

Culture, Communications,  
Welsh Language,  
Sport and International Relations Committee

Annwyl / Dear Committee,

We would like to register significant concerns specific to the work of the Culture, Communications, Welsh Language, Sport and International Relations Committee, highlighting how the worsening cost of living crisis is impacting areas in the scope of this inquiry, proving to be an existential threat to some of our cultural venues, businesses and organisations in Cardiff.

As widely reported, we are collectively facing a significant cost of living crisis in the UK, which is expected to have a huge impact on many lives in Cardiff and Wales. In response to this short inquiry, we will begin to touch on how the crisis will impact the cultural and creative sector, including the arts, sport, leisure and businesses in Cardiff, whilst recognising the wider impact on city life and society.

It is important to consider the inflation and energy crisis challenges in the context of a sector that has suffered greatly during the Covid 19 pandemic. Often culture related businesses were the first to close and the last to reopen. Venues and businesses that are still building public confidence in public health, working hard to rebuild audiences and customers to pre-pandemic levels.

In terms of the specific questions of this inquiry, Cardiff's Council is responsible for a number of cultural and heritage assets in the city, including St David's Hall - The National Concert Hall of Wales, a 1977+ capacity symphonic concert hall that delivers a high-quality international concert series and wider diverse cultural offer. City Hall Cardiff, a Grade 1 listed Edwardian civic and cultural building, the Museum of Cardiff (The Cardiff Story) a living history attraction for both local community and visitor engagement, and Cardiff Castle, the most visited cultural tourist attraction in Wales.

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#### GWEITHIO DROS GAERDYDD, GWEITHIO DROSOCH CHI

Mae'r Cyngor yn croesawu gohebiaeth yn Gymraeg, Saesneg neu'n ddwyieithog. Byddwn yn cyfathrebu â chi yn ôl eich dewis, dim ond i chi roi gwybod i ni pa un sydd well gennych. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

#### WORKING FOR CARDIFF, WORKING FOR YOU

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These venues are operated by our local authority. Our challenge is we are facing much wider budget challenges across the whole Council, yet need to meet all our statutory requirements, including delivering social services and community care and education, all of which will also be greatly impacted by the rise in energy prices, goods and services. Cardiff Councils energy bills for its cultural buildings are expected to increase by more than 100%. City Hall and Cardiff Castle are experiencing a 125% increase in their electricity bills annually. Without extra financial support from government the stark reality is that difficult decisions will need to be made on non-statutory services, including looking at the viability of our cultural assets and venues.

As Wales capital city, Cardiff is fortunate to have a diverse, thriving cultural sector that usually attracts huge audiences. 22 of the Arts Council of Wales 'Arts Portfolio Wales' organisations are based in Cardiff. All who are facing this same huge cost of living crisis challenges. Last year, these organisations generated attendances of 1,099,516 at 4,262 events and engaged with 217,429 participants at 7,323 sessions. It should be noted that not all activity would have taken place in the city. It should also be noted these numbers only related to ACW funded organisations in Cardiff and not the wider cultural offer in the city which is additional to this.

So far in this financial year (2022/23), the Arts Council have awarded 92 grants of National Lottery Funding to individuals and organisations based in Cardiff. The value of these grants totalled £1,310,271. This level of support is crucial to support the cultural ecology in Cardiff post-pandemic, noting that more support will be needed going forward to resolve the issues that the sector is now facing.

Arts Council of Wales is currently expecting all arts organisations will be impacted to some degree by inflation on direct operational costs, increased energy costs and the impact of the cost of living on audiences, communities and participants, on top of the continuing impact of post COVID changes to audience habits and spending. ACW are currently undertaking a survey of all our funded organisations and hope to have the full results in time to submit for the later fuller stage of the Committee's deliberations.

Evidence from our venues is currently showing that tickets are not selling as fast as the promoters expected, which they suspect is linked to cost of living crisis. Concerts that would have normally sold out are selling at a third of what was expected. Venues are expecting this trend to continue and worsen as inflation continues to rise and expensive bills land on doorsteps this Autumn.

The cost of shows and concerts are rising, as everything is becoming more expensive. To summarise ticket prices are going up, but income is coming down. In some cases, promoters are asking venues to reduce their contracts for rental. Colleagues report this has never happened before. Some shows have been cancelled because of poor ticket sales.

Whilst the Prime Minister confirmed emergency measures to address the fuel crisis for consumers and businesses on September 7<sup>th</sup>, we should be concerned that even though average household bills will be kept below £2,500 for the next two years, businesses, charities and public sector organisations will only receive an "equivalent guarantee" for six months.

With reference to grassroots music venues, the [Music Venue Trust](#) reports that the financial impact of the energy price rises on the grassroots music venue sector presents a very real existential challenge. For a UK sector with a total gross turnover of £399 million, the current rise equates to an additional £90 million in costs.

Within the Leisure Industry, colleagues report energy costs have increased by 100% compared to 2019 with gas and electricity bills increasing from around £700k per year and now forecasted to be £1.4m in 2022 in Cardiff. Swimming pools are the largest cost in Leisure Centres due to the heat and humidity levels required. Despite consumption being reduced by over 20% across facilities, costs remain unsustainable. Costs on vital supplies like Chlorine for the pools has doubled and supply chains vastly reduced. Other pools have closed across the country because of this. This is just one example of the challenges we face related to community leisure and sports facilities, as you can imagine this will have a direct impact on public health.

To summarise all venues and organisations are suffering from increased utilities and staff costs to operate, reduced tourism, national and international visitor and local visitor decline due to limited disposable income.

It is crucial for government to source additional support as a matter of urgency, to ensure the survival of the venues and organisations that are the very fabric of a cultural Wales. Without support we are sure we could all be looking at dismantling national assets that deliver the contemporary cultural identity and life of our nation.

Please let us know if you require more specific evidence or information.

Yn gywir / Yours sincerely

