

## **Arts & Business Cymru – the Evidence** *Illustrating the value of A&B Cymru to Wales*

### **Background & Context**

Arts & Business (A&B) Cymru is a unique and much valued resource for the arts in Wales. Each year, the charity is responsible for bringing over £1 million of private sector support\* directly to the arts across the country.

A&B Cymru's established network and expertise in business / arts partnerships make it the only body capable of achieving these results. Without its work, the private sector investment that currently underpins much arts activity in Wales would quite simply be lost.

### **Funding History & Current Position**

Over a period of 8 years, A&B Cymru dramatically reduced its reliance on public funding from 83% to 27%.

When the funding relationships with Welsh Government and Arts Council of Wales began in 2008, the combined support totalled £370,500. This post-devolution investment was drawn from the departments for the Economy & Transport, Education & Skills and Culture, reflecting our activity in providing tailored training in arts fundraising, providing professional development opportunities and enhancing links between the arts and businesses in Wales. It followed a cut in funding by Arts Council England to A&B UK which made the prior informal agreement to support the operations in Wales, Scotland and Northern Ireland no longer justifiable.

In November 2011, following a quarter of a century as part of the UK body, A&B Cymru became an independent Welsh charity. Arts Council of England had then withdrawn 100% of its funding of A&B's work in England which led to the English operation merging into Business in the Community (BiTC). This option was considered for Wales, Scotland and Northern Ireland but dismissed as being detrimental to the arts communities served by each. This belief proved correct as BiTC no longer delivers any services to the arts in England.

As the Welsh Government faced a tightening of budgets, its funding to A&B Cymru was significantly reduced each year, down to £140K delivered in 2014/15 and 2015/16 via the Arts Council of Wales (ACW). A&B Cymru rose to this challenge, addressing the shortfall by substantially increasing its private sector income through business membership, sponsorship and support from Trusts & Foundations. This successful reduction of reliance on public funding achieved one of A&B Cymru's core messages to the arts of the need to attain financial stability through diversification.

The shift from 83% to 27% public funding coincided with a national economic downturn and was only achieved by sustained effort and internal financial stringency.

In April 2016, ACW withdrew A&B Cymru's core funding in its entirety. In-depth work (including an external business review) was then undertaken to assess the charity's ability to operate without public funding. Further rationalisation of the already lean running costs of A&B Cymru, combined with the consistent search for fresh private sector income, has led to the conclusion that, while the charity cannot be sustained solely through the private sector, its operation can flourish with an annual public sector investment of just £70K. This matter has been raised repeatedly with ACW since October 2016 but with no coherent response or request for further evidence.

#### **\*Private sector support for the arts levered by A&B Cymru broken down annually as:**

£560K through cash investment; £505K in business expertise provided through the Professional Development Programmes.

## **Sustainability – The Case For Public Support**

In 2017-18, A&B Cymru projects a private sector income of £335,000, drawn from Trusts & Foundations, Individuals, Membership subscriptions and earned income.

This clearly illustrates the charity's vastly reduced reliance on the public sector. For every £1 of core funding requested, a further £5.80 would be levered from the private sector to A&B Cymru. This would, in turn, safeguard over £1 million annual investment from the private sector into the arts across Wales. **Therefore, £70K of public sector funding becomes the catalyst for leveraging £1.4 million in private sector investment.**

Private sector investment in A&B Cymru is wholly dependent on the delivery of its unique programmes. Key to their success is the significant amount of staff time devoted to them. Without core funding in 2017/18, at least two staff posts would be lost, putting the following programmes at risk:

**CultureStep:** £80K of Trust funding received annually, of which £60K is invested directly into business / arts partnerships. This in turn levers a further £300K, invested by business in arts projects that benefit socially disadvantaged groups and address priorities such as health, tackling poverty and the environment.

**North Wales Delivery:** Providing an effective service to the 20 business and 42 arts members in North Wales depends on a local presence. Without a post in North Wales, these members would resign. This would represent a major loss of income to A&B Cymru and the arts across the region.

**Professional Development Programmes (PDP):** Each year, PDP brings over £505K of free of charge business skills to the arts through board placements, mentoring and skills transfer. The individuals involved have had a transformative impact on the sustainability and survival of arts organisations across Wales. Over two thirds of A&B Cymru's business members pay their fees in order to access PDP. Closure would therefore result in a major downturn in business income.

**Creative Internships Programme:** In 3 years, this programme has resulted in 13 recent graduates becoming full-time professional arts fundraisers. This A&B Cymru created programme is acknowledged as an example of best practice across the UK. It is 60% funded by the private sector.

This paper is designed to briefly summarise the scope and impact of A&B Cymru's work and to explain the need for continued investment from the public sector. The charity, with its unique expertise and network, creative and cost effective approach, committed and skilled team and high quality governance, is currently at risk.

Over many years we have proved, not only the worth of our work, but also a great ability to sustain it, despite repeated reductions in public funding. While there seems to be a view that A&B Cymru could and should be funded by the private sector alone, it would be impossible to continue on that basis. The fact is that only with a relatively small amount (£70K) of public funding can we maintain a sufficient level of staffing to deliver the programmes described above. Without it, these programmes, and the resulting private sector income, would be lost to A&B Cymru and to the arts across Wales.

For every £1 of public money, A&B Cymru would lever £5.80 private sector investment to sustain its operation. In turn, this would lever over £1 million directly into the arts in Wales, **representing a total return on investment of £20:£1.**

This funding mix achieves precisely what the Arts Council of Wales is asking of its clients and yet there seems to be an assumption that A&B Cymru is no longer worthy of support. We call for this matter to be given serious consideration and the decision reversed before it's too late.

## **The Impact of Arts & Business Cymru**

**Arts & Business (A&B) Cymru plays a unique role in realising many of the Welsh Government and Arts Council of Wales' stated aims.**

Following a quarter of a century as part of a UK body, A&B Cymru became an independent Welsh charity in November 2011.

The small expert team works solely for the benefit of Wales – its creative sector, business economy and communities across the country.

### **In the past 5 years A&B Cymru has:**

- Increased the income and skills of 273 arts organisations
- Assisted 129 businesses to meet bottom line objectives by engaging effectively with the arts
- Levered over £1.5 million from business directly to the arts across Wales
- Brokered and supported 120 mutually beneficial business / arts partnerships
- Delivered projects in every local authority area of Wales
- Supported 83 projects which directly engaged over 25,000 disadvantaged young people with the arts
- Supported 22 projects which directly engaged 7,497 vulnerable or isolated older people with the arts
- Supported 37 arts projects which have had a positive impact on the health and well-being of 14,172 individuals
- Delivered events to showcase the work of 91 Welsh arts organisations to a wide and influential audience
- Provided training for 648 arts managers in fundraising and relevant business skills
- Provided 174 arts managers with free of charge specialist business expertise
- Strengthened the governance of 286 arts organisations through tailored board development
- Enabled 209 business managers to develop skills and widen horizons by working with arts organisations
- Trained 13 recent graduates to be full time professional arts fundraisers