

IMPACT OF THE CORONAVIRUS ON NORTHERN IRELAND ARTS ORGANISATIONS

Summary of ACNI's survey of arts organisations in July 2020

Arts Council of Northern Ireland, August 2020

Summary of Findings

Covid-19 has created an unprecedented disruption to society since March 2020; almost overnight the economy underwent a drastic change. Arts organisations closed, events were postponed or cancelled, and audiences were simply not permitted to enter arts venues. Audiences and staff members were initially forced to lock down, and the implementation of social distancing has prevented live arts performances and participations.

To assess the situation faced by arts organisations, ACNI ran a survey for NI arts organisations from the 7 July until the 22 July, and it was further extended for an additional week until the 31 July 2020. A total of 129 responses were received.

Organisations participating in this survey estimate a loss of 180,000 arts activities and 3,000,000 audience members from engaging in the arts since lockdown began until September 2020. The loss of these events have prevented 36,000 work opportunities for NI artists and freelance creatives.

The arts are an important cultural and social asset, known to have health and wellbeing benefits to those participating in or attending.

Evidence suggests the pressure of lock down and social distancing has led to declining mental health¹, in part due to the absence of live events. Audiences are missing engaging in the arts² and survey findings show the majority of respondents would be willing to attend venues if social distancing measures are put in place³.

Despite this and in line with the Executive's five stage plan, cultural organisations were some of the last services to open and even now, they are only operating on a restricted basis. At the time of writing comparable services such as close contact retail, team sports practice, and restaurants have all opened (the latter with subsidy for customers). The majority of arts performances venues are still closed.

The ability of the arts to contribute to the local economy has been severely compromised as a direct result of the pandemic. The ability of the sector to recover has been compounded by measures adopted by the NI Executive in their recovery plan.

Arts organisations reported average losses of £91,000 in ticket sales and many public and philanthropic funders have either withdrawn or been unable to provide funding. Organisations have been unable to make sufficient cost savings to balance their accounts and 74% predict deficits by the end of the year; which they estimate will be between £6.6-10m for 2020/21.

¹ Rising levels of mental distress in the UK population, with one in four (27.3%) potential having clinically significant levels of mental stress compared with one in five before the study (18.9%). <https://www.city.ac.uk/news/2020/july/study-estimates-impact-covid-19-pandemic-uk-mental-health-first-month-lockdown>

² 92% missing attending live events (8,300) <https://wewillthrive.co.uk/audience-insights/reports/after-the-interval-act-1-insights>

³ 72% consider attending if venues opened with social distancing (4,800) <https://wewillthrive.co.uk/audience-insights/reports/after-the-interval-act-2>

The seasonal nature of the arts sector means for many organisations the real financial pressure is still to be fully felt. Respondents expressed concern that government support to date has only helped those with immediate financial concerns. Those organisations supporting the delivery of large scale events, such as festivals, are yet to feel the full impact. It is vital organisations have a cultural offering for 2021/22 to attract audiences back to the arts and this requires staff and financial stability in 2020/21.

“It is important that we try and address these longer term issues as well as the immediate ones if we are we build back a more sustainable sector that contributes to the recovery of NI.”

Organisations are adapting to the new operating environment. Ninety per cent now deliver content on-line and 80% have deployed a range of new engagement methods. However, less than half have been able to generate income through online content, and where they have, it is just over 10% of the income lost.

Some arts organisations have accessed emergency funding, however the survey has shown that this was not enough to cover their losses. Average income from hardship funding was on average £6,300 per organisation compared with £91k of losses. The charitable status of many arts organisations excluded them from small business grants opportunities.

By September 2020, 30% of arts organisations plan to reopen, however 8% do not plan to reopen before 2021. In order to reopen organisations have many changes to make, both to the physical space they operate in but also to their policies and procedures. These changes come with an estimated cost of £3.7m, however organisations report that reduced numbers due to social distancing will be the single greatest cost of reopening; £2.8m across respondents.

As HMRC’s Coronavirus Job Retention Scheme contributions taper off, responding organisations will have to meet additional staff overheads for their full time employees of £840k per month, based on average earnings within Northern Ireland Statistics and Research Agency’s Annual Survey of Hours and Earnings 2018. Additional costs will also be incurred for their part time staff.

For a sector that was fragile before the Covid-19 pandemic, the collapse of live arts events and the difficulty in generating income through online delivery will have long term consequences for the NI arts sector. The financial strain faced by arts organisations who have responded to this survey, and the loss of income for their 3,200 employees, is reflective of the situation across the whole NI arts sector. Not just immediate support is require, but longer term funding to ensure that organisations with different crisis points can be mitigated.

Key Findings

- 39% of organisations can be considered as arts venues
- Responses were most prevalent from music (21%) and theatre (18%) organisations
- A significant number of organisations consider they do not have a predominant artform (n=10).
- 37% of respondents (n=48) are not currently funded by ACNI
- Total employment across the 129 organisations is 3,220.
- A total of 965 employees are currently furloughed
- There have been 48 redundancies to date with plans for a further 32.
- 44% of respondent lost over 50% of their projected income since lockdown, and average of £91k, and a total of £11.6m across the sample.
- The maximum loss projected by any one respondent was £1.1m, with a total of 6 organisations projecting losses of more than £500k.
- 74% of organisations are predicting a deficit in 2020/21, a total of £6.6-10m, and projections place this at between 14-33% of organisations total income.
- 76% of organisation projecting a deficit state that Covid-19 has been responsible for more than 75% of their deficits
- Almost 181,000 activities were lost as a result of Covid-19.
- Organisations were unable to employ artists as a direct result of Covid-19 with overall estimated loss of 36,473 artists.
- To cope with the new challenges organisations are trying to engage their audience in new ways, and trying to maintain their programme where possible:
 - 90% are delivering online and 80% are developing new methods of engagement
 - 53% are postponing events to either later in 2020/21 or until 2021/22
 - Approximately one third of organisations are adapting existing content to be deliver online, while another third are creating new material for their online content.
 - 15% are using a mixture of both adapted and new content for their online delivery.
 - However 54% of organisations are not generating income through their online content.
 - Organisations have generated £1.45m from new income streams, only 13% of the income the respondents have lost (£11.6m).
 - On average organisations had been able to bring in £11k in income from new sources compared with average losses of £91k.
 - 22% of organisations plan to reopen in September 2020.
 - 8% of the sample do not plan to open before 2021.
 - On-site sanitiser (69%), frequent deep cleaning (63%) and reduced capacity (62%) were the most adaptations required by respondents.
- In the final question, to allow respondents to add further information to the survey, organisations expressed the need for urgent intervention, support for freelancers and the wider creative sector needed within the arts ecology, and for support that did not require onerous outcome or monetary targets.