

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts  
CWLC(5) ART09  
Ymateb gan Samuel Murray, Myfyriwr PHD, Caerdydd / Evidence from Samuel Murray, PHD Student, Cardiff

The effectiveness of efforts to increase non-public funding of the arts in Wales by bodies including the Arts Council, local authorities and artists and arts organisations themselves. This funding would include: earned income; philanthropy; investment.

There is a fundamental danger in allowing sponsorship and investment from companies who will seek to use the arts as way to further their public image and agenda. The greatest risk is posed by the attempts of fossil fuel organisations to rectify their environmental image by investing in the most key of British institutions. Oil giant BP have sunk money into the British Museum, the Royal Opera House, National Portrait Gallery, Royal Shakespeare Company and the UK City of Culture Programme in Hull. On the surface this may seem like a British company making a generous donation, but such investment is aimed at improving BP's image so they can continue to harm our environment. Their investment of culture was particularly pertinent at the time of the Gulf of Mexico oil spill with investments helping to rebuild their image. Whilst Wales looks towards investing in renewable energy infrastructure, such as the tidal lagoons in Swansea and Cardiff Bays, opening up the arts to mass corporate sponsorship will be a route BP will identify to strategically influence policy with soft power. There must be consideration of how corporations will seek to gain political influence from their investment in culture, therefore measures must be in place to ban corporations from investing in culture to gain political influence or to lobby. Investments that have a conflict of interest through soft power must also be considered and prevented through an ethical screening process. From the outset, the committee needs to establish that funding practices like that of BP are not welcome in Wales and that their lobbying will not be allowed.

Superstar Performance Tax is idea that should be explored where if a superstar performer is playing at the principality stadium, or liberty stadium a levy should be placed on that performance to benefit the arts directly through a small percentage of ticket sales taken from the promoter's fee. Over the past year, we've seen Beyoncé, Rihanna, Coldplay and Justin Bieber play in Cardiff making millions of pounds in ticket sales if a percentage of that were to go to music education services it could provide much needed instruments or teachers.

There are also moves which the Welsh Government could make to empower community enterprise. With groups like the Creative Republic of Cardiff taking control of venues as community cooperative spaces we could see the process of asset transfer to communities being easier, and spaces could be earmarked as potential cultural venues given priority for community ownership over property development.

To get musical instruments for school and community services the Welsh government could have a mutually beneficial relationship with local music shops in which in return for providing instruments for services to borrow or have the businesses would be promoted and given tax cuts. Music shops and instrument repair shops could also become instrument recycling points where those who don't use instruments anymore could donate them for school and community services. The repair shops could fix these instruments up in return for a tax break and the instrument donor could be given a voucher in return to spend in music shops and record shops across wales.

## International examples of innovative approaches to raising non-public funding of the arts.

In Portland, Oregon in the United States public arts funding is distributed through the Regional Arts and Cultures Council (RACC), who are not only given a budgetary provision but are direct recipients of the city's art tax. The Portland Arts Tax requires citizens to pay a flat annual rate of \$35 to go towards arts non-for-profit organisations and to pay for arts education provision in schools administered by the RACC. The Tax was enacted after a ballot measure referendum to introduce it which 178,725 residents voted in favour of the measure, 62% of the electorate. This only covers so much provision and the subsequent funding focuses on education.

Another major initiative enacted by the RACC is the Work for Art programme where to aid in providing arts funding to the city workers donate some of the pay check to the arts as a tax-deductible donation. The scheme allows donors to choose to give to a community or education fund and is matched by private donors and public donors. Donors of \$60 or more are given an arts card entitling them to 2 for 1 tickets to events by beneficiaries. In the period of 2015-6 donations totalling \$912,000 were raised from the programme. Businesses who have been set up to allow their employees on the payroll make contributions also are invited to take part of friendly arts competitions like a Battle of Company bands with prizes for the bands involved. This programme has recognised that when someone make an altruistic contribution that they are a stakeholder and should be allowed to participate in the processes. The programme looks for ordinary citizens to donate for their love of culture not because of a vested corporate interest.

In terms of monetising the outputs of the Arts Council Wales portfolio organisations there are many opportunities to be explored to ensure companies and productions are sustainable. In 2016 BOP Consulting produced a report for the British Council entitled *Opportunities for China-UK Collaboration in Museums and Theatres* which suggests a wide variety of ways China funds the arts. The report talks about the development of extra-performance products by the National Centre for Performing Arts (NCPA): 'Although derivative products are not common in Chinese theatres, they have been effective in promoting the NCPA brand and grabbing the attention of younger audiences. NCPA director Mr Chen Ping states that derivative products are "a type of cultural service of our audience"'. Often people want to take home memories of their performances and whilst some

companies like National Theatre Wales have done this it could spread throughout NPOs as a way to build a cultural brand for Wales. Derivatives were pioneered in China by the Shanghai Museum: 'its derivate products are developed by a dedicated design team, sold on site and at three other off site stores, and will be sold online from 2017'. Interestingly the report points out that to meet running costs 'raising ticket prices is not an effective solution, as the average ticket already costs between one tenth and one third of the monthly average wage in China' showing that there need to be more strategic thinking in how to generate revenue, not to merely price audiences out of culture. One example of how to meet this challenge was presented by the Guangzhou Grand Theatre who broke even in their first year of operation because: 'its in-house management team lowered operational costs and expanded audience reach, for example curating a series of performance programmes designed for Spring Festival to attract the wider public'. Whilst it is nonsensical to impose unnecessary austerity on arts companies there can be sustainability audits to ensure house keeping costs are kept low through measures like energy efficiency. The key take away is building accessible and successful programming to attract wider audiences and speak to their experiences.