

Arts Development : UK

Working nationally, delivering locally

ADUK / Arts Council of Wales Local Authority Arts Investment & Partnership Survey 2016/17

In summer 2016 Arts Development UK (ADUK) undertook its 13th annual local authority spending survey to assess the level of arts spending forecast for 2016/17. For the last 4 years the survey has been in association with Arts Council of Wales, demonstrating ADUK's growing relationship with local authorities in Wales as well as England, delivering our ambition to broaden the membership and our activities in both countries. The survey has enabled a comparison of past trends and focussed on relevant contemporary concerns, such as financial issues, priority targets, partnerships and the relationship with other bodies including the Arts Councils in England and Wales. Responses to the 2016 survey reveal a challenging picture of the arts in local communities.

ADUK sent an online survey to all authorities in England and Wales. We received 44 responses from local authorities, representing 12% of all authorities in England and Wales, and out of this, 19% of authorities with an arts service, a comparable response rate to the survey response in 2015. For the second year running we also produced separate but comparable surveys for English, Welsh and outsourced services, with respondents completing surveys from the following areas:

Surveys Completed

Service type	Number	% of total authorities	% of authorities with an arts service
English Authorities	32	9.1%	14.9%
Welsh Authorities	9	41%	45%
Outsourced services	3	Unknown	Unknown
Total	44		

A list of contributing authorities and outsourced services is included as **appendix 1**. The survey shows continued and significant changes to budgets in local authority arts spending. As of August 2016 and out of 353 authorities in England and 22 in Wales, 140 local authorities have no dedicated arts officer or direct arts service. This represents 37% of all authorities in England and Wales. The remaining 63% (235 out of 375) have services that are vulnerable to cuts and like the rest of the local authority cultural sector the majority are operating in reduced financial circumstances.

In a joint statement from Jane Wilson, Chair of ADUK and Tony Witton, Chair of ADUK's Research and Advocacy Working Party & Trustee, Tony and Jane comment: "This year's survey shows the continued and gradual erosion of funding for the arts alongside evidence that arts activity continues to be funded from other budgets due to its recognised ability to deliver outcomes across a range of services. It is notable that the results seem to be a reflection of the fact that local authorities are being cautious, waiting to see if the impact of the Autumn Statement will be as devastating as rumours are suggesting it will be.

In the face of these ongoing reductions, Arts Development UK continues to be committed to providing the tools and opportunities that enable us all to work together to ensure the value of the arts is acknowledged and championed and that local authorities continue to develop creative approaches to working in partnership and maintaining the strength of support which the arts deserves."

A Word Map of the immediate financial priorities for arts services was recorded as:



1. EXECUTIVE SUMMARY

The survey continues to be important and we are pleased that so many respondents took part despite shortages of staff and time. The 2016 survey shows what is important to arts services currently provided by local authorities:

- The total estimated spend in England and Wales on arts services for 2016/17 is projected to fall to £174,687,777: a reduction of £26 million (13%) on 2015/16. The landscape is changing with several authorities losing their arts service this year and a reduction in the number of smaller authorities able to take part in the survey.
- Arts spend per head of population in 2016/17 in England and Wales is estimated at £1.42 per person, a decrease of 12.9% (21p) on last year.
- The average projected local authority budget for arts spending in all responding authorities in 2016/17 is £522,228, 13% down on last year's average actual spend. The fall is proportionately higher in England (14%) than Wales (5%).
- The survey shows the modal range of arts expenditure for authorities being between £150k and £500k. 40% of authorities in England have services with arts spending lower than £150,000, whereas the figure rises slightly in Wales to £150,000 - £200,000. Responses continue to demonstrate an overall loss of arts

services in smaller authorities, who are more vulnerable to cuts or closure and we have lost a considerable number of small authority arts services over the last few years. Larger and medium sized authorities are more likely to retain cohesive arts services.

- Spending on staff costs constitutes 23% of the total budget. This is set against the reduction in spending on directly managed services and the move towards contracting out. The highest percentage of arts service staff per authority reported in 2016/17 is 2-3 (FTE). We explored this subject further to find out how many officers have job descriptions that include Arts Policy or Arts Development work (at least 30% of time spent on this work), the result was an average of 1.9 staff per authority. It is estimated at present that nearly 1,800 establishment posts are directly employed in arts services by local authorities. This compares with an estimated 5,600 staff members recorded in 2008/9.
- The 2016 survey has demonstrated the vulnerability of partnership development, with external partnerships down on last year by 4% to an average of 59% of local authorities developing partnership arrangements. Internal partnerships are however down by a staggering 39% to just 18%, demonstrating the lack of available funding in the local government sector, and perhaps heralding more of the steady decline in major project development. Partnerships however do make substantial contributions to arts budgets with almost 50% of local authorities in some form of partnership to help deliver arts services, demonstrating the need to be outward facing and open to opportunities to support local communities.
- The average spending to NPO (National Portfolio Organisation)/APW (Arts Portfolio Wales) regularly funded organisations in partnership with ACE and ACW accounts for 48% of the total arts spend, an increase of 4%, demonstrating the active partnership between local authorities and the Arts Councils in England and Wales.
- As again demonstrated in the 2016 survey, local authorities have historically been significant funders of independent arts organisations, especially in areas with little or no NPO/APW provision by ACE or ACW. Support for non- NPO/APW arts organisations accounts for up to 11% of total arts spend, and this has seen an average decrease in investment per authority by 6%.
- Arts contribute to public service outcomes, with 89% of respondents supporting local economy and regeneration agendas, 82% of respondents stating that their arts services contribute to health and wellbeing outcomes; 75% stated that they contribute to stronger and safer communities; 66% contributing to equality and inclusion, and 68% contributing to education & child services.
- Responses to job security showed that this is still a period of instability for the arts in local government, with at least 28% of those under threat of major cuts, but only 3% under threat of closure. For most, although the threat of immediate closure seems to have declined, local authorities still face severe cutbacks in funding and we will not know the full picture until the national government spending review takes place in autumn 2016.
- There are still a high number of respondents expecting redundancies, with 18% anticipating more redundancies in 2016/17 and 28% in 2017/18. Reasons given for this include being uncertain about the future, changing structure and changing status.
- 50% of local authorities taking part recorded a funding decrease with a further 26% reporting standstills (with and without inflation). The move to contracting out services continues with 9% of authorities reporting that they have contracted their services to a third party organisation. We also asked respondents their opinions on the future funding for arts services within their local authority over the next 2 or 3 years. 48% of respondents expected a funding decrease; 9% expected that their services would be contracted out; and 11% thought that their services were under threat of closure.
- Capital programmes rose in 2015/16 with authorities spending an average of £95,292 per authority. In England the average spend was £76,626 whilst Welsh authorities spent proportionately more at £151,289 per authority. Major works and refurbishments accounted for 67% of capital spending whilst strategic new projects accounted for 33%.
- Over 50% of all arts and cultural services have been restructured in the last 2 years. Of those that responded positively, 55% had moved to a different department and the majority of those who responded felt that this had made their service less vulnerable to cuts. Whilst restructuring continues to take place, there is evidence that this continues to make respondents feel more confident about their positions in the future.
- The relationship between local authorities and ACE/ACW is improving with 67% of respondents stating that it was active and developing. However, 10% stated that they had no relationship with their regional office.

- Local authority financial support from lottery funding from ACE and ACW has increased from the previous year, with an average of £69,908 per authority: an increase of 35%. There is parity between Arts Councils in England and Wales in their support for local authorities.

2. INFORMATION ABOUT RESPONDING AUTHORITIES

44 authorities responded to the questionnaire overall, out of a total of 353 local authorities in England and 22 in Wales. As with previous surveys, the 2016 survey asks questions focussed on financial information, the impact of funding cuts and changes in focus of funding, the move towards contracting out services and the changes made in Arts Council of Wales and Arts Council England, which are still having high impact. Wherever possible, comparisons have been made in the report below with previous surveys.

2.1 Authority type

Survey respondents in 2016 include a high number of Welsh authorities due to the continuing partnership with Arts Council of Wales. All of the Welsh authorities have unitary status.

Detail	2016 Response %	2015 Response %	2014 Response %
First tier (county)	27%	18.2%	20%
Second tier	25%	30.9%	26.2%
Unitary	48%	50.9%	53.8%
Part of the Core Cities Group	7.0%	3.6%	Not asked

2.2 Government Regions

The highest percentage of respondents continues to come from the South East region of England. The lowest percentage of respondents came from the London. Wales as a whole is the second most productive responder with the South East highest when broken down by area. Including outsourced service respondents, a regional breakdown includes:

Detail	2016 Response		2015 Response		2014 Response	
England: East Midlands	4	9%	5	8.2%	5	8%
England: Eastern	1	2%	2	3.3%	3	5%
England: London	2	5%	4	6.6%	5	8%
England: North East, Yorkshire & Humberside	4	9%	4	6.6%	11	17%
England: North West	5	11%	6	9.8%	4	6%
England: South East	10	23%	11	18.0%	9	13%
England: South West	6	14%	11	18.0%	6	9%
England: West Midlands	2	5%	4	6.6%	5	8%
Wales as a whole	10	23%	14	22.9%	17	26%
TOTAL	44	100%	61	100%	63	100%
Wales: North	4	40%	3	21.4%	3	18%
Wales: South Central	2	20%	1	7.1%	4	24%
Wales: South East	3	30%	6	42.9%	5	29%
Wales: South West	1	10%	4	28.6%	5	29%
TOTAL	10	100%	14	100%	17	100%

2.3 Recent Population

Source: [Office for National Statistics](#)

44 authorities responded to the survey, giving a total population size of 16,233,690 - an average per authority of 368,948. These are similar figures to 2015/16 making for good comparators.

Population	Response Count 2016/17	Response Count 2015/16	Response Count 2014/15
Below 50k	2%	1.6%	0%
50,001 to 100k	11%	15%	14%
100,001 to 250k	43%	51.7%	32%
250,001 to 500k	18%	15%	10%
500,001 to 750k	9%	5%	5%

750,001 to 1m	2%	5%	4%
1,000,001 to 2m	11%	6.7%	3%
Over 2m	0%	0%	0%

3. FINANCIAL INFORMATION ABOUT ARTS BUDGETS

3.1 Overall local authority spending on the arts

Respondents were asked, "What was your total arts budget for 2015/16 and projected spend for 2016/17? (Please include all staffing, service delivery, venue, grant & programme costs, but not internal recharge costs)." The average projected local authority budget for arts spending in responding authorities (including outsourced service operators) in 2016/17 is £522,228, down from the 2015/16 actual figure of £599,947 indicating a reduction in budgets of 13%. The total estimated spend in England and Wales on arts services for 2016/17 is projected to fall to £174,687,777: a reduction of 13% on 2015/16.

This shows a significant fall on the findings reported by the Department for Communities and Local Government earlier in 2014 which demonstrated that the local authority cultural spend in the 2014/15 budget had dropped by 6.3% on the previous year. The report is available at: <https://www.gov.uk/government/publications/local-authority-revenue-expenditure-and-financing-england-2014-to-2015-budget>. Cuts in local authority spending continues to bite hard on non-statutory services such as arts and other cultural services.

Authorities participating in the 2016 survey are projecting a reduction of 13.0% in their arts budgets from 2015/16 to 2016/17 (13.6% with inflation). Some of this change can be attributed to changes in restructuring and a general revision of services, although at least 2 local authority arts services were lost in April 2016.

Total Arts Budget	Authorities responding	Pooled Total budget	Average budget per authority	% change from previous year
England & Wales				
2016/17 projected	44	£22,978,018	£522,228	-13%
2015/16 actual	44	£26,397,699	£599,947	-3.5%
England				
2016/17 projected	34	£19,272,912	£566,850	-14%
2015/16 actual	34	£22,486,012	£661,353	-12%
Wales				
2016/17 projected	10	£3,705,106	£370,511	-5%
2015/16 actual	10	£3,911,687	£391,169	-13.1%

Arts spending per head also shows a small reduction, with:

- Arts spend per head of population in 2015/16 of £1.63 per person.
- Arts spend per head of population in 2016/17 of £1.42 per person.

This demonstrates a loss of £0.21 or 12.9% per person.

This year's survey has enabled an analysis of the situation in England and Wales separately. We have seen a substantial decrease in the average budget per authority in both England & Wales. Wales has seen a decrease of 5.0% since last year compared with a decrease of 14% in England.

Spending patterns per head differ in England and Wales:

- England (2016/17) arts spend per head of population is £1.32
- England (2015/16) arts spend per head of population is £1.53
- Wales (2016/17) arts spend per head of population is £2.34
- Wales (2015/16) arts spend per head of population was £2.47

3.2 Groupings of local authorities by spending and frequency across modal ranges

As with last year, the findings show the majority of activity across England and Wales taking place in the middle ranges of expenditure, up to £750k. The table below suggests that there are more local authorities in England

with average spending at less than £250k, whereas in Wales the highest range of local authority spending is between £151k - 250k.

Responses continue to demonstrate an overall loss of arts services in smaller authorities that are more vulnerable to cuts or closure and we have lost a considerable number over the last few years. Larger and medium sized authorities are more likely to retain cohesive arts services.

Local Authority spending	2016/17	%	2015/16	%	2014/15	%
England & Wales						
Below £50k	7	16%	5	11%	11	18%
£51k to £150k	8	18%	6	14%	12	20%
£151k - £250k	9	20%	10	23%	5	8%
£251k - £400k	4	9%	3	7%	4	7%
£401k - £750k	9	20%	11	25%	12	20%
£751k - £1mill	3	7%	4	9%	4	7%
£1mill - £2mill	2	5%	3	7%	6	10%
£2mill - £5 mill	2	5%	2	5%	4	7%
Over £5 million	0	0%	0	0%	2	3%
Total responses	44	100%	44	100%	60	100%

Local Authority spending	2016/17	%	2015/16	%	2014/15	%
England Only						
Below £50k	7	20.6%	5	15%	11	23.4%
£51k to £150k	7	20.6%	3	9%	9	19.1%
£151k - £250k	6	17.6%	8	24%	4	8.5%
£251k - £400k	2	5.9%	3	9%	3	6.4%
£401k - £750k	6	17.6%	7	21%	10	21.3%
£751k - £1mill	2	5.9%	2	6%	2	4.3%
£1mill - £2mill	2	5.9%	3	9%	2	4.3%
£2mill - £5 mill	2	5.9%	2	6%	5	10.6%
Over £5 million	0	0.0%	0	0%	1	2.1%
Total responses	34	100%	34	100%	47	100%

Local Authority spending	2016/17	%	2015/16	%	2014/15	%
Wales Only						
Below £50k	0	0.0%	0	0%	0	0%
£51k to £150k	2	20%	3	30%	4	30.8%
£151k - £250k	3	30%	2	20%	1	7.7%
£251k - £400k	2	20%	0	0%	1	7.7%
£401k - £750k	2	20%	3	30%	2	15.4%
£751k - £1mill	1	10%	2	20%	1	7.7%
£1mill - £2mill	0	0.0%	0	0%	3	23.0%
£2mill - £5 mill	0	0.0%	0	0%	0	0%
Over £5 million	0	0.0%	0	0%	1	7.7%
Total responses	10	100%	14	100%	13	100%

4. STAFF

4.1 Staff Costs

People were asked for their staff costs including any NI & pension schemes, travel & recruitment. 41 authorities responded to this question. The figures suggest a slight increase in the % spend on staff costs compared with last year with staff costs at 23% of the total spend.

Year	No. of Authorities Responding	Total spend on staff	Average spend/authority on staff costs	% of total spend
2016/17	41	£5,298,446	£129,230	23%
2015/16	41	£5,672,209	£138,347	21%

However, if one considers trends from previous years, staff costs per authority have substantially decreased. For instance, in 2014/15 staff costs accounted for 37.8% of the total spend and in 2013/14, accounted for 39.73% of the total spend.

Comparisons of the between England and Wales for 2016/17 for staff costs reflect:

- % of total arts spend for staff costs in England: 19%
- % of total arts spend for staff costs in Wales: 43%

4.2 Staff Posts in your Service

Survey responses in 2016 reported that:

Detail	Response Count 2016/17	Response % 2016/17	Response Count 2015/16	Response % 2015/16	Response Count 2014/15	Response % 2014/15
Zero officers	4	10%	5	9%	4	7%
Part time officer only	4	10%	7	12%	9	15%
Single officer only	7	17%	9	16%	22	37%
1.1 – 1.9 equivalent staff	5	12%	-	-	-	-
2-3 full-time equivalent staff	9	22%	16	28%	1	2%
4-5 full-time equivalent staff	3	7%	3	5%	3	5%
6-8 full-time equivalent staff	4	10%	5	9%	8	14%
9-10 full-time equivalent staff	0	0%	1	2%	2	3%
Above 10 full-time equivalent staff	5	12%	11	19%	10	17%
Total responses	41	100%	57	100%	59	100%

The highest percentage of arts service staff per authority is 2-3 (FTE). This seems to indicate a rise in the median range from the median range of 1 (FTE) that was reported in the 2014/15 survey but is equal to the median range reported in 2015/16.

The total number of staff employed by the 41 authorities responding, across all ranges above, is 155.76: an average of 3.8 staff per authority. We explored this subject further to find out how many of these officers have job descriptions that include Arts Policy or Arts Development work (at least 30% of time spent on this work), the result was an average of 1.9 staff per authority, down by 0.1 staff per authority from last year.

Detail	Officers employed	Officers with arts policy or development in title
Total employed	154.76	76.78
Response Count	40	40
Average employed	3.8	1.9

4.3 Job Security

We asked, "How secure is your job within your authority?" Respondents reported:

Detail	Response Count 2016/17	Response % 2016/17	Response Count 2015/16	Response % 2015/16	Response Count 2014/15	Response % 2014/15
Very secure and developing	2	5%	2	4%	3	5%
Secure	9	23%	8	14%	18	30%
Under threat of major cuts	11	28%	14	25%	8	13%
Significant changes in role	9	23%	12	21%	15	25%
Under threat of closure	1	3%	1	2%	6	10%
Unsure	7	18%	19	34%	10	17%
Total responses	39	100%	56	100%	60	100%

Another mixed response in 2016 showing that this is still a time of instability for local authority arts officers. For most, although the threat of immediate closure seems to have declined, local authorities still face severe cutbacks in funding and we will not know the full picture until the national government spending review takes place autumn 2016.

4.4 Redundancies

We asked whether respondents were expecting any redundancies in arts service or in other cultural services for 2017/18. Respondents reported:

Detail	Response Count 2017/18	Projected % 2017/18	Response Count 2016/17	Projected % 2016/17	Response Count 2015/16	Projected % 2015/16
Yes	9	28%	9	18%	7	13%
No	23	72%	41	82%	48	87%
Total responses	32	100%	50	100%	55	100%

A larger percentage of responding authorities are anticipating redundancies in the next financial year, compared to the current year. Reasons given for this include being unsure about the future due to reviews of services and the expectation of further budget cuts.

5. FINANCES

5.1 Changes in Finances

We asked respondents if their arts service were facing changes in their budgets for 2016/17. Respondents were asked to tick all that apply; 42 responded to the question. 50% of local authorities taking part recorded a funding decrease with a further 21% reporting standstills (with and without inflation) and 19% reporting no change. There have been a smaller % of authorities suggesting a move to contracting out services as compared to last year, 7% this year compared with 12% last year.

Detail	Response Count	Response Percentage
No change	8	19%
Funding increase	2	5%
Funding decrease	21	50%
Standstill (without inflation)	9	21%
Standstill (with inflation increase)	2	5%
Under threat of closure	3	7%
Already closed	2	5%
Contracting service out	3	7%

Please see **Appendix 3** for more detailed responses from recipients.

We asked recipients about their funding priorities:

- 85% prioritised sustainability and maintaining services to current levels of engagement
- 27% prioritised increasing fundraising or sponsorship
- 18% prioritised funding to meet council's crosscutting objectives
- 16% wished to maintain grants to arts organisations
- 11% intended to increase income or build new income streams
- 10% wished to maintain staffing levels
- 9% were considering VFM or further efficiency savings
- 7% intended to support creative enterprise

We also asked respondents their opinions on the future funding for arts services within their local authority over the next 2 or 3 years. Respondents were asked to tick all that apply. 48% of respondents expected a funding decrease; 9% expected that their services would be contracted out; and 11% thought that their services were under threat of closure.

Detail	Response Count	Response Percentage
No change	7	13%
Funding increase	2	4%
Funding decrease	26	48%
Standstill (without inflation)	4	7%
Standstill (with inflation increase)	2	4%
Under threat of closure	6	11%
Already closed	2	4%
Contracting service out	5	9%

5.2 Contracting Out

We asked if the service is in review to be contracted out, and what form would it take. 39 respondents answered the question:

No of respondents	Yes	%	No	%
39	7	18%	32	82%

We asked what range of contractor had been considered. Although less information was forthcoming on this question, further exploration of the type of contractor revealed the following:

Answer Choices	Response Count	Response %
Local Service Contractor	3	100%
Regional Service Contractor	0	0%
National Service Contractor	0	0%
Total	3	100%

Organisational status of the contractor:

Answer Choices	Response Count	Response %
Trust / charity	2	33%
Community Interest Company	3	50%
Another local authority	1	17%
Total	6	100%

Track record of contractor:

Answer Choices	Response Count	Response %
New organisation	2	40%
Established organisation	3	60%
Total	5	100%

Nature of contract:

Answer Choices	Response Count	Response %
Commissioned service	2	67%
Service level agreement	1	33%
Grant aided service	0	0%
Total	3	100%

5.4 Financial support to regularly funded organisations

We asked how much of revenue budgets comprise grants to regularly funded organisations in 2015/16 and for the projected figures for 2016/17. This question was split into 2 categories to reflect the move to NPO/APW joint support:

Total spend on NPO/APW arts organisations

Year	Independent arts support	Response Count	Total spend recorded	Average spend per authority	% of Total Arts Spend
2016/17 projected	Grants that are jointly supported by either ACE or ACW	31	£10,980,032	£354,195	48%
2015/16 actual	Grants that are jointly supported by either ACE or ACW	31	£11,724,549	£378,211	44%
2014/15 actual	Grants that are jointly supported by either ACE or ACW	25	£10,369,791	£414,792	19%

Total spend on other regularly arts organisations

Year	Independent arts support	Response Count	Total spend recorded	Average spend per authority	% of Total Arts Spend
2016/17 projected	Total spend on regularly revenue supported arts organisations that are not Arts Council NPOs/RFOs	34	£2,378,465	£69,955	10%
2015/16 actual	Total spend on regularly revenue supported arts organisations that are not Arts Council NPOs/RFOs	34	£2,851,118	£83,856	11%
2014/15 actual	Total spend on regularly revenue supported arts organisations that are not Arts Council NPOs/RFOs	32	£2,287,647	£71,489	10%

Grants to both regularly funded independent arts organisations supported either in partnership with Arts Councils in England and Wales, or as a direct commitment from the local authority have remained reasonable constant over the last 3 years. It appears that local authorities prioritise these funding partnerships, often instead making cuts to direct internal arts provision.

5.5 Spending on Arts Projects

a. We asked for more detailed information about spending on the arts in order to reflect the developing range of mechanisms for funding and managing arts services:

Question	Year	Number of Authorities	Total spend recorded	Average spend	% of Total Arts Spend
How much of your budget (£) was spent on directly managed venues (e.g. theatres, arts centres, galleries etc.)?	2016/17 projected	28	£3,250,101	£116,075	14%
	2015/16	29	£3,604,522	£124,294	14%
How much (£) was spent on directly managed/delivered arts services?	2016/17 projected	33	£1,636,613	£49,594	7%
	2015/16	37	£1,775,748	£47,993	7%
How much (£) was spent on community or project grants for arts services?	2016/17 projected	30	£609,376	£20,313	3%
	2015/16	35	£865,428	£24,727	3%
How much (£) was spent on arts facilities, which were contracted out or operated under trust status?	2016/17 projected	21	£803,044	£38,240	3%
	2015/16	27	£1,652,437	£61,201	6%

b. Why does your authority provide financial support for arts organisations mentioned in the previous section (tick all that apply)?

Answer Choice	Response Count	%
Access/accessibility	26	59%
Artistic excellence	27	61%
Meeting priorities of sustainable communities strategy	25	57%
As part of our arts strategy	19	43%
As part of an LEP or regional partnership	8	18%
As part of an historical partnership	19	43%
Total respondents 44		

Other reasons included:

- Also seen as part of the tourism/visitor offer of the destination
- Still included in our corporate plan
- Meeting corporate priorities
- As part of the City's Cultural Plan
- As part of our regeneration agenda
- Creating a strong holistic future

c. What are the main areas of argument you use to demonstrate arts' contribution to corporate priorities?

Responses were rich and varied and could be grouped under the following headings:

- Improving The Cultural Offer / Positive Image
- Access & Inclusion
- Wellbeing & Healthy Lifestyles
- Community Benefits
- Corporate Policy
- Percent For Art/Public Art/Place-making
- Creative Industry Development
- Contributing To The Local Economy

For more detailed comments, please see **appendix 6**.

5.6 Public Service Priorities

All local authority services are contributing to shared public service priorities, which are listed below.

a. Can you please indicate whether your arts service contributes specifically to these public service outcomes and cross-cutting themes?

Answer Choice	Number Contributing	% Contributing
Adult Health & Wellbeing	36	82%
Child Health & Wellbeing	33	75%
Tackling Exclusion	29	66%
Promoting Equality	30	68%
Children & Young People (Education)	30	68%
Local Economy & Sustainability (Regeneration & Tourism)	39	89%
Stronger & Safer Communities	33	75%
Total respondents 44		

b. Approximately what percentage of your arts spend do you contribute to each theme?

Answer Choice	Response Count	Average % of Arts Spend
Adult Health & Wellbeing	25	20.12%
Child Health & Wellbeing	22	13.95%
Tackling Exclusion	19	9.68%
Promoting Equality	22	8.95%
Children & Young People (Education)	22	16.68%
Local Economy & Sustainability (Regeneration & Tourism)	28	31.25%
Stronger & Safer Communities	24	20.04%
Total respondents 44		

Other themes identified by respondents included:

- Social regeneration
- Impact on lives of beneficiaries through health and welfare, education, confidence building, skills development, boost the economy by supporting the arts and artists, supporting children and young people, elderly support, opportunities for those who only support the Welsh language and much more. Emphasized the impact on individuals and not of necessity large numbers. Also attracted a lot of money into Gwynedd through our projects and grants.
- All Percent for Art projects contribute to a number of themes
- Arts and Education 10%; heritage/museums 5%; creative industries 5%; arts admin 10% of my budget.

5.7 Spending on Capital Projects

We asked about spend on capital projects (not including capital repayments or internal charges). 22 of the responding authorities registered no spending at all on capital projects. Of the 14 that did register a capital spend the range was from £2,000 and £700,000.

Respondents reported:

1) Average spend on capital projects

Year	Authorities responding	Total spend recorded	Average spend per authority
2016	36	£3,430,494	£95,292
2015	55	£3,741,691	£68,031
2014	54	£1,691,745	£31,329
2013	60	£12,565,233	£209,421
2012	3	£54,000	£1,688

Although the number of responses has fallen in 2016, average capital spending demonstrated a marked increase on last year. Both ACE and ACW have opened capital programmes within their lottery grants. Comparisons between English and Welsh capital spends for 2016 are below:

Area	Number of Authorities	Total spend recorded	Average spend per authority
England	27	£2,068,889	£76,626
Wales	9	£1,361,605	£151,289

Type of capital projects

2016 response

Answer Choice	Average Spend	Total Spend	Response Count
Major Works & Refurbishment	£95,648	£2,391,200	37
New Strategic Developments	£48,162	£1,011,405	21
Total respondents 36			

2015 response

Answer Choice	Average Spend	Total Spend	Response Count
Major Works & Refurbishment	£87,070	£3,221,593	25
New Strategic Developments	£22,443	£740,635	33
Total respondents 37			

2014 response

Answer Choice	Average Spend	Total Spend	Response Count
Major Works & Refurbishment	£10,417	£375,000	36
New Strategic Developments	£35,283	£1,340,745	38
Total respondents 39			

5.7 Arts Service restructuring

a. Has your arts service been restructured in the last 2 years?

Answer Choice	2016 response count	2016 response %	2015 response count	2015 response %
Yes	24	59%	23	40%
No	11	27%	26	46%
About to be restructured	6	15%	8	14%
Total responses	41	100%	57	100%

b. If you answered 'Yes', has your arts service moved to a new department?

Answer Choice	2016 Response Count	2016 Response %	2015 Response Count	2015 Response %
Yes	16	55%	18	69%
No	13	45%	8	31%
Total responses	29	100%	26	100%

Responses from this year match last year's survey for the two questions above, demonstrating that local authorities are adapting services to change.

c. Do you think this move will make your service?

Answer Choice	2016 Response Count	2016 Response %	2015 Response Count	2015 Response %
More vulnerable to cuts	6	30%	7	33%
Less vulnerable to cuts	14	70%	14	67%
Total responses	20	100%	21	100%

Over 50% of all arts and cultural services have been restructured in the last 2 years. Of those that responded positively, 55% had moved to a different department and the majority of those who responded felt that this had made their service less vulnerable to cuts. Whilst restructuring continues to take place, there is evidence that this continues to make respondents feel more confident about their positions in the future.

5.8 Financial priorities

We asked what the immediate financial priorities of arts service services were. 35 authorities responded. It is clear that each authority faces different financial priorities for the continuation of its services. A cross section of financial priorities can be grouped into the headings below:

- 26% stated that their immediate priority was sustaining & maintaining services
- 17% stated that their immediate priority was fundraising
- 14% stated that their immediate priority was meeting council objectives
- 11% stated that their immediate priority was contributing to community activities & objectives
- 11% stated that their immediate priority was for audience development
- 11% stated that their immediate priority was making savings & restructuring
- 9% stated that their immediate priority was supporting cultural industries
- 6% stated that their immediate priority was supporting arts organisations
- 6% stated that their immediate priority was increasing Income

More detailed comments can be found in **appendix 5**. Although sustainability and maintaining service remains the highest priority for authorities in England and Wales, other priorities have changed. The more developmental aspects of arts delivery: audience development, increasing participation and contributing to community activity and objectives have been pushed further down the pecking order, with the emphasis now on income generation and fundraising. Sustainability is the clear message, and as one participant commented: Survival!

6. ARTS COUNCILS AND FUNDING RELATIONSHIPS

6.1 Direct support from Arts Councils in England and Wales

We asked how much funding had been received from Arts Council England or the Arts Council of Wales over the last year.

a. From Arts Lottery Grants

Year	Response Count	Total funding received from ACE or ACW	Average funding received from ACE or ACW
2015/16	34	£2,376,873	£69,908
2014/15	47	£2,436,872	£51,848
2013/14	48	£2,194,988	£45,279
2012/13	27	£5,757,634	£213,246
2011/12	18	£1,334,537	£74,141

34 councils (77% of the total survey) responded. Of these, 21 were in receipt of funds, with a total of £2,376,873 being received from ACE or ACW: an average of £69,908 per authority. 30% reported that they had received no funding at all from their Arts Council. The average investment of ACE/ACW to local authorities has increased by 35% on last year.

Comparisons between ACE and ACW can be made as follows:

2015/16	Response count	Total Funding received	Average Funding received
Arts Council England	25	£1,764,114	£70,565
Arts Council of Wales	9	£612,759	£68,084

There is parity between Arts Councils in England and Wales in their support for local authorities. There is also an ethic of strong partnerships in Wales between ACW and local authorities and this is demonstrated in strategic development programmes such as ArtsConnect (the regional collaboration between 4 local authority services and 2

independent Trusts providing outsourced services) and music and dance programmes that over-arch local authority boundaries.

b. From core funding (e.g., staff support, research, directly managed services).

Year	Response Count	Total funding received from ACE or ACW	Average funding received from ACE or ACW
2015/16	20	£361,500	£18,075
2014/15	32	£579,013	£18,094
2013/14	33	£3,086,760	£93,538
2012/13	9	£616,192	£68,466
2011/12	5	£277,000	£55,400

In 2015/16, 20 authorities responded, of which only 3 had received core funding (strategic grant funds as opposed to lottery), the largest of which was Rhondda Cynon Taf County Borough Council who received £145,000 for their disadvantaged communities programme. The average funding received over the year was £18,075 per authority, comparable to last year.

Comparisons between ACE and ACW can be made as follows:

2015/16	Response count	Total Funding received	Average Funding received
Arts Council England	2	£216,500	£108,250
Arts Council of Wales	1	£145,000	£145,000

6.2 NPO/APW Support

We asked how many RFO's/NPO's were supported in partnership with either Arts Council England or Wales:

Year	Total Response Count	Number with supported clients	Total of clients supported	Average clients per authority	% authorities without supported clients
2015/16	37	23	109	4.7	38%
2014/15	49	31	109	3.5	30%
2013/14	54	37	125	3	31%
2012/13	64	47	179	4	27%
2011/12	44	28	78	3	36%

This year 37 councils responded (84% of the total survey) with a total of 109 clients between them in 2015/16. Liverpool City Council had the most at 21. Of those responding, 38% did not support any RFOs.

6.3 Relationships with ACE and ACW

The survey asked arts services about their present relationship with regional office of the Arts Council with regard to contact, advice and partnership working. Respondents stated that relationships with Arts Councils in England or Wales were:

Details	2016 Response Count	2016 Response %	2015 Response Count	2015 Response %
Active and developing	26	67%	25	47%
Neutral	9	23%	15	28%
Negative and receding	0	0%	2	4%
I don't have any relationship with my regional office	4	10%	11	21%
Total responses	39	100%	53	100%

Responses demonstrated a much better relationship with ACE and ACW, with at least 67% seemingly happy with relationships with their arts council. For more detailed comments on relationships, please see Appendix 3.

Comparisons can be made between ACE and ACW:

Details	ACE 2016 Response Count	ACE 2016 Response %	ACW 2016 Response Count	ACW 2016 Response %
Active and developing	19	66%	7	70%
Neutral	7	24%	2	20%
Negative and receding	0	0%	0	0%
I don't have any relationship with my regional office	3	10%	1	10%
Total responses	29	100%	10	100%

We also asked whether relationships had been affected by the various internal ACE and ACW reviews that had occurred over the last year or so. 38 Respondents replied, with 24% (9) stating that there was a different relationship after ACE or ACW internal reviews. This was particularly so for relationships with ACW, who had completed a funding review, with 7 out of 9 responses (78%) stating that their relationship had changed. As ACE was in mid-cycle in its funding strategy (a review is expected in spring 2017), only 2 local authorities (7%) declared a difference in relationship in 2015/16.

Comments included:

For ACE:

- It affected the organisations delivering participatory arts activity.
- We have noticed a number of small arts organisations closing and we have had to take this into account when allocating funding.

For ACW

- New APW funding for venue being received from 2016 onwards
- We applied for portfolio but were unsuccessful. The response was very positive and feedback useful.
- Powys has gained 2 new APW organisations.
- Reduction in grant funding
- Threat of closure of Llantarnam Grange Arts Centre and inability of local authority to cover the grant shortfall should the organisation lose RFO status.
- Revenue funding to Theatr Clwyd
- Any change will affect our plans and also some of our grants are not secure.

7. PARTNERSHIP WORKING

7.1 Independent partnerships

We asked if authorities had organisational partnerships (other than with the Arts Councils in England and Wales) to develop & deliver arts services. 64% (25 out of 39 responding) authorities recorded active partnerships developed either with other services within an authority or external to it. This represents a drop of 25% on last year's responses for 2015, which recorded an 89% response. The decline may be one of time pressure, as fewer officers are asked to cover more responsibility, limiting the capacity for partnership development.

a. Internal and External Partnerships

Answer Choice	2016 survey	2015 survey	2014 survey	2013 survey
Arts Services with partnerships with other services within authority	18%	57%	42%	53%
Arts Services with partnerships external to the authority	59%	63%	90%	63%

There is a marked 39% decline in the number of local authorities (or outsourced organisation) with internal partnerships. This perhaps reflects the continuing economic struggle to provide services in the severe financial climate facing local authorities across England and Wales. External partnerships have also declined by 4% on

2015; attributed to the steady decline in available project development. This may also be attributed to the fact that health services have moved from an independent body to a local authority remit.

Partnerships however do make substantial contributions to arts budgets. Just over 59% of all authorities are in an external partnership to deliver arts services, demonstrating the need to be outward facing and open to opportunity to work collectively to support local communities.

b. Which of the following departments within your authority delivered arts activity/services in 2015/16 and, where possible, please tell us how much they spent (not all those who gave a positive response were able to give financial information).

Answer Choice	Total Response Count	Positive Response %	Response Count 'How Much?'	Total contribution	Average contribution
Regeneration (e.g. public art scheme, creative industries development)	24	71%	6	£191,300	£31,883
Social Services (e.g. art in social care settings)	22	55%	5	£63,122	£12,624
Education (e.g. music service provision, theatre in education provision)	24	75%	2	£555,933	£277,966
Housing (e.g. art in the public realm)	21	24%	1	£84,300	£84,300
Leisure / Play (e.g. play scheme arts provision, dance for health)	22	50%	3	£42,100	£14,333
Adult Education (e.g. arts based classes)	21	48%	1	£20,000	£20,000
Countryside & Parks (e.g. art in open spaces)	22	55%	3	£16,840	£5,613
Libraries (e.g. creative writing groups)	25	88%	3	£100,742	£33,581
Museums / museums & archives development	28	86%	7	£92,380	£13,197
Archaeology / Heritage Services	22	45%	1	£5,000	£5,000
Youth Services (e.g. arts based workshops for young people outside of school time)	22	68%	2	£11,416	£5,708
Tourism & Events (e.g. carnivals, festivals, outdoor gigs)	25	76%	5	£265,412	£53,082
Corporate (e.g. at family fun days)	19	32%	0	£0	£0
Other (Archives, Public Health)	12	17%	1	£28,700	£28,700

c. Who are the external partners (other than ACE/ACW)? Respondents could give more than one answer. 27 authorities responded, detailing partnerships in the following areas:

Details	2016 survey	2015 survey	2014 survey
Creative industries organisation	37%	35%	45%
Commercial sector organisation	22%	26%	32%
Health Authorities	26%	30%	42%
Voluntary sector organisation	19%	39%	39%
Educational Body	11%	22%	32%
Other public body (NHS Trust, Police etc.)	22%	30%	32%
Other independent bodies	26%	26%	Not measured

External partnerships raised the following contributions to arts budgets:

Details	Response Count 'How Much?'	Total contribution	Average contribution
Creative industries organisation	2	£80,000	£40,000
Commercial sector organisation	4	£346,600	£86,650
Health Authorities	2	£12,000	£6,000
Voluntary sector organisation	1	£3,000	£3,000
Educational Body	1	£17,000	£17,000
Other public body (NHS Trust, Police etc.)	3	£168,000	£56,000
Other independent bodies	4	£1,654,500	£413,625

Most external partnerships show a decline in the number and range, which together with internal partnership decline, illustrates the press of finance reduction in the arts sector. The only consistent partnership which is comparable to last year is the range of partnerships with creative industries and those with other independent bodies (such as the BBC), which stays the same as last year. As previously stated, some of the decline in outside partnerships may also have resulted in the transfer of health services now coming under a local authority remit.

External partnerships included:

Creative Industries organisation

- Artist networks and small arts businesses
- ArtsConnect
- Arts Development UK
- Artswork
- Canolfan Gerdd William Mathias
- Celfyddydol
- Creative England
- Creative Leicestershire & Rutland
- Cwmni Fran Wen
- Cyngor eraill gyda gwasnanaethau
- Engage
- Galeri
- Helfa Gelf
- Orchestras Live
- Number 8 arts centre
- Sefydliadau fel Pontio
- Silicon South
- South East England Local Economy Network
- Youth Music

Commercial sector organisation

- Commercial retail company
- Local sponsors

Health authorities

- Betsi Cadwaladr
- Cardiff & the Vale Health Services
- Cartref Bryn Seiont
- Hostel ty Newydd Bangor
- Regional CCGs
- Plas Maesincla
- Tim Derwen cyngor Gwynedd
- Ysbyty Eryri

Voluntary sector organisations

- Arts Active / A2Connect
- Arts for Rutland
- Community arts organisations
- Live & Local
- Phoenix Arts
- Voluntary Action groups across the county

Educational bodies

- Numerous schools locally and regionally
- ACE Bridge Organisations (ROH Bridge for Essex)
- Cardiff & Vale College,
- Vale of Glamorgan schools

Other public bodies (Police, etc.)

- Barry Police
- Other Local authorities, Borough and District Authorities
- Police Crime commissioner
- 5 other local authority services under Arts Connect Partnership

Other independent organisations:

- BBC Radio 1
- Local town councils
- New Anglia LEP Cultural Board
- Local developers (Section 106)

d. Responding authorities stated that external and internal partnerships were contributing to arts spends and were able to give amounts to verify this:

For 2015/16:

Details	Authorities responding	Total contribution	Average per authority
Internal to the authority	7	£1,477,245	£211,035
External organisations & agencies	27	£2,281,100	£84,485

2014/15 responses to the same question revealed:

Details	Authorities responding	Total contribution	Average per authority
Internal to the authority	34	£5,442,446	£160,072
External organisations & agencies	26	£1,948,660	£74,948

Authorities continue to find it hard to place a total economic value on partnership contributions as this frequently included in-kind support, negating the true value of the leverage that partnerships can achieve.

8. Other Fundraising

8.1 Lottery Funding

We asked respondents if they had received any direct Lottery funding for arts service in 2015/16, in addition to ACW/ACW funding, and what other lottery funds had been received. Respondents commented:

2015/16

Answer Choices	Average Spend	Total Spend	Response Count
Awards for All	£0	£0	0
Heritage Lottery	£360,625	£5,770,000	16
Sports Lottery	£0	£0	0
Big Lottery	£22,000	£22,000	1
Total respondents 17			

By comparison, last year's responses are included below:

2014/15

Answer Choices	Average Spend	Total Spend	Response Count
Awards for All	£0	£0	0
Heritage Lottery	£243,360	£973,440	4
Sports Lottery	£2,732	£5,464	2
Big Lottery	£0	£0	0
Total respondents 23			

The Heritage Lottery Fund is the second biggest investor to local arts services, and levels of funding have risen in comparison to 2014/15. A total of £5,792,000 of lottery funding outside of arts lottery was declared in 2015/16, between 17 respondents, averaging £340,706 per authority.

8.2 Other Grant income

The survey requested information on other fundraising carried out by arts officers. Only 6 responded to the question overall, with £1,396,039 declared in grant aid at an average of £232,673 per organisation.

a. Sources of funding

Detail	% Response in 2015/16	Average Income received 2015/16	% Response in 2014/15	Average Income received 2014/15
Trusts & charitable sector grants	50%	£51,667	35%	£7,250
Central government grants	50%	£256,667	4%	£10,750
European grants	17%	£464,100	13%	£154,185
Business sector grants	0%	£0	13%	£6,350
Donations	33%	£3,470	22%	£55,767
From other sources	0%	£0	13%	£68,700

Clearly local arts services are eligible for a range of non-lottery grants, but only 14% of organisations responding to the survey were actively fundraising. Comparisons from one year to the next are difficult to make, but one notes the rise in Trusts, central government grants and European funding. The range of grant support is also very diverse, often depending on the skill and knowledge of individual bid-writers.

8.3 Sponsorship

Sponsorship achieved has decreased by 5% on last year's responses. Local authorities find it very difficult to achieve sponsorship. Traditionally many have little history of active sponsorship campaigns and many are seen as in-appropriate organisations, already in receipt of public funding. Only 18% of authorities receiving funding from commercial or independent organisations for arts service in 2015/16. The survey recorded the following results from 34 respondents:

Detail	% Response 2015/16	% Response 2014/15	% Response 2013/14
Yes	18%	23%	27%
No	82%	77%	72%

We asked what source of sponsorship was received and how much it was:

- Local businesses with £20,000
- Local Community Councils: £10,000
- £20,000 from universities for Rugby World Cup (arts component)
- £24,600 from local business in Liverpool

Clearly, there are sponsorship opportunities supporting arts services, and there may be opportunities for authorities to increase further opportunity in this area. The survey demonstrated a range of sponsorship opportunities averaging £18,650 to each participating authority.

8.4 Help in kind

We asked whether authorities had received any support in kind for arts service in 2015/16. 12 out of a total of 33 responding to this question stated that they had received help in kind from another organisation. Responses included:

Detail	% Response 2015/16	% Response 2014/15	% Response 2013/14
Yes	36%	48%	54%
No	64%	52%	46%

4 authorities were able to identify the value of in kind support, which ranged from £3,000 to £30,000. A total of £57,500 with an average of £14,375 achieved.

8.5 Earned Income

We asked "How much income did your arts service earn in 2015/16 from ticket sales, activity fees, catering facilities, merchandise, and secondary spend, etc.?"

Total organisations responding:

Answer Choices	Average Income	Total Income	Response Count
Arts Service earned income 2015/16	£116,793	£3,270,193	28
Arts Service earned income 2014/15	£222,695	£8,239,730	37
Arts service earned income 2013/14	£194,826	£8,767,186	45

English Authorities:

Answer Choices	Average Income	Total Income	Response Count
Arts Service earned income 2015/16	£120,801	£2,295,217	19

Welsh Authorities:

Answer Choices	Average Income	Total Income	Response Count
Arts Service earned income 2015/16	£108,331	£974,976	9

28 responded with a total income of £3,270,193, an average of £116,793. This included the following bands of income:

- 11 declared no earned income
- 12 declared earned income of up to £100k
- 4 declared earned income of up to £500k
- 1 declared earned income of up to £1m

9. Conclusions

The overall picture of local authority funding for the arts is one of sustainability and consolidation. Local authority funding continues to decline as a result of more cuts anticipated in 2017/18 as a result of Brexit, the continuing downturn of the economy and increasing competition from other statutory and non-statutory services. We are awaiting the central Government Spending Assessment in autumn 2016, which will give a clearer picture projected cuts but the future looks bleak for non-statutory services. Arts services are no different to other cultural services provided either directly or indirectly by authorities and the downturn in the economy over the last four or five years has enforced major changes to the cultural landscape.

Comparisons between English and Welsh authorities demonstrate more stabilisation between the two administrative regions, with spend per head of population declining overall by 12.9%. In Wales, spend per head has dropped by 5%, whereas spend per head has reduced in England by 14%.

Overall arts spending per authority has reduced in 2016, with a projected reduction of 13% across England and Wales (14% in England and 5% in Wales).

From comparison of the last 2 years of survey responses, the arts sector remains relatively stable but the longer-term sustainability of the sector is very worrying. Many of the cuts felt in the local authority arts sector continues to hit lower level project funding and “back office” costs. It is likely that we will see more outsourcing developing, as local authorities seek more efficient ways of providing services. Value for money remains a priority with more work progressing on income generation and efficiency savings.

The % decrease of total arts spend could be a sign of local authorities becoming more risk averse when looking at arts investment. Whilst this could speak to an alignment of priorities between ACE/ACW, it could demonstrate local authorities more willing to continue to invest in tried and tested arts delivery organisations, which could stifle future growth and innovation.

As demonstrated by last year’s survey and again by the survey in 2016, the sector is lacking higher risk speculative projects that would get artists and creative professionals started on their journeys. The learning obtained on these projects has often laid the foundations for future work and ideas, which have led to established arts practise and professional standards. From comments and responses, it appears that there is less reliance on artistic and audience development and more reliance on developing new income streams and fundraising. New fundraising strategies take time and considerable resources to develop; a precious commodity from an already much under-resourced sector.

2016 has also seen the loss of more specialist arts officers from local authorities, either due to redundancy caused by a closure of service or by internal reviews. This is often understated by the press and media, with no one to take up the banner of development or to speak up for the arts. With no officer in post to develop fundraising and sponsorship strategies, access to funding opportunities to develop new community programmes, especially for smaller authorities may be lost. The role of arts development officers has changed, with less time now spent on arts development and with less time spent on nurturing local communities to develop their own programmes.

The 2016 survey has demonstrated the vulnerability of partnership development, with external partnerships down on last year by 4% to an average of 59% of local authorities developing partnership arrangements. Internal partnerships are however down by a staggering 39% to just 18%, demonstrating the lack of available funding in the local government sector, and perhaps heralding more of the steady decline in major project development. Partnerships however do make substantial contributions to arts budgets with almost 50% of local authorities in

some form of partnership to help deliver arts services, demonstrating the need to be outward facing and open to opportunities to support local communities.

As again demonstrated in the 2016 survey, local authorities have historically been significant funders of independent arts organisations, especially in areas with little or no NPO/APW provision by ACE or ACW. Support for non-NPO/APW arts organisations accounts for up to 11% of total arts spend, and this has seen an average decrease in investment per authority by 6%. The average spending to NPO/APW regularly funded organisations in partnership with ACE and ACW accounts for 48% of the total arts spend, an increase of 4%, demonstrating the active partnership between local authorities and the Arts Councils in England and Wales.

As with previous years, the trend continues for major internal reorganisation, with over 40% of authorities responding stating that they were investigating restructuring or outsourcing services. An increase in more non-specific cultural services (combining arts services with other services such as regeneration or wider community services such as libraries, museums and tourism) could mean a loss of specialism within the arts. Reorganisation does however seem to offer greater resilience and security for arts services with over 67% of respondents commenting that they saw the arts services less vulnerable as a result of reorganisation as the arts continue to perform strongly against corporate objectives.

2016/17 is the second year of a majority Conservative Government and with a recent leadership and cabinet change, most authorities are fearful of the Spending Review when announced in autumn 2016. Once more, departments have been asked to make substantial cuts to their budgets and this will be passed on to local authorities, putting more pressure on arts development services, often affecting the most disadvantaged communities. Many services are, however, resilient or find alternative ways through outsourcing of providing arts services, but there is a limit to how much services can be stretched. We continue to see efforts to maintain stability and consolidation. The continued economic climate that we all work has resulted in extreme financial pressure to all local authority services. ADUK will continue to monitor the impact of the recession on arts services year on year.

Appendix 1: Participating Authorities and contracted out organisations 2016/17

Participating Local Authorities (England)

AVDC
Barnsley MBC
Bath & North East Somerset
Bolton
Canterbury City Council
Cherwell District Council
Craven District Council
Derbyshire County Council
Devon County Council
East Sussex County Council
Essex County Council
Exeter City Council
Kent County Council
Kirklees Council
Lancashire County Council
Leicestershire County Council (Creative
Leicestershire)
Liverpool City Council
London Borough of Redbridge - Vision RCL
Manchester City Council
Middlesbrough Borough Council
Milton Keynes Council
Norfolk County Council
Rother District Council
Rutland

South Holland District Council
Teignbridge District Council
West Berkshire Council
West Oxfordshire District Council

Westminster City Council
Wiltshire Council
Worcestershire County Council
Wychavon District Council

Outsourced Services (England)

The Arts Development Company
Culturapedia

Participating Local Authorities (Wales)

Caerphilly County Borough Council
Cardiff Council
Conwy County Borough Council
Flintshire
Powys
Rhondda Cynon Taf County Borough Council
Torfaen County Borough Council
Vale of Glamorgan
Wrexham County Borough Council

Outsourced Services (Wales)

Amgueddfeydd a Celfyddydau Cyngor Gwynedd

Appendix 2: Local Authority Arts Service Closures

Introduction

This short report gives information on the number of local authorities who have closed their arts services in the last few years. In some instances, the arts budget has been transferred to other services or to independent organisations for the continuation of support for local arts, but in others it has been lost. As of September 2016, it is estimated that at least 140 local authorities in England and Wales have no direct arts services. This represents 37% of all authorities in England and Wales.

With many authorities on either a standstill (without inflation) or declining budget, the current status for arts services illustrates the slow erosion faced over the last few years. Evidence from the 2016 Local Authority Arts Spending Survey demonstrated that the projected average arts spend for 2016/17 is £522,228, 13% down on last year's average actual spend of £599,947. Local authorities however remain one of the major funders of arts in England and Wales, with an estimated spend of £174,687,777 on direct arts services.

The Spending Review and budget settlement in 2016 continues to have major effects on arts services in England and Wales. Arts services have no statutory protection and 2016/17 continues to be a difficult year for most local authority cultural services, with local authorities struggling to meet year-on-year cuts.

The assessment below details changes and closures in arts services year by year:

2016/17

Devon CC
West Berks DC

2015/16

Wycombe District Council
Rochford BC

2014/15

Basingstoke & Deane BC no longer has a direct service, making all officers redundant from April 2014.
Doncaster MBC made its arts officer redundant in June 2014
Rotherham MBC also made its arts officer redundant in June 2014.
West Devon Borough Council

2013/14

Chorley Borough Council: arts posts deleted.
South Bucks District Council: arts officer post deleted.
Welwyn Hatfield Borough Council made its arts officer redundant in May 2013.
West Lindsey District Council.

2012/13

Adur District Council
Chichester District Council
Chorley Borough Council: Post deleted - no arts post in council now
Gloucestershire County Council
London Borough of Barnet: Arts Post deleted in April 2012 and service transferred to Youth Support Service
London Borough of Barking & Dagenham
Scarborough District Council

2011/12

Herts CC closed its arts service, making its County Arts Officer post redundant (although there is still a music service within its Education Dept)
Leisure in Hyndburn Trust no longer has a dedicated arts officer (Accrington)
Mansfield District Council
Northampton Borough Council closed its arts services, with arts officer redundancies

Shepway District Council
Taunton Deane Borough Council
Borough of Wellingborough Council closed its arts services, with arts officer redundancies

2010/11

Darlington BC
East Northamptonshire Cultural Trust: no longer has an arts budget
Malvern Hills Borough Council: No longer has an arts service with arts officer made redundant
Mendip District Council
Monmouthshire County Council
Somerset CC closed its arts services (with a loss of £170,000) in 2011/12

2009/10

Braintree DC ceased its direct arts service making its arts officers redundant in May 2009, specifically due to the economic downturn
Colchester BC no longer has a dedicated arts service, making their arts officer redundant in April
Harborough BC no longer has a dedicated arts service, making their arts officer redundant in April
Horsham DC made one of their 2 arts officer posts redundant in April 2009
Lancaster City Council
Lincoln City Council closed its arts services in September 2009 with several arts redundancies.
North Warwickshire DC made their arts officer redundant in April 2009

2008/9

The following authorities reported closure of arts services in 2008, including:

Bedfordshire CC
Boston BC
North Somerset DC
Rushmoor DC
Sedgemoor DC
Stafford BC

2 authorities reinstated their arts services, including:

Somerset CC
Worcestershire CC

2007/8

The following authorities reported that they no longer had a dedicated arts service, making their arts officer redundant:

St Albans City & DC
Thanet DC
Worcestershire CC

2006/7

The following authorities reported that they no longer had a dedicated arts service, making their arts officer redundant:

Congleton BC
Cotswold DC
Fenland DC
Kettering BC
Malden DC

2005/6

The following authorities reported that they no longer had a dedicated arts service, making their arts officer redundant:

Breckland DC
Cotswold District Council

Fylde BC
Mid Devon DC
North Shropshire DC
South Somerset DC
Stratford on Avon DC

2004/5

The following authorities reported that they no longer had a dedicated arts service, making their arts officer redundant:

Christchurch DC
Eastbourne DC

Previous years:

Other councils that have ceased funding arts services in the 2000's include:

Basildon DC
Bassetlaw BC
Bedford Borough Council
Blaby DC
Buckinghamshire CC
Central Bedford Council
Chiltern District Council
Cyngor Sir Ceredigion County Council
Dacorum Borough Council
Dover DC
East Devon District Council
Forest of Dean District Council
Hertsmere Borough Council
Huntingdonshire District Council
Kings Lynn & West Norfolk BC
Lewes District Council
Lichfield DC
Maldon District Council
North Devon DC
North Dorset District Council
Oadby & Wigston Borough Council
Runnymede BC
Sevenoaks DC
South Derbyshire DC
South Hams District Council
South Ribble Borough Council
Stratford on Avon District Council
Swale DC
Uttlesford DC
West Somerset DC
Worthing BC

This amounts to a total of 93 authorities closing their arts service or making arts officers redundant in the last 15 years and it is now calculated that 140 local authorities have no dedicated arts officer or arts service, amounting to 37% of all authorities in England and Wales. There is often no major press coverage of arts development closures, unlike closures to capital projects or venues that may receive regional or national press and media interest. The closure of local authority arts services is consequently unreported and often unnoticed by the national arts funding system. This erosion of local arts service delivery also affects future local partnership development and regeneration, as many arts officers are also responsible for supporting independent arts in their areas.

Local authority arts funding also contribute to growth, and historically from our 2013 Local Authority Arts Spending Survey illustrated a leverage capability with an investment return of £4.04 for every £1 invested. Over 37% of all authorities in England and Wales no direct arts services and without a dedicated arts officer, are without a champion in their local area.

Appendix 3: Changes to Finances in 2016/17

Individual comments on changes in finance included:

- We've experienced a reduction in project and grant budgets.
- Funding is coming from another team and is for place-based regeneration
- On paper there is no change but in fact, having recently been moved into Economic Development I am able to make bids into our strategic fund so in fact I do feel better resourced.
- Our current position is the result of a council restructuring in 2014
- In 15/16 the Arts Team was responsible for management of RWC15 Fanzone in Exeter; in 2016 the project management of Radio 1 Big Weekend at Powderham Castle. The Council has risen to the challenge and provided one of budgets to enable this and while it is extremely unlikely that another major national event will come to Exeter, the Arts Team has proved its value in terms of raising profile, economic benefit and civic pride in the city. I would imagine much depends the impact of Brexit on Local Government as to whether the Council can continue its strong commitment to the arts
- Arts budget has increased but expectations and number of events covered has also increased.
- The survey suggests a reduction but the larger budget in 15/16 was due to project budgets being available to us
- Redbridge Drama Centre and Redbridge Music Service transferred to Vision RCL on the 1st April 2016, although the arts budget has remained static
- Over the next 3 years we will be delivering an ERDF / ACE creative growth project in partnership with the LEP worth £984,000
- The core net budget from the local authority is standstill, however overall expenditure will be increased due to new revenue streams - APW funding and Regional education network funding - both from ACW
- The budget has been based on the previous years with no inflation. Under the Senior Management Review process one post has replaced Arts and Heritage posts. There is only budget for one post in the current year but both have currently been retained. The Arts Service will move out of Local Authority to become an Arts Trust running the OW Peoples Market capital development.
- Arts Service activity is now largely contracted out or commissioned with very little directly delivered services being provided from the Council. This has in fact proved to be a successful approach in empowering arts organisations and in deepening partnership working relationships.
- The arts development budget has had £4000 removed to offset an overspend in education. This is a third of the overall available budget for arts projects/ gallery management / marketing etc.
- Cardiff Council is currently in the process of our-sourcing both St David's Hall and the New Theatre to an external operator with negotiations expected to be completed within this financial year.

Appendix 4: Comments on relationships with ACE and ACW

Arts Council England:

- The Percent for Art service contacts the Arts Council for advice and guidance on an ad hoc, project by project, basis.
- Receive good advice when contacting re grant applications.
- We only have one NPO, and they chose not to apply for Council funding (they are eligible) so we are not currently supporting them. Our relationship with ACE has improved; it was quite poor a few years ago.
- Sometimes it is very strong and productive but it can be a little inconsistent as resources are stretched across in both ACE & LAs
- Over recent years our relationship with ACE has receded considerably, but we are still on good terms, just much more infrequent contact.
- ECC recently signed an MOU with ACE to ensure there is a broad geographic spread of funding and to work closer to develop bids and secure more co-investment
- Developing relationship with libraries officer at ACE, our money from ACE this year has come through GfA (Libraries)
- Our Arts Partnership has recently re-connected
- Darren Henley visited us this year.
- ACE generally talk direct to the director of culture and LARC and COOL networks
- ACE have been very positive and supportive both with us as a local authority and through our East Sussex Arts Partnership.
- We lost our arts manager in 2015 and since then the arts team has no direct relationship. Our chief executive does.

Arts Council of Wales

- Ceri will be happy to discuss and give us support
- I have recently been appointed a new Arts Council Officer the second in about a year to 18mths. We have met x2 the relationship is developing.

Appendix 5: Immediate Financial priorities

Contribute to community activities & objectives

- Maintaining the Museum & Theatre facilities
- Helping to maintain the arts sector in Lancashire and to prepare and sustain the sector for the future.
- To maintain financial support to arts organisations who currently receive funding.
- The Arts Development Budget supporting the gallery and projects is £11,435. To support and market Art Central Galleries programme of exhibitions celebrating the galleries 10th anniversary 2016/17. Employ temporary assistance for gallery curation. To support ArtsConnect Partnership Projects. Utilise part of the small project budget to match fund a small ACW grant. Market arts events/opportunities. Implement a new Arts Development Strategy in line with the Welsh Governments Well-being of Future Generations (Wales) Act 2015.

Making savings & restructuring

- Drive value for money from contractors - ensure they deliver the numbers of participants and the outcomes we have agreed with them. Manage grants budget more strategically (fewer grants for more substantial sums, rather than spreading it thin with lots of very small grants). We are being strongly encouraged to go for external funding to add value to the Council's contribution.
- Transformation of the service including review now we have established the future outcomes and functions of the future team. To support the sector to become more resilient in the final year of funding for all activity except £200000 ring-fenced for the Lawrence Batley Theatre moving forward.
- Do continue to develop services up to opening of new capital project and as move into trust
- Efficiencies

Increasing income

- Development of new business model for Middlesbrough Town Hall post refurbishment in 2018. Increase in earned income required from Middlesbrough Theatre; £150,000 saving to be realized in 2017/18
- Increasing income especially from external grants, box office, room hire, confectionary and Bars

Fundraising

- Fundraising; Income Generation
- To raise funding through grant applications.
- To secure public art funding through development sites. To advise arts organisations in their fundraising efforts. To seek funding from external funders and collaborate with others for the delivery of arts projects. To support arts organisations as appropriate to secure funding during the next NPO funding round and maintain positive relationships with Arts Council.
- Using our resources as match to attract inward investment from other funding bodies.
- Working with our housing and regeneration team on a £100,000 grants scheme for one ward of the city
- Securing external funding to deliver the service

Supporting arts organisations

- Grants to regularly funded organisations, community/project grants
- Creative Leicestershire's priorities are to support creative enterprises to grow, across the partnership authorities in Leicestershire, Leicester and Rutland.

Audience development

- Supporting the local work of voluntary arts organisations through touring, exhibitions and grants
- Delivery of commissioned outdoor arts event in November to celebrate the 450th anniversary of Exeter Ship Canal using delivered arts services budget (60940) + GFTA applied for.
- Bexhill Town Centre regeneration: creative workspace; HRAEN Arts and education network: working with Bridge and CEP; Updating arts strategy; Skill development: Jobs Fair/ Creative Cafes; Festivals and events
- Organisational growth within the arts sector. Preparing for a strong cultural future (capital of culture bid?)

Sustaining & maintaining

- To keep the arts grants budget
- Sustainability Breaking even Value for money
- My salary and on costs. After that the priorities I seek to raise funds for are those of the cultural strategy: Participation Creative Industries Cultural Tourism
- Sustain current activity and lever in external funding
- Reduce cultural organisations reliance on local authority funding, including supporting the sector in generating new income streams and sponsorship for major events
- Maintaining funding for key arts organisations to ensure they are sustainable, reduced available funding means that amounts of support given through SLA or grant arrangements are modest, however support from the local authority is an important part of the funding mix for many.
- Reduce spend where possible increase earned income where possible develop other income streams such as friends schemes and donations secure capital investment
- Supporting existing arts organisations/venues; Maintaining current levels of engagement while budgets decrease; Identifying/participating in more collaborative projects to deliver cost efficiencies; Maintaining current/minimum level of Arts Development support i.e. staffing levels
- Trying to protect our arts revenue grants and look at new ideas for income generation over next 12 months.

Meeting council objectives

- Health and wellbeing; Sustainability
- Sustainability
- To support, promote and drive the role and continuing growth of the city, create places where people want to live and develop communities and their links with the city centre and create access to jobs for Manchester people.
- Economy, Children's Services, Older People especially dementia
- Meeting Poverty & Wellbeing agenda within budget allowance

Appendix 6: Arguments used to demonstrate arts contribution to corporate priorities

Improving the Cultural Offer / Positive Image

- Feedback from participants, numbers of participants, geographical reach.
- Improving the Cultural Offer; Inclusion; Health & Wellbeing; Community Participation.
- Cultural offer in relation to visitor economy impacts

Access & Inclusion

- Supporting vulnerable groups and meeting health and wellbeing priorities, empowering communities
- Grant funding both core and project that reaches communities that the Council does not reach

Wellbeing & Healthy Lifestyles

- The arts service has recently be relocated to the Community Investment Team. The organisation sees the arts service as an important and effective way to engage its customers and communities, particularly those living in some of the most deprived neighbourhoods in the UK. While the 'core services' of the organisation deal with building and maintaining social housing, the arts service is one of the services that help develop and improve the wellbeing of the people that reside in those homes.
- Contributions to health and wellbeing.
- Combating social isolation and loneliness.

Community Benefits

- Community cohesion, pride, wellbeing; Building community capacity, skills, confidence; Supporting voluntary orgs to be more financially sustainable and resilient, and less reliant on public money
- The value of art in relation to social cohesion and health and wellbeing

Corporate Policy

- Cultural spend secures inward investment from other partners and funding bodies. Culture enriches Essex resident's lives. Culture contributes to Essex County Council's Vision & Priorities
- Supporting the cultural economy across the district. The arts contributes to making sure the health, leisure, culture and community development the Council does, or commissions, delivers outcomes that:
 - Protect vulnerable people
 - Support the wider health and well-being agenda (e.g. older people)
 - Deliver sustainable communities (places where people want to live).
- Contributing towards the health and wellbeing of residents; helping to create locally distinctive places; contributing towards the economic vibrancy of the community.
- Economy, children's services, health and wellbeing
- Liverpool Culture Action plan lays out 5 areas:
 - 1.Support the development of infrastructure and facilities and the maintenance of heritage and culture that will improve, enhance and extend the offer for both residents and visitors and be an attractor for investors
 - 2. Work with the Mayor, Liverpool Vision, Marketing Liverpool and others to promote Liverpool on a worldwide stage
 - 3. Produce and host world class events that delight and surprise residents and attract visitors, that showcase the city's ambition, clarity of purpose, confidence and self-assurance
 - 4. Enable the people of the city to access, engage with, participate in and draw benefit from cultural and creative activity, developing their skills, talent and employability
 - 5. Support the work of the Cultural Organisations of the city via the Culture Liverpool Investment Programme, CLIP, which will succeed the Arts and Cultural Investment Programme in 2014
- Community engagement; Skill development/Youth employment: apprenticeships; Town Centre regeneration; Rural isolation; Mental well being
- Health & Wellbeing; Pride of Place & Sense of Pride; Educational attainment
- Civic pride, community cohesion, regeneration, economic growth, health & wellbeing, value for money and skills and learning
- Economic development; health & wellbeing; environmental impact

- Value for money, key driver for economic regeneration, contributing to health and wellbeing agenda, developing community cohesion, creating opportunities, raising aspirations, creating tourism destinations
- Health & wellbeing, regeneration, skills development & learning.
- Social outcomes cohesive communities health and well-being
- The Arts Service strives to meet the corporate priorities of the Council, via:
 - Supporting families and children living in poverty to get through the recession
 - Targeting support to deprived communities and families suffering from crime and anti-social behaviour
 - Supporting initiatives which generate employment and training for work opportunities
- Our arts strategy is being rewritten in line with our corporate priorities:
 - People in Conwy are educated and skilled
 - People in Conwy are safe and feel safe
 - People in Conwy live in safe and appropriate housing
 - People in Conwy are healthy and independent
 - People in Conwy live in a County which has a thriving economy
 - People in Conwy live in a sustainable environment
 - People in Conwy live in a County where heritage, culture and the Welsh language thrive
 - People in Conwy are informed, included and listened to

Outcomes and benefits from 'health & wellbeing' projects and 'creative skills' projects are used to demonstrate the benefits the arts can make.

- Contribute to the vision of Gwynedd Council to give residents a first contact with Welfare Act is going to be developed more and more. Impact on fywyddau - health and welfare, education, confidence building, skills development, boost the economy by supporting ; the arts and artists , supporting children and young people , elderly support , opportunities for those who only support culture and the Welsh language . Emphasized the impact on individuals and not necessarily large numbers and also attracted a lot of money and opportunities in Gwynedd through our projects and grants and elements of value for money.
- Community engagement; Benefits of education & arts practices; Strategic development; Public art development; financial support / resources; advocate for and advising artists/residents/organisations.
- The Council's Corporate Plan ensures that what we deliver also contributes to the overall vision and outcomes set out within Cardiff's integrated partnership strategy; "What Matters". We advocate that the Arts meet the following criteria: - The arts have the potential to improve the quality of life - Participating in the arts can help to build communities and contribute to a range of positive outcomes including improved health and wellbeing -The arts sector in the city is important to our economy as a thriving arts scene brings visitors to the city. It makes Cardiff an attractive place to live, work and play, which helps to attract businesses to base themselves here in the city. The "What Matters" Strategy will deliver 7 strategic outcomes to ensure that:
 - 1. People in Cardiff are healthy.
 - 2. Cardiff is a great place to live, work and play.
 - 3. People in Cardiff achieve their potential.
 - 4. Cardiff has a thriving and prosperous economy
 - 5. Cardiff is fair, just and an inclusive society.
 - 6. People in Cardiff have a clean and attractive environment.
 - 7. People in Cardiff are safe and feel safe

Creative Industry Development

- Culture is a huge regeneration catalyst and we are also working more and more with the health sector to communicate the health and wellbeing aspects of cultural engagement. We will be focusing on community engagement and how culture can build and improve communities.
- Supporting creative enterprises is supporting economic growth and helps make the region an attractive place to set up and run a creative business. We have used Creative Leicestershire case studies to show that it has supported high profile creative enterprises with bursaries and advice and these businesses work internationally e.g. Tom Hare and Aakash Odedra but still are based in Leicestershire.

Contributing to the Local Economy

- Economic - arts as a good investment; arts role in supporting health, wellbeing, and education. Arts organisations meeting Norfolk County Council's four priorities of: Excellence in Education Real Jobs Good Infrastructure Supporting Vulnerable People
- The Economic Strategy in skills and job growth
- Economic Impact
- Economic development and place-making; Skills development; Stronger communities; Aspiration; Positive image; Wellbeing; Inclusion, bringing in external investment into the arts, the visitor economy, volunteering and employment
- Economic and health benefits
- Contribution of culture to the regeneration of an area; engagement of communities in places where change is taking place; health benefits of taking part in the arts; ways that cultural events can attract people in to libraries
- Economic Growth & Sustainable community development
- Cultural offer in relation to visitor economy impacts
- Financial leverage (additional 4.5million raised by our core funded organisation in 15/16); raising profile of the city locally and nationally especially with major one off events such as RWC2015;

Participation in the Arts

- Enabling the creative expression of residents, and access to high quality arts
- Our core work consists of supporting creative industry development, support for artists, arts & health projects, education and basic skills taught through creative means, career support and mentoring of creative social enterprises. We work in partnership with Communities First, Regeneration services, EOTAS programmes, health officers, and schools to deliver this work. Our work supports literacy, mental and physical health issues, community development, and career progression routes through the arts.
- Arts as a consultation tool and to invest in the cultural development of communities.