

Arts Council of Northern Ireland

Comhairle Ealaíon Thuaisceart Éireann
Airts Council o Norlin Airlann
Linen Hill House, 23 Linenhall Street, Lisburn BT28 1FJ

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Submission to the Committee of the Department for the Communities

1. All arts organisations – and many individuals – have been adversely impacted by the pandemic, some quite catastrophically

Our sector is largely made up of charities, community interest companies, social enterprises, and freelancers. Charitable organisations and individual creatives generally carry no sizeable reserves and, even when operating in normal circumstances, do not set out to make large profits. Any profit that is made is generally re-invested back into enhancing delivery and extending the impact of arts programmes.

2. What did the sector look like pre-Covid 19?

Before turning to the data analysis captured below, it is worth putting into context the impact of consistently low levels of exchequer funding for the arts over the past decade and more relative to elsewhere. For example, our closest comparator, Arts Council Wales, received almost three times as much revenue exchequer funding in 19/20 (over £31m) as opposed to that year's budget allocation to the Arts Council (over £11m). Whilst our 20/21 budget remains on standstill from the previous year, during the period from 2011/12 up to 2018/19, we have lost almost 40% of our income in real terms. So, in overall terms, **the arts sector was already in a fragile and precarious state**, struggling to maintain services to local communities and make ends meet. Looking at the figures below:

Annual Funding Survey Results 2018/2019 (latest available data)

Headline data shows that;

- **There were 7,465 people working for annually funded organisations** in 2018/19, just over a thousand of these (14 per cent) were employed in a permanent capacity and 6,407 (86 per cent) on a contractual basis
- **There were 4,155 reported volunteers in 2018/19**
- **Annually funded clients generated £52.9m in income in 2018/19**
- Despite increased earned income, **large-scale organisations continue to draw on public funding. In 2018/19, 34 per cent came from these sources, an increase of 15 per cent compared to 2016/17**
- Although still small relative to other public subsidy sources, **the proportion of income from local authorities has grown over the last three years from £2.6m to £3.4m, an increase of 20 per cent**

- Income from **trusts and foundations still represent a relatively small proportion of the overall funding mix for core-funded clients.** It contributed 3.3 per cent (£1.8m) in 2018/19

Expenditure

- **The combined expenditure of revenue funded organisations in 2018/19 was £53.5m.**
- **Artists' costs** represented the largest single expenditure category **comprising £18.4m**

Engagement

- The number of activities delivered by annually funded organisations remained strong compared to previous years. **Combined performance, participation, exhibition and festival activity increased from 50,923 events in 2017/18 to 68,966 in 2018/19.**
- **Large scale organisations sold 77 per cent of tickets available in 2018/19, generating a ticket yield of £12.2m.**
- **small scale arts organisations** in particular continue to struggle in a funding environment that has seen **nearly £50,000 wiped off average Arts Council grant since 2014/15.**

This was the overall picture before the impact of Covid was starting to become evident in mid/late March 2020

3. Initial Impact of Covid on the arts sector survey results

An initial survey was undertaken by the research team in the immediate aftermath of the Covid lockdown in order to ascertain the initial likely impact on both arts organisations and artists. Its summary findings show that the **average loss of projected income, for artists, to the end of May is estimated at £3,864.**The seasonal, informal and short-term nature of employment creates further financial uncertainties for those individuals, many of whom rely on their creative work for their sole income.

The total loss of earnings for organisations was estimated to be £2,507,475 – an average of £37,992 per organisation.

Freelance artists contracted to deliver services either directly or indirectly to commissioning organisations have had their contracts cancelled. Only in a minority of cases have organisations been financially able to honour contracts. A significant proportion of artists described the dire financial consequences of this, some of whom were disabled or had dependent family members. Their own mental health and wellbeing is of concern.

Earned income for arts organisations has almost entirely dried up, with the effect most acutely felt in terms of box-office income, sales of art, membership fees, course fees, income from tenants, bar sales and book sales. Marketing and sponsorship income has also been compromised particularly for larger organisations and venues.

A number of organisation responses noted how staff, permanent, part-time and contract have had to be laid off either permanently or for a defined period. Some staff have availed of the furloughing scheme, not all were able to access it, especially smaller organisations.

4. Some of our most effective organisations find themselves worst affected.

Current difficulties are exacerbated for those organisations (mostly venues and festivals) who achieve a high proportion of their income from ticket sales, retail income and other secondary spend. Under normal circumstances we applaud organisations like the Grand Opera House, the Millennium Arts centre in Derry, the Black Box, Feile an Phobail, the Crescent Arts Centre and Duncairn Arts and Cultural Centre for their success in operating with a relatively low dependency on public funding. But, these organisations and others which earn income generated from ticket sales and other commercial activity **are fighting for their very existence as £25million of that income has vanished overnight.**

Even those most publicly invested in have described the profound impact that Covid immediately had on their activities. Organisations such as the Ulster Orchestra, the Lyric Theatre and the MAC, for example, have haemorrhaged the relatively small, yet vital income, they generate from their box office. It's the difference that kept them barely alive to begin with.

5. But it's not just organisations who are struggling

Many individual artists and creative freelancers have suffered an immediate loss of income. Freelance artists and creators are the ultimate "gig workers", moving from project to project to find the next pay-cheque. Often, they're doing this without the benefit of employee protection, and without any significant savings to draw on in times of crisis. An all island wide study of artists' earnings showed that, on average, this was £7,500 a year in 2010. Most artists live in poverty, in spite of perceptions to the contrary. Where they are paid, they often work longer hours and are paid less than those working in the retail sector, for example. This enduring feature of the sector will not have radically altered in the interim as our anecdotal evidence continues to attest.

6. Most creative freelancers have had 100% of their work cancelled.

They are without income and without promise of work. Part-time and freelance workers continue to be denied the protections that their employed counterparts take for granted. The Job Retention Scheme and Self-Employed Income Support Scheme have been welcome interventions. However, many are falling through the gaps between these two.

7. So what have we done?

Working with the Department for Communities, we reallocated money from already depleted Lottery budgets to create an Artists Emergency Programme of (£500,000) which opened to applicants in April with a quick turnaround, offering grants up to £5,000 aimed at supporting artists through buying their thinking, planning and research time for delivery of projects by March 2021, where possible.

That programme has been temporarily suspended as all the resources have been allocated. There have been 320 applications so far.

With the welcome advent of the announcement of an extra £1million by the Minister earlier in the year, we have devised an Organisations' Emergency Programme aimed at small to medium organisations which can apply for up to £25k to help with new ideas for programming and/or to help them withstand the shock to their organisation of the pandemic and help bridge their loss of income, from whatever source. This is not aimed exclusively at arts organisations, but also includes the footprint of independent museums, libraries and language organisations. This fund also has a £500k budget and once signed off by the Minister will be open.

The allocation of the remaining £500k from the Department's million pound support package remains to be determined

8. The immediate future is difficult to predict, but confidence in being able to launch an autumn season is evaporating.

Even if theatres, arts centres and galleries can reopen, who will come? How is a theatre audience compatible with the social distancing principles that are likely to continue long after we can leave our homes? A UK/Ireland wide study, the first part of which concluded last week, reveals that only 19% of people would return to attending events just because venues were open, 41% wouldn't consider booking for at least four months and three quarters said they would feel safer with some form of social distancing.

9. Return and recovery will depend in large part on the policy that the UK Government takes towards restarting the economy and the interventions the NI Executive is able to make.

A serious programme of investment to stimulate Northern Ireland out of recession would prompt a dynamic response from the arts. The alternative route, saving our way out of debt, will create a slower, more cautious environment with the risk that some organisations would become a casualty of the process.

10. The immediate concern is around solvency, or the immediate cash position and cash prospects for organisations.

Since every form of immediate and projected income for venues has ceased, every organisation has gone dark, hoping that their best strategy is their survival for another day. Some are improvising alternative ways of promoting their activities – live streaming, digital collaboration, online readings and podcasts. Others are making their time, talent, and physical space available for immediate community needs, opening food banks and delivering of meals to the most vulnerable Greater Shantallow), or art packs to the parents of children cooped up and under stress (New Lodge Arts, Duncairn Arts Centre, for example).

11. Some basic practical actions would help ease current anxieties.

- extension of Job Retention Scheme and the Self-Employed Income Support Scheme as far as necessary for those sectors that need time to open and rebuild their businesses

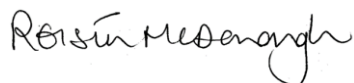
- enabling furloughing to be done on a part-time basis to allow organisations to work where possible
- revising the Self-Employed Income Support Scheme to ensure no freelance worker falls through the gaps of government support.
- provision of a further emergency package of funding to be available to organisations experiencing cash-flow issues and facing significant downturn in earned income to enable them to trade through the crisis over the next 12/18 months, comparable retail, tourism and hospitality industry
- offering of technical and financial support to implement “safe space” protocols to help the sector return to business when appropriate to do so
- consideration of an eventual public commemoration to remember those who have died in this pandemic involving arts commissioning to help articulate the trauma of what has been experienced but offering hope for the future

12. The achievements of the arts in Northern Ireland have been rich, innovative and deeply appreciated.

Lock down spontaneous activity has shown that people turn to the arts in times of crisis for solace and uplifting our spirits

They should be sustained. But we also believe that whatever emerges after the pandemic must feel fresh and refocused, rather than a faded shadow of former glories. The question many are asking is could the darkness of this crisis, give us an opportunity to bring about lasting and systemic change? It’s possible that such change that would be good for the sector, for our values generally and, in particular, help us get to grips with the urgent need to address issues of equality, diversity and social justice in terms of who is able to enjoy and take part in the arts. Our arts sector here has been in the forefront of equality and access, and could be a model for other countries in this regard, while continuing to build on their record of access and participation.

But in order to do that, recognition that the funding model so carefully and painstakingly created over many years in these islands is now fundamentally broken. The three-legged stool of public investment, corporate and trust/foundations support and earned income has just had the rug pulled out from under it, on its third leg.



Roisin Mc Donough
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