



17 October 2014

Mr Darren Millar AM
Chair
Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff C99 1NA

Dear Mr. Millar

Arts Council of Wales' Collectorplan scheme

Further to the evidence presented to your Committee earlier this week I undertook to provide you with additional information on two matters: the operational detail of our Collectorplan scheme; and, the steps we're taking to increase the participation of people from under-represented groups.

Starting with Collectorplan, Committee members wished to know more about:

- the data and business intelligence we have about the scheme
- the geographical distribution of Collectorplan galleries
- the scheme criteria (including the measures for assessing gallery eligibility) and the extent to which the scheme benefits Welsh artists
- growth and development of the scheme
- the gender and socio-economic profile of individuals using the scheme
- the geographical distribution of the take-up of loans

Data and business intelligence

We collect and analyse a range of data about the scheme, including:

- volume, value and geographical distribution of loans
- information about the artists
- gender and socio-economic profiling of those purchasing works of art through the scheme
- the administrative costs of the scheme

Additionally, we commissioned in 2013 a business review of the Collectorplan scheme. This was undertaken by independent arts specialist Artservice.

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BUDDSODDWR Mewn Pobl
INVESTOR IN PEOPLE

Swyddfeydd Lleol/Local Offices:

Caerdydd/Cardiff, Bae Colwyn/Colwyn Bay, Caerfyrddin/Carmarthen
Rhif Elusen Gofrestredig/Registered Charity Number: 1034245

Geographical distribution

Over 50 galleries, spread across Wales, are members of the Collectorplan scheme. The details of this network are attached to this letter as Appendix 1.

The scheme criteria

Galleries must be registered with Arts Council of Wales and be in possession of current and valid authorisation from the Financial Conduct Authority enabling them to carry out consumer credit activities.

In assessing potential Collectorplan members we are looking for well-managed galleries that exhibit and stock high quality work.

Eleven criteria are used to assess a gallery's eligibility for inclusion in the Collectorplan scheme. I believe that the first three of those criteria would be of particular interest to the Committee, given the focus of its questions:

1. A significant function of the business [ie: the gallery] must be the exhibition and sale of original art and/or craft-works
2. The gallery must be committed to promoting and selling contemporary art and craftwork that will raise the profile of visual art and craft in Wales
3. The gallery programme must include a significant number of exhibitions or a changing display of work by a range of professional artists and makers

As I explained in my evidence, the scheme predominantly supports Welsh artists, although not exclusively so. In 2013/14, 78% of the artists supported through the scheme were either Welsh artists, or living in Wales. For the purpose of comparison, the equivalent figure for 2012/13 was 83%.

The growth and development of the scheme

Collectorplan was established in 1983. The early years of the scheme saw consistent growth year-on-year. More recently there has been something of a reversal with a low point in 2012/13.

This, we believe, is largely attributable to the tough economic context. We are, however, looking at the Artservice business review to see if there are cost effective ways of better promoting the aims of the scheme.

Nevertheless, since 2004 we've supported nearly 11,000 loans with a value of over that period of some £7.6m.

Year	Value of loans	Number of loans
2004/05	854,792	1320
2005/06	857,421	1234
2006/07	907,274	1303
2007/08	821,116	1175
2008/09	828,781	1182
2009/10	762,104	1091
2010/11	645,012	895
2011/12	715,758	979
2012/13	593,417	877
2013/14	632,963	921
Total	7,618,637	10,977

The scheme has proved popular with the participating galleries. As part of the Artservice business review, galleries were asked to estimate the percentage of their sales that involved Collectorplan. Some 36% indicated that Collectorplan loans accounted for over 15% of sales, this being (for some) the key factor in securing their financial viability.

Artservice also surveyed purchasers asking them to respond to a number of factors exploring their reasons for using the scheme. 83% of respondents rated "making it possible to buy work that would otherwise be unaffordable" as important.

Gender and socio-economic profile of purchasers

Of the total number of those taking out loans under the scheme in 2013/14 55% were female and 45% were male, where the gender was evident. (In 2012/13, 58% were female and 42% were male.)

The scheme doesn't means test those who wish to take advantage of the scheme. So we have no empirical data on the incomes of users of the scheme. However, I suggested in my evidence to the Committee that users of Collectorplan were likely to be those with higher levels of disposable income.

The 2013 Artservice business review included Mosaic Profiling and Mapping and offered the following comment:

"The analysis confirms that Collectorplan appeals primarily to people in higher income brackets; with higher levels of disposable income; and with discriminating tastes and habits."

Furthermore, the Artservice analysis noted that there were significantly fewer buyers who were on low disposable incomes, living on state benefit or living on restricted incomes (for example elderly people).

The Arts Council also undertakes socio-economic mapping of purchasers, but using different analysis techniques.

The geographical base used for the Wales Index of Multiple Deprivation (WIMD) is Lower Super Output Areas (LSOAs), of which there were 1,896 for the 2011 WIMD release. The 10% most deprived LSOAs in Wales correspond to Communities First areas and accounted for 2% of Collectorplan loans in 2013/14 (0.7% in 2012/13).

As the chart below shows, the 50% most deprived LSOAs accounted for 23.5% of the loans made.

	2012/13		2013/14	
	Number of Collectorplan Loans	% of Welsh Collectorplan Loans	Number of Collectorplan Loans	% of Welsh Collectorplan Loans
Most Deprived 10% LSOAs	5	0.7	14	2.0
Most Deprived 20% LSOAs	28	4.1	30	4.4
Most Deprived 30% LSOAs	47	6.9	47	6.8
Most Deprived 40% LSOAs	90	13.3	92	13.4
Most Deprived 50% LSOAs	158	23.3	162	23.5
Total (Wales)	678	-	688	-
Total (including outside Wales and non-recognised postcodes)	876	-	920	-

Whichever basis of analysis one uses, it remains the case that we are not yet achieving the engagement we would like to see with those on lower incomes. This is an issue that we are currently trying to address.

Geographical distribution of loans

A map showing the geographical distribution of loans is attached as Appendix 2.

The administrative costs of the scheme

We do not recover the full administrative costs of the scheme. However, member galleries are charged according to their usage of Collectorplan at the rate of 4% of the value of each loan. The charge is invoiced four times a year.

As the table below demonstrates, the net cost to the Arts Council of administering the scheme in 2013/14 was £36,365 (2012/13, £27,741). The higher costs incurred during 2013/14 reflect the fact that we undertook a more concentrated programme of gallery inspection in that year. This meant that the net administration cost per loan in 2013/14 was £39.00 (as compared to £32.00 in 2012/13).

	2013/14 £	2012/13 £
Total volume of credit sales	632,963	593,417
Income from member galleries	(25,296)	(23,589)
Staff salaries, NIC and pension	39,420	41,663
Running costs: credit checking, marketing, gallery monitoring, etc	22,232	9,667
Total expenditure	61,652	51,330
NET COST/SUBSIDY OF SCHEME	36,356	27,741

New loans are effectively funded from the repayment of existing loans. The original cash 'pool' for loan advances was funded from government grant-in-aid.

Committee members sought clarification around the cost/benefit of administering the smaller £50 loans, and the desirability of offering the scheme on an interest free basis.

The strategic thrust of the scheme is to make contemporary art affordable to as many people as possible. Although we have increased the upper limit (from £1,000 to £2,000), Council members felt strongly that we should *not* raise the lower limit and risk excluding the affordability of modest purchases for the less well-off buyer. To date, Council has concluded that to do so would be against the spirit of the scheme and would compromise affordability. This, we believe, could well discourage purchases. We should also note that to drop the interest free basis for the scheme would place us in a more expensive and more onerous category in terms of Consumer Credit regulation.

As it currently stands, Collectorplan offers important benefits:

1. Artists potentially increase the demand and value of their work – and sell more
2. Galleries make commission on the increased sales, helping to secure the viability of their businesses
3. Contemporary art is made affordable to the public
4. The collecting and habitual purchasing of art is encouraged

You might also like to know that we're currently in discussion with the Financial Conduct Authority, the regulator of the scheme. We are hoping to achieve changes in the licensing arrangements which, if successful, could reduce costs to galleries and thus potentially bring more galleries on to the scheme. This would increase number of outlets for buyers and artists and might provide new opportunities for identifying appropriate galleries in less affluent parts of the country.

Increasing participation of people from under-represented groups

Increasing engagement and participation is a Council priority. We want as many people as possible to experience and enjoy the arts: to be inspired by imagination and creativity, excited by ambition and spectacle, intrigued by the new and unfamiliar. In particular, we want to increase participation and attendance across the arts as a whole and also through the work of the organisations that we fund.

Our investment strategies recognise the need to target under-represented communities. For example:

- around 200 of the organisations and individuals that we supported during 2013/14 have delivered activities in one or more of Wales' Communities First areas. These include specialist community arts agencies and organisations that have a focus on working with disabled people
- our Creative Steps programme provides advice and financial support to communities who, for whatever reason, have previously felt unable to secure Arts Council support. With our assistance, under-represented communities are helped to develop their ideas and to apply for the funding they need
- our Ideas:People:Places programme invests in community driven, locally delivered regeneration. Tackling engagement and participation is at the heart of our approach
- our Night Out scheme takes high quality small-scale touring activity to local communities across Wales. In 2013/14 over 530 Night Out events were presented, of which 114 were in Communities First areas

- we have a range of initiatives designed to address issues of child poverty. These include our Family Friendly Arts project and Momentum, our initiative that helps engage disenfranchised youngsters who, for whatever reason, have dropped out of formal education or training
- we are developing a nation-wide Disability Ticket Scheme, making it more affordable for disabled people and their carers/companions to enjoy and take part in the arts

We measure our progress against the evidence that's collected through the independently compiled annual Adult and Children Omnibus Surveys. These measure participation using standard socio-economic categories.

According to the Omnibus Survey, between 2006 and 2013 adult participation has increased by 9.8 percentage points. Between 2008 and 2013 participation by children and young people has increased by 3.1 percentage points.

Adult participation

Year	AB	C1	C2	DE	Overall Participation
2006	32.6%	24.1%	22.6%	18.1%	23.3%
2007	53.6%	34.5%	24.2%	24.5%	32.4%
2008	46.1%	32.9%	21.8%	30.4%	31.2%
2009	51.0%	42.8%	34.6%	27.0%	34.6%
2010	52.5%	35.5%	24.3%	20.0%	26.9%
2011	38.7%	33.6%	29.3%	18.9%	27.4%
2012	47.4%	50.5%	34.3%	31.2%	37.8%
2013	49.8%	40.1%	30.4%	27.9%	33.1%

Children and Young People's participation

Year	ABC1	C2DE	Overall Participation
2008	84.6%	77.7%	81.2%
2009	88.6%	78.0%	83.3%
2010	81.3%	71.2%	76.3%
2011	84.6%	77.9%	81.3%
2012	83.3%	77.1%	80.2%
2013	86.5%	82.1%	84.3%

As can be seen from the tables above, there have been encouraging increases in participation amongst the most disadvantaged socio-economic groups, narrowing the gap with their better off comparators. We recognise that our future targets are ambitious, but it's a challenge that we're happy to accept.

Finally, if I can be of any further assistance, please don't hesitate to contact me.

Yours sincerely

Nick Capaldi

Nick Capaldi
Chief Executive



Appendix 1

Collectorplan: member galleries

[Aberystwyth Arts Centre](#)

Penglais
Aberystwyth
SY23 3DE

[Albany Gallery](#)

74b Albany Road
Cardiff
CF24 3RS

[Brecknock Museum](#)

Captain's Walk
Brecon
Powys
LD3 7DW

[Attic Gallery](#)

37 Pockets Wharf
Maritime Quarter
Swansea
SA1 3XL

[Chapter Arts Centre](#)

Market Road
Canton
Cardiff
CF5 1QE

[Craftsman Gallery](#)

58 St Helen's Road
Swansea
SA1 4BE

[Cynon Valley Museum & Gallery](#)

Depot Road
Gadlys
Aberdare
CF44 8DL



Denbigh Library Museum & Art Gallery

Hall Square
Denbigh
Denbighshire
LL16 3AU

Ffin y Parc

Betws Road
Llanrwst
Conwy
LL26 OPT

Fountain Fine Art

6-8 Morgan Arcade
Cardiff
CF10 1AF

Fountain Fine Art

115 Rhosmaen Street
Llandeilo
Carmarthenshire
SA19 6EN

Galeri

Victoria Dock
Caernarfon
Gwynedd
LL55 1SQ

Galeri Betws y Coed

Holyhead Road
Betws y Coed
Conwy
LL24 0BW

Gallery/Ten

23 Windsor Place
Cardiff
CF10 3BY

Gwynedd Museum & Gallery, Bangor

Ffordd Gwynedd
Bangor
Gwynedd
LL57 1DT



[King Street Gallery](#)

33 King Street
Carmarthen
SA31 1BS

[Llantarnam Grange Arts Centre](#)

St David's Road
Cwmbran
Torfaen
NP44 1PD

[Martin Tinney Gallery](#)

18 St Andrew's Crescent
Cardiff
CF10 3DD

[Mission Gallery](#)

Gloucester Place
Maritime Quarter
Swansea
SA1 1TY

[Mostyn](#)

12 Vaughan Street
Llandudno
Conwy
LL30 1AB

[National Eisteddfod of Wales](#)

Office: 40 Parc Tŷ Glas
Llanishen
Cardiff
CF14 5DU

[Newport Museum & Art Gallery](#)

5 John Frost Square
Newport
NP20 1PA

[Oriel Canfas](#)

44a Glamorgan Street
Canton
Cardiff
CF5 1QS



Cyngor Celfyddydau Cymru
Arts Council of Wales

[Oriel Ceri Richards](#)

Taliesin Arts Centre
University of Wales Singleton Park
Swansea
SA2 8PZ

[Oriel Clwyd Theatr Cymru](#)

County Civic Centre
Mold
Flintshire
CH7 1YA

[Oriel Myrddin Gallery](#)

Church Lane
Carmarthen
SA31 1LH

[Oriel Plas Glyn-y-Weddw](#)

Llanbedrog
Pwllheli
Gwynedd
LL53 7TT

[Oriel Tegfryn](#)

Cadnant Road
Menai Bridge
Ynys Môn
LL59 5EW

[Oriel Wrexham](#)

Rhosddu Road
Wrexham
LL11 1AU

[Oriel y Bont](#)

Tŷ Crawshay
University of Glamorgan
Pontypridd
CF37 1DL

[Oriel Ynys Môn](#)

Rhosmeirch
Llangefni
Ynys Môn
LL77 7TQ



[Oriel-y-Felin](#)

5 Nun Street
St Davids
Pembrokeshire
SA62 6NS

[Pontardawe Arts Centre](#)

Herbert Street
Pontardawe
Neath Port Talbot
SA8 4ED

[Rhondda Heritage Park](#)

Lewis Merthyr Colliery
Coed Cae Road
Trehafod
CF37 2NP

[Rhyl Library, Museum & Arts Centre](#)

Church Street
Rhyl
Denbighshire
LL18 3AA

[Royal Cambrian Academy](#)

Crown Lane
Conwy
LL32 8AN

[Ruthin Craft Centre](#)

Park Road
Ruthin
Denbighshire
LL15 1BB

[St David's Hall](#)

The Hayes
Cardiff
CF10 1SH

[St Davids Studio Gallery](#)

14 Nun Street
St Davids
Pembrokeshire
SA62 6NS



[Swansea Grand Theatre](#)

Singleton Street
Swansea
SA1 3QJ

[Swansea Museum](#)

Victoria Rd
Maritime Quarter
Swansea
SA1 1SN

[The Art Shop](#)

8 Cross Street
Abergavenny
Monmouthshire
NP7 5EH

[The Glynn Vivian Art Gallery](#)

Alexandra Road
Swansea
SA1 5DZ

[The Golden Sheaf Gallery](#)

25 High Street
Narberth
Pembrokeshire
SA67 7AR

[The Lion Street Gallery](#)

6 Lion Street
Hay-on-Wye
Powys
HR3 5AA

[The Old School Gallery](#)

The Bleddfa Trust
Bleddfa
Knighton
LD7 1PA

[The Potters Gallery \(North Wales Potters\)](#)

1 High Street
Conwy
LL32 8DB



Cyngor Celfyddydau Cymru
Arts Council of Wales

Venue Cymru

Promenade
Llandudno
Conwy
LL30 1JJ

Wales Millennium Centre

Bute Place
Cardiff
CF10 5AL

West Wales Arts Centre (Talking Point)

16 West Street
Fishguard
Pembrokeshire
SA65 9AE

White Lion Street Gallery

White Lion Street
Tenby
Pembrokeshire
SA70 7ES

Workshop Wales

Manorowen
Fishguard
Pembrokeshire
SA65 9QA

Y Capel

Castle Street
Llangollen
Denbighshire
LL20 8NU



Appendix 2 Geographical distribution of Collectorplan loans 2013/14

