

Annual Funding Survey Report, 2018/19

Arts Council of Northern Ireland

Findings from a survey of Annually Funded
Organisations

1 About the survey

Each year organisations in receipt of funding from the Annual Funding Programme (AFP) are required to complete a survey that collects data on: staff profiles, finances, arts activity (in the form of performances, exhibitions and participation) and the geographic locations activity is delivered.

In 2018/19, organisations completed the survey using an Excel spreadsheet. The survey was available to organisations from February to April 2019. Guidance notes were available to organisations via the Arts Council website and clients were able to contact staff for advice and guidance.

In 2018/19, 102 organisations completed the survey, representing 100% of the portfolio. The data is used to monitor: organisation activity compared to funding agreements and to measure progress against strategic targets. Funded organisations are also encouraged to use the findings to benchmark their own activity.

1.1 Data verification

In a number of instances, it has been necessary to exclude extreme responses to ensure trends displayed are an accurate reflection of the portfolio. Referred to as outliers, these figures have been removed as they obscure trends.

A variety of methods are used by clients to record audiences and participant levels, some of which are more reliable than others. To reduce associated error relating to these fields, organisations are asked to report data as either 'actual' or 'estimated'; depending on the confidence they have in the data. Both fields are shown in this report.

It is particularly difficult to estimate attendances at non-ticketed events such as carnivals given the nature of the work delivered. This release includes data provided by a number of carnival organisations which together make a substantial contribution to total estimated attendances.

This is the fourth year the revised survey has been run, allowing data received to be cross-checked with responses received over the last two previous years. Any unexplained, large-scale variances were checked directly with the organisations concerned before being accepted.

1.2 Things to note

This report is based on data sourced from the AFS dashboard, a summary of findings presented in table format. These tables can be found here:

<http://artscouncil-ni.org/research-and-development/official-statistics>

The dashboard has been prepared to allow users interrogate findings against a range of variable including artform and organisation size and will allow funded organisations benchmark their own activity.

The following changes have been made to the structure of the dashboard compared to 2017/18:

- Reflecting the volume of activity delivered by the circus, street theatre and carnival sector, the artform now appears as a unique classification, distinct from Combined arts.
- A constant sample of organisations has been created to allow for like-for-like comparison over a three-year period.
- Data has been aligned to allow users direct comparison between findings at the overall portfolio level and a range of variables, including artform.

Percentage changes can appear extreme in certain fields when aggregated numbers are based on the reporting of a very small number of organisations. These figures are included in this report, for consistency and completeness, but should be regarded with appropriate caution, especially when sample sizes are small.

1.3 About the sample

Table 1 shows the number of organisations included in this year's sample by artform and compares it with the previous 4 years.

Table 1: number of organisations by artform

	2018/19	2017/18	2016/17	2015/16	2014/15
Drama	15	16	16	16	16
Traditional Arts	12	13	13	13	13
Visual Arts	19	21	21	20	21
Combined	30	28	29	31	29
Music	4	15	15	15	15
Dance	13	5	5	5	5
Literature	5	4	4	5	5
Circus/Street Theatre/Carnival	4	4	4	4	4
Total	102	107	107	109	108

Table 2 shows the number of organisations included in this year's sample as classified against size. The range of income associated with each classification has also been provided.

Table 2: number of organisations by size classification

	Income ranges	2018/19	2017/18	2016/17	2015/16	2014/15
Small	<£200,000	48	50	48	54	53
Medium	>£200,000 and <£800,000	45	46	49	47	47
Large	>£800,000	9	11	10	8	8
Total		102	107	107	109	108

2 Staff and Diversity

There were 7,465 people working for annually funded organisations in 2018/19, just over a thousand of these (14 per cent) were employed in a permanent capacity and 6,407 (86 per cent) on a contractual basis. The proportion of employees on a permanent basis has fallen by 2 per cent over the last three years.¹

The number of people employed on a permanent basis has increased by 10 per cent over the last three years. This increase is reflected across all employment categories, except for those employed on a full-time managerial basis, which saw employment fall, by 2 per cent.

Less than 10 per cent of staff working for small and medium scale organisation were employed on a permanent basis. By comparison, nearly half of those working for large-scale organisations (47 per cent) were employed on a permanent basis. Evidence suggests that people working in the cultural sector on short-term or freelance basis often have less favourable working conditions than those in permanent employment, work longer hours with less pay.²

2.1 Volunteering

There were 4,155 reported volunteers in 2018/19, the majority of whom (62 per cent) were female. The largest proportion of volunteers (59 per cent) worked for medium scale organisations.

Compared to 2016/17, volunteering levels have fallen by 13 per cent with the largest fall for medium scale organisations. Here, the number of volunteers have fallen by a third compared to 2016/17 levels when compared with a constant sample.

In comparison, the number of volunteers working for small-scale organisations has increased by 20 per cent over the same period. At first glance, this is encouraging but evidence suggests that some organisations prefer to describe their staffing compliment as voluntary, rather than paid the consequence of low pay and long hours.

The number of volunteer hours worked by artform supports this claim, with small scale, literature organisations benefiting, on average, by 80 hours of volunteering compared to the sector average of 19.

2.2 Ethnicity

Despite the fact that some funded organisations still choose not to disclose the ethnicity of their staff; the sample is large enough to describe with some confidence that minority ethnic groups are under-represented in the annually funded workforce when compared to the wider Northern Ireland population, albeit only marginal.

In 2018/19, 1.1 per cent of staff were drawn from ethnic minority communities. This compares to 1.8 per cent at the population level.³

Of the minority ethnic groups, the Chinese community was most widely represented within employed capacities or on the Boards of funded organisations.

¹ Based on a constant sample of 99 organisations

² <https://www.artsprofessional.co.uk/news/exploitation-rife-unpaid-work-subsidises-arts>

³ Based on the 2011 Census

2.3 Diversity

At an overall sector level, 50 per cent of employees were female and 50 per cent male. This parity was largely replicated across all employment types with the notable exception of managers, where over two-thirds (67 per cent) were female.

At an artform level, there was greater variability: 62 per cent of artistic staff employed in the music sector were male and 72 per cent of artistic staff employed in the visual arts sector, female.

There was a strong correlation between employment type and age profiles. Those employed in artistic capacities were more youthful with the largest proportion of those employed aged between the ages of 25-34. In comparison, Board members had a much older profile, with the large single age group aged between 55-64 years old.

Eighteen apprenticeships were engaged in various roles by annually funded organisation in 2018/19. Over two-thirds were recruited by medium scale organisations, with 89 per cent either operating within the drama or combined arts sectors.

3 Income and Expenditure

3.1 Income

Annually funded clients generated £52.9m in income in 2018/19. Based on a constant sample of 98 organisations, this represents an increase of 10 per cent on 2017/18 and 11 per cent compared to 2016/17.

Comparisons show that, by organisation size, turnover grew for large and medium scale organisations compared to the previous year by 15 per cent and 5 per cent respectively. Small-scale organisations saw a 3 per cent fall in turnover over the same period. The Traditional Arts sector was the only sector to see a reduction in turnover based on both a one-year and three-year comparison.

The increase in turnover for large-scale organisations was driven by increases in earned income, which has grown by 29 per cent over the last three years and now comprises £18.4m of annual income.

Despite increases in turnover at an overall portfolio level, reductions in programme awards, by an average of £46,748 over the last 4 years, has created significant operating challenges for core funded clients, particularly those more reliant on public subsidy, many of which now operate at the margins of financial sustainability. A combination of annual funding cycles, limited capital investment and under capitalisation continue to constrain the ability of these organisations to diversify funding.

A marginal increase in income from public sources⁴ of 2 per cent compared to 2016/17 hides more significant variability when comparing the sample by size. Reliance on public sources of funding have increased over the last three years for small-scale organisations. In 2018/19, it represented 73 per cent of income, an increase of 8 per cent compared to 2016/17.

Despite increased earned income, large-scale organisations continue to draw on public funding. In 2018/19, 34 per cent came from these sources, and increase of 15 per cent compared to 2016/17.

Although still small relative to other public subsidy sources, the proportion of income from local authorities has grown over the last three years from £2.6m to £3.4m, an increase of 20 per cent. This is despite cuts to their own budgets and suggests a stronger, more engaged commitment to arts and culture, which can help to drive forward a broader range of ambitions around health, the economy and social value, as articulated in many of the Local Authority Community Plans.

Income from trusts and foundations still represent a relatively small proportion of the overall funding mix for core-funded clients. It contributed 3.3 per cent (£1.8m) in 2018/19, an increase of 4 per cent compared to 2016/17. Medium scale organisations drew the largest proportion from this source (6 per cent), followed by small (4 per cent) and large (2 per cent).

3.2 Expenditure

The combined expenditure of revenue funded organisations in 2018/19 was £53.5m. It grew by 8 per cent compared to 2017/18 and 11 per cent compared to 2016/17.

⁴ Includes Arts Council of Northern Ireland, local authorities, Northern Ireland government departments and 'other' public sources

At an overall portfolio level, there were marginal increase in expenditure under the majority of headings, reflecting limited incomes and inflationary increases. Expenditure on publicity and marketing fell by 8 per cent in the two years between 2017/18 and 2018/19, possibly reflecting an attempt to offset rising costs in other areas but likely to impact on ability to attract new audiences.

Although relatively small compared to other expenditure lines, venue costs increased by 19 per cent compared to the previous year, the largest increase of all categories. Medium scale organisations saw the largest increase in costs under this category. This suggests these organisations have to spend more on venue maintenance as the building stock ages.

Artists' costs represented the largest single expenditure category in 2017/18, comprising £18.4m. Costs here grew by 15 per cent year-on-year, the equivalent of £2.4m.

4 Activity Data

4.1 Engagement

The number of activities delivered by annually funded organisations remained strong compared to previous years. Combined performance, participation, exhibition and festival activity increased from 50,923 events in 2017/18 to 68,966 in 2018/19.

This change can be largely attributed to an increase in participation-based activity, the sum of which varies significantly year-on-year due to the broadly defined nature of associated activity.

The more narrowly defined activity relating to performances, exhibitions and festivals, show more modest change, with the number of performances, increase by 17 per cent and festivals falling by 6 per cent year-on-year.

The Arts Council asks annually funded organisations to report the number of people attending (attendances) as either: 'known' or 'estimated'. Known attendances are more reliable as attendances are counted using a precise method such as through a box-office system.

Known attendances of 1.65m were reported in 2018/19. Based on a constant sample of organisations, this represents an increase of 2.6 per cent on the previous year. By activity type, there was a substantial increase in the number of people engaging in participation-based events but reduction of 6 per cent in attendance at performances.

Large-scale organisations saw attendances for all activity types fall over the last two years by 20 per cent whilst engagement in activities delivered by medium scale organisations increased by 47 per cent. There was little change in participation across the portfolio of small-scale organisations.

4.2 Ticket Sales

Large scale organisations sold 77 per cent of tickets available in 2018/19, generating a ticket yield of £12.2m.

Despite a reduction in ticket sales for these organisations, the average ticket yield increased from £19.14 to £21.87, a difference of £2.73 per ticket compared to 2017/18. This suggests that organisations are increasing ticket prices to boost earned income.

Whilst ticket prices have increased, the proportion concessionary tickets distributed has also increased year-on-year for the last three years, indicating that large scale organisations are protecting concessionary groups (including those on low income, children and disabled people) from price increases, although the extent to which organisations are doing this is unclear.

4.3 Group Targeting

The Arts Council has set a number of priorities around increasing engagement in the arts by a number of different groups in society. To help monitor the extent these groups are target, we ask core-funded clients to specify the extent to which they target certain groups through their work.

Deprived neighbourhoods and children / young people remain the two groups targeted the most through their engagement. In 2018/19, 69 per cent of activity was targeted at these groups, continuing a strong three-year trend.

At an overall portfolio level, there has been little change in the proportion each group have been targeted over time with offenders / ex-offenders, the LGBT community and ethnic minority groups targeted least often.

5 Location Data

Annually funded organisations provide a range of data linked to the postcode they deliver activity. This includes the type of activity delivered (i.e. whether it is a performance, participation based event or exhibition) the nature of the venue and the number of activities delivered.

Using the postcodes provided, data is mapped against a range of administrative geographies including Local Government Districts, Multiple Deprivation Measure (using the Noble Indices of Deprivation, 2017) and urban and rural classifications.⁵

5.1 Urban and Rural Areas

The NISRA (2015) classifications of small-area and local authority-level rural/urban geographies have been used for this analysis, as it is the recognised standard for defining rural and urban areas in Northern Ireland. Settlements are grouped into 8 Bands (A-H) based on the 2011 Census findings.

Analysis of the 2018/19 Annual Funding Survey shows that:

- 78 per cent of the unique postcodes visited by organisations were in urban areas, with the remaining 22 per cent rural. There was a 14 per cent increase in the number of unique urban postcodes visited and a 4 per cent increase in the number of rural postcodes visited compared to 2017/18.
- Based on Settlement Bands (A-H), 33 per cent of unique postcodes were in Band A (Belfast City), 7 per cent were in Band B (Derry~Londonderry) and 24 per cent in Band C (Large Towns).
- The number of visits made by funded organisations to postcodes in Band A (Belfast City) fell by 2 per cent compared to the previous year. All other bands saw an increase in the number of visits, with the most notable relating to Band F Settlements (intermediate settlements) which increased by 51 per cent.

5.2 Multiple Deprivation

There remains a strong correlation between postcode locations and deprivation, with nearly a quarter (23 per cent) located in the most deprived quintile. These postcodes were visited 1,617 times by annually funded organisations who, collectively, delivered 21,000 activities.

Although the number and frequency of visits to postcodes in the top three most deprived quintiles remained consistent (compared to 2017/18) the sum of activity delivered here, fell by 41 per cent.

5.3 Local Government Districts

Thirty-five per cent of all unique postcodes visited by annually funded organisations were based in the Belfast Local Government District. These postcodes were visited over 2,000 times during 2018/19 and hosted over 17,600 activities. Although this represents a 50 per cent reduction in the proportion of activity delivered, the number of activities delivered varies significantly year-on-year.

⁵ Using the Central Postcode Directory (2019) supplied by NISRA.

Excluding Belfast, the average number of activities delivered at postcodes varied significantly, ranging from 65 in Derry~Londonderry to 12 in Antrim and Newtownabbey Local Government Districts.

5.4 Schools

In 2018/19, annually funded organisations visited 518 schools in Northern Ireland. These schools were visited 1,250 times with pupils benefiting from the delivery of nearly 5,000 activities.

Activity was delivered by annually funded clients at 300 unique Primary schools in 2018/19, comprising 58 per cent of all school-based activity that year. These schools were visited 570 times in total and benefited from 1,994 activities. Despite this high level of activity relative to other schools the level of activity in Primary schools has fallen by 43 per cent over the last three years.

Annually funded organisations visited 25 unique Special schools in 2018/19. This represents 64 per cent of the total number of schools of this type and a 26 per cent increase compared to 2016/17. The number of activities delivered in these schools has also increased over the last three years from 257 in 2016/17 to 534 in 2018/19.