

Short inquiry into the implications of Brexit on areas within the Culture, Welsh Language and Communications Committee's remit

A submission by Arts Council of Wales / Wales Arts International



October 2018

Now The Hero / Nawr Yr Arwr (image: Warren Orchard)

Context:

1. This written evidence is submitted by the Arts Council of Wales. It is informed by the expertise and experience of the Arts Council's international arm, Wales Arts International.
2. Arts and culture in Wales is a devolved matter. Nevertheless, in preparing for Brexit it is essential that the UK Government and its trade, border and cultural agencies consider the full impact of leaving the EU on the UK sector overall as well as the many varied devolved and regional implications. There is an opportunity for Wales, and the Welsh Government in particular, to highlight the particular concerns for the sector here, but also to reflect on changes needed to help greater cohesion with partners across the UK. This will be paramount post Brexit.
3. Despite the activity undertaken by ourselves (and detailed below) and by others in the sector, our experience is that devolved nations are not being adequately included, or have sufficient visibility, in the key debates. We understand that high profile issues such as security, counter-terrorism and medicines will be given greater priority. However, we believe that the UK Government has a responsibility to recognise the implications of a potential no Deal on all aspects of social, cultural and economic life. It is dangerous to pick and choose and could leave important areas of the arts and creative industries at a significant competitive disadvantage.
4. We welcome this consultation by the Culture, Welsh Language and Communications Committee. We believe that the Committee could have a valuable role in continuing to monitor and highlight the potential impact of Brexit on the arts and culture sector, in particular over the coming critical months of negotiation.
5. We have maintained an active engagement with European programmes and funding over the past ten years. Since 2008, Wales Arts International has hosted a European Desk. This has increased our engagement, and that of the wider arts sector in Wales, with European networks, opportunities and projects. It has been particularly important in helping to support projects and relationships developed through transnational European funding streams. Arts Council of Wales also seconds a member of staff on part time basis to the Creative Europe Wales Desk based at Welsh Government and part of the British Council led UK Creative Europe Desk.
6. We have worked as a partner in a number of strategic European projects including the pilot artist mobility network "Practics" (2008-2011) and the INTERREG IVC project "Toolquiz" (2010-2012). We have also established an informal network of arts organisations based in Wales who are active in, or seeking to engage with, EU

networks and projects. This is called the Wales European Arts Forum. We disseminate information to this group on matters concerning EU cultural policy, networking and potential project opportunities, and signposting relevant sources of transnational funding.

7. Since the EU referendum vote, we have undertaken a number of pieces of research to assess the potential impact of the Leave vote. In the summer of 2016, Wales Arts International conducted a survey on behalf of Arts Council of Wales to understand the potential impacts of the EU referendum decision on the creative and cultural sector in Wales.¹
8. As a member of the Creative Industries Federation, we jointly hosted an event in Swansea in September 2016, to understand better the potential impact of Brexit on the arts and creative industries in Wales. The event fed into the Brexit Report published by the Creative Industries Federation which made key recommendations to the UK government.²
9. We have submitted evidence to the National Assembly for Wales' Finance Committee's work around replacing EU funding for Wales³; to National Assembly for Wales' External Affairs and Additional Legislation Committee's work around Brexit and Wales' future relationship with Europe⁴; we have responded to consultations by the House of Commons⁵ and the House of Lords⁶ inquiries on the potential impact of Brexit on our sector.
10. We commissioned research from independent European research specialists Euclid to establish the level of type of European funding received for arts and cultural projects. (In the period 2007 to 2016 some 150 projects were supported and received around £23m of EU funding.) This is examined in more detail below.

¹ [The Arts in Wales and the potential impact of leaving the EU](#), survey by Arts Council of Wales / Wales Arts International, October 2016

² [Creative Industries Federation Brexit Report](#), October 2016

³ National Assembly for Wales' Finance Committee, [Preparations for replacing EU funding for Wales](#), September 2018

⁴ National Assembly for Wales' External Affairs and Additional Legislation Committee, [Wales' Future Relationship with Europe](#), March 2018

⁵ [The impact of Brexit on the creative industries, tourism and the digital single market](#), Inquiry by the House of Commons Culture Media and Sport Committee, October 2016

⁶ House of Lords, EU Home Affairs Sub-Committee inquiry, [Brexit: movement of people in the cultural sector](#), July 2018

11. Eluned Hâf, Head of Wales Arts International, has presented evidence on behalf of the UK arts sector at the European Parliament's Culture and Education Committee⁷. We have also participated in the WEFO stakeholder engagement event regarding Regional Investment in Wales after Brexit.⁸
12. We have participated in British Council's series of European meetings, most recently in Brussels in September 2018.⁹ The event hosted by Belgium's Bozar, highlighted that beyond EU funding programmes, there is a significant risk to current business models for companies in Wales/ UK as well as elsewhere in the EU 27, due to a number of unknowns in the event of a deal or a no deal Brexit.
13. The lack of data – and the consequently unknown impact of Brexit on the European Creative economy at large – was a key concern for participants. For the issue to become more of a priority to national governments and the EU, the call was for comparable data beyond just EU funding on income generated from touring or presenting beyond national borders and the inevitable impact of new border controls and legislation.
14. The "Beyond Brexit" event report calls for a UK-wide and pan-European information provision. The network of info-points managed by the European artist mobility network On The Move through the "Practics" pilot project is a model Arts Council of Wales advocates. However, as the only UK partner in that pilot, we endorse the call for a UK wide information provision with which we, and the other UK Arts Councils, would be key partners. The service should provide practical visa, taxation and legal information to support artists and creative sector from the UK to work in the EU and from the EU to continue to work in the UK. A European network of info-points would also help to address the inadvertent impact of Brexit in terms of challenging perceptions of European companies who may decide (due to lack of information) to de-prioritise the UK as a key place, or source, for their work.
15. The arts and creative sector that we support will have its own comments to offer. However, our work with the sector leads us to believe that our observations will be broadly representative of the sector as a whole.

⁷ [Eluned Hâf presentation](#) at the European Parliament's Culture and Education Committee.

⁸ [Regional Investment in Wales After Brexit](#), Welsh Government, June 2018

⁹ [Moving Beyond Brexit: Uniting the Cultural and Creative Sectors](#), British Council, Bozar, European Cultural Foundation, September 2018

16. Four key areas of concern have been consistently identified. They are:

- **Talent and skills** – in particular freedom of movement for artists, cultural and creative companies and specialist workers, skills shortages, visas and touring
- **EU funding** – including access to Horizon 2020, Interreg, Erasmus+, Creative Europe, cultural exchange, export opportunities, eligibility in the run-up to Brexit
- **Trade and investment** – including the EU as a principal market, new markets, regulated services, tax credits, World Trade Organisation terms
- **Regulatory frameworks** – including Digital Single Market, intellectual Property rights, copyright protection, influence over new regulations

17. Of these four, the first two are potentially where the most immediate impact on the sector will be felt. More detail can be found in the various submissions detailed above. Below we have highlighted the following potential impacts:

Potential impact on talent and skills:

18. The creative industries, and the arts sector that we work, with rely on the constant flux and exchange of local, national and global participants. This is essential for the creation and production of the high quality of work for which Wales and the UK is known. However, the strength, diversity and innovation of the arts depend on the free movement and exchange of ideas, talent and creativity, the so called mobility of artists and creatives.
19. Europe is a source of key talent for a whole range of companies, from Welsh National Opera to National Dance Company Wales, with creative individuals employed both as part of the core team as well as contracted for specific productions. The easy two-way flow of this talent is currently part of the success of the creative industries as a growing engine for economic growth in Wales. Curtailing this could lead to a substantial loss of important skills to Wales and to the Welsh economy.
20. A diverse workplace makes our companies competitive internationally. Attracting international talent and leaders offer a new perspective to our companies' culture. Alongside Welsh and British colleagues they transform the fortunes of our art companies developing their capacity and enabling them to break into the new international markets that are so important in sustaining a viable business.
21. The creative sector thrives on innovative and specialist expertise and technologies. By their very nature, such skills are not widely available. Exceptional talent in the arts

and creative industries is as vital to the success of the sector as other areas such as science and academia. European workers provide a steady stream of skills in areas where we currently lack capacity or expertise. Additionally, these workers help us better understand Europe, our biggest overseas market.

22. It is therefore now both imperative and urgent that the rights and future of all EU citizens in the UK, as well as British citizens across the EU, is clarified.
23. The future mobility of highly trained artists and skilled workers is a key concern. The Migration Tier 2 Shortage Occupation List itemises jobs where the government will permit sponsorship of migrant workers in recognition of severe skills shortages and the current list already acknowledges gaps, with 17 creative industries identified.
24. Whatever the future arrangements, a recognition of the uniqueness of the creative sector is needed in order to enable the sector to continue to thrive. Firstly, many creative workers are self-employed or work on specific time limited contracts. The working patterns of the sector are atypical – a contract could be for a few hours, a day or longer term. The option therefore of free movement with a job offer may not work well for a sector that often requires quick turnarounds. We also wish to recognise the need to retain talent amongst international students who have followed creative courses in Wales' Higher Education establishment. This traditionally has been a great source of the best of international creative skills.
25. In addition, high levels of technical skill do not always translate into high salaries. The current Home Office requirement that non-UK/EU nationals meet a minimum salary threshold for certain types of visa would be problematic. And this could be exacerbated by limitations on the number of Tier 1, 2 and 5 visas awarded each year.

Potential impact on touring:

26. The UK's proximity to mainland Europe enables more affordable and 'frictionless' travel across borders. The easy access and movement for touring (of orchestras, theatre companies, exhibitions and individuals) both into the UK and from the UK into the EU is of significant practical and financial value. In addition, the majority of arts companies are small organisations, to whom a return to administrative and financial burden of visas and carnets would be a costly retrograde step. But of course the impact of this work cannot be measured in financial terms alone and the reduction in the number of EU artists and companies coming into the UK, from Visual artists or fashion designers to touring orchestras or theatre will have a major impact on programming in venues and festivals in Wales and the UK.

27. Touring Europe is an essential part of many of Wales' artists' working lives. It is also critical to the success of many of Arts Council of Wales' Arts Portfolio Wales organisations (the principal arts bodies revenue-funded by the Council). Many earn a substantial part of their income from touring other European countries and many of our presenters have access to European companies touring the UK. And touring in Europe is much less costly and easier for our arts companies than in other territories because of the removal of restrictions and barriers (visas, employment and taxes) for EU member states.
28. For NoFit State, our flagship contemporary circus company, revenues from international touring counted for almost 40% of total turnover in the financial year 2015/16. Their recent experience of touring America highlighted the additional costs involved over and above the travel costs (£46,000) compared with a tour of the same scale and piece of work in the EU. Major costs included visas (£13,406), carnets (£9,384) for touring equipment and medical insurance (£4,250), as well as for certification required by New York state around temporary public spaces and NoFit State's performance tent (£19,002).¹⁰
29. Any introduction of mobility restrictions (along with tariffs) will create new borders for our large-scale arts organisations. But whilst these companies will certainly find such impediments inconvenient, for the smaller-scale companies and artists such barriers might become insurmountable. Arts organisations operating on very lean budgets with limited financial flexibility may find themselves unable to cushion or manage the effects of regulation of movement.
30. Artist mobility is the foundation of artistic and creative development. Whatever the future arrangements, any changes to immigration regulations must be negotiated in ways that allow reasonable and appropriate mobility of creative workers and avoid counter-productive barriers based exclusively on salary thresholds and quotas.
31. We welcome and support the research and recommendations carried out by the Creative Industries Federation in their Global Talent Report.¹¹ We would like to see the introduction of visa free travel for creatives working between the UK and EU and we would welcome a review of the options around the permit free festivals model and intermediary bodies providing certificates of sponsorship. All options should be

¹⁰ Creative Industries Federation Brexit Report 2016

<https://www.creativeindustriesfederation.com/sites/default/files/2017-05/Brexit%20Report%20web.pdf>

¹¹ Creative Industries Federation Global Talent Report 2017

https://www.creativeindustriesfederation.com/sites/default/files/2017-11/GlobalTalent_v16.pdf

explored with a view to minimise the bureaucratic burden and enable the creative, artistic and commercial success of a key sector.

32. Sustaining the mobility of artists and creative workers from the UK and the EU remains a vital national interest, both in the long term and throughout whatever transition period is negotiated, which will need to provide continuity and clarity for our sector, many of whom are engaged in work with European partners post March 2019.

Potential impact on access to EU funding and access to international networks:

33. The arts sector in Wales has benefitted over the years from a variety of EU funding programmes. In August 2017 we commissioned a report by EUCLID to assess the European Union's contribution to the arts in Wales since 2007 in terms of funding – looking at both structural Funds and transnational funds.¹² While there is a clear benefit for the arts in terms of transnational programmes such as Creative Europe, Erasmus + and Interreg, there is also a large proportion of investment that has come from the European Structural and Investment Funds.
34. The European Funding delegated to Wales has transformed the arts in Wales. This investment has provided a significant match in funding for projects as diverse as training, apprenticeships, community projects and capital build schemes for arts centres, galleries and theatres.

Wales now boasts an enviable infrastructure of architecturally distinctive arts venues that are creating new opportunities for people across Wales to enjoy and take part in cultural activity. And many of these flagship capital projects have kick-started economic regeneration and have been the catalyst for inward investment and increased community engagement.

35. One exemplar recipient of European Regional Development Fund which has paved the way for further investment in the arts is [Galeri](#), an arts and creative enterprise centre in Caernarfon. Opened in 2005, through partnership investment including around £1.7m ERDF funding, Galeri has always had a strong focus on local regeneration, community engagement and support for the creative sector in Gwynedd. Its development on the site of Victoria Dock became a catalyst for the eventual re-development of this area.

¹² [Assessing the European Union's contribution to the arts in Wales since 2007](#), EUCLID, August 2017

36. ERDF, matched through the Arts Council of Wales' Capital Lottery Scheme and other investors, has provided significant funding investment into a network of high profile arts and creative industries centres across Wales. All have had a transformational impact in their communities and include **Aberystwyth Arts Centre, Theatr Mwldan** and most recently opened, [Pontio](#) – Bangor University's Arts & Innovation Centre, (which benefited from some £15m through ERDF.)
 37. There has also been a significant investment through European Social Fund into the arts and creative economy in Wales. Between 2007- 2013, as a joint sponsor of the Welsh Government's **Reach the Heights Programme** (2007-13), Arts Council of Wales distributed over £10 million to 73 projects involving over 9,000 young people.
 38. Many skills development programmes for the Creative Industries have been of benefit to the arts in Wales, from courses at Further and Higher Education establishments to programmes managed by Skillset to train writers for TV and Film.
 39. The arts in Wales – like the creative economy as a whole – have benefited from a variety of trans-national programmes such as the dedicated Creative Europe and Interreg. For example, in 2015, five Welsh creative organisations benefitted from almost €1m of funding from [Creative Europe](#) (Media and Culture sub-programmes). This includes Literature Across Frontiers, based in Aberystwyth University, leading one of the flagship European "platforms" with their [Literary Europe Live project](#). The [CORACLE project](#), led by the University of Wales Trinity St David, received just over €1.2m of ERDF funding through the Interreg Ireland-Wales 4A programme. The project supported skills development for those working in the creative and cultural sectors, to maximise the economic, social and cultural benefit of these sectors to both regions.
- Erasmus+ is another programme that has invested in creativity and creative skills, for example through the [Network of International Circus exchange](#) project that NoFit State Circus participated as a partner in (2014).
40. We continue to argue the case for continued participation in EU transnational programmes such as Creative Europe or Erasmus+, and consider that participation in these programmes post Brexit should be considered at a regional level (ie Wales) if the UK level is not a viable option.
 41. If the UK or Wales participated in these programmes post-Brexit, it would be likely that it would be as a "third country". This would incur certain costs and also would mean that engaging as a partner in projects under these programmes would require finding an increased percentage of match funding.

42. Participation in these programmes brings a variety of benefits to partners, and not just funding. We consider it to be a crucial part of our connections with the EU, opening the doors to networks, future collaborations and routes to market for our arts and creative companies. Identifying and securing match funding has been a consistent issue in the past. We would therefore encourage the creation of a “success pot” that would enable companies to access match funding, should they be successful in unlocking EU transnational funds.
43. Wales should also retain a Creative Europe desk, even if this is funded by Wales outside of the programme to encourage partnership under a “third country model”. Such a desk would provide invaluable intelligence and advice that would extend beyond funding issues and ensure that Wales remained connected to European markets and networks.
44. However, if the UK Government and/or Welsh Government were unable to reach agreement with the EU on continued participation in such programmes as Creative Europe, we would consider it essential that a replacement funding programme is established in order to enable collaborative projects with EU.
45. There will be a significant impact in terms of funding infrastructural and other developmental projects in Wales if EU funding is not replaced by equivalent substantive UK funding. In the same way that we would expect the UK government to replace the funding lost to Wales from its withdrawal from the EU, so we and the sector would wish to make the case for the government to replace lost investment to the sector from participation in wider EU programmes.
46. We believe that any alternative arrangements in the future for investing in regional development should adopt the same international perspective and vision that we have seen in the current operation of EU structural funds.
47. Whilst we have commissioned research assessing the EU contribution to the arts in Wales in terms of funding, there is still a lack of comprehensive data on the breadth and depth of the impact of EU investment into the arts and the creative economy (and no doubt other sectors) in Wales and the UK. This is due in part to the complexity of EU funding programmes and the fact that all programmes are managed differently. The ways in which Welsh artists and organisations benefit also varies. Some have participated in programmes managed by other partners in Europe, as well as being lead partners themselves. Others have simply benefited from key training and networking opportunities, data which is harder to capture. Often a

small amount of investment can have a significant impact for the organisations involved.

48. Wales' continued participation in a range of international networks remains important. They provide intelligence and information about international markets and opportunities. Such intelligence will be vital if we're influence future debate and develop new cultural and trading relationships in Europe and further afield.

Preparing for Brexit:

49. In preparing for Brexit, targeted resources will be needed to ensure that the sector in Wales is able to make critical transitional arrangements. Ensuring that Wales' arts and culture are tied into key networks and can benefit from and contribute the sharing of intelligence and information is a key activity which we feel needs addressing.
50. Following our participation in the recent meeting in Brussels (see point 9) we have agreed to work alongside our counterparts in Arts Council Northern Ireland, Arts Council England and Creative Scotland, British Council, Culture Ireland, and European partners to develop comparable data on the scale and impact of Brexit on our sector. We want to ensure that the needs and priorities of the creative sector in each devolved region and nation are being taken into consideration and that Wales' voice is being heard.
51. As a member of On the Move and as an "information point" on artist mobility in Wales, we will support the development of an information network which researches and shares intelligence. It will focus on artist and cultural mobility issues relating to Brexit for and with the sector on visa, work permit and border issues as well as and taxation issues.
52. Creative people thrive on the exchange of ideas and information and a collaborative approach to working. Surveys repeatedly show that the sector remains overwhelmingly committed to international cooperation. Our 45 years of EU membership means that so many aspects of the cultural sectors across Europe are intertwined and interdependent. Working so closely with, and across the EU has become second nature to our sector and enabled creativity to thrive. We should seek to preserve this in any future arrangements.