nationally, up to 400,000 jobs could be lost with weekly revenue losses equalling £1.4 billion.
5. In response the Government announced a “Culture Recovery Fund”<sup>3</sup> of £1.57 billion for the cultural sector to draw on for support. Split over three rounds, the fund has provided support to more than 5,000 organisations and sites across the country, protecting 75,000 jobs and supporting approximately 100,000 freelancers.<sup>4</sup>
6. It is in this context the Culture and Communities Scrutiny Panel wanted to examine both the impact of cultural events in Middlesbrough, and how they have been impacted both socially and economically. In doing so the Panel wanted to understand how cultural events could add value to the Council’s existing strategic priorities as well as enhance the Town’s wider cultural offer.
7. Before examining cultural events it would be prudent to identify what is meant by “culture.” While there are different ways of defining culture, for the purposes of this report “culture” can be seen as the cumulative experience of people and institutions developed over time. Indeed, the Culture White Paper published in 2016 stated that culture was,  
  
“...the accumulated influence of creativity, the arts, museums, galleries, libraries, archives and heritage upon all our lives. When we talk about our ‘cultural sectors’, we are referring to an extraordinary network of individuals and organisations, that together preserve, reflect and promote who we are as a nation, in all our rich diversity.”<sup>5</sup>
8. Any discussion of “culture” runs the danger of appearing abstract and bearing little or no relevance to people’s everyday lives. As a corollary, cultural events also run the risk of being hidden behind more tangible council services, such as refuse collection or social care. However, the Panel was keen to highlight how cultural events remain pertinent in the current climate.

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<sup>2</sup> [Press release: "Cultural catastrophe" - over 400,000 creative jobs could be lost... The Projected Economic Impact of Covid-19 on the UK Creative Industries report. | Creative Industries Federation](#)

<sup>3</sup> More information about the Culture Recovery Fund can be found on the government’s website [Culture Recovery Fund - GOV.UK \(www.gov.uk\)](#)

<sup>4</sup> Arts council England, “Third round of Culture Recovery fund to secure future of thousands of organisations” [Third round of Culture Recovery fund to secure future of thousands of organisations | Arts Council England](#)

<sup>5</sup> Department for Culture, Media & Sport “The Culture White Paper” p13 [The Culture White Paper \(publishing.service.gov.uk\)](#)

9. As definitions of “culture” can be imprecise, cultural events are equally difficult to easily describe. Generally time limited and with a culturally themed focus their scale can vary widely, encompassing a small number of participants or many thousands having specific or multi-faceted remits.
10. If both culture and cultural events are defined in the above terms it would be sufficient to say that cultural events, therefore, are the vehicles that deliver the message of an accumulated social experience.
11. Naturally, these definitions need to be viewed through the lens of Local Government which is a key institution helping deliver cultural events and continues to be one of its primary funders. As such Local Authorities are ideally placed to deliver cultural events that are attuned and relevant to their local communities.<sup>6</sup> To help with cultural delivery Middlesbrough Council launched its Cultural Strategy in November 2018 with the intention of growing the Town’s Cultural offer.
12. There are many strands to the Cultural Strategy which aims to achieve financial resilience, contribute to a stronger economy and to transformation the perception of Middlesbrough.<sup>7</sup> It aims to achieve this via different means, including the Place Brand and contributions to other strategies, such as the Social Regeneration Strategy<sup>8</sup> and is monitored through the Council’s performance regime.
13. The Council delivers, funds and supports events on a set range of objectives, which had been agreed by Executive. Those objectives were;
  - Raising the profile of the area to make sure people know where Middlesbrough is and what it stands for;
  - Attracting higher footfall/ increase in dwell time with the intention of attracting people to places where events are being held. This would also, hopefully, see those visitors spending money in the town, such as hotel stays for the bigger events as well as restaurant bookings and public transport use. This would, overall, generate economic impact from having the event and;
  - Community engagement whereby events aimed to boost local pride and to bring communities together but importantly, this is not confined to smaller events as larger events can be about this as well.

It is with these objectives in mind that cultural events and their impact will be examined.

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<sup>6</sup> LGA “People, Culture and Place The role of culture in place making” p6

<sup>7</sup> Middlesbrough Cultural Strategy p14

<sup>8</sup> ibid p16

## TERM OF REFERENCE A

USING EXAMPLES OF BEST PRACTICE, UNDERSTAND HOW CULTURAL EVENTS ARE DELIVERED IN MIDDLESBROUGH AND HOW THEY CONTRIBUTE TO WIDER SOCIAL REGENERATION INITIATIVES.

14. Operationally, there is a sliding scale of how much the Council is involved in events with its role differing depending on the event. The budget for holding events stands at £68,000 with staffing equating to 1.5 FTE. As such, the Council's preferred approach is providing support to others holding events, rather than delivering events itself.
15. For external agents delivering events, Council support is provided from a technical, licensing and safety perspective and as such is a member of the Independent Safety Advisory Group along with the Fire Brigade and Police. This group ensures events are conducted in a safe manner.
16. The Council operated, supported, or played a role in a number of events that constituted its "standard" programme including;
  - MELA
  - Orange Pip Market
  - Discover Middlesbrough event;
  - Animex
  - Christmas events in the Town,
  - Armed Forces day
  - Nagar Kirton
  - 10k and 5k (in conjunction with Public Health)
17. Occasionally there were events that sat outside the normal events schedule, such as the Radio 1 Big Weekend. Such events required significant investment from the Council but also had a significant impact on the town as a whole.
18. The Council's events programme does not, and cannot, operate in a silo. As a matter of course, conversations take place sub-regionally about event planning to minimise clashes and duplication. Prior to the Covid-19 pandemic, approaches had also been made to the Tees Valley Combined Authority (TVCA) seeking investment for events in the coming years. The TVCA has a significant budget for cultural events with Darlington's railway heritage being an example of such investment.
19. It was the intention that the TVCA would focus on large scale strategic events, such as the Rugby World Cup, and leave smaller events to individual Councils.

### The immediate effect of the Covid-19 pandemic

20. While it is too early to assess the full extent the pandemic has had on cultural event delivery, there have been early effects that continue to have an impact.

21. The Panel appreciates that the Executive Member for Culture and Communities was keen to improve the visibility of Middlesbrough through the events it holds. The Panel are also aware that prior to the pandemic several plans to achieve this were planned.
22. Unfortunately the pandemic halted most of those plans and has left several important challenges to holding events. One of these challenges was social distancing, which has meant large scale events had to be postponed for long periods, as venues could no longer accommodate the same number of visitors. Such issues were exacerbated by the so-called "bubble system".
23. Financially, the immediate impact of the pandemic is a mixed picture. Income generation has been affected, given that most income for events is from alcohol sales. However, as ticket costs are covered by the performer it was financially prudent not to hold events during this time.
24. Wider financial implications were, and are, being felt however. Prolonged retail closures meant there was little point in holding events that fed into retail areas as the added financial benefit for retailers would have been lost, especially for the food and beverage sector.
25. Prior to the pandemic event delivery also relied, to some extent, on financial support from various arts organisations. However, as these organisations' finances have also been adversely affected support for cultural events has been doubly impacted. Importantly, Council staff, whose jobs involved delivering events, were secured during these uncertain times, as they were re-allocated to other tasks.
26. Sponsors were also reluctant to provide sponsorship opportunities as there was increased risk that they would not recoup their sponsorship offer.
27. During the pandemic, there was a need to understand how events were going to be delivered without understanding the full extent of any restrictions. While many restrictions have been lifted, there is still a desire to hold events in as safe an environment as possible.
28. This uncertainty was coupled with not knowing how the public would feel about attending events. A great deal of research has taken place with the Council's customer base who, after the first wave, felt they would leave it a long time before returning to attend events, especially events with a relatively large audience.
29. When hosting events, the process for booking acts and paying for their performance or paying for space and stalls can be expensive, especially when factoring in promotion. The Council decided to take a cautious approach to holding events in order to mitigate potential abortive costs. So far, this had proven to be the prudent course of action.
30. For the financial year 2020/2021 events were largely cancelled, with only small events being held both within and outside the Town Hall that were socially distanced. Those events included Summer Sessions and outdoor Theatre performances of the Great Gatsby, Pride & Prejudice.
31. Specific, regularly programmed events, such as the Christmas programme had almost been a moving target during the pandemic. Plans explored if events could be taken out to the

public rather than held centrally. While restrictions are now easing, it is difficult to tell if they will remain so heading into the winter period.

### Cultural events – Wider Impact

32. While it is recognised cultural events bring many benefits, their impact is sometimes difficult to measure precisely.
33. The main quantitative impact of events is financial, i.e. visitor spend and added value to other sectors such as hospitality. From a visitor perspective there are established methods using external companies such as Global Tourism Solutions<sup>9</sup>, that attempt to understand what impacts would be felt following an event. Using STEAM statistical models it,

*“...quantifies the local economic impact of tourism, from both staying and day visitors, through analysis and use of a variety of inputs including visitor attraction numbers, tourist accommodation bedstock, events attendance, occupancy levels, accommodation tariffs, macroeconomic factors, visitor expenditure levels, transport use levels and tourism-specific economic multipliers.”<sup>10</sup>*
34. Pre-Covid, this method shows, on average, spend per visitor to ticketed and un-ticketed events was £25 to the local economy. The TVCA will hopefully be repeating this exercise to further understand what impact Covid has had.
35. However, qualitative measures of impact are more difficult to obtain. For example, where an event’s aim is for the purpose of community cohesiveness, user surveys are the only vehicle used to measure this impact. While user experience surveys try to capture audience views, they are not carried out after every event as not all events are bookable or ticketed.
36. While more difficult to measure, research commissioned by Arts Council England in 2019 found 65% of people felt having a robust and effective arts and culture offer was good for their wellbeing. It also found that activities like events helped reinforce a sense of community and helped to entice and/ or retain residents within a given area.<sup>11</sup>
37. Locally, to gauge the impact of cultural events collaboration is critical and involves both internal and external stakeholders, including the Town Centre Team, local businesses and schools. Indeed, in an effort to gather views wider than the Middlesbrough area, the TVCA is conducting a user survey across the Tees Valley to gather views about the 2021 *Mela*.
38. Generally, events provide opportunities to offer new skills for residents, especially through engagement work. Importantly, many events delivered in Middlesbrough were not one-off with most having sub-work programmes that further enhanced community engagement. Examples include the various activities associated with the *Mela* (discussed below). Such engagement also provides the opportunity for schools, communities and individuals to participate and, by extension, improve resident wellbeing.

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<sup>9</sup> [About Us | Tourism Research | UK | Global Tourism Solutions \(UK\) Ltd](#)

<sup>10</sup> [STEAM model | Tourism Research | UK | Global Tourism Solutions \(UK\) Ltd](#)

<sup>11</sup> [A New Study Finds That People Who Attend Cultural Events Are Happier With Their Lives Than People Who Don't | Artnet News 2019](#)

39. Achieving, and maintaining, an event's impact is challenging even if the subject matter has local or even international appeal. For example, the Railway Heritage in Darlington and its associated events did not seem to appeal to a wider visitor base than its local boundaries. As such the Council does not intend to develop events around local interests, such as iron and steel, as their appeal is relatively limited and unlikely to be sustainable in the long term.
40. It is these impacts that should be borne in mind when considering the following descriptions of the Council's current events portfolio. As such, the Panel were keen understand how Middlesbrough could develop and foster cultural events for the longer term and realise these potential benefits.

### Best Practice – Current Event Schedule

41. While there are subjects of historical significance to Middlesbrough, it is appreciated the town lacks a natural theme that could be sufficiently exploited, save for its iron steel heritage as described above. Instead, Middlesbrough continues, to excel at other events it can capitalise on; namely multi-cultural events, the main example of which is the *Mela*.
42. Regarded as one of the strongest of its kind outside Birmingham, the Middlesbrough *Mela* is a long established multi-cultural event that has received numerous accolades.
43. Being one of the first in the UK (after Nottingham and Bradford in 1988) Middlesbrough's *Mela* has been operating since 1990. While its 30<sup>th</sup> Anniversary celebrations were planned for the 2020 event, the pandemic prevented this.
44. The nature of the *Mela* had transformed from being a purely multi-cultural event to something that was targeted at the entire community and consistently receives positive feedback from visitors and vendors alike.
45. The Panel appreciates that, because of the pandemic, data relating to the *Mela*'s economic and social impact will not be consistent with previous years. Therefore information used to inform this report has been drawn from 2019 and 2020 datasets. However, such inconsistency has been useful in understanding how established events like the *Mela* are vulnerable to shocks, and how insulated they are to those shocks.
46. Ordinarily, the *Mela* receives audiences of between 30,000 – 50,000 people with over 100 crew members being involved. Naturally, an event of this size affects, and has an impact upon, dependent industries and helps to attract investment via sponsorship and funders.
47. Importantly, the *Mela* does not operate in isolation. Indeed, the *Mela* operates additional, associated, events that work with over 150 people from community groups on various commissions. These commissions worked with professional artists, musicians and choreographers over a three month period which contributed to the creative content of the *Mela* and for its associated, smaller events such as parades.
48. The *Mela* continues to make a positive impact on the economy both in terms of generating and attracting wealth. For example, the 2019 event saw 102 staff employed over the course of the festival. This included artists, community facilitators, project managers, performers and crew covering a total of 273 days of employment combined. The event continues to attract



loyal, repeat traders whilst continuing to grow and develop relationships with new ones (attracting 38% of new traders).

49. From a visitor perspective, average spend at the event was £14.77 and when setting this against average visitor numbers it is estimated the *Mela* generates approximately £440,000 of income. Interestingly, when surveyed, 52% of groups attending *Mela* lived in Middlesbrough with 31.4% living within the wider Tees Valley and 16.2% outside of the Tees Valley. Clearly, the attraction of the *Mela* was to Middlesbrough and its immediate neighbours.
50. Attracting wider audiences to the actual event and even raising its profile was a continuing area of work. As of 2020 the *Mela's* Facebook page had:
  - 3,850 page likes,
  - 94% of page fans are from the UK (with 51% from Middlesbrough with the majority from the Tees Valley).
  - 70 active followers from Pakistan, 24 from India, 12 from the USA, 6 in Brazil and even 1 in Mozambique.
  - Overall reach on Facebook for the festival reached 107,977
  - Total engagement reached 3,112
51. Significant work is being undertaken to market the *Mela* as widely as possible, as improvements to visitor numbers from outside Middlesbrough may not only help improve spend at the event, but also showcase Middlesbrough to other visitors - something that informs initiatives such as the Middlesbrough Place Brand.
52. Events like the *Mela* also offer crucial community connections and while these are “softer” impacts when compared to “harder” economic ones, there are as equally important. Smaller, but associated events help to combat social isolation and reach individuals in areas where this is unusual.
53. To effectively target communities the Council’s Events Team actively works alongside the Stronger Communities service to identify community groups that may benefit from cultural engagement. This could be communities with diverse demographics, or those that had not previously engaged with cultural events. This was especially true for those communities in eastern Middlesbrough.
54. External partners, including Cleveland Police and the Police and Crime Commissioner, also provide support and reinforce social and community cohesion. In order to maintain physical contact with the community a book has been created that included information for *Mela* related events, which was especially important for those without or limited access to online materials during the pandemic.

### Best Practice - Christmas

55. The Council takes a more active role in the delivery of Christmas events, which can attract up to 20,000 visitors, such as the *The Magical Middlesbrough Parade*.

56. In a similar way to the *Mela*, the Council's Events Team work with a wide range of internal and external stakeholders, including those involved in the creative arts and Health and Safety to ensure event delivery was of a high quality and procedurally robust.
57. The Christmas markets are also a key feature of the Christmas events programme, which is largely delivered by an external provider with the fees generated used to invest in other events. Therefore, a suitable Christmas programme is required that supports retailers but would not cause visitors to gather in a central place. To this end, events like trails would be beneficial, but would also be dependent on the prevalence of Covid-19 during the winter period, and any mitigations introduced under either so-called Plan A or Plan B of the Government's Winter Plan.
58. The Orange Pip Market was another example of best practice cultural event delivered by the Council. Despite not being held in 2020 due to the pandemic, Orange Pip provided an opportunity for local trades to showcase their businesses and generate increased awareness of Middlesbrough's cultural and economic offer.
59. Clearly, the Council has a robust events programme that collectively brings both social and financial benefits. However, the Covid-19 pandemic has shown that adaptation is paramount, and that exploration of alternative methods of delivery should be continuous.

## TERM OF REFERENCE B

IN LIGHT OF COVID-19, EXPLORE DIFFERENT DELIVERY FORMATS TO UNDERSTAND IF FUTURE EVENTS CAN BE SUSTAINABLE IN A POST COVID-19 WORLD.

60. All organisations are susceptible to “shocks”, i.e. unknown events that can have detrimental impact on service delivery. These “shocks” can be short lived, but have long term effects. Ordinarily, Councils are assessed on their ability to withstand financial shocks, but the same principle can be applied to cultural events.
61. As described above; the covid pandemic revealed “shocks” that had not been considered before, and affected the very nature of how events are held and by extension how the local community is impacted.
62. The impact of Covid on the creative industries has been significant. It is estimated that, relative to the size of its Creative Industry Sector, the North East will suffer a 39% fall in Gross Value Added (GVA)<sup>12</sup> compared to 2019, the second highest affected region after Scotland as a whole.<sup>13</sup>
63. Holding events, whether they be physical or online, requires audiences to be happy to attend them. While social distancing restrictions are being relaxed nationally, there is still a need to be watchful of local covid rates and to consider residents’ feelings in this regard. The Events Team belonged to the Local Authority Events Organisers Group that benchmarked national trends and audience attitudes in this regard.
64. Research carried out by consultancy firm *Indigo* into audience attitude found that in May 2020 while 94% of respondents said they missed attending an event, only 19% said they would attend events simply because a venue re-opened, with three quarters stating they would feel safer with some form social distancing in place. During June and July 2020 66% of respondents said they would return to attending events provided some form of safety measure was in place.<sup>14</sup>
65. Moving forward events may need an element of Covid-19 compliance, but this would be dependent on the prevalence of Covid and any resulting restrictions. Socially distanced methods for holding events have already been used, including holding an outdoor theatre event during the summer of 2020. It was commented that this approach could be extended to other event types, with discussions to have an element of “drive through” events for the *Mela* in order to maintain social distancing.
66. Regardless, changes to event format in this context are limited to visitor restriction or reduction in scale, not examining different delivery methods. The Panel are conscious that this would not, and should not, be rushed as event delivery type can impact on an event’s financial viability and its community impact.

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<sup>12</sup> Gross Value Added is the measure of the value of goods and services produced in an area, industry or sector of an economy

<sup>13</sup> Ibid

<sup>14</sup> [National Audience Research - After the Interval & Act 2 | Indigo \(indigo-ltd.com\)](#)

67. Interestingly, when gauging audience opinions toward online events, *Indigo* found 84% of respondents said they were interested in culture online, and more than half would pay for it.<sup>15</sup>
68. While technology enabling online events has been available for some time, doing so removes fundamental benefits events bring – such as social interaction and connectedness. Moving to online events does not simply require an internet connection. Instead, it requires input from the same creative industries that provide services for physical events. Sponsorship was still secured for those online events which meant financial support, albeit reduced, was still provided to the creative industry.
69. Moving to on-line event delivery has, to a point, proven to be successful. For example, a ticketed *Curious Arts* livestream event was held, whereby participants were asked to donate rather than pay an entry fee. The *Mela* had also moved to online, despite other *Mela* being cancelled, resulting in it being awarded the best online *Mela* in the UK in 2020.
70. Moving to on-line only events is not only unrealistic, but also unpalatable given the benefits events have for social interaction. However, remaining with physical only events may miss a key demographic and other potential benefits such as wider participation. As such, there needs to be way in which cultural events can synthesise the two.

#### Alternative event formats - eSports

71. Therefore, representatives from the British eSports Association (BEA) were invited to provide the Panel with information about eSports and what benefits events of this nature could bring. The BEA are a not-for-profit and had been in existence since 2016. One of their objectives is to promote eSports, foster British talent and raise awareness of the industry while illustrating the importance of eSports's potential cultural and commercial impacts. As part of this role the BEA acted as a sector specialist, although not a governing body, that advised a range of stakeholders such as parents, teachers and policy makers. The BEA was a member of different organisations including the Welsh Sports Association and the Creative Industries Federation.
72. ESports, or competitive computer gaming, was an example of cultural event that did not exist within the Council's established event portfolio. While eSports may not commonly be regarded as "cultural" events, the impact they have both socially and economically could potentially see them overtake more traditional events in terms of impact.
73. For both spectators and participants alike, the format of an eSports event encompasses both the physical and the virtual. For example, many eSports event are held in large venues and are broadcast both within the venue and wider via social media platforms (see image below).

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<sup>15</sup> Ibid



Figure 1.1 example of Redbull eSports event

74. Given the eSports sector was projected to have a global audience of approximately 645 million people by 2022 and a global revenue stream (not including video games) worth approximately \$950 million it has been seen as an irresistible force that could significantly enhance the Council's cultural offer.
75. Public access to eSports was arguably much easier than "traditional" events. For instance, because of social media platforms such as YouTube and Twitch viewers can observe or even participate in events individually or in large groups, similar to watching other sporting events. Indeed, it is argued that watching sporting events is an embedded part of our culture, allowing a shared experience that brought people together. ESports events were a continuation of this, albeit in a different format.
76. Many of the virtues of "traditional" events can be found in eSports, competitive video gaming was always human versus human, and often team versus team requiring a great deal of skill. As eSports was firmly a community based activity, videogames progressed to being an eSport when the gaming community decided to make it such.
77. Some video games were modern mind games, having rules, choice and consequences. Competitive gaming had various rewards including medals and cash prizes. Inclusivity played a key role in eSports; such as being gender neutral with just as many female participants as males globally.
78. ESports is a well-established phenomenon in the USA, Germany and South Korea and is recognised as an actual sport. However, this is not the case in the UK, but the eSports sector does have reporting channels to the Department for Digital, Culture, Media and Sport.

79. From an employability perspective; participation in eSports helps to reinforce life skills, or soft skills, such as communication, choice and consequence decisions, concentration and team work. Established career pathways were also forged with participation in eSports. For example, playing *Minecraft* and *Civilisation* can forge career paths into the intelligence services.<sup>16</sup>
80. Educationally, further education colleges are starting to introduce eSports courses to their curricula. The BEA had helped launched the British Esports Btech which explored how the industry worked from a content, creation and commercial perspective. The University of Staffordshire launched a Bachelor of Arts degree in eSports in 2018 with others following suit. Importantly, Teesside University launched its Master of Arts in eSports and Middlesbrough College also has an eSports component in some of its digital courses.<sup>17</sup> ESports also contributed to important academic disciplines including computing, mathematics, engineering and the creatives industries.<sup>18</sup>
81. The Panel appreciates that by providing a wide range of eSports related academic qualifications their impact may be lessened, and employers in the digital sector may be more receptive to practical based experience. However, the Panel also recognise that academic degrees in eSports is not only about becoming a professional video gamer. Instead such qualifications examined wider aspects of eSports, such as how the digital industry worked and its business and commercial elements.
82. There are of course benefits and risks associated with eSports, and both should be considered carefully. It should also be borne in mind the Panel's investigation is associated with cultural events and not video gaming per se. As such any associated risks should be viewed through this lens. However, given the symbiosis between eSports and video gaming it would be remiss of the Panel not at least reference some those risks as well as benefits.
83. There is a perception that eSports participants are actually de-skilling. However, research has been carried out demonstrating that participation with video gaming enhanced certain skill sets such as spatial working, memory retention and verbal reasoning.<sup>19</sup> It also contributed to improved mental health which was especially important during the Covid pandemic. This applied to both young and old people as older people playing video games had showed improved memory function which also assisted with dementia prevention.
84. With any event there are associated risks that need to be managed and eSports is not immune to this. High profile examples of risks include age appropriate games and exposure to inappropriate content for younger gamers. Ultimately, there will always be loopholes in systems designed to protect against such thing. However, games used in eSports were vetted and only appropriate games are used for competitions. Where events are held in physical locations more rigorous checks, including ID requirements, are carried out.
85. Another significant risk associated with eSports and video gaming more generally, was the perception of a sedentary lifestyle that discourages physical activity. Naturally, this could have negative health implications. It cannot be disputed that health risks exist with excessive video gaming. Like any other activity it is important to achieve a healthy balance

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<sup>16</sup> Ibid

<sup>17</sup> Ibid

<sup>18</sup> Ibid

<sup>19</sup> [Advice and information - British Esports Association](#)

between participation and non-participation. While in its infancy, technology was advancing to the point of wear-ability that allows participants to become physically involved in game-play. While mainstream use of this technology needs further development it could potentially be used during eSports events.

86. Like all cultural events social wellbeing is also a key consideration. In a similar vein to perceptions of video gamers leading sedentary lives, it is easy to draw parallels between video-gaming and negative cultural developments such as violent behaviours. While some studies show video-gaming can lead, in some cases, to aggressive behaviours studies from the American Psychology Association argue that “violence begets violence, not watching it on TV or play acting in a video game”<sup>20</sup> and that violence is exacerbated when there are underlying conditions. However, it is well documented that debates surrounding this have been going on for considerable time with no definitive conclusion.
87. Controls do exist that can achieve this balance, and while not infallible a degree of user responsibility should be expected, whether this be parental responsibility for younger participants or not.
88. There are, however, many social benefits that eSports related events could bring, including acting as an engine for social mobility, in the same way that professional football was based on talent. Video gaming generally is very diverse drawing on different groups in equal measure as well geographically equal and not concentrated in certain areas. Nevertheless, access to eSports does have its own obstacles, namely dependence on ownership of relevant technology, such as games consoles which could be expensive.
89. ESports as a cultural event has not fully taken hold within Local Authorities, but this is not due to a reluctance to hold them. Instead, the BEA has been more focussed on facilitating large scale championship tournaments. However, there is no reason why some kind of eSports event could not take place in Middlesbrough. For example, there would be no need for specific considerations required for its size, but having stable networks and the potential to stream the event to social media was important. While exact costs would be dependent on scale, such an event could be achieved at relatively low cost.

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<sup>20</sup> Kotecha, S “Doctor claims video games 'don't lead to violence'” BBC News 6 October 2010 [Doctor claims video games 'don't lead to violence' - BBC News](#)

## TERM OF REFERENCE C

### HOW CULTURAL EVENTS CAN CONTRIBUTE TO WIDER ECONOMIC INITIATIVES IN MIDDLESBROUGH.

90. The creative industries contributed £111.7bn to the UK's economy in 2018 (accounting for 5.8% of the UK GVA) and realising growth of 7.4% in the same period which was five times the rate of growth experienced by the entire UK economy.<sup>21</sup> With such significant financial impacts it would be prudent for the Council to try and capitalise on that growth.
91. The extent of the economic benefits brought by cultural events will depend on scale. However, all events can see one, or all, of the following economic impacts;
- Tourism and Trade; whereby visitors can not only attend the event but also visit other attractions and spend money in other sectors by extension.
  - Infrastructure; (for larger events) potential improvements to venue or transport improvements
  - Image; possibly the most difficult to achieve events have the opportunity to improve a host area's image.<sup>22</sup>
92. The task of measuring the economic impact of cultural events is not easy. Indeed, at the macro level it involves measuring,
- “...the total amount of additional money injected into a defined area, as a consequence of staging the event. Economic Impact studies seek to establish the net change in a host economy – in other words, money inflows and outflows within a defined geographical area measured to establish the resulting net outcome.”<sup>23</sup>
93. Despite this challenge, the role the cultural bloc plays in wider economic initiatives and objectives should not be underestimated. Locally, a prime example of this was Middlesbrough's success in securing £14.1 million as part of the second round of the Future High Street Fund. By creating a synergy between regeneration developments and changing how cultural events are delivered could result in significant cultural and financial improvements.
94. As described in Terms of Reference A, the economic benefits of “traditional” cultural events such as the *Mela* and *Orange Pip* are understood whether that be from visitor spend, employability or supply chain perspectives.
95. If different event formats, such as eSports, are to be explored it would prudent to examine how they could inform economic initiatives and help drive financial development. There are several national and international examples of how eSports, and the digital industries actively contribute to local economies.
96. Internationally, eSports had been transformative in the Polish town Katowice. Traditionally, Katowice's economic base was mining, however after this faltered there was a desire to

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<sup>21</sup> “The projected economic impact of covid-19 on the uk creative industries” Oxford Economics (<https://www.oxfordeconomics.com/recent-releases/The-Projected-Economic-Impact-of-COVID-19-on-the-UK-Creative-Industries>)

<sup>22</sup> Ibid

<sup>23</sup> “Economic Impacts” *The International Association of Event Hosts* <https://www.eventhosts.org/>



build alternatives with eSports largely filling the economic void. For example, from a single event (the *Intel Extreme Masters*) it is estimated that visitors spend on average 628PLN if they have accommodation, or 148PLN without.<sup>24</sup> In this example, the rate of spend per visitor should be considered rather than direct comparisons of spending power between the Polish zloty and Pound Sterling.

97. Catalonia in Spain is sometimes cited as the capital of European eSports, with a sector turnover of €430million, employing over 3,000 people, home to 145 digital companies and hold events attracting more than 20,000 spectators.<sup>25</sup>
98. While not formally recognised “entities” as such, there are 12 digital clusters around the UK that ordinarily exist around colleges or university’s offering digital courses and digital industries growing around them. An example is Dundee in Scotland whose traditional industry had been Marmalade manufacture but now has a significant digital sector due to its University offering excellent digital courses. There was no specific requirement for digital clusters to be created, but given Teesside University and Middlesbrough College offer robust digital courses, there is no reason that Middlesbrough could not develop a digital cluster for the Tees Valley.
99. In a similar vein to the benefits brought about by traditional events, leisure venues associated with eSports have increased in number, such as eSports bars. The BEA also carried out extensive work in Sheffield contributing to the creation of the National Video Games Museum to understand how its creation would impact on have the local economy.
100. It is important to realise that Middlesbrough already has a framework that could help and support eSports, whether that be small scale cultural events or larger scale digital initiatives. For example, there are three leading video game companies based in Middlesbrough; *Radical Forge*, *Double Eleven* and *Soft Monkey* which employed approximately 200 people combined.
101. While eSports events would be relatively new to Middlesbrough, they would not be the first example of digital initiatives in the town. For example, the Animex Festival, hosted by Teesside University, which showcases the latest developments in computer game design and other digital initiatives has been long established.
102. Indeed, the Panel were encouraged to hear that plans to bring the Animex Festival to the Town Hall had been discussed and that moves to make the event town-wide rather than campus specific were quite advanced. As such the Panel was hopeful these plans would come to fruition as soon as possible. The Panel were also reassured that holding an eSports event in the Town Hall would not be a significant step.

## CONCLUSIONS

102. Despite limited resources, the Council and its Events Team continue to provide a robust events programme that appeals to wide audience base and actively contributes to the

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<sup>24</sup> [Katowice: A City in Poland Became the World Esports Capital \[Case Study\] \(prow.ly.com\)](#)

<sup>25</sup> [Discover the vibrant Mobile and Videogames Industry in Catalonia](#)

Council's strategic objectives, such as its aim, "to invest in our existing cultural assets, create new spaces and events and improve access to culture."<sup>26</sup>

103. The Covid-19 pandemic has shown that adaptability to changing circumstances should be key feature of any activity, and cultural events are not immune to this.
104. While evidence is limited, owing to methodological difficulties, evidence suggests that audiences for Middlesbrough cultural events tend to be drawn from within local boundaries.
105. Although difficult to quantify in certain regards, the impact of cultural events both socially and financially should not be underestimated. Their role in wider initiatives outside of their immediate remit is also important, as help to tangibly demonstrate economic vibrancy.
106. The benefits events have are crucial for people's wellbeing, now more than ever. There has been a prolonged period of social disconnectedness due to the Covid-19 pandemic. Cultural events are key vehicles that can be used to bring people together. The pandemic has forced exploration of events being delivered on-line in an effort to maintain social connectivity, a move that was sympathetic to audience opinion. However, on-line events will only partly remedy social connectedness.
107. Middlesbrough has continued to develop, and excel at, events that do not ordinarily sit with its "traditional" heritage base, namely the *Mela*.
108. Collaborative working is crucial both for the survival and development of cultural events. Without input from public sector organisations and private sector investment, Middlesbrough's cultural events programme would not be possible.
109. While social distancing measures are being relaxed, there may be a proportion of the Council's audience base that continues to feel apprehensive about returning to events without any form of Covid-19 secure practices.
110. The Covid-19 pandemic has shown that continuing cultural event delivery in its "traditional" format may not be possible, or even appealing. However, it is appreciated that any moves to alter that format may require investment.
111. While the Covid-19 pandemic may have accelerated increased moves to an on-line presence, this may have been an inevitability regardless of the pandemic.
112. While not the only alternative cultural event format; eSports is a burgeoning industry that encompasses many of the benefits other cultural events bring such as social interaction (via physical spaces) and inclusivity (via on-line presence).
113. There may be a temptation to explore different event formats as a stop-gap measure to counter the impact of the Covid-Pandemic. However, alternative event formats such as eSports should not be seen as transient.

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<sup>26</sup> Middlesbrough Council Strategic Plan 2021-24 p10

## RECOMMENDATIONS

114. As a result of the information received, and based on the conclusions above, the Culture and Communities Scrutiny Panel's recommendations for consideration are as follows:

- 1) To enhance and strengthen community cohesion, cultural events traditionally held in the town centre should be delivered within communities where possible. Ideally this should take place with at least some elements of the Christmas 2021 celebrations.
- 2) Given its growing cultural and financial significance the Council should work with relevant third parties, including charities and the private sector, to introduce eSports as a regular and high profile cultural event. Where possible this should relate to wider leisure initiatives the Council is currently involved in.
- 3) Future leisure developments in the town centre should look to include opportunities for associated hospitality venues, such as an eSports business.
- 4) In order to attract a wider audience; the Council should continue to work with Teesside University so that the Town Hall can be used as a venue for the Animex Festival, ideally for the event held in 2022.
- 5) To attract audiences that sit outside Middlesbrough's local boundaries; the events team should explore how to exploit virtual event delivery by having an on-line component.

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Sam Gilmore (Head of Development)  
Lisa Bean (Middlesbrough Council Creative Programme Manager)  
Naweed Hussain (Chair of the Mela Management Committee)

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## **ACRONYMS**

- BEA – British ESports Association
- TVCA – Tees Valley Combined Authority

## **COUNCILLOR C MCINTYRE CHAIR OF CULTURE AND COMMUNITIES SCRUTINY PANEL**

The membership of the scrutiny panel is as follows:

### Culture and Communities Scrutiny Panel 2020-2021

Councillors C McIntyre (Chair), L Lewis, (Vice-Chair), R Arundale, C Dodds, J Goodchild, L Mason, J Rostron, M Saunders, J Thompson.

### **Contact Officer:**

Scott Bonner

Democratic Services

Telephone: 01642 729708 (direct line)

Email: [scott\\_bonner@middlesbrough.gov.uk](mailto:scott_bonner@middlesbrough.gov.uk)