

Agenda – Culture, Welsh Language and Communications Committee

Meeting Venue:	For further information contact:
Committee Room 2 – Senedd	Steve George
Meeting date: 18 October 2017	Committee Clerk
Meeting time: 09.30	0300 200 6565
	SeneddCWLC@assembly.wales

- 1 Introductions, apologies, substitutions and declarations of interest**

- 2 Non-public funding of the arts: Evidence Session 3**
(09:30 – 10:30) (Pages 1 – 21)
Andy Eagle, Director, Chapter Arts Centre
Sybil Crouch, Director, Taliesin Arts Centre

- 3 Non-public funding of the arts: Evidence Session 4**
(10:30 – 11:30) (Pages 22 – 34)
Rachel Jones, Chief Executive, Arts & Business Cymru
Emma Goad, Manager, Blue Canary Arts and Heritage Fundraising

- 4 Non-public funding of the arts: Evidence Session 5**
(11:30 – 12:10) (Pages 35 – 61)
Yvonne Murphy, Artistic Director, Omidaze Theatre Company

- 5 Paper(s) to note**
 - 5.1 Correspondence between Ofcom and Chair**
(Pages 62 – 66)

Paper 6 – Letter from Chair, Bethan Jenkins AM 17 July 2017: Draft operating licence for the BBC’s UK Public Services

Paper 7 – Response from Ofcom, 4 October 2017



6 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

7 Private debrief

(12:10 – 12:30)

Agenda Item 2

Document is Restricted

1) Earned Income

In the year 2016/17, 59% of Chapter's total income was classed as earned income via the following means:

- Ticket sales £512,327 (20% of earned income)
- Hires and Rental income £336,968 (13% of earned income)
- Shop income (0.7% of earned income)
- Trading via Café Bar (66.3% of earned income)

This level of earned income has remained relatively stable with 60% earned income achieved in the previous year (2015/16) with the proportion between the various elements also remaining stable.

Competition is increasing for people's time and money. Various competitors (the likes of Tramshed and Capitol Cinemas) are adding further pressure and with the inception of pop up cinemas and art installations across the city and site specific theatre events in derelict buildings etc. continuing to increase – audiences continue to move away from the established arts centres.

We need to better understand our audiences to be able to develop our own programmes and, subsequently, new audiences. As of October 2017 we will be installing a state of the art new box office system with superior online booking, audience analysis, online donation and e-marketing functions. With an increased understanding of our audience data we will be able to develop new programming strands with a view to increasing footfall and revenue. 5 key audience development avenues have already been identified across Welsh language audiences, Young Adults (16 to 30), LGBTQI+, Children and Families and Access (Dementia and Mental Health).

2) Philanthropy

In 2016/17 through Fundraising activities Chapter raised £250,000 from non-public sources and a further £140,000 from public (Arts Council of Wales Lottery and Big Lottery). These figures do not include ACW revenue support (which

accounts for 15% of Chapter's overall income). In total, non-public funding accounted for 6% of Chapter's overall income in 2016/17. With public funding involved this figure rises to 9% (not including ACW revenue).

To compare, in 2015/16 non-public funding accounted for 4.4% of total income and with public funding involved this figure increased to 7.3%.

So in the last 12 months we saw an increase of 1.6% for non-public funding and a decrease in public funding of just 0.1%.

With Fundraising costs at £54,000 a year, in 2016/17 this translates to £4.6 non-public money generated for every pound spent. Including public funding into the equation we generate £7.2 for every pound spent. The UK average in 2015 (the last year of complete data compiled) is £3.7.

Chapter's non-public funding comes from three sources – grants from charitable trusts and foundations; donations and sponsorship from businesses; and donations from individuals. Trust income is still the largest portion of this representing 58% of non-public funding received; with individual giving at 25% (figure is higher than usual due to one major gift which has slightly skewed the data – the percentage is usually around 13% and Corporate support at 17%).

In 2016/17 Chapter received its first major gift from an individual. The remainder of individual support has come from two smaller 'crowdfunder' style campaigns, a regular giving programme and a membership scheme. We see this as an area of growth although face a constant challenge of demonstrating the arts as a charitable cause and one which should be supported. This is where the role of public bodies such as the Arts Council of Wales is invaluable.

Corporate support has remained steady with one large sponsorship deal, a series of one off company donations and a lower level membership scheme aimed at generating use of Chapter's hires spaces.

Sponsorship has been harder to secure with many companies responding that their CSR / Social pots have been drastically reduced (Legal & General / Deloitte to name a few). We lack the national profile and access to national audiences to give larger companies the profile they want through sponsorship deals (the likes of Coca-Cola, British Airways etc) so the focus of our sponsorship deals is around staff engagement with Cardiff branches of national companies or those with headquarters in the city. Many companies respond to say that their support is

directed at the numerous sporting teams also based in the city. The Arts can be a harder case to argue however we have had success securing support towards education work, and work with vulnerable adults.

In terms of Trust income we still have a range of one off grants and some longer-term (2 or 3 year) grants. The majority of funding goes towards our Education work, with Capital and Theatre work also receiving sizeable contributions. A few core grants have been received but largely Trust income is project focussed. Relationships with London based Trusts are strong, with Chapter's reputation reaching further afield. While the number of Wales based Trusts – or those with a preferred focus on Wales – are relatively few, we have been able to access a few – specifically Moondance and the Colwinston Charitable Trust. Again the support from public bodies such as Arts Council of Wales is invaluable, as Trusts like the reassurance of seeing public support there, and for funders who are not local, this public support is often the first sign that a project has a local need and should be funded.

A constant struggle we face arises over Chapter's recorded level of overall income and we are ineligible in many cases to apply for funding as guidelines specify turnover must be under a certain amount. This is where Chapter's Trading income works against us as, although the figures look impressive on the balance sheet, the majority of this income goes back out again in the running of the organisation, it doesn't all find its way into project budgets. So in reality, much of our project activity relies on external support. This feeds back into our attempts to raise the profile of Chapter's charitable activity so we can confidently make the case for support.

We have recently become aware of a scheme in England aimed at building an organisation's fundraising capacity through a new 18-month national training intensive designed to accelerate your revenue-generating capabilities. The Building Resilience: Fundraising and Revenue Diversification Programme, a new initiative from Arts Manager International in partnership with Cultivate and BOP Consulting, provides participating organisations with 18 months of group training and individual support, designed to increase financial resilience with an emphasis on fundraising. We wondered whether there would be appetite from ACW and Welsh Government in creating a similar scheme here.

We have also participated in and benefitted from the Arts & Business Creative Internship scheme that is doing great work to encourage more people to take up

Fundraising as a profession. We would encourage more support for schemes such as this that have provided us with a valuable additional resource to our Fundraising capabilities.

3) Investment

Chapter owns 100% of the issued share capital of Chapter Trading Ltd and Chapter Bay Ltd. The principal operation of these companies is the operation of a café bar at the main Canton site and in Cardiff Bay (Sio).

We do not have tax relief on trading profits, as these are either absorbed by a management charge or gift aided up to the charity. In 2016/17 £5,000 was gift aided to Chapter from Trading and any Sio profits will be treated in the same way at the end of this year (17/18).

For any future capital site developments, we will explore the option of Capital Gains tax relief.

Gift Aid of £1,300 was claimed on donations in 2016/17.

In terms of direct investments made by Chapter, the only ones we have been able to make to date have been as a result of public funding through the WCVA Social Business Growth Fund and its support towards Sio. This venture has been started to help us diversify income streams and grow our earned income.

Without grant support this is not an area we would be able to explore and we do not hold resources to invest in other areas.

We would welcome support on securing ethical investment from a 'business angel' via UnLtd or Clearly So towards clearly defined projects.

Another area where we would welcome support would be in terms of reducing the amount of debt Chapter has. Reducing debt would free up funding which would perhaps allow us to invest. For example, with the loan we have on one of our buildings. Without a loan in place, we would be able to sell a building which is rapidly becoming a liability for us, and to which the loan is attached, and use the full amount received to build a low cost alternative and leave money which could be put into reserves and secure Chapter's future sustainability.

The consultation references "philanthropy", "earned income" and "investment" as potential ways of funding the arts outwith of public subsidy.

Realistically the only route to philanthropic giving is via charitable funds and trusts – established for the purpose of giving to "good causes" as few if any organisations have direct access to wealthy individuals. However all philanthropic giving is targeted towards specific purposes – the arts being just one. Arts organisations have generally been good at raising funds from such trusts, with the bigger organisations such as WNO having most success as they are able to employ expertise to research and access such funds – competition being extremely keen and most trusts and foundations operating across the UK.

However funding from trusts is unable to contribute either to general operating costs or even to general programmes of work. They are really only available to support specific, additional projects and initiatives and therefore inevitably will be a supplement rather than a replacement for public support.

In regards to "earned income" this is generated by sales of some kind – most usually tickets in the case of the performing arts– together with ancillary/associated trading – refreshments and merchandising. This is where it gets tricky as of course more "popular/populist" performances will generate more income in direct and indirect sales than activity of more limited appeal. So a Pink Floyd tribute band will earn more income from tickets and bar sales than a piece of new writing or contemporary dance.

Similarly, audiences for NT Live and RSC screenings tend to be much larger than for new live drama created in Wales which has neither the kudos of those brands or the star names. (Although of course both National Theatre and the RSC receive very large amounts of public funding and are able to attract philanthropic giving and sponsorship given the power, reach and quality of the brand). It would be a relatively easy step for arts centres and theatres to move away completely from programming and producing new, live theatre which is risky, (i.e quality etc are unknown until the work reaches the stage) and which requires relatively high input of technical and marketing support and generates limited box office – in favour of

live screenings from London which have no risk and require virtually no technical or marketing effort.

Whist this would reduce the need for public support, the "cost" to creativity and to Welsh talent would be immense.

The reality is that theatres present programmes which strive to achieve a balance between product which will guarantee an audience and at least cover most of the costs with that which is new and untested but which showcases creativity, ambition and innovation – but at a financial loss.

Increasing earned income is always one of the core goals for any business and arts businesses are no exception. The question is one of where the balance lies – increase ticket prices and exclude sections of the population? Increase the number of tribute bands and impoverish the diversity of the programme? Pay artists less and increase "profit"?

Business sponsorship also has a part to play but experience suggests that the major players will always reap the biggest rewards. Business expects maximum exposure for its support and this is best guaranteed by the national organisations who in turn attract biggest audience and most media coverage. Smaller scale sponsorship is of course valuable but in reality adds a small amount at the margins.

Arts Council funding is key to ensuring that the public have access to contemporary arts and culture – not limited (or at least less limited) by postcode or class. It also recognises the need for artists to at least be paid a reasonable (if basic) rate for the job and to be able to operate in a safe and inclusive environment.

It's not clear what is meant by "investment" in the consultation but surely this is the most appropriate description for public funding. It is investment in creative talent and in opportunities for audiences to experience and participate.

Artists and arts organisations are nothing if not innovative. If there are trust funds to be applied for, sponsors to be wooed and new platforms to market work and sell tickets then we can be certain that there will be creative people trying to exploit them.

We also understand that public budgets are under great stress and it is right that the basis for, and extent of, public funding of the arts should be scrutinised and the potential for other sources of funding explored.

However Wales is a small and essentially rural, post-industrial nation with a scattered population and a limited number of national or multinational businesses or high net worth individuals.

As a nation there is also the expectation for our own national cultural organisations as well as activity across the country – at regional and local level and in both languages. Limited budgets are therefore stretched even tighter than say in an English region with a similar population level.

I have 40 years+ experience of working in the cultural field – as art teacher; Regional Arts Association officer; presenter; producer and Chair of ACW. Investment of public funds (from taxation and Lottery) has been and remains a crucial element in securing a vibrant arts ecology – one which supports the creative voice and strives to make that voice available to all.

Agenda Item 3

Cyflwrdd Cenedlaethol Cymru / National Assembly for Wales

Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee

Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts

CWLC(5) ART25

Ymateb gan Celfyddydau a Busnes Cymru / Evidence from Arts and Business Cymru

Background & Context – Reasons for Response

A&B Cymru has been promoting, enabling and developing mutually beneficial partnerships between business and the arts for almost 30 years. As the only organisation of its kind in Wales, its expertise and network is truly unique. Working across the country with businesses of all sizes and from a wide range of sectors, A&B Cymru is in the ideal position to provide in depth intelligence about business motivations, objectives and trends in supporting the arts.

Since its independence in 2011, A&B Cymru has also been working closely with both Wales and London based trusts & foundations, not just to support its own work, but to enable investment into arts organisations. More recently, this work has been extended to include individual philanthropists.

A&B Cymru's experience and success in diversifying its own income in order to ensure survival is illustrated by the reduction on its reliance on public funding from 66% in 2012 to just 17% in 2017.

The points outlined through this paper are drawn directly from the knowledge gained by working closely with businesses, individuals and trusts on a daily basis. To ensure the paper is useful, A&B Cymru has concentrated solely on these areas of its expertise.

The Role & Reality of Private Sector Investment

A&B Cymru's definition of the private sector includes businesses, trusts & foundations and individual philanthropists. Each has an important role to play in helping to ensure the sustainability of the arts in Wales and there is still considerable potential to lever a higher level of investment from these sources than is currently secured. However, it is important that the approach to non-public funding of the arts is realistic. There is no single answer which will replace public sector funding and each organisation must strive to achieve a true diversity of income. This requires a substantial investment of skills, time and resource. Added to this, a number of key factors should be taken into account:

1. Motivation to support

Business: While many companies are minded to invest in the arts, it is not their core remit. To this end, when making decisions, potential sponsors will be looking at the bottom line objectives the arts can fulfil for them. For example, a business wishing to engage effectively with the community will want to do so because it will help the company's profile, reputation, recruitment and operation. It will partner the arts to help achieve these objectives in tangible and effective ways, not because of a philanthropic belief that it has a duty to support. The mistake that many organisations make is to approach potential sponsors from a viewpoint of "what are our funding gaps?" rather than "what needs could I fulfil for that company?"

Added to this, investment in the arts is viewed by business as "non-essential spend". It naturally follows, therefore, that it is among the first things to be cut when external forces result in a challenging time in the market.

Business partnerships with the arts are ever-changing and dependent on the economic climate, individual needs and current trends. Decisions are often taken at a London head-office level and out of the control of Wales-based staff. Many of the major sponsors of the past (e.g. Tesco, Legal & General, Barclays) no longer invest in the arts. However, A&B Cymru is constantly assisting businesses to sponsor for the first time, helping to ensure their experiences are successful in order to sustain support. This is a substantial task which takes much of A&B Cymru's staff time.

In addition to this constant change, motivations to partner the arts are also continuously shifting. For example, the ageing population has directly resulted in an increase in the number of businesses wishing to support projects which benefit older people. Similarly, there is currently a sharp increase in the number of companies seeking arts based training to address staff development needs. This kind of partnership has not been a priority for at least 2 years. However, in the past month alone, A&B Cymru has been asked to identify artist trainers to meet the needs of 6 of its business members.

Trusts: While many trusts & foundations have clearly defined priorities, others remain purposely broad so that decision making is highly subjective, allowing trustees to invest in projects for which they have a particular passion.

Competition for trust funding is fierce, though many London-based trusts still express a desire to invest more in Wales, stating that the number and quality of

applications remain low. This view is gradually changing as more skilled fundraisers emerge (see Skills Gap below) and an increased number of organisations secure support.

Individuals: Naturally, individual philanthropists are motivated by their own passions and will invest their wealth into projects and organisations in which they have a personal interest. While there is scope for the arts to secure substantial income from major gifts, accessing these individuals can be difficult. Securing donations is also a very different fundraising skill to negotiating a sponsorship deal or applying for a grant from a trust. This is just one of the reasons that underline the importance of ensuring Wales has enough skilled fundraisers working in the arts.

2. Core Funding vs Project Funding

The single biggest challenge facing any arts organisation looking to secure support is that no-one wants to be responsible for core-funding. The only minor exception is sponsorship which involves the delivery of agreed benefits in return for cash or in-kind investment. Beyond this, sponsors are not interested in how exactly their money has been allocated and so a contribution towards core costs is easier to ensure.

Generally though, business, trusts and individuals wish to invest in projects. It would therefore seem logical that public bodies with a remit to support the arts should explore the feasibility of moving away from project funding to focus instead on the essential staff and overhead costs needed to keep organisations operating. This would make a considerable contribution to the ability of arts organisations to secure funds from a range of partners.

Private sector funders are keen to ensure that no organisation becomes overly dependent on their support. This is illustrated by their reluctance to support projects for more than 3–5 years.

Added to this, however successful a project has been, private sector partners are averse to becoming “replacement” funders when a grant comes to an end. The arts therefore face the constant challenge of creating new projects in order to gain support and inevitably, effective and much needed projects are lost.

3. The Skills Gap

The Creative Internships Programme

Securing a funding mix is crucial to the survival of the arts and organisations of all sizes now recognise that investing resources into this area is the only way to ensure sustainability. However, there is an insufficient number of skilled professional arts fundraisers in Wales. A&B Cymru believes that the only way to increase this vital pool of professionals in the long term, is to establish arts fundraising as a viable and attractive career path.

Through its Creative Internships Programme, A&B Cymru has been striving to achieve this ambition in a tangible and effective way for the past 5 years. The initiative places recent graduates into arts organisations as trainee fundraisers, providing in-depth training and development and enabling participants to begin their careers in the strongest possible position. The Programme has already proven itself to be a successful way of addressing a very real barrier to the sustainability of many arts organisations. To date, of the 16 graduates who have completed placements, 13 are now professional fundraisers in Wales.

However, as referenced above, even though the programme is still both hugely needed, one of the 3 funders who have supported the initiative since its inception has indicated that it would not accept an application for year 6 and that A&B Cymru needs to propose a new project in order to secure support.

Career Progression

While the Creative Internships Programme is nurturing a new generation of fundraisers, there is currently no formal career progression for arts development professionals. As arts organisations increasingly need to secure high level income from a range of sources, the ability to access advanced fundraising skills is becoming crucial to success. A&B Cymru will review this skills gap over the coming months with the aim of establishing a new arm to the programme which gives junior and mid-level fundraisers the opportunity to develop their expertise and experience further.

4. Measuring Success

Until 2011 when A&B Cymru, Northern Ireland and Scotland became independent charities, an annual Private Investment in Culture survey was conducted across the UK. It was an invaluable tool in measuring and comparing not just investment levels but trends across each part of the UK. The individual charities no longer

have the resource to fund such an activity but finding a way to re-instate a similar model of measurement would be a truly worthwhile investment.

5. Partnership Working

Shared resource

While many arts organisations understand that they need to find resource to employ a professional fundraiser, the majority of those operating in Wales are small companies who simply cannot afford the wages of a highly skilled full-time fundraiser. To this end, organisations must be open to employing a part-time fundraiser who is likely to be fundraising for other arts organisations at the same time. A&B Cymru has been promoting this way of working for a number of years and the idea is usually met with an initial level of mistrust and suspicion. However, in practice, each organisation quickly realises that their concerns about confidentiality or split loyalty were unfounded and that the sharing of resources can result in positive and useful partnership working.

Strategic partnerships

A&B Cymru's ethos is based on the belief that true collaboration makes all involved stronger. Wales is a small country with limited resources and the only way to achieve its ambitions is for organisations to form mutually beneficial strategic partnerships. An example of this is Wales' urgent need to improve the provision of music tuition for children. It is widely agreed that without tangible action and increased investment, the future is bleak for music across the country. Welsh Government and Arts Council of Wales are already taking steps to achieve this ambition. However, despite a clearly stated need to secure private investment, no consultation with A&B Cymru has taken place at this stage. Meanwhile, the charity has been asked by a philanthropist to create a scheme which would provide free instrumental tuition for children living in poverty and plans are underway to deliver a pilot of such an initiative. A&B Cymru has also spoken to a number of trusts and businesses willing to contribute. It would be short-sighted of A&B Cymru to proceed with this project alone and so the charity is keen to discuss the potential of strategic partnership working with ACW.

A&B Cymru believes that this approach is the only way to ensure success with such major and far-reaching ambitions.

Cynulliad Cenedlaethol Cymru / National Assembly for Wales
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts
CWLC(5) ART27
Ymateb gan Emma Goad, Blue Canary Arts and Heritage Fundraising / Evidence from Emma Goad, Blue Canary Arts and Heritage Fundraising

Written Evidence for Welsh Government's Culture Committee – review into non-public funding of the arts (October 2017)

About Blue Canary In September 2014, I set up Blue Canary to support arts and heritage organisations with approaches to fundraising. This work includes; audits and reviews, strategic planning, campaign creation and implementation, prospect research, Business Planning, ghost bid writing, mentoring and training. Within Blue Canary's first 3 years, I have been honoured to work with some of Wales and the South West's most influential and exciting organisations. Clients include 4 of Wales' national companies – (NTW, NDCWales, WNO and Theatr Genedlaethol), and the Cardiff Story Museum, Kaleider (Exeter), Dancefest (Worcester), Clwb Ifor Bach, Dance Blast (Monmouthshire), Beyond the Border Storytelling Festival, Volcano Theatre and Theatre Bristol. Blue Canary has recently been brought on board to support National Youth Arts Wales through its transition period, with strategic fundraising planning and implementation. Please see www.bluecanary.org.uk for further information.

Blue Canary was the inaugural winner of the Emcees Outstanding Achievement Award for Fundraising early this year, created by the Management Centre and presented at a ceremony at LAMDA.

Blue Canary Fundraising Approach Although I work with a fundraising focus, my commitment and enthusiasm for my work is centred on the bigger picture of resilience, sustainability and development of an organisation, the sector, and the place that culture has in the wider world.

Fundraising is just one element of a successful package that leads to resilience and a strong future that is fundamentally based on working together in partnership. Successful sustainable fundraising is about the whole organisation; it's about a common goal to create a project however big or small.

With a well thought through strategy forming the foundations of a fundraising plan, sustainable fundraising can be achieved that forms a reliable source on annual income.

There is a virtual fundraising circle that begins and ends with an excellent project – a project that is communicated effectively to inspire individuals and organisations to invest finances, time and energy that in turn are ploughed back into the project enriching and developing it to then inspire others. In other words, the worst thing you can do when seeking funding is to cut the art – if you do that, then there is nothing to fundraise against!

Blue Canary's scoping project into fundraising across the arts sector in Wales Blue Canary Fundraising has been commissioned by the ACW to run a consultation and a scoping review of the challenges (and successes) of arts organisations across Wales, and across artform, with work to diversify income streams. The resulting report, due end of October, will frame the problem in that it will demonstrate the current landscape in the work that organisations are doing to diversify income, and offer recommendations of potential interventions that ACW could offer to further support the sector as they strive to become more sustainable and resilient in the current climate. This project is very much the start of ACW's understanding of the complexities of fundraising for the arts in today's market.

During this relatively narrow project Emma has consulted arts organisations at varying scales and in varying geographical locations across Wales, independent consultants working in the fields of fundraising and operational models across the UK, and grant giving trusts both in Wales and in London.

Overview It can come as no surprise to anyone that arts organisations which are the most resilient and sustainable are those who generate income from a broad variety of sources. Relying on a narrow number of income streams is dangerous whatever they are, particularly in this current financial climate. Combining income from both the public purse and private sources is key to success.

Fundraising should be seen as part of a total income diversification package, not as an addition, but as activity that is embedded in the organisation's core operation. Income from private sources should sit alongside public funding, and earned income.

With funding from the public purse reducing, arts organisations need to focus clearly on what they have rather than what they don't have. No two arts organisations are the same and there is no 'one size fits all' solution to fundraising or to suitable operational models. Arts organisations need to feel able to develop

their own organisation and financing models, to ensure sustainability, reliance and growth.

Sustainable fundraising takes time and resources to be successful. On average, organisations should not expect to see any return on fundraising investment for between 6 and 12 months, following a thorough strategic plan creation. It is this time and resource (capacity) that many arts organisations struggle with. Many of the smaller, more modest organisations don't have a dedicated fundraiser, and fundraising often slips to the bottom of the pile of priorities in the day to day running of the company. Investment in operational models, and training, is absolutely necessary to increase the number of fundraisers for the arts in Wales.

There are some basic principles that help to guide organisations in their fundraising:

Trusts and Foundations

Trusts and foundations supporting the arts are generally more interested in supporting work that includes;

- Restricted projects that are additional to core activity
- Projects that benefit hard to reach, disadvantaged communities
- Testing out new models of working
- Development of creative talent, particularly in young people
- Access to the arts for those less well served, or those with least opportunity
- Projects of excellence for either participant, audience or both
- Projects that have a national or regional reach, rather than just local impact
- Projects that could encourage a wider impact from dissemination of learning points
- Organisational change that will improve provision

Individual Giving

Evidence shows that individuals, whether they are a modest donor as part of a supporters scheme or a major supporter, give to the arts because they want to see that artform, organisation, project thrive. There may be a personal connection to the work or they just simply enjoy it and want to do their bit to keep it going. Extensive benefits that are given back to donors are not necessary and many donors do not want to see their donation whittled away with covering the costs of endless donations.

Corporate Support

Support for the arts from businesses in a transaction. Sponsorship arrangements exist to achieve tangible outputs for the business, usually under one of the following themes:

- Corporate Social Responsibility – CSR, supporting the local community
- Raising profile of the business for attracting potential clients/customers
- Association with the arts organisation's brand/vision/values
- Opportunities for networking
- Entertaining clients/customers
- Employee engagement – entertainment, skill development, team development

Themes Below is a list of the key themes that have arisen through the Scoping Project that Blue Canary has been researching and producing. These themes indicate the issues that many arts organisations in Wales are having as they strive to develop income streams, and ultimately survive.

- Organisations not being fundraising ready

This is a common issue where organisations for many years have entered into sporadic fundraising approaches with a limited success rate. In this competitive market for funding from the private sector, it is important that organisations, whatever their size or scale, are taking a strategic approach to fundraising and that

it is embedded in the Business Plan and values, and that it sits within a wider income generation plan to ensure sustainability, resilience and growth

- Too much emphasis on what organisations lack rather than what they have

Arts organisations are the most creative companies and individuals we have. However, it is too easy to leave the creativity at the studio door and not utilise this creative thinking to improve resilience and develop the business model of the organisation. The Arts sector needs to look at the assets that they have rather than what they don't have.

- Project planning

It is often underestimated how much work needs to go into project planning before applying for funding or approaching an individual or business to invest in creative work. Competition for Trusts and Foundation money is ever-increasing and as such, grant givers are becoming increasingly focussed on not just the merits of an artistic project, but more about how the project sits within an organisation and within the sector, alongside who will benefit, what is the need for the project and what are the outcomes

- what will change?

- How should organisations talk about work when approaching funders?

Linked to the point above, there is a shift in how arts organisations need to be messaging and talking about work with grant givers. Trusts and Foundations, at a national and regional level, are seeking to support and invest in projects that demonstrate strong outcomes and have substantial evidence of need. They want to see their money being invested in projects that will make a difference.

- Arts organisations working in silo Arts organisations are trailing behind the enterprise and initiatives that are being seen in income generation across the wider charitable sector. Arts organisations need to be encouraged to embrace the charitable sector, and be part of it. We can learn a lot from the thousands of charities at all scales doing fabulous work. Arts organisations need to get better with messaging about the value of the arts – economy, health & wellbeing, education, employability skills etc – the statistics and evidence exists, but it isn't used to full potential

- Role of the ACW and Welsh Government Linked to the point above there is a role to be played at the top level in incentivising giving to the arts by business and individuals, particularly high net worth. Wales does not have the multitude of high net worth businesses and individuals as England does. Organisations are often in competition for the same money from a small number of opportunities. There is a ceiling of opportunity in Wales. WNO, for instance, run one of the most successful individual giving campaigns but they are struggling to widen that pool of donors, and the same in business too. If WNO are finding challenges in these areas with all the assets they have to offer, then smaller project funded non-venue based organisations are really limited. The ACW and Welsh Government could use their status to help to offer incentives to giving – awards for recognition being the most obvious. This is something that ACE is looking into as part of their work to support the sector with philanthropy, particularly since the demise of the Prince of Wales Philanthropy Awards that were highly regarded.

- Relationship that the sector has with the ACW For a sustainable and developing arts sector the provision of Public Sector support is crucial. The ACW does a great job in challenging times in supporting the sector financially in an attempt develop the sector and maximise value for money for the tax payer. However, one thing that has come up often during the consultation for this project is the need for behavioural change both in the sector, within the ACW and particularly with the relationship between the two. For too long, and in better financial times, the sector has had an unhealthy reliance on the ACW. Living as we do in very different times, we don't need to cut the ties but rather make those ties more fluid, two way and responsive. ACW needs to enable organisations to take those necessary risks that are required to truly diversify income streams, through a number of short, medium and longer term interventions – improving dialogue with organisations, coming away from a 'one size fits all' approach, celebrating the financial diversity that many organisations are undertaking, improved meaningful training, signposting, and possibly some more substantial strategic interventions that will need further investment and consideration.

- How Trusts and Foundations see Wales

As a fundraiser I have strong links with a number of trusts and foundations, in Wales and across the UK, mainly London. Wales does not have the wealth of trusts and foundations that many regions in England celebrate. There are only a handful of Wales-based trusts that are regularly giving substantial investment and grants

to arts projects. Therefore, we rely heavily on the UK trusts and competition for this money is ever increasing.

During the scoping project I spoke with Grant Directors from 3 UK trusts – Esmee Fairbairn Foundation, Foyle Foundation and Paul Hamlyn Foundation. They each had interesting things to say about the developing quality of applications from Wales, but I think the most telling thing is the statistics of the number of the grants coming in to Wales’ arts organisations. In the last year: Esmee Fairbairn Foundation – 14 arts organisations in Wales funded out of a total of 109 arts organisation grantees Foyle Foundation – Total arts grants paid last year, grants to Welsh arts organisations only represented 2%. Across all funding (including schools, learning and the small grants scheme) grants paid in Wales represented 4% of total spend in 2016. Of applications received in 2016, just over 3% from Wales (across all our funding schemes). Paul Hamlyn Foundation – Explore & Test (up to £60,000 grant) 5 grants awarded to Wales. More & Better grants of which there were 300 applications, only 3 were awarded to Welsh arts organisations.

There could be a number of reasons for this lack of applications and subsequent grants to Wales including:

- Lack of capacity in arts organisations to research and submit applications to the right trusts
- Lack of knowledge in the sector about grant giving trusts
- Lack of experience as to how to write funding applications for grant giving trusts
- UK based trusts and foundations not doing enough in Wales to promote themselves (they all admitted more could be done).

Conclusion There is clearly a lot more that can be done to support organisations to diversify their income, instead of simply telling them they need to. Organisations need the capacity, space and time to develop strong strategies that lead ultimately to sustainability and resilience. Each one will be different and different approaches are needed.

There is as always a word of caution however, and that is, that Wales is a small nation and there is a ‘ceiling of giving’ – already those who are fundraising successfully have relationships with the same wealthy major donors, the same

grant giving trusts and the same businesses. You only need to look at funding recognition boards in venues to identify that. The question is about how we engage more people in investing in the arts, and celebrating the value of the arts for all and the place it has in a strong cultural, vibrant nation.

What Next? Our vision for arts and culture in Wales

What Next? is a movement bringing together arts and cultural organisations from across the UK to articulate and strengthen the role of culture in our society.

Arts, culture and the creative industries are a success story both for Wales and the UK. Even during a time of recession, the sector has managed to grow faster than other parts of the economy¹. The arts benefit people throughout Wales, improving health and well-being, building communities, providing jobs and giving value to peoples' lives. Culture helps make Wales a more equal and diverse society as well as projecting our country effectively beyond its borders. The arts are a crucial way in which we articulate our unique identity as a bilingual nation. Therefore, as political parties look to the elections in 2016, we believe they should re-affirm the essential role of arts and culture in Wales. This document outlines our vision for a thriving arts sector, fully contributing to the life of the nation.

Investment

The benefits of arts and culture to Wales do not happen by accident; nor can these successes be sustained if resources are cut. The risk of a cycle of decline is real. Welsh Government should:

- protect and increase core public investment and thereby guarantee competitive quality of, and access to, the arts and culture in Wales, enabling an increased contribution to wider government objectives.
- seek at least an additional 1% in Wales's share of UK lottery funds devoted to the arts to recognise additional needs arising from the high incidence of poverty and social deprivation in Wales.
- develop a philanthropy campaign to increase philanthropic investment outside London and the south east of England, highlighting sectors and geographical areas of need, in partnership with the UK Government, the Arts Council of Wales and the Arts Council England.
- ensure continued free entry to Amgueddfa Cymru – National Museum sites for people of all ages.

A joined-up approach to arts and culture across Welsh Government departments

Through the Arts and Creative Learning Plan, we are already seeing the potential in cross-departmental working. This needs to be extended to other departments, so that we can extract cultural value from all fields of government in the most cost-effective way possible. This should apply across education, skills, health, local authorities, the economy and tackling poverty.

- The Culture Minister should be granted full Cabinet status, and be given responsibility for the Government's external relations and international policy.
- The First Minister should require each Cabinet Minister to make a regular statement on cultural objectives and delivery within their field.
- The Welsh Government's International Agenda document should be revised to allow for a fuller role for the arts and culture in delivering the Welsh Government's objectives. It should not be confined to assisting tourism.
- Further to the Andrews Report and evaluation of the Pioneer Area Programme, financial resources should be ring-fenced to enable culture to tackle poverty across Wales.

¹ DCMS (2015) *Creative Industries Economic Estimates, January 2015, Statistical Release*

Local Government

It is clear that local authorities have struggled to maintain their cultural spend in recent years. The average cut to local authorities of 3.5% in 2013/14 resulted in an 11% cut to arts budgets and a loss of £1m². This is leading to very limited access to the arts in many parts of Wales – the exact opposite of the thrust of Welsh Government arts policy over the last decade.

We need to look to a reformed local government system, and to plan our approach to the delivery of arts and culture on the assumption of the existence of fewer and larger local authorities. We must not allow local authorities to become culture blind.

Local authorities should be required:

- to accept responsibility, and a statutory duty, to act as a convener, enabler and access provider of arts and culture within their boundaries. This should sit within the duties placed on Local Government by the Well-Being of Future Generations (Wales) 2015 Act.
- to conduct a regular audit of cultural provision, establish a cultural consortium and agree a local cultural strategy
- to exempt cultural organisations from local authority rates.

Invest in better training and job creation

The average weekly earning for people in the Creative and Cultural Industries in Wales is about 40% above the rest of the economy.³ Almost 60% of jobs are filled by graduates. We must develop a more diverse workforce as well as see more people feel confident in setting up their own business ideas. Welsh Government should:

- strengthen apprenticeship training, and financial assistance through the Young Recruits Programme, or similar, extended to one year.
- establish an investment fund for young cultural entrepreneurs

Arts, culture and young people

The right to culture for every child must be a cornerstone of cultural and educational policy, establishing equal access to a high standard and wide range of cultural learning opportunities, for all children and young people. We must build on the Arts and Creative Learning Plan to ensure that every state school provides the quality and range of cultural opportunities that exists in the best schools, including extra curricular provision.

- Every young person to have the opportunity to see, make and share in arts and culture.
- All students to receive a pledge or cultural passport emphasizing the right to art and culture and enable them to enjoy life-forming and enriching experiences
- preserve the schools' music services across Wales, building on the recommendation of the task and finish group on music services in Wales.
- Every school to be judged by Estyn on the broad range and quality of their cultural learning, including the extra-curricular opportunities, that they offer each and every child
- The numbers of teacher training places in arts subjects must be increased, to reflect the need for high-quality arts teachers, and to reverse the current decline. We welcome the Furlong Report's recommendations but call for improved teacher training and professional development opportunities for all teachers of the arts.

Produced by What Next? Cardiff, September 2015

² WLGA and ACW figures

³ Annual Survey of Hours and Earnings (ASHE) ONS in Priority Sector statistics 2015

Our main manifesto ask:

**We pledge to the people of Wales increased and maintained Investment in Art & Culture because
Investment in Art & Culture = Better Education, Health, Equality & Prosperity in Wales = A Better
Quality of Life for All**

OUR ARGUMENT:

What kind of society do we want to live in and how do we make that a reality?

A recent LGA publication states that opportunities to experience the arts are hallmarks of:

- sustainable communities, in which citizens are healthy, law-abiding and engaged in civic life.

Thriving and excellent arts attract:

- visitors and have economically valuable spin-offs precisely because they are something many people want to enjoy
- 70% of adults and 97% per cent of young people attend arts events.

We believe that art and culture needs to be an unquestionable right of every Welsh citizen from the cradle to the grave along with State Education and Health.

The arts and culture enhance every aspect of our lives: the vibrancy of our cities, the identity of our rural communities, the future prospects of our children, the quality of our democracy, the sustainability of our environment, the employability of our workforce, our economy, our ability to make sense of our own experiences and to empathise with others.

State investment in the arts delivers benefits beyond just providing high-quality entertainment.

Access to art and culture creates:

- informed and engaged citizens
- better health and wellbeing
- increased community cohesion
- economic regeneration
- higher attainment in education
- improved employability of our workforce.

Let's put this into context: Wales spend on arts and culture is less than 0.1% of total government spend and yet the return on that investment is felt across Wales and the arts is used to tackle, with great success, everything from dementia care to poverty to social exclusion and raising literacy targets

Germany's spend on culture is 1.67% of the total, Latvia is 1.86%, Sweden is 2.6% and Estonia is 3.21%.

AND LET US CONSIDER THE WELL-BEING OF FUTURE GENERATIONS ACT IN RELATION TO ACCESS TO ART & CULTURE BECAUSE:

1. Learning through arts and culture improves attainment in all subjects

"Our analysis of the NELS:88 survey established, for the first time in any comprehensive way, that students involved in the arts are demonstrably doing better in school than those who are not" Catterall, *Doing Well and Doing Good by Doing Art*, 2009

For example at age 16 41% of students from low income families who engage in the arts score in the top two quartiles of standard academic tests compared to 25% of students from the same backgrounds who do not(4). Other studies echo these results with Ruppert finding that *students who take arts classes have higher math and verbal SAT scores than students who take no arts classes*(5).

2. Participation in structured arts activities increases cognitive abilities

The CASE review found across a range of high quality evidence that taking part in structured arts activities could increase children's cognitive abilities test scores by 16% and 19% on average.

3. Students from low income families who take part in arts activities at school are three times more likely to get a degree

Using the NELS:88 cohort study in the US Catterall has found that at age 26 students from low socio-economic status (SES) backgrounds with high levels of arts involvement *were nearly three times as likely to have earned BA degrees (about 18 percent versus 6 percent), more than twice as likely to have earned associate degrees, and nearly three times as likely to have earned masters or higher degrees*

4. Employability of students who study arts subjects is higher and they are more likely to stay in employment

"When employability is controlled for the number of years spent in school, young people that studied arts subjects tend to have higher employability and are more likely to maintain employment than those that did not study arts subjects. In addition, young people who took 2 or more arts subjects at standard grade tend to have a higher rate of employment than those who took only 1 arts subject (1)" DTZ, *Arts and Employability*, 2006

This increase in employability is logical. We know from the CASE programme that structured arts activity leads to increases in transferable skills of 10-17%(2) and findings from the Centre for the Economics of Education at LSE show that transferrable skills improve labour market outcomes(3).

5. Students who engage in the arts at school are twice as likely to volunteer and are 20% more likely to vote as young adults

Students from low income families who engage in the arts at school are twice as likely to volunteer and are 20% more likely to vote as young adults

What Next? as a movement rather than a trade association, is unable to directly lobby for specific manifesto policies. But we broadly coalesce around the following areas:

We need :

- **sustainable funding to support our work and increase access to culture.**
- **greater leadership from Government.**

Policy solutions that will help the arts

A: CHAMPIONING OUR CULTURAL CAPITAL AND IMPROVING ACCESS

B: ENCOURAGE SUSTAINABLE INVESTMENT IN THE ARTS RIGHT ACROSS WALES & THE UK AS A WHOLE

C: STRONGER SUPPORT FOR CULTURAL EDUCATION

D: SUPPORTING SMEs AND MICROBUSINESSES

GENERAL RATIONALE

Culture is facing a “triple whammy” funding crisis, with core funding, local authority funding and private giving all having seriously declined. Local Authorities across Wales have reduced their net expenditure on arts development and support. All intelligence suggests that culture budgets, and in particular arts budgets, will be disproportionately affected.

We cannot plan for the future without the security of knowing where our funding will come from at least five years into the future. The cuts that are being made now will be felt in 2045. Making major changes to or being overly critical of the Arts Council will do nothing to help us.

We know there is “no more money”. However how we divide and spend the money we do have is a vital economic question at this point in our history. We are asking all Political Parties to consider the impact of art and culture on all areas of society and to consider the actual and real cost to society of not increasing current state investment levels or even worse of further cuts to the art and cultural sector.

British & Welsh culture are the most powerful and most compelling products the nation has available to promote itself internationally. Thanks to the Olympic and Paralympic opening ceremonies, British culture and creativity are now more in demand than ever before. The governments of major and emerging economies, including India and China, have included culture as a core part of their economic development plans, with Britain cited as the exemplar. Our cultural and creative excellence is recognised globally, enabling UKTI to fly the flag for British goods and services, and attract investment which will drive jobs and opportunities here

at home. Wales must improve its Cultural capital abroad if it is to become Europe's leading Cultural light.

We propose a joined up approach to art and culture across all government departments where the savings to each department though access to art and culture is reflected in monetary terms in that department's percentage of budget spend on art and culture.

Joined up government would make public spending more effective.

Far from being a drain on public spending, the arts & Culture related industries are a proven boon to the UK economy and productivity in general. Investment in culture is proven to result in increased

- Income levels from tourism (£856m a year)
- Regeneration in our towns & cities
- Turnover in Arts & Culture activities (12.4billion 2011 - £5.9bn GVA to UK economy)
- Employment figures (over 260,000 jobs)

But much more than this are the invisible and unquantifiable amounts saved by other government departments and the UK taxpayer generally as a direct result of Arts & Culture activities -e.g. all aspects of law and order & health services,

Strategy - we want the government to maximise funds available for culture from other governmental departments since cultural activities have a direct impact on the activities of those departments.

Over the next five years and beyond the cultural sector will continue to find new ways to operate effectively and efficiently. This endeavour must be underpinned by sufficient government investment to support the critical risk-taking, research, innovation, experiment, inclusion, education and leadership that will be integral to our success.

Policy solutions that will help the arts

A: CHAMPIONING OUR CULTURAL CAPITAL AND IMPROVING ACCESS

B: ENCOURAGE SUSTAINABLE INVESTMENT IN THE ARTS RIGHT ACROSS WALES & THE UK AS A WHOLE

C: STRONGER SUPPORT FOR CULTURAL EDUCATION

D: SUPPORTING SMES AND MICROBUSINESSES

A: CHAMPIONING OUR CULTURAL CAPITAL AND IMPROVING ACCESS

The benefits of culture are not sufficiently championed across Government. We are urging:

1. Greater support from all politicians in Wales in the way that they articulate their support for the arts and culture in speeches and media appearances to deter removal of Local Authority funding and positively encourage attendance and giving. A commitment to support policies which will see access to culture made consistently high across communities. We want to see ministers from across the whole of government acknowledging and championing the benefits of culture and the necessity of creativity, including a major speech from the First Minister of Wales on the importance of culture. Culture should be at the core of all parties policies and run through their manifestos, NOT be reduced to a couple of lines or at best a couple of paragraphs. We want to see all parties **establishing the value and necessity of art and culture**
2. A joined-up approach to cultural policy with a cross-departmental Cultural Minister to unlock public policy and support national infrastructure across in different departments.
3. Government to support cultural organisations to unlock international relationships by maintaining culture as key to their strategy and vision, including cultural leaders on all overseas delegations undertaken by Welsh Government and facilitating international philanthropy.
4. Commit to producing and publishing usable, accessible data on the national health of cultural funding, participation and impact.
5. Pledge to maintain free access to Museums

Too often, culture is seen by politicians as a private good, a luxury, something transactional and available for purchase. This is wrong – culture is a public good and a right of every British citizen.

"...the arts are not 'added value' to 'real', 'serious', practical living; they are not marginal, nor are they decorative or 'entertainment'. They are not a leisure activity. They are a core human activity inseparable from personal and social being..." Wales Arts (Stephens) Review:

B: ENCOURAGE SUSTAINABLE INVESTMENT IN THE ARTS RIGHT ACROSS WALES & THE UK AS A WHOLE

Rationale:

“The UK’s investment in the arts is below the European average, yet we need to sustain the largest commercial creative sector” – The Creative Industries Federation.

A major reason for the arts’ success in the UK is the mixed economy funding model. Organisations rely equally on government investment, private sponsorship and their own commercial income. This system, which differs to the subsidy-focussed European or philanthropy-reliant US models, encourages entrepreneurialism, creative risk-taking and accessibility.

Today the arts are facing a “triple whammy” funding crisis. Core funding, local authority funding and private giving have seriously declined during austerity, particularly outside of London. This is despite consistent evidence that investment in the arts delivers benefits beyond just providing high-quality entertainment (what the Treasury would term a “private good”). They have been shown to deliver economic regeneration, social mobility, community cohesion, health and well-being benefits and higher attainment in school children (or “public goods”). The Treasury have understood this, and the introduction of tax breaks for regional theatre has been extremely welcome. More measures such as these are required; any further depletion in funding will seriously impede the sector’s future success. Funding for the Arts Council currently accounts for 0.05% of Government spending. If funding was to be raised by even a small amount at both a local and national level, organisations could plan their finances and future programmes with confidence. This will enable them to make a greater long-term social and economic contribution.

“John Sorrell calls for government to recognise investment in arts as investment in high-growth creative industries [#cultureforgrowth](#)” – Creative Industries Federation

Solutions:

Cost neutral

- Incentivise Local Authorities to focus part of their investments into cultural activities.
- Require local authorities to produce an arts strategy, in order to “nudge” them towards considering the wider benefits investing in arts will bring their area. This document should be in line with the Plan for Creative Learning Strategy.

Minimal additional cost

- Commit to funding the arts and culture by at least 0.1% of total government spend over the next 5 years.
- Introduce tax breaks for regional and touring exhibitions of both the visual arts and museums and heritage.
- Introduce Wales tax breaks to incentivise philanthropy outside of London.
- Expanding on the existing “Taking Part” survey, commit Welsh Government to producing and publishing useable, accessible data on cultural participation across the country, both on an art-form and regional basis.

We also propose:

- a real **local authority incentive** to invest in the arts and culture - either through ACW funding being conditional to local authority commitments to invest, or through **making cultural/arts access a statutory service, in line with library provision**. A statutory requirement for strategic planning for arts and culture is not enough.
- **flat real funding** to the Arts Council and to National Museums in the next spending round and a commitment to funding the arts and culture by **a minimum of 0.1% of total spend** over the next 5 years.

Germany's spend on culture is 1.67% of the total, Latvia is 1.86%, Sweden is 2.6% and Estonia is 3.21%. Lottery funding must remain additional to core government spend.

Take a leaf out of Sweden's book? [Sweden's Cultural Policy](#)

C: STRONGER SUPPORT FOR CULTURAL EDUCATION

“Over the past century, the UK has stopped nurturing its polymaths. You need to bring art and science back together ... Lewis Carroll didn't just write one of the classic fairytales of all time. He was also a mathematics tutor at Oxford. James Clerk Maxwell was described by Einstein as among the best physicists since Newton – but was also a published poet.”

Eric Schmidt, Executive Chair, Google, MacTaggart Lecture, 2011

Access to the arts is a human right. The UN Convention on the Rights of the Child (UNCRC) contains articles which exhort nations to ensure children are rounded citizens and allowing them to imagine different futures for themselves. The UN has stipulated that access to the arts is a human right, and that every child and young person should have access to a creative education.

Creativity in education is about giving children they need to communicate, collaborate, empathise and better understand the world they live in. Increasingly employers such as Google and business groups are calling for cultural activities to become a central plank of education, too. According to the CBI, “it is essential that alongside specific technical skills we also equip people with the creative thinking and entrepreneurial skills that help facilitate innovation and problem solving.” But there are a series of disincentives at work which are affecting the provision of arts subjects in schools.

What Next? applauds the emphasis on the expressive arts and creativity in the Donaldson Review and the Welsh Government's decision to introduce the Creative Learning Plan and we ask that a commitment is given to fund this strategy through to 2030 without using Arts Council Core Funding or ring Fenced Lottery Funding for this initiative beyond 2020.

Recommended Pledges:

- **A Cultural Passport** - examples: [Student Pledge](#) or [Berlin Pass](#)
- **A Pledge to a Right to art/culture**

We will deliver a right to culture for every child.

We will ensure that every child will see, make and share in art.

The right to culture for every child must be a cornerstone of cultural and educational policy, establishing equal access to a high standard of cultural learning opportunities, for all children and young people.

We will ensure that **every** state school provides the cultural opportunities that exist in the best state schools and many independent schools

Recommended Solutions:

- Incentivise schools to ensure their students see at least one professional live performance each year, either in an external performance venue or by a touring company visiting the school.

Replace with something like....To ensure that all arts subjects are given status and validation equal to that given to all other subjects including but not limited to Maths and Science and ensure all communications stress them as being fundamental components of a rounded and balanced education and not seen as a 'soft' or 'vocational' option. A young person does not study Maths or Science simply because they wish to be a Mathematician or Scientist. Nor Art or Drama because they want to be an artist or work in the field of performing arts. They do so because all these subjects provide them with the education and transferable life skills necessary for an enriched, empowered and entitled citizen.

- **New guidance from Estyn** that no Children's Centre, School, Youth Service, Academy or other setting should be judged beyond 'satisfactory' by Estyn unless they offer a broad and balanced range of cultural learning opportunities including extra-curricular and balanced arts and cultural activities
- Growth of the numbers of **teacher training places in Arts subjects**, to reflect the need for high-quality arts teachers in schools, (including Arts Specialists in primary Schools) and to reverse the current decrease. We welcome the Furlong Report's recommendation of a 4 year BA education degree to allow greater emphasis on subject specialist knowledge and raise the quality of educational experience of prospective teachers. However Wales needs to improve teacher training and Professional Development opportunities for all teachers of the arts

D: SUPPORTING SMEs AND MICROBUSINESSES

The UK is experiencing a boom in self-employment, driven largely by market failure to provide secure jobs rather than real employment choice.

The UK has the largest cultural economy in the world relative to Gross Domestic Product (GDP). The creative and cultural industries represent one of our economy's greatest success stories. Since 2008 the GVA generated by the creative and cultural industries has increased by 15.6%, compared with an increase of 5.4 per cent for the UK Economy as a whole. The creative and cultural sector has a strong start-up culture, and is dominated by small and medium-sized businesses: 94% of businesses in the creative sector employ fewer than 10 staff.

Our education system needs entrepreneurship education to encourage more young adults to feel confident in pursuing and setting up their own business ideas. Young people need to be taking a creative and collaborative approach to work, whether they work in a small or large business, developing a sense of agency about their futures.

Evidence on the business death rate suggests that much newer businesses are not surviving well. Several business support studies confirm that "soft support" such as business advice is an important component of the early stage of a business. Arts and Cultural start-up business needs are not being met by the current Business Wales initiatives. With sufficient reach, a voucher scheme could be the flexible, needs-driven solution creative micro businesses need.

1. Include **entrepreneurship skills** in the development of continuing professional development and non-statutory guidance for the GCSE and A-level qualifications.
2. Introduce Lord Young's small and micro-business growth **voucher scheme to Wales**
3. Increase the relevance, suitability and **accessibility of the National Apprenticeship Scheme**.
4. Extend the **age range of apprentices** entitled to funding under the National Apprenticeships Scheme
5. Investigate how empty property can be released to artists and artist collectives at a peppercorn rent to stimulate regeneration.

The UK Government's £30m Growth Vouchers programme is to trial innovative approaches to help small firms overcome the barriers that hold them back. The programme should be introduced into Wales and extended from two to five years to improve analysis of findings.

The arts and culture enhance every aspect of our lives in ways that are often unacknowledged: the vibrancy of our cities, the identity of our rural communities, the future prospects of our children, the quality of our democracy, the employability of our workforce, our ability to make sense of our own experience and to empathise with others.

Consistent with the spirit with which they make and offer art - imagination, persuasion, delight, generosity, conviction - the vast majority of UK arts organisations are committed to engaging as many people as possible with the power of the arts and culture to enhance and transform our collective and individual lives.

Art and culture are not just an enjoyable or challenging way of spending a few hours between work and sleep. They permeate our existence through architecture, industrial design, fashion, television, telecommunication, media, advertising and so on. We cannot choose not to have them. We can only choose what quality of art and culture we and future generations will experience.

UK cultural organisations make a major contribution to the national and local economy. They act as the engine room and R&D department for the creative industries, the most rapidly growing sector of our economy. They are also highly transformative in terms of income generation, job creation, tourism and export earnings. They stimulate creativity in engineering, science and business; underwrite the distinctive identity of street, town, city and nation; improve all aspects of the quality of life; promote regeneration; enable audiences and participants to imagine and create new futures for themselves.

For all these reasons we believe that everyone - young and old - should have access to art and culture at the highest level.

Currently cultural access is far from equal across the country and, in some cases it is under severe threat.

The Economic Argument: The importance of arts and culture to the economy.

Arts Council of England (ACE) study findings on the value of culture released May '13 by Centre for Economics and Business Research (CEBR). Arts Council of Wales (ACW) figures to follow

1. For every pound invested in arts and culture, £6 is generated for the local economy.
6. VAT - 75% of ACE's entire theatre budget in 2010 would have been paid for by the return in VAT receipts from London theatres alone.(nb This figure will have increased since 2010 as the theatre budget has gone down through cuts and capacity in London's theatres has gone up.)
- 3 . The arts sector makes a £7 contribution to GDP for every £1 of government subsidy. (ACE study May 13 – Centre for Economics and Business Research (CEBR)
4. The arts turnover of £12.8billion is a higher return than that from the wholesale and retail industries (ACE study May 13)
5. The art budget accounts for less than 0.1% of public spending, yet it makes up 0.4% of the nation's GDP (ACE study May 13)

6. The turnover of business in the arts and culture industry was £12.4bn in 2011. This in turn led to an estimated £5.9bn of gross value added (GVA) to the UK economy in the same year. (GVA is the value of the industry's output minus the value of inputs used to produce it, including state subsidies.)

7. The sector provides more than 110,000 jobs directly, about 0.45% of total employment in the UK. The figure becomes 260,300 jobs once the indirect impacts of arts and culture are added in.

8. Living in an area with twice the average level of cultural density adds an average £26,817 to the value of a property.

9. 60% of arts organisations total income comes from ticket sales, sponsorship and donations and philanthropy.

10. The cultural economy creates 694,700 jobs across England.

11. 6,910 cultural business contribute £28 billion each year to the UK economy.

12. 60% of their total income comes from ticket sales, sponsorships, donations and philanthropy

13. £4 bn + a year is the contribution of the music, visual arts and performing arts

14. London theatre alone returns almost as much to the treasury in VAT receipts as Arts Council England gives to theatre across the whole country.

15. UNESCO has identified the UK as the world's largest exporter of cultural goods – bigger than the US, bigger than Japan, bigger than Germany or France. And we're a net exporter too.

15. The creative industries, according to the Department for Culture, Media and Sport, account for 6.2% (GVA) of the goods and services in the economy, £16.6bn in exports and 2 million jobs.

16. Arts funding amounts only to 7p in every £100 of public spending. Money invested in the arts repays that investment many times over.

17. The creative industries are worth £36 bn to the economy.

CONCLUSION

The arts offer life-enhancing experiences that challenge the way we think. They are also the creative bedrock Britain relies on in order to compete in the modern, digital economy.

Subsidised and commercial arts and cultural activity and the Creative Industries are inextricably linked. They are all part of one ecology and subsidised arts and culture and arts led education are the foundation and pathway to commercial success and all areas of the creative economy

Culture enhances almost every aspect of our daily life, from the music on the radio to the design of our smartphones, from the scripts of our favourite soaps to the adverts we see on our daily commutes. It also impacts on people's lives in ways that are often unexpected and unacknowledged; the vibrancy of a local area, the development of our children, the employability of our workforce. Investing in culture doesn't only produce excellent art. It also creates informed and engaged citizens, promotes personal wellbeing, increases community cohesion and regeneration and raises our profile overseas. Culture is the engine driving the growth of Britain's creative industries – the fastest growing section of the economy – and is responsible for a huge proportion of our tourism and export earnings.

Investment in this growth area is needed in times of austerity more than ever. That investment will produce the future leaders, creative thinkers, entrepreneurs and change-makers who we need and a healthier, safer, richer and more equal society.

Investment in art & culture saves money. Simply track two looked after young people's lives – one who has access to art & cultural activities and one who does not. Weigh up the cost of one young person needing mental and physical healthcare, police, custody, probation, judicial, social services costs versus the one who was allowed access to subsidised art and culture and as a result went onto higher education and full-time employment. You do the Maths. The evidence is there.

Evidence sources –

The Cultural Learning Alliance

Arts Works & Art Works Cymru.

Back ground Reports, Statistics & Evidence

Cultural Well being:

Click here<<http://whatnextculture.us7.list-manage.com/track/click?u=3231e29f12b75ab9c018f7b72&id=33cbd2e21c&e=17dc26a13e>> to read John Holden's original paper on the subject

Economy

[Creative Economy Report 2013 Special Edition |...](#)

[http://www.unesco.org/new/en/culture/themes/creativity/...](http://www.unesco.org/new/en/culture/themes/creativity/)

The Report confirms the creative economy as one of the most rapidly growing sectors of the world economy and a highly transformative one in terms of income generation, job creation and export earnings. But this is not all there is to it. For unlocking the potential of the creative economy also means promoting the overall creativity of societies, affirming the distinctive identity of the places where it flourishes and clusters, improving the quality of life there, enhancing local image and prestige and strengthening the resources for the imagining of diverse new futures.

[The one report you need to read](#)

CASE is a programme of strategic research led by DCMS

[The contribution of the arts and culture to the national economy](#) Centre for Economics and Business Reform, 2013

Education – The Cultural Learning Alliance Website. www.culturallearningalliance.org.uk

Producing Live Performance/Theatre in Wales.

A Proposal

The Background

One of the areas I keep returning to is the idea of a Producers Collective or Hub and/or a support services team for small to medium project funded companies.

We have many large cultural organisational structures in Wales and many small artist led and project funded companies like Omidaze, Flying Diplodocus, Dirty Protest, Wales Mercury Theatre, Lucid, OtherMother, Motherlode, Light, Emberton and Ladd, Mary Bijou and Kitch 'n' Sync to name just a few, all producing small-medium scale work with an ever diminishing pot of resources. There is, I think, a missing layer.

As a small artist-led organisation to become a registered charity, a portfolio organisation, or even a limited company is to spend time and energy on tasks and activity which takes them away from their artistic visions, aims and objectives and creates more structures which have more core costs attached. Basically more money being spent on the admin and less on the art.

Wales as a small devolved nation does not need to support more organisational structures and building based companies. It does not have the capacity to support more core services.

Also without being a registered charity all of these small producing companies are denied access to funds from Trusts and Foundations. Hence many large Trusts and Foundations are articulating a shortage of interesting applications from Wales to support new and ground-breaking work.

There are many individuals it would seem working very hard doing the same tasks in isolation. There would seem to be much duplication and inefficient use of time, energy and resources. The main two barriers to making their work, which artists identify over and over again, are time and money.

These are my proposals:

Proposal One

ARTS CORE

Arts Core would be a NPO support services team company which serves the performing & producing arts sector initially in the Cardiff and the South Wales area to test pilot it with the aim of then rolling out in different Welsh regions.

The Company would be a not for profit registered charity and consist of the following full and part-time staff:

Producer CEO

Finance

Administrator

Marketing (including Press/Distribution and audience engagement)

Fundraiser

Tour planner /Programmer

IT (Web/Digital Media)

The company would offer a range of Arts Admin packages with a preferential rate given to individual artists and small producing companies operating on a project funding basis with a higher rates given to medium – large organisations who may wish to ‘buy-in’ services on a project basis. This sliding scale of rates would be fixed and industry approved and project and time-limited.

I predict that the demand for this service would grow quite rapidly and additional staff can be recruited to meet that demand.

The company would be a one-stop shop for pay rates and maintain an approved list of providers for such things as Arts Access, translation, rehearsal/practice room hire, equipment hire and so forth.

Predicted Outcomes

- Greater equality and fair rates of pay.
- A more joined up offer and conversation
- Huge money savings due to shared resources
- Increased venue and tour collaboration and networking
- Cleverer programming
- Increased audience engagement
- Greater artistic output of higher quality
- Increased sustainability
- Opportunity for greater time spent at looking beyond ACW for funding
- Would allow many emerging artistic leaders to develop at a greater rate and lift their eyes above the horizon

Proposal Two

ARTS CORE & PRODUCING HUB

This proposal takes the core services model and layers in Producers in to the Arts Admin packages with a minimum of three Producers being on the payroll.

Additional Predicted Outcomes:

- Increase in quantity & quality of produced work reaching audiences both in Wales and beyond
- Raised profile for Wales and Wales based creatives
- Increased movement & flow within the sectors ecology

Proposal Three

ASSOCIATE ARTIST MODEL

Formalise and incentivise Associate Artist status within RPO organisations. Clarify the distinction between Supported and Associate Artist status. Therefore a small company like Flying Diplodocus can apply for funding from Trusts and Foundations under the auspices of No Fit State. This would be mutually beneficial since it could allow both the NPO organisations and individual artists and small companies to unlock and access new funding and increase existing funding streams to support the NPO's ongoing main artistic programming and vision as well as contributing to NPO core costs, part-fund a one-off project led by the associate and fund a Producer to work with the Associate(s). The Producer would dedicate the equivalent of xxxx number of days to each associate and xxxxx days a week to the NPO. This would be flexible and project dependent and could operate on a time-banking system.

Predicted outcomes:

- Greater philanthropic funding streams being leveraged by Welsh and Wales based producing companies
- Career pathways and career development improved and made more transparent
- A new level of 'gatekeepers' introduced
- Mentoring opportunities

Benefits to NPO

- Funding to contribute to core costs and cover part-time Producer role to support Artistic Director and planning and delivery of main artistic programme.
- Increased ability to attract on-going large scale funding from Trusts and Foundations - Unlocking New Funding – particularly core costs, additional space requirements and future capital build projects
- Associates to contribute to community work and artist development programmes.
- Ability to access contributions from and collaborations with Associate Artists on bespoke projects.
- Widens NPO's pool of collaborators, performers, directors, choreographers, producers, partners & venues therefore builds workforce and freelance capacity
- Formalises structure for associates, supported artists, trainees and apprenticeships.
- Associate Artists will contribute to structured development and CPD for trainees and to the identification and nurture of a new generation of Emerging Artists from these trainees, apprentices and their wider networks
- Research & Development potential of concepts and ideas for large-scale pieces.
- Ability to commission Associate Artist to develop, produce or curate work specifically for the NPO thereby simultaneously supporting the development of their creative practice
- Talent development / Creating Pathways
- Succession Planning
- Diversity of Access – e.g LGBT and disability focussed work and audiences
- Formalises key strategic aims and objectives
- Associate Artist will be advocates for the NPO in Wales, the UK and Internationally and help raise their profile and status.
- Potential and option to brand associates creative vision and projects as in association with NPO if suitable and produce work in association with Associate Artists and their companies

- Associates to collaborate with NPO in breaking down barriers to access and develop audiences and visitors of the future
- Associate Artist will provide objective and challenging creative partners for NPO

Benefits to Associate Artist

- A sense of belonging as an artist and a sense of 'home'
- Assigned part-time producer for fixed period
- Raised profile for all stages of their practice, research, development and production
- Space – both physical and creative
- Validation & status within the industry
- Practical resources
- A support network
- Be supported in fundraising, producing and creative endeavours
- Have access to producing, admin, marketing & press support/resources
- Ability to unlock funding from Trusts & Foundations only available to organisations with charitable status
- Planning time and resources to create long term development plan and future sustainability
- NPO as host company for secured time period providing a fora for Continuing Professional Development
- Increased industry networks and contacts through association

Yvonne Murphy November 2015

What is the value of culture?

What is it worth?

Can we measure the impact and value of art and culture on an individual, a community, a society?

Can we calculate the impact and cost if we do **not** value and invest in art and culture and place them at the heart of a society, a community and an individual's life?

"The arts are essential to any complete national life. The State owes it to itself to sustain and encourage them....Ill fares the race which fails to salute the arts with the reverence and delight which are their due." Winston Churchill addressing the Royal Academy on 30 April 1938

I wish to argue in this paper that the decline in value for art and culture in the UK is in direct correlation with the decline in State investment and the subsequent accepted rise in charitable fundraising to support arts and cultural activities and organisations. I wish to further argue that unless as a sector (including arms lengths bodies such as the Arts Councils) and as a society we stop accepting this as the status quo, art and culture will become accepted more and more as a 'private good' affordable and accessible to the few and not the many which in turn will have a severely detrimental and possibly irreversible effect on British Society in years to come.

"The latest report puts the total of private investment in the arts at 21.9% of its (arts) income, or £660.5m ...This is broken down into £372.9m from individual giving, £173.8m from trusts and foundations, and £113.8m from business investment." Warwick Commission Report 1 with data from Arts and Business

There has been much debate and much written regarding cultural value, how and what to measure, the pitfalls of an entirely economic argument and the difficulty of measuring spiritual value and the impact on well-being. A good summary of all of this can be found in the Warwick Commission's third paper which concludes.

"The challenge ..., is how to achieve the complex aim of demanding methodological rigour but without forgoing the consideration of the practical, both in terms of the need of the sector, and the constraints to what is possible, and without collapsing cultural into economic value. " Warwick Commission 2014 Report 3 www.warwick.ac.uk/culturalvalue

I believe this to be a false and unnecessary challenge. It is an invented challenge which simply creates a barrier between great high quality art and culture and the masses. Did the aristocracy ever question the value of art and culture? Did the upper classes ever debate how you could measure the value of an opera, a ballet, a painting? Why do the rich act as patrons to the arts? All parents who can afford to send their child to a top private school expect and demand art and culture as part of that child's expensive education. As identified in The Cultural Learning Alliance's report from their series of interviews with Head Teachers of Independent Schools

"The Headteacher we interviewed stated:

- *Cultural learning improves children's attainment*

- *They felt a duty to provide cultural learning to the children in their care*
- *They were responding to the demands and expectations of parents”*
-

No evidence, statistics or methodologies are required by those parents. No defence needed for the value of culture.

“Parents buy in to Eton and our approach. To an extent we are talking to the converted about the value of cultural learning. You could get excellent A level results far more cheaply in other ways so a key reason to spend on an education at Eton is the breadth of cultural learning.” Tony Little, Eton College Ref: Cultural Learning Alliance Head Teacher Interviews Report

Who then are the unconverted? The parents of children in state schools? Do we hear them debating the value of culture and demanding no more public investment? Yes, if you believe the Daily Mail. But if you ask any parent of a state educated child what was one of their proudest moments of their child’s education the majority will reference a cultural activity from the school play to a piece of public speaking to a musical achievement to a piece of creative writing or poetry.

So why must we continue to try to articulate the value of art and culture when we all individually instinctively understand its undeniable and essential value and impact?

It is all to do with economics, slimming down the state, the rise of the Individual and art and culture becoming seen as a private and luxury good as opposed to a public good and human right.

Decades have passed since Margaret Thatcher came to power and called for the arts and cultural sector to make the case for culture and define it in economic terms and yet here we are still chasing ourselves around in circles trying to defend what every individual knows is fundamental to being human. With John Myerscough’s 1988 response to Thatcher in the form of his research paper ‘The Economic Importance of the Arts in Britain’ the cultural sector was placed in the position of defence and twenty-six years later we are still there. Even under a Labour Government when funding to the arts was increased, the terms of the debate did not change. Nor did the economic mind set inspired by one of our first economists and revived and brought back into fashion courtesy of Mrs Thatcher.

In the 1700’s Adam Smith (widely thought of as the Founding father of Economics) put forward the theory of a market led economy and the idea, summarized by Phil Thornton in The Great Economists, that

“It is the ‘invisible hand’ comprised of individual’s self-interested choices that leads to the best economic outcomes rather than central planning...enthusiasm for his theories received a second wind. Two politicians, Margaret Thatcher in the UK and Ronald Reagan in the US – and their advisors – seized on his ideas to justify rolling back the state and deregulating labour and financial markets” Phil Thornton – The Great Economists

It is now urgent that we change the terms of the debate. We need no further research, statistics or proof that art and culture are fundamental to the health and wealth of a nation and all of its people. What we must decide is how interventionist the state should be in terms of ensuring equal access to high quality art and culture. As participants, visitors, audiences, artists and citizens. We need to change the terms of the debate before the state is further shrunk and all that we believed to be fundamental to post-war British society is first devalued and then dismantled. The rise of fundraising for arts and culture is, I believe, equal to its devaluation. I will explain why.

Let us go back a step.

Following the traumatic and cataclysmic losses endured through two World Wars, Britain and countries across Europe were forced to ask what kind of society did they want going forward and how could that be made a reality? Out of the horrors of war came a new chapter where humanity and the value of human life was uttermost. Britain could simply not return to the old order that had existed previously. The two wars created a blank canvas and paved the way for the Beveridge Report, a Labour landslide victory, the implementation of National Insurance, Welfare for all, the creation of the National Health Service and the predecessor to the arts council being formed.

We pay our taxes in order that we may live in a fair and just society. Access to high quality art and culture is a fundamental part of that fair and just society. It allows us to understand, express and question ourselves, each other and the world around us. Art and culture is not simply the ballet, theatre or opera.

“The arts and culture enhance every aspect of our lives: the vibrancy of our cities, the identity of our rural communities, the future prospects of our children, the quality of our democracy, the sustainability of our environment, the employability of our workforce, our ability to make sense of our own experience and to empathise with others.” David Lan (Artistic Director -Young Vic Theatre & Chair of the What Next? Movement

Therefore art and culture needs to be demanded as fundamental to our society and a right of every British citizen by the British Public. Our State funded NHS looks after our health. Our State funded Education system looks after our minds. Our State funded arts and culture looks after our souls/spirits/sense of self.

The arts economy model in the UK has basically been a three-part model since the 1940s.

1. State Funded – Centrally through the arms -length body -The Arts Councils of Great Britain and locally through local authorities
2. Through private sponsorship, charity and fundraising and philanthropic individuals, trusts and foundations
3. Commercial income streams.

“A major reason for the arts’ success in the UK is the mixed economy funding model. Organisations rely equally on government investment, private sponsorship and their own commercial income. “This system, which differs to the subsidy-focussed European or philanthropy-reliant US models, encourages entrepreneurialism, creative risk-taking and accessibility.

Today the arts are facing a “triple whammy” funding crisis. Core funding, local authority funding and private giving have seriously declined during austerity, particularly outside of London. This is despite consistent evidence that investment in the arts delivers benefits beyond just providing high-quality entertainment (what the Treasury would term a “private good”). They have been shown to deliver economic regeneration, social mobility, community cohesion, health and well-being benefits and higher attainment in school children (or “public goods”).” -What Next ? movement briefing document

Art and culture make a great and measurable long-term social and economic contribution to society and are proven to provide a high return on investment. Therefore it makes no economic or long-term sense for the 'health' of the nation to not invest in the arts.

Rather than costing money, investment in arts and culture saves us money. To really calculate the return on this investment we need to calculate the pounds saved on policing, probation services, youth offenders institutions, prisons, welfare, social services, crime prevention, the NHS and all mental health services as a direct result of participation in arts and cultural events.

The question is not can we afford to invest in and publically fund the arts. The question is can we really afford not to?

I recently attended an Institute of Fundraising conference for the arts and cultural sector. The audience was, naturally, largely made up of professional fundraisers from that sector. The opening keynote speaker spoke to the delegates of two things

(i) that the value and status of arts and culture within UK society was in jeopardy, which was resulting in ever increasing funding cuts

(ii) that fundraisers up and down the country were called upon more than ever to raise their game and save the day.

I completely agree with his first point.

I completely disagree with his second.

I believe that only if we put a dramatic halt to the ever increasing reliance on 'charity' to fund the existence of art and cultural activities in this country will we begin to be able to turn the tide and increase the value and status of art and culture in our society.

Whilst we all understand we are going through a recession (and still are contrary to some reports) and that cuts must be made, my concern lies with the ideology behind those cuts. If we accept that one of the first things to go must be arts and culture as it is not 'an essential statutory requirement' then we are undervaluing its purpose, impact and fundamental role. Access to art and culture should be made a statutory requirement of every Local Authority since...

"Culture is the way we come to know the world, individually and collectively. It is as rich and diverse as the traditions that stand behind its making. It is the active engagement with the creation of our arts and heritage, and the expression of what and who we are as individuals, as communities and as a nation" – Cultural Learning Alliance, ImagineNation 2011

If we increasingly position art and culture and accept it to be a charitable case which people can choose whether or not to give to, then we further remove it from the responsibility of the state and a public good which should be paid for out of our taxes.

I **do** believe I should pay towards art and culture through my taxes.

I am not happy for art lovers up and down the country to choose whether a cultural organisation stays open.

I am not happy for our wealthier art loving citizens to choose which cultural organisations thrive and which do not.

I am not happy that I live in a modern democracy and yet the fundamental right of every citizen to have access to high quality art and culture is being dismantled and relies on the whim and decision and choice of those with 'surplus' money whether it is a spare tenner or 10 million they can spend on the art of their choice.

I am not happy that my email inbox fills up more and more each week with crowdfunding, justgiving and fundraising requests for art and cultural events which I believe should be being paid for out of my taxes.

I am not happy that the poorest in society get taxed twice – once by HMRC and once by the Lottery and yet often receive the least access to high quality art and culture.

I am not happy that the very same Lottery money which was legally bound to be used only as 'additional' to state funding for arts and culture is now being used to cover core costs.

I am not happy that a company is funded by the arts council with tax payer's money to work out ways of asking people to donate whilst visiting a cultural organisation. An initiative that could be achieved in a cheaper and fairer way by simply raising taxes and giving a higher percentage to arts and culture. Why should any one individual decide where his/her taxes should go? I am not happy that charitable giving has become a supportive pillar which was once the state's responsibility

But I hear you cry, I have worked hard all my life, have paid my taxes like a good citizen and I have some spare cash and

- a) I would like to donate it to something that made a difference to my life – ballet/opera/theatre/drama work in prisons/music/the museum down the road/the local poetry club, insert your art/cultural organisation of choice

OR

- b) I have never used art/cultural organisations in my life and do not understand why I have had to pay taxes toward stuff I don't use and think those who use it, especially the rich should pay for it so I am happy for fundraising to increase and state funding should decrease.

Well

- a) That is fine as long as there is a decent base of state and Local Authority (which should be a statutory requirement) investment in arts and culture and any private/charitable giving is additional and not be used to keep the cultural ecology alive and breathing as it is being used at present

- b) I have never used a spinal department of a hospital, needed chemotherapy or a fire engine to come to my house but I am happy to pay for every single 'public good' my taxes are used for because I accept and value them and fundamentally believe society would be worse off without them. And anyway you do use them. Every piece of popular culture whether it be music, fashion, TV, advertising, computer games or radio is part of art and culture. Every piece of design and creative work is part of art and culture. Where did the person train who designed your i-phone? Where do fashion designers go for inspiration? Shall we trace back the roots and inspiration of every track you download from i-tunes? Deleting art and culture from your world would leave so many holes it simply would not make sense.

It is the human condition to undervalue that which we take for granted and which has always been there. It is only when it has gone that we realise what we had. We are living through an interesting time. How do you make the world appreciate that the abundance of all things creative we have now is the product of investment in arts and culture between 1997 and 2007 and in twenty years' time and more we or rather our children and grandchildren will reap the results of the current underinvestment and the cuts that are yet to come?

The Institute of Fundraising is twenty-five years old this year. I sat in that conference and wondered if in twenty-five years I might return to an Institute of Fundraising Conference for the NHS where imaginative and creative ideas of how to raise money to fund doctors and emergency services in all hospitals was under discussion and the subject of each speakers address?

Twenty-five years ago the Institute of Fundraising began under a Thatcher Conservative government. A government and Prime Minister which gave us the Market Led Economy we have today. Twenty-five years ago I performed a satirical sketch show on telethons whilst at Drama school. Little did I know then that they, and all charity and charitable fundraising, would become the accepted norm twenty-five years later. Live Aid happened because no government in the world was taking enough responsibility and action on poverty. Instead of forcing them to do so it unknowingly opened the floodgates for huge money raising enterprises from Comic Relief to Children In Need, which remove the responsibility from the state and are now commonplace celebrated parts of our society. A new profession has come into existence – the professional fundraiser. What cultural organisation can now afford to be without one?

And yet I believe it is only if they do without one that long-term they will survive. For this to work the sector must pull together and put a stop to the cover up. The arts councils must cease to try to hold together a broken arts economy model and demand an open debate on the future and value of the art and culture. The arts sector must expose the market led economy for what it is – an unjust and unequal system which has allowed the gap between the richer and poorer to increase to record levels.

What do I propose?

- That those individuals earning £20,000 a year or less pay no Income Tax and those earning £50,000 or above pay significantly higher rates than at present and that arts and culture is secured 1% of the overall government spend. Arts and culture be placed at the heart of our

society and this be reflected in the treasury divide where every department has a percentage ring-fenced for art and culture.

- Proven Tax avoidance by individuals or corporations incur much heavier financial penalties and criminal proceedings.
- Every local authority has a statutory requirement to provide access to high quality art and culture and have an up to date arts and culture strategy in place
- Every school in the UK can only be assessed as satisfactory or above by OFSTED/ESTYN if providing high quality cultural learning consistently across the curriculum.
- NHS invests more in preventive approaches involving art/culture specialists and participatory art/cultural practitioners and professionals.
- We see Cultural Leaders represented widely on broadcast media on everything from Newsnight and Question Time to Breakfast TV and art and culture is given equal airtime as sport.
- We invest in the infrastructure and transport links between all UK major cities and ensure every town has a library, a museum, a gallery, a theatre, a dance venue and a cinema funded by their local authority and the government.

This is not simply about art any more. This is about the very foundation of our society and how we wish to live. We were told a story by the Thatcher government and not even 10 years of a Blair labour government changed that narrative or the terms of the debate.

After a global economic crash, record levels of poverty (with more households in Britain accessing food banks than ever before) it is crucial that we challenge the accepted wisdom of Adam Smith, Friedrich Hayek, Margaret Thatcher and the 'invisible hand', individual is King, market-led economy and ask, without a World War creating the stimulus for the question-

What kind of society do we want and how do we make that a reality?

Agenda Item 5.1

Jacque Hughes
Director of Content Policy, Ofcom
Riverside House
2a Southwark Bridge Road
London
SE1 9HA

17 July 2017

Dear Ms Hughes

Draft operating licence for the BBC's UK Public Services Culture

I'd like to thank you for attending the Committee's meeting on 10 May and answering Members' questions. The Committee has since taken evidence from the Ofcom Audience Council for Wales (ACW) and from the Director General of the BBC.

I'd be grateful if you could consider the Committee's views on the draft operating licence for the BBC as set out in this letter and let me have your response in due course. The Committee would also be grateful if these views could be considered as our response to the public consultation that Ofcom is conducting.

We welcome Ofcom's acknowledgement that audiences in the nations and regions are under-served by the BBC. This has been widely acknowledged in Wales, with a broad agreement on the BBC's poor performance in relation to Wales acknowledged by politicians and civil society alike (see [IWA Wales Media Audit 2015](#), [Culture, Welsh Language and Communications Committee Report: The Big Picture](#), [Communities, Equality and Local Government Committee Report: BBC Charter Review](#), [the Welsh Government's position](#)).

With this in mind, we are therefore disappointed that Ofcom has not set more challenging objectives for the BBC in relation to services for Welsh audiences. Although the enforceable regulatory conditions for content on BBC Cymru Wales television and radio services are all the same or higher than they were under the existing individual service licences, they are also significantly lower than the BBC's actual output in these areas. It seems, therefore, that these regulatory conditions will make no difference to the distinctly Welsh services received by audiences in Wales. The committee therefore calls for more challenging figures, which are the same as, or far closer to, the BBC's current actual outputs in these areas.



In this respect, Ofcom's own Audience Council for Wales (ACW) suggested that that these regulatory conditions should be changed in a number of ways, including:

- In respect of BBC One Wales, the BBC must ensure that each year:
 - Time allocated to news and current affairs programmes is not less than 275 hours. The current equivalent licence condition is for 250 hours. In 2015-16 the output figure was 360 hours.
 - Time allocated to non-news programming is not less than 65 hours. The current equivalent licence condition is for 60 hours. In 2015-16 the output figure was 95 hours.

ACW also told us that they would wish to see the minimum hours for non-news programming on BBC One Wales to be "more in line with Scotland with a corresponding decrease in the minimum hours on BBC2 Wales". The equivalent Scotland figure that Ofcom proposes is 155 hours.

- In respect of BBC Radio Wales, the BBC must ensure that in each week, the time allocated to news and current affairs is not less than 32 hours. This is the same as the current equivalent licence condition. In 2015-16 the output figure was 53 hours.

ACW calls the section on radio "unnecessarily timid". It notes that Radio Scotland, which Ofcom proposes has an equivalent requirement of 50 hours, is an "equivalent service" to Radio Wales. It calls for parity between these two services on this point.

- ACW calls for the introduction of 5% quotas for UK radio production made in Wales (equivalent to the regulatory condition relating to network TV production).

The Committee fully supports these points and hopes that they will be fully taken into account in your consultation.

However, the Committee acknowledges the point made by Ofcom that the figures in the draft operating licence are a floor, not a ceiling. We therefore call for strong and challenging performance measures to be used by Ofcom to encourage greater portrayal and representation of Wales and Welsh life, beyond that which can be stimulated by the regulatory conditions alone.

We also welcome the proposed introduction of regulatory conditions relating to both the hours of and expenditure on Network Programmes made in Wales, which have been derived from Wales' UK population share (5%). However, the Committee again notes that, for expenditure, this figure is significantly below the current level of 7.1%.



We are also unconvinced by your argument (put forward during your session on 10 May) that having a minimum figure for the hours of Network Programmes to be made in Wales will have a positive impact on the portrayal and representation of Welsh audiences. Given the very limited extent to which BBC network programmes made in Wales (e.g. Dr Who, Sherlock and Casualty) represent Wales and Welsh life we do not believe that having a minimum figure for the amount of broadcast content made in Wales will provide the assurances you described. This point serves to reiterate the importance of having strong performance measures and regulatory conditions in place to assess the progress made in relation to these matters and to promote and encourage improvements.

Finally, in your oral evidence to the Committee on 10 May you referred on a number of occasions to the investment by the BBC in Scotland which you said was significantly above the percentage quota that Ofcom have set. The particular phrase you used is that Scotland is 'over-indexed'. As you put it:

'...because it's so over-indexed. To bring down Scotland will be politically tricky, but, to satisfy the English regions quota, they will have to.'

When he gave evidence to the Committee on 28 June, Lord Hall told us:

'I have no idea what she means by that, to be quite honest with you. The issue with Scotland was that we were not making our network supply target. ... but I simply don't recognise what she's on about there, because actually we are not hitting the target we should be for Scotland.'

Given the difference in views between you and Lord Hall, the Committee would be grateful for any figures you can provide, or any further explanation you can offer, to explain why your perceptions appear to be so different.

Given our above concerns and our view, which is shared by many in Wales, that our nation has been historically underserved by the BBC, we urge you to recognise this opportunity to address the deficits by introducing more challenging and ambitious parameters and performance measures for the BBC's performance in relation to the Welsh people.

I am copying this to Rhodri Williams in Ofcom Wales and to Lord Hall for information.

Yours sincerely

Bethan Jenkins

Bethan Jenkins AM
Chair



Culture, Welsh Language and Communications Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Jacquie Hughes
Director of Content Policy

4 October 2017

Dear Ms Jenkins,

Thank you for your response on behalf of the *Culture, Welsh Language and Communications Committee*, to our consultation '*Holding the BBC to account for the delivery of its mission and public purposes*'. We are currently taking into account all submissions to our consultation in reaching our final decision, including on the many important issues you raise in your letter for Welsh citizens and consumers. We will publish a statement shortly setting out our response to the consultation, but ahead of that I wanted to provide some clarity in relation to your question about the discussion at the Committee about production in Scotland.

Schedule 2 of the Agreement requires Ofcom to set conditions for a suitable proportion of network television hours and spend to be made outside the M25, and for these to include a suitable range of programmes. We are required to set hours conditions for the nations (Scotland, Wales and Northern Ireland), and suitable proportions of spend for each nation as well as England (outside of the M25 area). In our consultation we proposed to set quotas broadly in line with the proportion of the UK population in each Nation: 8% in Scotland, 5% in Wales, 3% in Northern Ireland, and 34% in the English regions. This would replace the previous target of 17% for Wales, Scotland and Northern Ireland combined.

At the hearing, I set out that our proposals would ensure production both out-of-London and in each nation specifically. This is because the proposals would guarantee minimum levels of production in each nation for the first time, so that individual targets for each of Wales, Scotland and NI would have to be met, rather than a figure of 17% aggregating spend in those three nations together. I cited Scotland as an example where production spend had historically been above a population-based level. The table below, which shows the published figures for BBC production spend in each nation and the English regions since 2013, sets this out in more detail. The colours indicate whether the BBC would have met our proposed quotas had they been in force in each year.

	Proposed Ofcom quota	Trust target	2016	2015	2014	2013
UK (outside the M25)	50%	50%	50.6%	48.1%	53.3%	52.5%
England (outside the M25)	34%	n/a	28.8%	28.5%	32.4%	28.4%
Scotland	8%	c.8%	10.3%	7.7%	9.2%	10.9%
Wales	5%	c.5%	5.8%	7.1%	6.5%	6.8%
Northern Ireland	3%	c.3%	3.1%	1.8%	2.5%	2.2%

Source: Ofcom PSB compliance report 2017, slide 13. https://www.ofcom.org.uk/data/assets/pdf_file/0020/103925/psb-compliancereport.pdf

If these proposed spend targets were set in place the BBC could still choose to exceed them in one or more nations as long as they meet each of their individual targets for Wales, Scotland, NI and England outside the M25.

I hope that this is helpful in clarifying the point I was seeking to explain in my evidence to the Committee. Our forthcoming statement and first Operating Licence will set how we intend to ensure that citizens and consumers in all parts of the UK, including Wales, will be well served.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J. Hughes', with a stylized flourish at the end.

Jacquie Hughes