

Local Authority Arts and Culture Expenditure Survey

2006 to 2013

*A summary of key findings from a survey of local
council's Culture and Related Services income and
expenditure*

June 2015
Strategic Development Department

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Main Points

- Total expenditure on culture and related services in 2013/14 was £50,281,470, an increase of 2.9% compared to the previous year.
- Excluding Belfast and Derry, expenditure on culture and related services in 2013/14 was £25,313,177, a reduction of 3% compared to the previous year.
- Since 2006/07 expenditure on culture and related services has increased by 43% with average annual increases of 8.5%.
- Expenditure relating to arts development was £23,684,424 in 2013/14, the largest single sub-division of the culture and related services domain.
- Gross income for the culture and related services domain in 2013/14 was £20,331,769, representing 40.4% of expenditure.
- Cultural and related services expenditure represented 6.48% of continuing operating costs¹ in 2013/14. Excluding Belfast and Derry, this fell to 3.26%
- Per-capita expenditure on culture and related activities in 2013/14 was £27.48. Excluding Belfast and Derry, this fell to £17.59 per head.
- Projected Super Council expenditure (based on 2013/14 data) indicates that expenditure would range from £1.7m to £16.5m, with average spend per council of £4.6m. Excluding Belfast and Derry this would fall to £2.7m.

1. Introduction

This report presents information on the financial contribution that local councils make to the arts in Northern Ireland based on services provided to ratepayers.

Expenditure described does not relate solely to that distributed via revenue streams, including a range of costs including depreciation, impaired losses and support service overheads. As a result, no reliable direct comparisons with revenue funding received by the Arts Council from central government can be made. Income sources include grants from central government and revenue raised from council taxes, user fees and charges, and other independent sources of income.

The analysis provides an overview of trends between 2006/07 and 2013/14 as they relate to audited income and expenditure under the culture and related services sub-division of local council's accounting system. Projected spend based on the new eleven council model is included to assist with the development of Community Plans which will identify long-term objectives and actions for improving social, economic and environmental wellbeing.

¹ Operating costs are expenses incurred by each Council on a continuing basis, excluding capital outlays

1.1 Data Classification

The data presented in this report is sourced from the Department of the Environment (DoE) Planning Department and details gross income and expenditure on culture and related services for each local council in Northern Ireland. To encourage standardisation in accounting, councils record this information in line with guidance provided by CIPFA in the Service Reporting Code of Practice (the SeRCOP).²

In addition to direct costs, each division of service may also include:

- Depreciation;
- Impaired loss identified on assets used to provide the services to an authority;
- Revenue expenditure funded from capital under statute;
- Amortisation of intangible assets;
- Support service overheads; and
- Current service costs.

The Culture and Related Services domain is one of 12 service divisions. It is sub-divided into 5 domains: archives, arts development and support, heritage, museums and galleries and theatre and public entertainment. Examples of income and expenditure sources included under each of the sub-divisions are shown in Table 1.

Table 1: Sub-divisions of Culture and Related Services category as defined in the Service Expenditure Hierarchy

Culture and Related Service Sub-division	Examples of possible income and expenditure sources
Arts Development and Support	Relates to direct income and expenditure on the arts and includes: purchases of art, temporary exhibitions, grants or other contributions to individuals or voluntary organisations for the development and support of the arts. Also may include costs associated with artists in residencies.
Heritage	Relates to repair and maintenance of councils historic buildings and ancient monuments (including recovery of expenses), initiatives or services designed to develop or maintain an awareness of local history, grants to voluntary groups and special events to celebrate historical events.
Museums and galleries	Relates to income and expenditure relating to all museums and galleries provided by councils, with permanent collections open to the public. Also includes museum services, grants to independent museums. Includes gross income earned from visitors.
Theatre and public entertainment	Includes income and expenditure relating to: theatres, concert halls, dance halls, other entertainment premises, maintaining a band/orchestra, arranging events e.g. concert, pantomimes, promoting events, making grants to others who provide entertainment.

² Local authorities in the United Kingdom are required to keep their accounts in accordance with 'proper practices'. SeRCOP establishes 'proper practice' with regard to consistent financial reporting below the Statement of Accounts level.

1.2 Data Validation and Interpretation

Initial trend analysis highlighted some inconsistencies in classification year on-year. Where this was the case, council's provided re-classified data. No guarantee can be provided that interpretation of service sub-divisions has been consistent across each of the council areas.

The data analysed in this report was provided by Department of Environment (Local Planning Division) and includes audited figures for each of the years described. Completed figures are authorised by Chief Financial Officer before being returned to the Department. DoE's authority to obtain this data is derived from Section 104 of the Local Government Finance Act 2014 (formerly Section 127 of the Local Government Act 1972).

In a number of cases, it has been necessary to exclude extreme responses in order to ensure that trends displayed are accurate. These responses were verified as correct but were extreme enough to obscure the trends for the portfolio as a whole. In the majority of cases, these outliers related to impairment charges made following the revaluation of capital assets.

2. Trends in culture and related services expenditure

Table 2 shows gross expenditure on culture and related services for all councils broken down by sub-divisions between 2006/07 and 2013/14.

Overall, culture and related services expenditure in 2013/14 was £50.3m. By sub-division, arts development represented the largest category of expenditure (£23.7m), with archives the smallest (£0.58m).

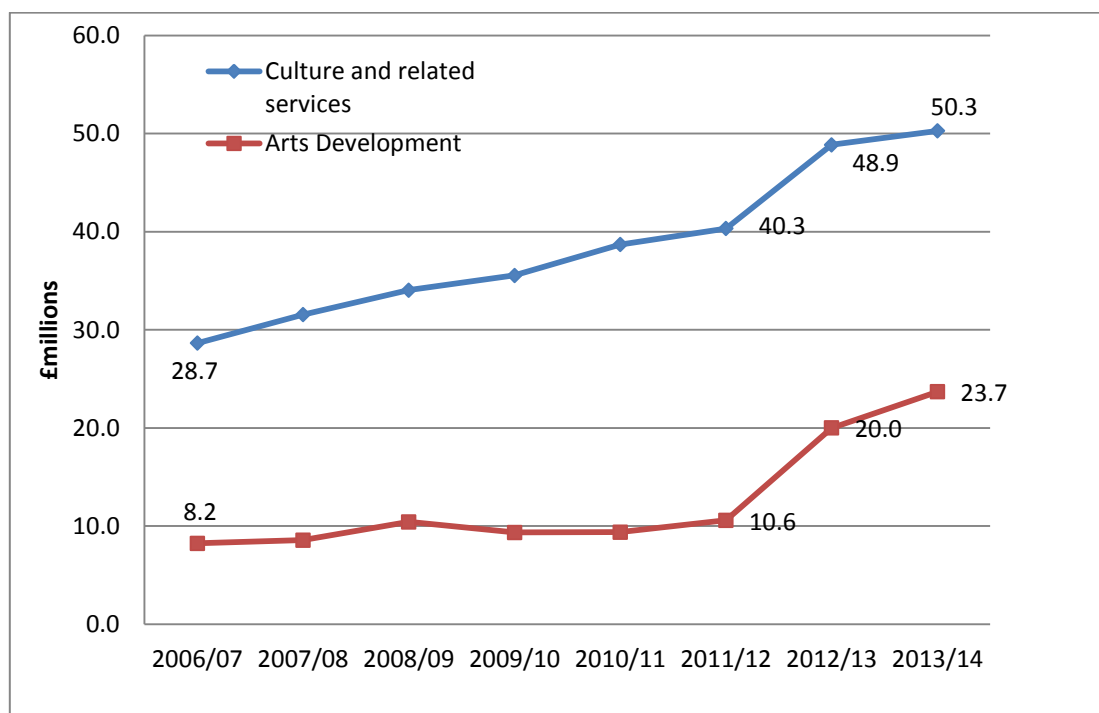
Table 2: Gross expenditure on culture and related services sub-division (£m)

	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
Culture / related services of which:	28.7	31.6	34.1	35.5	38.7	40.3	48.9	50.3
<i>Arts Development</i>	8.2	8.6	10.4	9.4	9.4	10.6	20.0	23.7
<i>Theatre and public entertainment</i>	11.0	12.6	14.3	15.3	15.3	16.8	17.4	14.5
<i>Heritage</i>	2.9	3.1	1.1	2.6	4.1	4.1	2.7	1.9
<i>Museums and art galleries</i>	6.4	7.1	8.0	8.0	9.7	8.8	8.7	10.1
<i>Archives</i>	1.6	1.6	2.0	2.0	1.1	1.2	0.32	0.58

Figure 1 shows annual levels of expenditure on arts development as a proportion of culture and related services between 2006/07 and 2013/14.

- Looking at the long-term trend, between 2006/07 and 2011/12, gross expenditure on culture and related services showed a modest upward trend, with an average year-on-year increases of 7.1%. Average annual expenditure was £34.8m.
- In 2012/13 expenditure increased significantly by 17.5% on the previous year from £40.3m to £48.9m. At a sub-division level, this change is reflected most in Arts Development which increased to £20.0m.
- This rise can be largely attributed to Derry City Council where arts development expenditure increased by 82% from £1.9m to £10.3m as a consequence of delivering City of Culture in 2013. This level of expenditure was sustained into 2013/14, increasing by a further 25% to £13.8m.
- As a percentage of total continuing operations in 2013/14, cultural and related services represented 6.48% of expenditure. Excluding Belfast and Derry, this fell to 3.26%

Figure 1: Annual levels of expenditure on arts development as a proportion of culture and related services between 2006/07 and 2013/14.



3. Trends in culture and related services expenditure (excluding Belfast and Derry)

Table 3 shows gross expenditure on culture and related services, excluding Belfast and Derry for the period 2006/07 to 2013/14.

Expenditure in 2013/14 for this sample was £25.3m, constituting 50 per cent of total expenditure. By sub-division, theatre and public entertainment represented the single largest category of expenditure (£8.6m). Arts development expenditure was £8.1m.

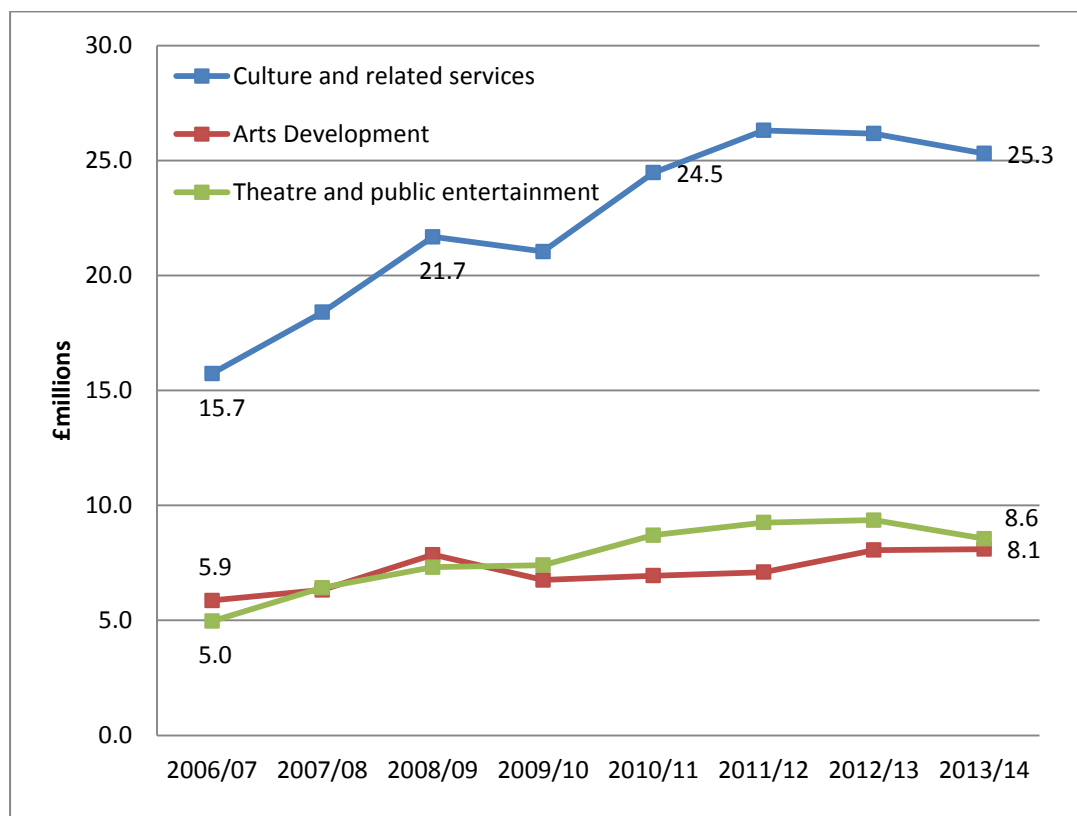
Table 3: Gross expenditure on culture and related services, excluding Belfast and Derry (£m)

	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
Culture and related services	15.7	18.4	21.7	21.0	24.5	26.3	26.2	25.3
<i>Arts Development</i>	5.9	6.3	7.9	6.8	6.9	7.1	8.1	8.1
<i>Theatre and public entertainment</i>	5.0	6.4	7.3	7.4	8.7	9.3	9.4	8.6
<i>Heritage</i>	0.3	0.3	0.4	0.7	1.0	2.7	1.5	0.8
<i>Museums and art galleries</i>	4.6	5.3	6.1	6.2	7.8	7.3	7.3	7.9
<i>Archives</i>	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0

- Over the nine years between 2006/07 and 2013/14, culture and related expenditure increased on average of 7% each year. Average annual expenditure on culture and related services for this period was £22.3m each year.

- Since 2011/12, culture and related expenditure has fallen by £1.0m. Most notably in the sub-divisions of arts development and heritage. There has been no expenditure on archives outside Belfast or Derry since 2006/07.

Figure 2: Trend analysis of expenditure on culture and related services (excluding Belfast and Derry)



4. Percentage Changes in Culture Expenditure

Figure 3 shows the percentage change in expenditure on culture and related services between 2012/13 and 2013/14. Findings show that:

- Expenditure increased for ten of the 26 Councils between 2012/13 and 2013/14. Six of these saw increases greater than 10 percent. Limavady Borough Council experienced the largest year-on-year increase of 51 percent. The average increase for these councils was £717,702.
- Expenditure decreased for 15 of the 26 Councils between 2012/13 and 2013/14. Ten of these saw decreases greater than 10 percent. Newtownabbey Borough Council showed the largest year-on-year decrease of 71 percent. The average decrease for these organisations was £387,121.

Table 4: Percentage change in Council expenditure on culture and related services between 2012/13 and 2013/14 (£m)

	2012/13	2013/14	% Change 2012/13 and 2013/14	Rank
Limavady Borough Council	0.75	1.54	51.48	1
North Down Borough Council	0.83	1.43	41.66	2
Newry & Mourne District Council	1.52	2.54	40.02	3
Derry City Council	11.76	16.06	26.76	4
Down District Council	1.72	1.99	13.50	5
Ards Borough Council	0.27	0.31	11.94	6
Castlereagh Borough Council	0.11	0.12	9.05	7
Cookstown District Council	0.87	0.95	8.55	8
Fermanagh District Council	1.06	1.13	6.50	9
Moyle District Council	0.09	0.09	4.96	10
Magherafelt District Council	0.03	0.03	0.00	11
Banbridge District Council	0.60	0.60	-0.95	12
Ballymena Borough Council	2.54	2.49	-2.27	13
Craigavon Borough Council	0.62	0.61	-2.45	14
Carrickfergus Borough Council	0.52	0.50	-2.89	15
Armagh City and District Council	1.72	1.65	-4.37	16
Antrim Borough Council	0.98	0.87	-13.35	17
Larne Borough Council	0.21	0.18	-15.35	18
Lisburn City Council	3.49	2.91	-20.00	19
Belfast City Council	10.91	8.85	-23.34	20
Coleraine Borough Council	1.10	0.82	-33.60	21
Dungannon & S Tyrone Borough Council	1.22	0.89	-36.46	22
Omagh District Council	1.21	0.84	-44.29	23
Strabane District Council	0.78	0.51	-54.54	24
Ballymoney Borough Council	0.63	0.41	-54.93	25
Newtownabbey Borough Council	3.31	1.92	-71.70	26

Table 5 shows the 10 councils in 2012/13 with the highest culture and related services expenditure as a proportion of overall operating costs.³ Percentages ranged between 25 percent (Derry City Council) and 1 percent (Magherafelt City Council).

The average percentage for all councils was 5.48 percent. Excluding Belfast and Derry, this fell by less than 1 percentage point to 4.67 percent.

³ Operating costs are expenses incurred by each Council on a continuing basis, excluding capital outlays

Table 5: Expenditure on culture and related services as a proportion of total operating costs

	Culture and related services (£m)	Percentage of total operating costs
Derry City Council	16.06	25%
Limavady Borough Council	1.54	12%
Ballymena Borough Council	2.49	10%
Lisburn City Council	2.91	10%
Armagh City and District Council	1.65	7%
Down District Council	1.99	7%
Newry & Mourne District Council	2.54	6%
Newtownabbey Borough Council	1.92	6%
Cookstown District Council	0.95	6%
Fermanagh District Council	1.13	5%

5. Per-capita expenditure

Figure 5 shows per capita expenditure in culture and related services in 2013/14. Figures are based on grant in aid and revenue raised from a number of sources including council taxes, user fees and charges, and other independent sources of income. As a result, these figures cannot be reliably compared with exchequer funding received by the Arts Council and distributed through its funding programmes

Analysis of this data shows us that:

- Per-capita expenditure on culture and related activities in 2013/14 was £27.48. Excluding Belfast and Derry, this fell to £17.59 per head of population.
- Expenditure at individual council level ranged from £25,000 per year (Magherafelt) to just over £16.0m (Derry). The average spend by council area was £1.9m.
- In 2013/14, the largest per capita expenditure was in Derry (£147.87). This was over three times more than Limavady Borough Council, which was second on the rank of expenditure and which spent £45.44 per head of population. Average per capita expenditure across the 26 Council's was £22.57.
- A comparison with per capita spend in 2009/10 shows Belfast spending the largest proportion per head of population (£43.13), followed by Ballymena (£32.45) and Lisburn (£27.96). Average per capita expenditure in 2009/10 by council area was £15.62.

Table 6: Per capita spend on culture and related services, 2013/14

	2013/14 (£m)	Per capita expenditure (£)	Rank
Derry City Council	16.06	147.87	1
Limavady Borough Council	1.54	45.44	2
Ballymena Borough Council	2.49	38.41	3
Belfast City Council	8.85	31.62	4
Down District Council	1.99	28.06	5
Armagh City and District Council	1.65	27.31	6
Cookstown District Council	0.95	25.41	7
Newry & Mourne District Council	2.54	24.96	8
Lisburn City Council	2.91	23.86	9
Newtownabbey Borough Council	1.92	22.50	10
Fermanagh District Council	1.13	18.08	11
North Down Borough Council	1.43	18.00	12
Omagh District Council	0.84	16.19	13
Antrim Borough Council	0.87	16.05	14
Dungannon & S Tyrone Borough Council	0.89	15.06	15
Coleraine Borough Council	0.82	13.90	16
Carrickfergus Borough Council	0.50	12.84	17
Ballymoney Borough Council	0.41	12.80	18
Strabane District Council	0.51	12.67	19
Banbridge District Council	0.60	12.23	20
Craigavon Borough Council	0.61	6.34	21
Larne Borough Council	0.18	5.66	22
Moyle District Council	0.09	5.23	23
Ards Borough Council	0.31	3.94	24
Castlereagh Borough Council	0.12	1.75	25
Magherafelt District Council	0.03	0.55	26

6. Income trends for culture and related services

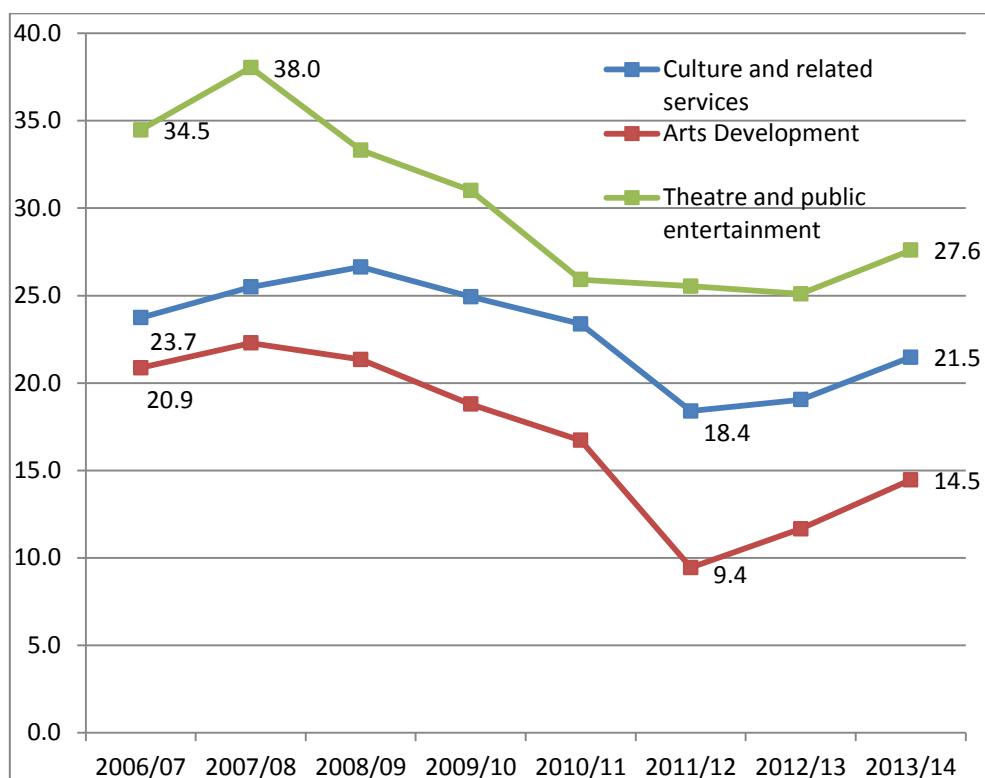
- In 2013/14, income for the culture and related services sub-division was £25.3m, representing 40 per cent of expenditure.
- On average, income represented 28 per cent of expenditure over the eight years between 2006/07 and 2013/14.
- Theatre and Public Entertainment sub-domain saw the largest single increase in income as a proportion of expenditure of 37.9 per cent.

Excluding Belfast and Derry:

- Income in 2013/14 was £5.4m. This represented 21.5 per cent of expenditure for this sample of councils.
- On average, income represented 22.9% of expenditure over the eight years, ranging between +/-8.2 per cent.
- With the exception of Museums / Galleries and Heritage sub-divisions, income has fallen as a proportion of expenditure by 5.2 per cent between 2006/07 and 2013/14.

- Theatre and Public Entertainment saw the largest single reduction in income as a proportion of expenditure between 2006/07 and 2013/14 of 7 per cent.
- Between 2012/13 and 2013/14, income grew as a percentage of expenditure by 3.1% or £594,000. This increase can be largely apportioned to the sub-division Arts Development.

Figure 3: Expenditure on Culture and Related Services Sub-division (excluding Belfast and Derry).



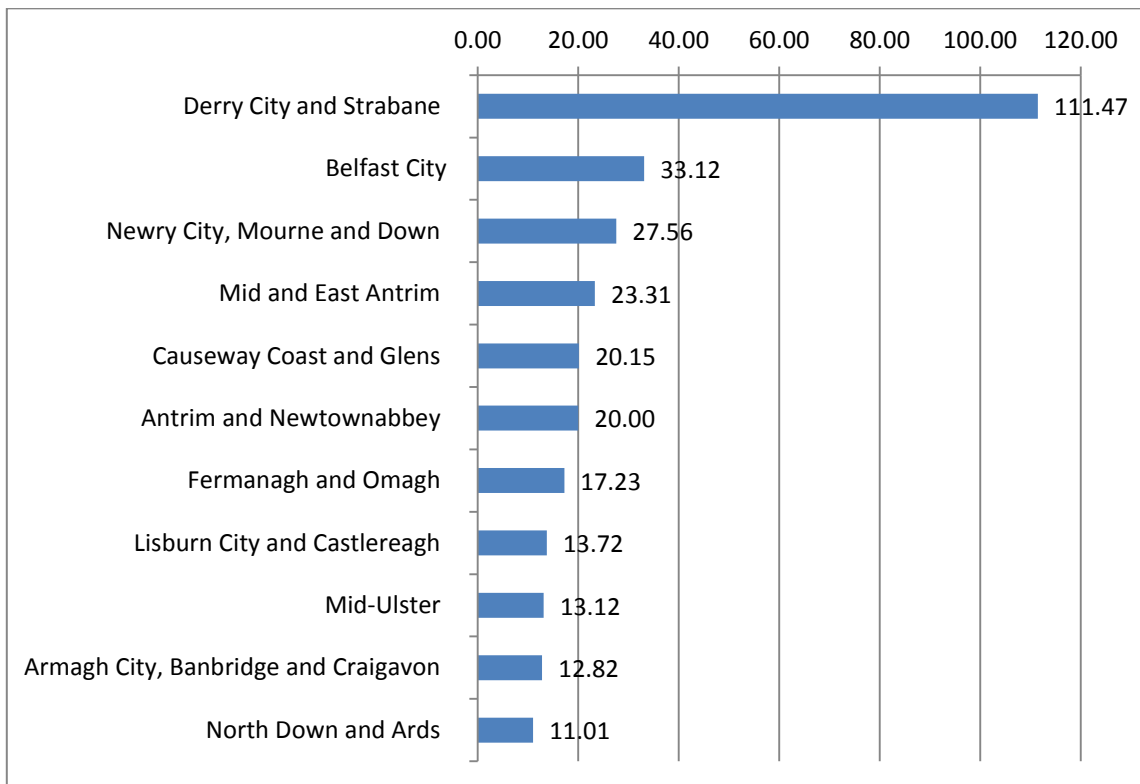
7. Projected Super Council expenditure

Using overall cultural and related services domain expenditure data from 2013/14 survey, the following analysis provides a projection of spend for the 2015/16 period based on the new 11 council model (figure 8).

Income and expenditure has been re-distributed to reflect changes in council boundaries. This is not intended as a forecast of expenditure as changes in the way services will be delivered will create new expenditure baselines. A full breakdown of data used in this section can be found in Appendix 1.

- Expenditure at individual council level ranged from £1.7m per annum (North Down and Ards District) to just over £16.6m (Derry City and Strabane District). The average spend by council area was £4.6m. Excluding Belfast and Derry gross expenditure falls to £2.7m

Figure 4: Projected spend for the 2015/16 period based on the eleven council configuration (£)



Appendix 1

Projected gross expenditure on culture and related services based on the new 11 council model

	Projected gross expenditure on culture and related services	Projected gross expenditure as percentage of total operating costs	Projected Per Capita expenditure on culture and related services	Rank by per capita expenditure on culture and related services
Derry City and Strabane District	£16,567,318	21.95%	111.47	1
Belfast City	£9,332,245	5.13%	33.12	2
Newry City, Mourne and Down District	£4,751,671	6.80%	27.56	3
Mid and East Antrim District	£3,170,632	5.82%	23.31	4
Causeway Coast and Glens District	£2,855,102	4.36%	20.15	5
Antrim and Newtownabbey District	£2,791,224	5.20%	20.00	6
Fermanagh and Omagh District	£1,969,989	5.10%	17.23	7
Lisburn City and Castlereagh District	£2,605,803	4.95%	13.72	8
Mid-Ulster District	£1,872,123	4.07%	13.12	9
Armagh City, Banbridge and Craigavon District	£2,625,661	3.10%	12.82	10
North Down and Ards District	£1,739,702	3.31%	11.01	11
Total	£50,281,470	3.86%	£27.48	16.54
Average	£4,571,043	6.34%	£27.59	