

Northern Ireland Budgetary Outlook (2018-20)

This is a response compiled by the Executive of the Arts Council of Northern Ireland to the briefing on the Northern Ireland Budgetary Outlook (2018-20) issued by the Department for Finance on 18th December 2017. We welcome the opportunity to respond to the stakeholder consultation and since final decisions have not yet been reached, we trust that these views will be considered fully before a budget is agreed. We have chosen not to use the Budget Briefing Template given its more generic structure. Instead we have chosen to construct a response based on issues and concerns relevant to the Arts Council and the sector it supports. It should, however, be noted that we are not nominating other areas of public service for reductions since we do not consider that to be appropriate.

Who we are, What we do

The Arts Council of Northern Ireland is the main development agency for the Arts and cultural sector.

Under our mission *to place the Arts at the heart of our social, economic and creative lives* we have set out a 5-year strategy *Ambitions for the Arts* structured under the themes: *championing the Arts; promoting access and building a sustainable sector*. It emphasises our core aim to invest in artistic excellence and ensure that work of quality is presented to the widest possible audience. This reflects on the ability of the Arts to innovate, to challenge preconceptions and to broaden and enrich our lives. Based on this platform, the strategy has succeeded in opening up new ways in which the Arts can support and enhance education and learning, health and wellbeing, contribute to our economic prosperity and help create a more inclusive and safe society.

The Arts are for Everyone

The most recent NISRA Continuous Household Survey shows that 81% of our population engaged in the Arts in 2016/17. Public investment enables local citizens to enjoy the cultural offer of our theatres and venues that are the cultural heartbeat of our towns and cities; without them we would be much the poorer. That investment also supports the Arts in community spaces and schools, hospitals and care homes. Implementing further cuts to the arts sector will endanger the richness and variety that so many people enjoy.

How We Invest Public Funds

The Annual Funding Programme is the primary investment programme we use to support arts organisations and is vital to achieving our strategic aims and objectives. As well as this, we deliver a range of other, targeted, programmes such as the Support for Individual Artist Programme (SIAP), Small Grants Programme, Arts & Older People Programme and a Young People and Wellbeing Programme. We also deliver a Creative Schools Programme in partnership with the Education Authority and the Urban Villages initiative.

Publicly funded arts organisations in Northern Ireland continue to gain public and critical acclaim, winning awards, reaching new audiences for their work and developing new touring opportunities. The creative, cultural and social context in which our artists work is constantly evolving so we have responded by creating a range of funding opportunities that help them grow their talent and sustain their practice.

Six Successive Years of Cuts

Government investment in the Arts has fallen by 30% in cash terms over the last six years, from £14.1m to £9.8m, figure 1, closer to 40% when inflation is taken into account. The consequences of a further reduction is that the Arts Council will not be able to meet existing commitments and it will severely hamper efforts to maintain support to artists and organisations throughout Northern Ireland. Reducing an already fragile Arts budget would have a devastating impact on our cultural infrastructure.

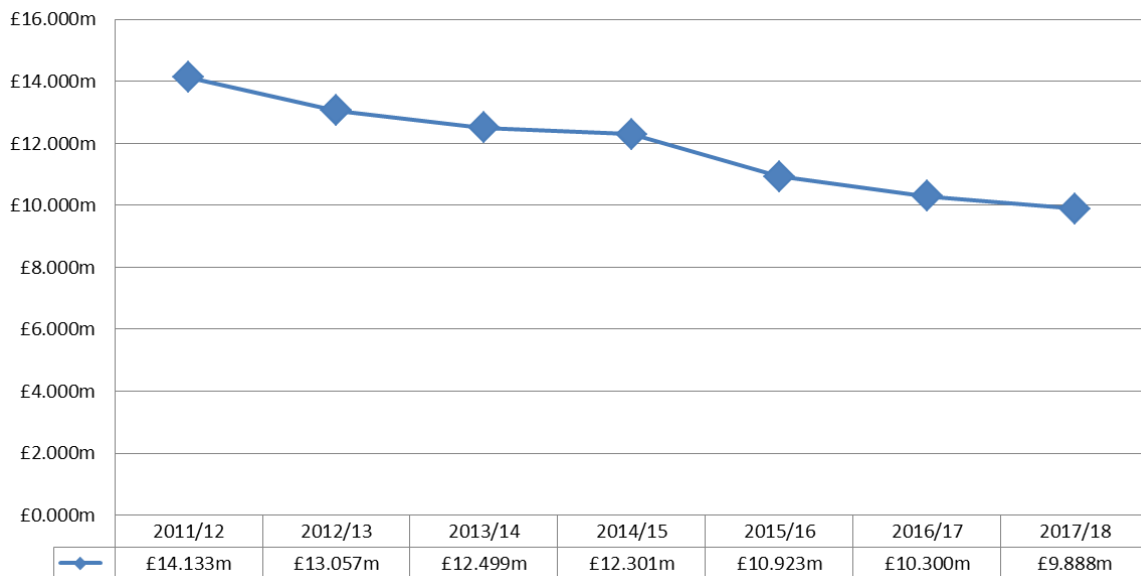


Figure 1. Systematic Reductions in Exchequer Funding

The relative small scale of the Arts budget means that any reduction will be felt more keenly by the frontline service providers. The funding situation for the Arts is worsened by two additional factors. Firstly, the sector has already had to absorb a sizeable reduction in its annual budget with reductions over the past six years. Secondly, the shortage of Exchequer funds has created increased reliance on National Lottery funds to support Arts organisations, at a time when this income source is in decline on account of falling sales of Lottery tickets (figure 2.).

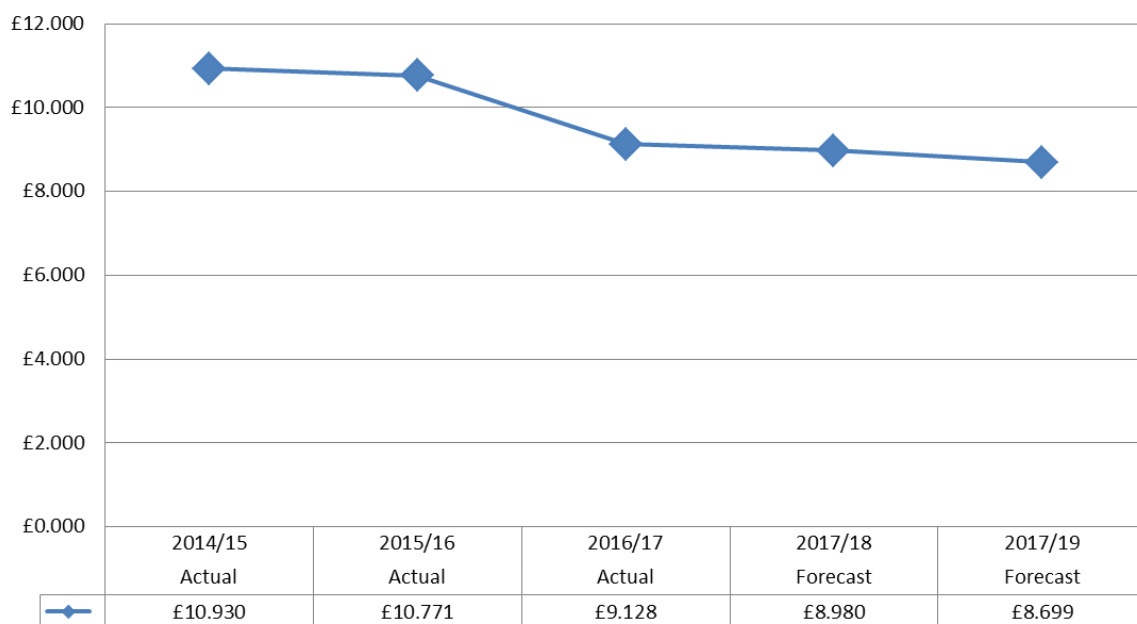


Figure 2. Forecasted Reduction in Lottery Income

The Budget Implications

Based on the figures presented in the Briefing on Budgetary Outlook 2018-20, the projected outlook for the Arts Council's sponsor department, the Department for Communities (DfC), is shown in Table 1. These projections include areas of protected spend.

Scenario	2017-18 (£m)	2018-19 (£m)	2019-20 (£m)	% Reduction 2018-19	% Reduction 2019-20
1	914.7	895.0	865.0	-2.2%	-5.4%
2	914.7	898.0	865.0	-1.8%	-5.4%
3	914.7	890.0	835.0	-2.7%	-8.7%

Table 1. Department for Communities Budget Scenarios

- Scenario One is similar to the approach of the previous Executive in 2016-17 (and then maintained in 2017-18). It provides no central fund for new actions and interventions in support of PfG.
- Scenario Two is similar to Scenario One but assumes a level of new funding from additional income generation/reviews of existing policies which could be used to fund additional pressures. It provides a central fund for new actions and interventions (for all departments) in support of PfG of £40 million in 2018-19 and £50 million in 2019-20.
- Scenario Three relies more heavily on departmental reductions to allow available funding to be redirected to priorities such as health and schools. It provides a central fund for new actions and interventions (for all departments) in support of PfG of £30m.

Correspondence from the Permanent Secretary of DfC in December 2017 sets out the Exchequer funding implications for the Arts Council, as shown in Table 2.

Scenario	2017-18 baseline (£m)	2018-19 (£m)	2019-20 (£m)	% Reduction 2018-19	% Reduction 2019-20
1	9.8	9.5	9.0	-4%	-8%
2	9.8	9.5	9.0	-4%	-8%
3	9.8	9.2	8.7	-7%	-12%

Table 2. ACNI Budget Scenarios

Based on these calculations using the current (2017/18) baseline figure, Scenario Two is modelled on the assumption that there will be **no new funding from additional income generation measures** since these will be used to alleviate identified pressures.

How we Compare

Comparisons with spending on the Arts throughout the other regions of the United Kingdom and in the Republic of Ireland, demonstrate the extent to which Government continues to undervalue the significance of the Arts here and their contribution to the prosperity of the region. Northern Ireland has the lowest levels of per capita Government spending on the Arts, and the disparity of funding continues to grow. Based on 2017/18 budget, the Arts Council of Northern Ireland receives only £5.31 per capita, contrasting sharply with Wales £10.03 and the Republic of Ireland £12.79 with both of whom we share a similar role and remit.

Republic of Ireland	£12.79
Wales	£10.03
Northern Ireland	£5.31

The comparatively low level of Government support for the Arts is at variance with public attitudes towards Arts and culture in Northern Ireland. An ACNI/NISRA survey found that 79% of people agreed that Arts and cultural activities help to enrich the quality of their lives, and 78% agreed that such activities should be publicly funded¹.

Sectoral Voices

The Arts Council held briefing events on the 10th and 12th January in Belfast and L/Derry to discuss the budget proposals which continue the historical trend of **disproportionate underinvestment**.

At these meetings, organisations expressed their fears about the impact of further cuts on service delivery. Some of the points made at the briefing events are summarised below:

- The Arts make Northern Ireland an attractive destination for investment and tourism;

¹ ACNI/NISRA (2012) Omnibus Survey

- The Arts and creative sector are key components of the night-time economy, contributing to tourism, employment, and the diversity of the economy;
- Cutting funding to the Arts reduces opportunities for skills development and inhibits pathways into the Creative Industries;
- Reducing funding threatens innovation and the development of new artistic work;
- Reducing funding threatens outreach to rural areas and the most marginalised communities; and
- Reducing funding threatens the capacity of Arts organisations to generate income and explore alternative funding opportunities.

Our Inclusive Vision

Improving relationships between and within communities and building a shared and better future for everyone, is a vital element of the Arts Council's vision. That vision applies to everyone. It is absolutely inclusive and means ensuring that everyone living here - regardless of social, economic, community or ethnic background - has the opportunity to access and engage fully with the Arts, and enjoy the many benefits of doing so.

Maintaining and enhancing access to the Arts for the most marginalised in society remains a priority for the Arts Council. ACNI funded organisations deliver projects and activities that are widely accessible² to all:

- Over 50% of these outreach activities occur in the 20% most deprived neighbourhoods;
- 9% of performances are modified for people with autism, learning disabilities and sensory or communication difficulties;
- 21% of the programme activities of funded organisations are dedicated to engage disabled people;
- 13% of the programme activities of funded organisations are dedicated to engage ethnic minorities; and
- 8% of the programme activities of funded organisations are dedicated to engage members of LGBTQ communities.

In Northern Ireland the Arts have proven an effective way of bringing people from different backgrounds together building a new sense of belonging based on common values. The Arts Council, working in tandem with other agencies on the Re-Imaging Communities Programme, promoted the use of artistic expression in addressing the physical manifestations of sectarianism and racism. The programme demonstrated how the Arts can bring communities closer together, help transform public places into more welcoming spaces.

The Arts Council's investment in the Intercultural Arts Strategy supported the Minority Ethnic Arts infrastructure and to promote exchanges between different cultural groups in society.

Arts Council funding empowers participation by marginalised groups, particularly in the areas of disability Arts, health and wellbeing. It is important that any review of existing public service policies does not negatively impact on fair access to the Arts and our Equality commitments.

² <http://artscouncil-ni.org/funding/rfo-survey>

Alignment to the Programme for Government

The Programme for Government provides a model for collaborative working and a framework around which a budget can be built. We have been working with the Public Health Agency and the Education Authority to deliver shared outcomes in key areas, however, reducing the Arts budget undermines our ability to work collaboratively.

The contribution of Arts and creativity is primarily reflected in Outcome 5³. However, empirical evidence points, strongly, to the benefits of using the Arts within a number of other Outcome areas, including health, education and the economy. We need an inclusive vision to work towards delivering PfG outcomes, one that recognises the role of the Arts in their own right and as a mechanism to achieve wider societal aims.

The Arts and the Economy

Funded Arts organisations are incubators for the creative industries. They play an important role in creating the environmental conditions for the wider sector to develop. The creative industries are at the heart of social, economic and cultural regeneration, providing jobs and driving growth in communities. They are worth £87.4bn in GVA to the UK's economy and have been growing faster than any other sector since 2008. In Northern Ireland 36,000 people are employed in the creative industries or in creative occupations (4.6% of the workforce).

Health, Confidence and Wellbeing

The All-Party Parliamentary Group on Arts, Health and Wellbeing reported in 2017 that the Arts can help meet major challenges facing health and social care: ageing, long-term conditions, loneliness and mental health.

Key findings include:

- Music interventions reduce agitation and the need for medication in 67% of people with dementia;
- £1 spent on early care through participatory Arts has been calculated to save up to £13 in future costs;
- Visual and Performing Arts in healthcare environments help reduce sickness, anxiety and stress.

A recent literature review by CASE (The Culture and Sports Evidence programme) identified 12 studies that showed evidence for the positive effect of the Arts on health; especially mental health⁴. The role of the Arts contributes to Outcomes 4, 8 and 9 by increasing **confidence and has a positive effect on mental health** among those engaged in the Arts.

Additionally studies have found a positive impact of the Arts on those suffering from dementia: from increased wellbeing⁵ to delayed onset of cognitive decline⁶.

³ 'We are an innovative, creative society, where people can fulfil their potential'

⁴ Taylor et.al. (2015) A review of the Social Impacts of Culture and Sport

⁵ Mental Health Foundation, (2011). An Evidence Review of the Impact of Participatory Arts on Older People

The Arts Council is investing in a dedicated programme with its partners the Public Health Agency and Baring Foundation to engage people aged 65 and over in Arts activity. The **Arts & Older People Programme** aims to strengthen the voice of older people and promote positive mental health and well-being through the following strategic aims:

- Combatting isolation and loneliness
- Promoting positive health and wellbeing
- Providing creative opportunities for older people living in disadvantaged and/or rural communities.

The Arts and Older People Programme addresses this disparity. It aligns with policy initiatives on active ageing, life-long learning, community engagement, improving quality of life, importance of wellbeing e.g. Active Ageing Strategy (2016-2021).

The Programme has reached over 19,000 participants. Evaluations have shown improvements to participants self-reported Physical and Mental Health, their wellbeing, and the alleviation of loneliness. The programme is ongoing and contributes to **Outcomes 4 and 8** of PfG.

The Arts Council's '**ARTiculate**' Programme illustrates how, by working in partnership with community organisations the Arts can engage with young people including **those who experience some form of social exclusion**. This preventative programme is a collaboration with the Public Health Agency and promotes projects that encourage self-expression and the development of self-confidence through custom-made projects using drama, music, visual arts and literature.

The Arts Impact on Education

The extensive literature review by CASE identified 18 studies which examined the effect the Arts has on education⁷. The evidence indicates the **positive effect the Arts have on children in formal education**, with reported improvements in self-esteem, self-efficacy, the development of social capital and attitudes to learning.

The Arts Council is investing in a **Creative Schools Pilot Programme**, developed in collaboration with Urban Villages and the Education Authority. The strategic aim of the Creative Schools Programme is to improve outcomes for disadvantaged young people and support them in contributing to positive change within the 5 designated Urban Village communities. This contributes to **Outcome 12**.

Investing in creative skills enhances the learning environment and strengthens the personal competencies of our future workforce. This form of engagement in the Arts contributes to **Outcomes 5 and 6**.

Local Government

We have been working to embed the Arts in the delivery arrangements of Local Government in a way that supports the thematic pillars of the community plans and offers meaningful

⁶ Institute of Health Equity, (2015). Inequalities in Mental Health, Cognitive Impairment and Dementia among Older People.

⁷ Taylor et.al. (2015) A review of the Social Impacts of Culture and Sport

local engagement in the Arts and creativity. The Arts Council's Challenge Fund has stimulated a raft of innovative projects which have enhanced creative engagement, strengthened a sense of place and captured the spirit of partnership enshrined in the community planning process.

A Sector at its Limits

Public funding of the Arts levers investment from other sources. Despite reductions in Arts Council grants (Exchequer and Lottery streams) over the last two years, the portfolio of funded organisations has, remarkably, succeeded in growing its total earned income from £18.9m (40.5%) in 2015-16 to £20.4m (41.7%) in 2016-17 (an 8% increase) to meet the shortfall in government funding. However, if core costs continue to be cut and the cultural workforce declines, there will inevitably be a loss of capacity in the sector with commensurate **reductions in income, activity and participation levels**.

The Arts Council urges a rethink on Spending Plans for the Arts

- The Arts have sustained disproportionate cuts in comparison with other areas of public funding. The past six years have witnessed a 30% cash terms drop in the Arts Council budget, closer to 40% when inflation is taken into account. Further cuts in investment will have a disastrous impact on our cultural infrastructure, exacerbate an already grave situation and threaten the sustainability of future Arts provision in Northern Ireland.
- The Arts are a significant strategic resource. There is a wealth of well-documented evidence that demonstrates their impact on our economy, health and wellbeing, society and education.
- We need an inclusive vision to work towards delivering PfG outcomes - one that recognises the role of the Arts in their own right and as a mechanism to achieve wider societal aims. Using the logic of the outcomes-based model, we have been working collectively with the Public Health Agency, the Education Authority and Local Government on initiatives that demonstrate the value and potential impact of the Arts at a societal level. This approach requires additional resources if the ambitions of the Programme for Government are to be met.
- The Arts contribute to creativity in other sectors and serve as an important direct generator of economic effect. The creative economy is recognised as a significant sector in creating economic growth, employment and trade.
- Participation in the Arts can help build cohesive communities, make people feel safer and reduce social exclusion. Through initiatives such as Reimagining Communities, the Arts Council has been partnering with agencies and working in community regeneration and social development.
- The Arts and creativity can contribute to a sense of place, can help make a difference to people's lives and how they feel about their locality.

The Arts are one of our defining assets. They have the power to inspire and enrich our lives. They elevate our image in our own eyes and in the eyes of the world. Our artists and arts organisations are fully engaged at the heart of social, economic and creative life. However,

the historic pattern of funding cuts threatens the very fabric of our cultural infrastructure and we urge a rethink on further reductions in Arts funding.