



Cyngor Celfyddydau Cymru
Arts Council of Wales



blinc 2013 Digital Arts Festival, Conwy Castle (image: Stephen King)

Wales Local Authority Arts Investment and Partnerships Survey 2012/13



November 2013

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Background

In recent years both the Arts Council of Wales and Arts Development UK (formerly NALGAO – National Association of Local Government Arts Officers) have undertaken a survey of local authority arts services. Response rates for the Arts Council survey have been declining to the point that only around half of the 22 Welsh local authorities responded to the annual survey. In 2013 it was decided to work in partnership with Arts Development UK (ADUK) on a combined survey that would seek to address both organisations' needs.

A survey form was designed to incorporate similar questions to those used by the Arts Council in previous surveys. However, the form also needed to ensure that the Arts Development UK survey questions did not fundamentally change as the survey goes out to all local authority Arts Officers in England and Wales.

The survey was undertaken in spring/summer 2013 using an on-line survey format. A link was mailed to all local authorities in England and Wales with an arts service. In total 73 responses were received. In Wales a total of 21 local authorities returned a survey form but only 18 of these provided any financial expenditure data. One authority answered the non-financial questions while the other 2 gave their contact details only and have therefore been treated as a non-response. A list of the responding authorities is included as appendix 1.

In Wales, the 18 complete questionnaires returned represented an 82% response rate. This response rate was considerably higher than the 30% return from all authorities in England and Wales with an arts service.

Arts Development UK produced a report on the complete data set <http://artsdevelopmentuk.org/2013/09/adukarts-council-of-wales-local-authority-arts-investment-partnership-survey-201314/>. The following is a summary of the expenditure information relating to Welsh authorities compiled by the Arts Council of Wales.

Summary

Local Authorities in Wales spent £22m on the arts in 2012/13, an average £9.42 per head of population.

The full ADUK survey sample shows a total arts budget of £62.8m, averaging £3.17 per capita.

The average expenditure for Welsh authorities appears much larger than that for the UK for two reasons. Firstly, there were a total of just 16 authorities with reported expenditure in excess of £1m in the full sample and six of these were Welsh authorities, suggesting the larger spending English authorities were not represented in this sample. Secondly, the average population in Welsh authorities is lower than that in many English regions. These two factors combined mean it is difficult to make meaningful comparisons between expenditure in Wales and England.

The arts budget for Welsh local authorities is projected to fall year on year at a higher rate (down by 11.3%) than the average for all authorities surveyed by ADUK (down 9.7%), suggesting the impact of Government cuts have taken a little longer to take effect in Wales.

Five Welsh authorities have responded to the ADUK survey for 2 consecutive years, giving us three years of comparable expenditure data from 2011/12 to 2013/14. The average arts expenditure for this group has fallen from £515,000 per annum to £456,000, a drop of 11.5% over three years, but this is largely due to one single authority experiencing a large cut in their arts budget.

Staff costs make up just under half the arts budget in 2012/13. Staffing costs in 2013/14 are, on average, projected to remain at standstill levels by Welsh and English authorities alike as for many organisations the staff cuts have already been made. But there is considerable variance across the responding authorities in Wales with staff budgets projected to change year on year in a range from -26% to +27%.

All but one of the responding authorities believe that in the long term their total arts budget will continue to decrease.

Over three-quarters (78%) of revenue expenditure on the arts in Wales went on the direct management of arts venues. Contracted out venues account for just 4% of revenue expenditure but 6 Welsh authorities predict their services will be contracted out in future.

Capital expenditure totalled just over £8m with seven authorities reporting some capital spending in 2012/13. Most of these reported small scale development or art in the public realm projects, in partnership with regeneration teams, with the vast majority of capital expenditure made by one authority on one large scale project.

Several of the Welsh authorities reported income from grants and donations but the total income is small: £170,000 was received in grants and donations in 2012/13 by 5 Welsh

local authorities and just 4 reported receiving sponsorship income (total £55,000). With one Welsh authority reportedly receiving £49,000 in sponsorship it is clear that most authorities are not successful in raising sponsorship income or in generating income from Trusts and Foundations. This is probably due to the nature of being part of a local authority.

The responding authorities employed a total of 406.9 full time equivalents in 2012/13, averaging 21.4 per authority, accounting for a range of provision across Arts Services in Wales including venue management, technical support, marketing staff, arts development officers, theatre staff, event co-ordinators etc.

The arts services in Welsh local authorities consistently work in partnership with other council departments including youth services (79%), tourism and events (74%), regeneration (68%), leisure/play teams (68%) and education (58%). It is evident that arts services, through collaboration, have a wide reaching impact on the development and delivery of corporate policies. The arts can, and do, make a real difference to the lives of citizens and communities of Wales.

Strong partnerships exist between the Arts Council and local authority arts services in Wales with the majority of responding authorities saying they have an 'active and developing' relationship with the Arts Council. The local authorities responding to this survey support 25 arts organisations with revenue funding in partnership with the Arts Council. In total, Arts Council of Wales provides revenue funding to 54 arts organisations that are also in receipt of local authority funding. In 2012/13 the local authorities funding totalled over £10m¹ while the Arts Council's funding to these same organisations totalled £16m. Maintaining this collective support and collaboration is key to the continued development of arts services in Wales.

The Findings

Arts Expenditure

The total arts budget for 18 responding authorities in 2012/13 (including staffing, service delivery, venue, promotions, marketing, grant and programme costs) was £22m or £9.42 per person.

The average arts expenditure per responding Welsh authority was £1.2m in 2012/13 with a range from as little as £42,000 to a high of £5.4m. There were 6 responding authorities that spent in excess of £1m.

The full ADUK survey sample shows a total arts budget of £62.8m, averaging £3.17 per capita.

¹ Source: RFO financial returns to ACW 2012/13

In the total ADUK sample there were just 13 authorities spending in excess of £1m on the arts in 2012/13. The disproportionately high number of larger authorities responding to the survey from Wales means it is difficult to make reliable comparisons between the Welsh and UK averages.

The total projected arts budget for 2013/14 in Wales, at £19.6m, is down 11% on the actual budget recorded for 2012/13 by the 18 authorities.

While 2 authorities reported an expected decrease in total arts expenditure of almost 60%, six authorities were more positive about their arts budget for 2013/14: one reported standstill and 5 reported budget increases ranging from +1.6% to +18.5%.

Overall, arts expenditure per capita is estimated to be down by £1.07 year on year.

Arts expenditure by Welsh Local Authorities	Total	Spend Per Capita £
Total arts budget for 2012/13*	£22,148,297	£9.42
Estimated total arts budget for 2013/14*	£19,636,970	£8.35
Year on year change	-11.3%	-£1.07
Staff costs in 2012/13**	£10,591,632	£4.51
Estimated staff costs for 2013/14**	£10,502,780	£4.47
Year on year change	-0.8%	- £0.04

Base = 18 LA's, total population 2,350,623

* Including all staffing, service delivery, venue, promotion, marketing, grant & programme costs, but not internal recharge costs.

** Including all permanent staff positions and any NI & pension schemes, travel & recruitment costs.

Staffing costs, on average, make up just short of half the arts budget (staff costs totalled £10.6m in 2012/13) and even though total expenditure is predicted to fall by 11% year on year, the staffing budget on average is estimated to remain static (down by less than 1% year on year), suggesting staff remain without salary increases. This does, however, indicate that staff are valued in the arts services across Wales. It also means that their presence in post enables activity to take place even if the budget is not always there to fully support this.

Looking at individual Welsh authorities, 2 are estimating a cut in the staffing budget of over 20% year on year while 2 other authorities say their staffing costs will increase by more than 20% (range -25.9% to +27.0%) demonstrating the huge variance in arts services across Wales.

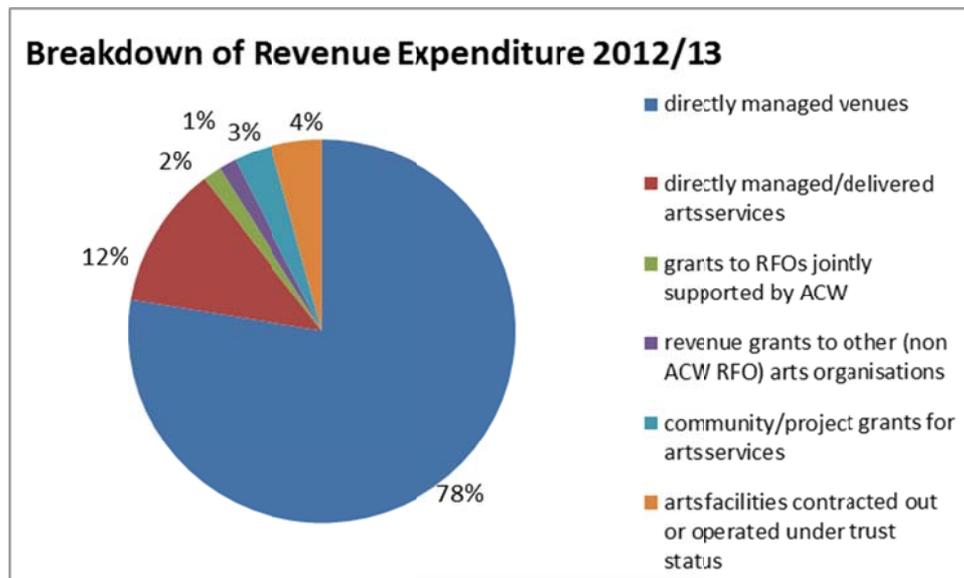
Breakdown of 2012/13 Expenditure by Welsh Local Authorities					
		Count	TOTAL value	% of Total	Average (base 18 LA's)
Spend on directly managed venues (e.g. theatres, arts centres, galleries etc)		15	£16,652,335	56.2%	£1,110,156
Spend on directly managed/ delivered arts services		14	£2,566,220	8.7%	£183,301
Spend on grants to regularly funded organisations (RFOs)	Grants to RFOs that are jointly supported by the Arts Council	11	£329,795	1.1%	£29,981
	Revenue support to arts organisations that are not Arts Council RFOs	10	£312,519	1.1%	£31,252
Spend on community or project grants for arts services		14	£687,762	2.3%	£49,126
Spend on arts facilities contracted out or operated under trust status		5	£908,120	3.1%	£181,624
TOTAL revenue spend		18	£21,456,751	72.5%	£1,192,042
Capital spend on Major Works & Refurbishment		7	£1,013,180	3.4%	£144,740
Capital spend on New Strategic Developments		7	£7,139,977	24.1%	£1,019,997
TOTAL spend on capital projects (not including capital repayments or internal recharges)		7	£8,153,157	27.5%	£1,164,737
TOTAL spend		18	£29,609,908²	100%	£1,644,995

Base = 18 Welsh Local Authorities

² NB. These figures are taken from a different section of the survey form and do not add back to the totals recorded in earlier parts of the questionnaire. This needs to be reviewed if the survey is to be undertaken again next year.

Revenue Expenditure

The total reported revenue spend was £21.5m in 2012/13. Over three-quarters of this revenue expenditure was spent on the direct management of arts venues.



Directly managed arts services received 12% of all revenue expenditure while 6% of expenditure was distributed in grants, to community projects or to revenue fund organisations.

There were 11 authorities funding organisations in partnership with the Arts Council in 2012/13. In total 2% of expenditure (£330,000) was given in revenue grant support to organisations that are also revenue funded by the Arts Council of Wales. The grants to RFOs averaged just under £30,000 per year.

Ten authorities revenue fund other arts organisations that are not Arts Council RFOs. Expenditure on these organisations averaged £32,000, slightly more than that spent on Arts Council funded organisations. The revenue grants ranged from £2,000 per year to over £73,000.

Capital Expenditure

Some £8m was spent by Welsh local authorities in 2012/13 on Capital funding. The vast majority of this expenditure was by one authority on one large scale capital project. The individual authorities' capital expenditure ranged from less than £6,000 to £7m.

Eleven of the 18 authorities reported no expenditure on capital works during 2012/13.

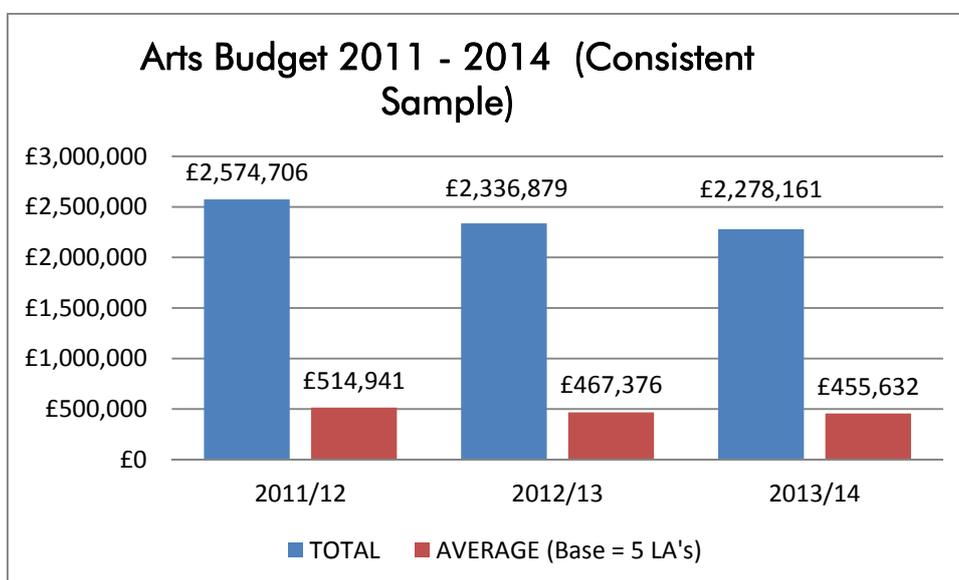
Expenditure by consistent sample of Local Authorities

Only 5 local authorities in Wales have responded with expenditure data to the Arts Development UK survey for two consecutive years (Blaenau Gwent, Caerphilly, Merthyr Tydfil, Rhondda Cynon Taff and Torfaen). For these organisations we now have three years of expenditure data: 2011/12 and 2012/13 actuals and 2013/14 projections.

The graph below shows that for these 5 authorities arts expenditure has fallen by just under £300,000 over the last three years.

Expenditure fell between 2011/12 and 2012/13 by just over 9% but the fall between 2012/13 expenditure and the 2013/14 budgeted figure is less marked (down 2.5%).

The average expenditure on the arts for these 5 local authorities has fallen from almost £515,000 to just under £456,000 over the three year period (-11.5%).



A considerable fall in arts expenditure by one authority masks the fact that 2 of the 5 authorities have actually shown small increases in expenditure over the three year period.

Income generation for Arts Services

Grants

During the year 2013/14 three of the responding authorities reported receiving a total of £45,000 from Arts Council lottery funds plus a total £181,788 from the local authority Investment Programme was distributed to 6 responding authorities (range £6,500 to £30,000).

In total, the Arts Council of Wales provided Welsh local authorities with £10.9m of lottery funding in 2012/13³, of which £6m went to the 18 authorities that responded to this survey.

All authorities were asked to provide details of any non Arts Council grant income they had received towards their arts services. Only 7 authorities claimed to have received any such income in 2012/13 while just 5 recorded the value of this income. The table below shows this incomplete data set.

Other independent or charitable sector grants 2012/13	Count	Value
Trusts & charitable sector grants	3	£40,370
Central government direct grants ⁴	3	£10,550
European grants	3	£104,753
Business sector grant support	3	£1,000
Donations	4	£1,090
Support in kind	8	£13,100
Total		£170,863

Base = 7 Local Authorities

Sponsorship

In terms of sponsorship, there is even less evidence of generating income. In 2012/13 only 6 authorities reported having received any sponsorship from commercial or independent organisations, and only 4 provided details. These four authorities secured a total sponsorship income of just under £55,500. This income was from local businesses to support community activity and from larger companies such as Admiral and Associated British Ports. The income ranged from £650 to over £49,000 which indicates that just one responding authority accounted for most of this sponsorship income.

Earned Income

Earned income from ticket sales, activity fees, merchandise etc. totalled just under £12.6m in 2012/13. Only ten authorities reported earned income, with a range of just £2,000 to as much as £3.8m which can largely be accounted for by ticket sales.

Summary of all income

Summary of Income 2012/13	Value	Percent
Arts Council Lottery grant	£226,713	1.7%
Other grants	£170,863	1.3%
Sponsorship	£55,475	0.4%
Earned Income	£12,574,961	96.5%
TOTAL income	£13,028,012	100.0%

³ Source: Arts Council GIFTS records for 2012/13

⁴ Includes UK and Welsh Government.

Opinion on future arts funding

Having completed the expenditure figures, all authorities were asked their opinion of the future direction and outlook for arts funding in the next financial year. Two respondents expressed the opinion that their arts funding would increase due to planned capital developments and the revenue implications of recently completed capital projects. Three anticipated expenditure in connection with their proposed bid to become UK City of Culture in 2017. Seven authorities said arts funding would remain at standstill (3 with inflation and 4 without inflation). But the majority of authorities (10) believe arts expenditure will decrease due to the overall budget cuts Welsh local authorities are facing.

Over the longer term (the next 2 years) all but one authority believe that their arts budget will decrease.

Six of the 19 authorities consider their arts services are likely to be contracted out in the future to a local or regional service contractor to achieve budget savings. In one instance discussions with a local trust/charity are well developed with the contract likely to be agreed during the current year. In others, there are talks on-going with possible local consortia and business contracts.

Employment

In total, 19 Welsh local authorities responded to the employment questions. They employ a total 406.9 full-time equivalents. Of these, 49.4 fte posts include responsibility for arts policy or arts development work. On average, each authority employed 21.4 people with a range from just one full-time post to 81.5 full-time equivalent posts.

Optimistically, 15 of the responding authorities said they were not expecting any redundancies in the cultural service in 2013/14. But in at least one case this is because redundancies have already taken place.

In terms of the respondents' own job, the majority felt secure in their positions but 3 considered their role to be under threat of major cuts and 2 believed there would be significant changes to their role. And 6 felt unable to express an opinion about their own job security.

How secure is your job within the authority	Count	Per cent
Very secure and developing	1	5.3%
Secure	7	36.8%
Under threat of major cuts	3	15.8%
Significant changes in role	2	10.5%
Under threat	0	0%
Don't Know	6	31.6%

Base = 19 Local Authorities

There appears to have been a lot of change within the structure of arts services in Wales over the last two years with more than half of the responding authorities (11) having been restructured and 2 more reporting that they are about to be restructured. These changes are felt, on the whole, to make the arts service less vulnerable to cuts. However, 2 respondents were concerned that restructures involving the move of the service to a new department/division of the Council made the arts service more vulnerable in future.

Contribution of the arts to Corporate Priorities

In a free response question, all authorities were asked to note the main areas of argument they use to demonstrate the contribution of the arts to corporate priorities. The following is a summary of the responses given, showing the range of arguments used:

- Targeting support to deprived communities and families suffering from **crime and anti-social behaviour**. Contributes to **social wellbeing & community cohesion**. **Community engagement**. Facilitate the development of areas of the county borough in need of **regeneration**.
- **Civic Pride** - work with communities through intergenerational projects that celebrate our local area and people.
- **Safer communities** - Communities where people feel safe and secure, and levels of local crime and antisocial behaviour are reducing
- Supporting initiatives which generate **employment and training** for work opportunities. Career pathways for young people & **lifelong learning**.
- Protecting the most **vulnerable adults** and supporting those with **disabilities and other long term conditions**.
- Safeguarding **children**, especially those with additional (special) educational needs and supporting positive attitudes towards education.
- **Learning and working** - To reduce the rate of young people not in education, employment or training. Work with schools, colleges and universities to ensure that learning opportunities are relevant.
- Improved **health & wellbeing** of participants and attenders. People lead healthy lifestyles. Value of active creative collaboration between artists, health workers, service users.
- Assists the **Social inclusion** agenda. Help get people more active more often. People are supported to achieve their potential.
- **Economic development** driver. Contributes to economic growth. The contribution that the creative industries make. Contribute to the economy by supporting artists and creative industries to develop their practice in the County. People want to live, work, learn, visit and invest here.
- **Cultural entitlement**.

- Contributes to the council's **anti-poverty strategy** and target areas approach. Reduce deprivation and help people out of poverty.
- **Historic culture** is preserved. Supports and promotes the County's artistic heritage
- Contribution towards **tourism**. The Authority is a great place to visit.

The arts can be seen to contribute across many Council agendas, as one respondent summed it up:

“The Arts Strategy’s aims are designed to ensure that the arts make a substantial and growing contribution to the councils **Community Strategy**. Four Core principles: Sustainability; Social Inclusion; Equal Opportunities; Welsh language. And its five main themes: Learning and Creative Communities; Healthy and Caring Communities; Active Communities; Safe Communities; Thriving and Modern Communities.”

Respondents reported working in partnership with a range of other departments within the local authority to deliver arts activity/arts services to meet these corporate objectives. The different departments are listed below along with the number of authorities who claimed this activity took place. However, respondents found it difficult to obtain figures on the financial value of this work so expenditure estimates have not been included.

Local Authority Department	Count	Percent
Regeneration (e.g. public art schemes)	13	68%
Social Services (e.g. art in social care settings)	9	47%
Education (e.g. music service provision, theatre in education provision)	11	58%
Housing (e.g. art in the public realm)	3	16%
Leisure / Play (e.g. play scheme arts provision, dance for health)	13	68%
Adult Education (e.g. arts based classes)	10	53%
Countryside and Parks (e.g. art in open spaces)	11	58%
Libraries (e.g. creative writing groups)	14	74%
Museums / museums and archives development	12	63%
Archaeology / Heritage Services	5	26%
Youth Services (e.g. arts based workshops outside of school time)	15	79%
Tourism and Events (e.g. carnivals, lantern parades, outdoor gigs)	14	74%
Corporate Communications (e.g. at family fun days)	5	24%
Other (please specify)	2	10%

Financial priorities

The following is a list of the respondents’ immediate priorities for developing the arts services in Wales. These are almost verbatim but some specifics have been left off to preserve anonymity.

- Income Generation to support continued provision; increase revenue from alternative sources to increase sustainability; increase income, reduce expenditure whilst developing the artistic content.

- Projects that have a regeneration focus i.e. support training, education or employment.
- Develop on going sustainable projects that become stand alone from arts development
- Change to a new model of contracting & commissioning.
- Looking at efficiencies for the venues we run and support; supporting cultural venues that may face funding cuts; continue to develop the venues.
- Resource high priority projects (e.g. Dylan Thomas 100)
- transfer to Trust Status
- To safeguard revenue grants and continue projects
- Arts Strategy 2013-2018 consultation and implementation
- Capital project development
- Develop partnerships with other local authorities for regional projects; partnership funded projects e.g. Arts Connect
- To keep within budget / attract grants / attain income / identify potential partners and projects that make best use of finance / resources
- Continue delivery of accessible, inclusive & quality services to residents and communities with as little adverse effect as possible.
- Filling the gap between the subsidy to the theatre and arts centre and the actual cost of opening and staffing the building.
- Survival!

Partnerships with the Arts Council of Wales

Welsh local authorities supported 25 Revenue Funded arts Organisations (RFOs) in partnership with the Arts Council of Wales.

When asked about their relationship with their 'lead' Arts Council Officer in terms of the contact, advice and partnership working, 16 of the 19 responding authorities say they have an 'active and developing' relationship (84%). No respondents complained about poor relationships with the Arts Council.

An open ended question about the effect of recent Arts Council funding reviews on the authorities' arts service was also largely positive. Relationships with Arts Council Officers are good and many local authority RFOs received increased funding from the Arts Council as a result of the Investment Review held in 2010. Where cuts in Arts Council revenue funding were experienced it was noted that this often led to significant increases in project funding for organisations within the local authority.

Appendix 1

Authorities responding to the 2012/13 survey

1. Blaenau Gwent
2. Bridgend
3. Caerphilly
4. Carmarthenshire
5. Ceredigion
6. Conwy
7. Flintshire
8. Gwynedd
9. Merthyr Tydfil
10. Monmouthshire
11. Neath Port Talbot
12. Newport
13. Powys
14. Rhondda Cynon Taff
15. Swansea
16. Torfaen
17. Vale of Glamorgan
18. Wrexham
19. *Denbighshire* (incomplete return – no financial data)