

1. Introduction

National Dance Company Wales (NDCWales) is grateful for the opportunity to provide a written submission to the Committee regarding its inquiry into non-public funding of the arts. NDCWales understands that the Committee is interested in how effective efforts have been to increase earned income, philanthropy and investment, with reference points to include both UK and international. This is especially relevant in the light of the reduction in grant in aid from Arts Council of Wales over the past seven years, and the reduction in support from a range of bodies, including local authorities, and the ongoing reduction in lottery receipts.

2. NDCWales – our aims

NDCWales is an internationally renowned contemporary dance company based in Cardiff, creating and touring dance works across Wales, the wider UK, and overseas. It commissions the best choreographers from around the world to create work here in Wales. Around two-thirds of its touring happens in Wales, across a range of scales, enabling audiences to access exceptionally high quality dance work.

Its current focus is on developing new audiences, and expanding the range of audiences that experience and enjoy dance in Wales, and beyond. To achieve this, it is diversifying its creation and touring model to reach a wider range of venues and create different types of work. For instance, this Spring it toured (along with 3 other companies) as part of the Family Dance Festival, performing mainly outdoors and free of charge, in 5 different locations in Wales. This Autumn it will mount its first small-scale tour for many years, visiting venues in Blackwood, Cardigan, Mold, Abergavenny, Llanelli and Cardiff, mainly reaching places where little or no contemporary dance currently takes place.

However, performance is only a part of its offer. It also delivers a range of participation opportunities in dance, to increase people's well-being, learning ability, self-confidence and means of expression. It has delivered a highly

successful 'Dance for Parkinson's' programme in Cardiff for over two years, and this is expanding to Blackwood this Autumn. It is delivering a new UK-wide 'Dance to Health' programme in Swansea and Carmarthenshire for this Autumn, using academically proven dance techniques to improve the health and quality of life of people who have had a fall, or are at risk of falling. Its youth programmes – for both gifted and talented young dancers, and those new to dance, take place in schools and communities across Wales, and at its base in Cardiff Bay.

3. NDCWales – finances

NDCWales is very grateful for the support it receives from ACW – its core grant is key to its being able to raise funds from elsewhere, and to make common cause with new partners who have trust in working with the Company because of the confidence and badge of quality that the core grant represents.

The Inquiry highlights that the ACW grant – and most of the grants passed onto its Regularly Funded Organisations – increased by 3.5% in 2017/18. However, this masks the fact that the grant has dropped for most ACW clients over the past 6 years. For instance, since 2010/11, NDCWales' ACW core grant has fallen in cash terms by 5%, or by around 21% in real terms. Despite this, the Company has become busier, delivers work to more diverse audiences and its turnover has increased by around 45% as a result of maximising other forms of income. However, its reliance on the ACW core grant is as strong as ever: without this, other funders would simply not have the confidence to invest in the long term.

The shift in model the Company is effecting – from being solely a 'middle-scale' touring company to a greater range of work created and delivered – has been matched by a shift in the Company's reliance on public funding. In the year 2014/15 the ACW core grant accounted for over 85% of its turnover. In the current financial year (2017/18), the latest forecast indicates that the ACW core grant this year will account for 54% of the turnover; including other sources of public funding (Arts Council England, lottery sources, and other ACW support) shows that total public funding will represent 65% of turnover in 2017/18. This significant shift has been enabled primarily by increasing earned income, income from trusts and foundations, and individual giving.

4. Earned income

Earned income can be derived from several sources for an arts organisation – box office, fees paid by venues/promoters, hiring out equipment and spaces, earning fees for expert services and delivery, merchandising, delivering engagement and learning projects, and so on.

Compared to other parts of the UK, the fees which can be earned in Wales are relatively low; for instance, Welsh venues pay NDCWales around 40% less for their performances than in other parts of the UK, and they pay around a third of the fees paid by overseas venues. Studio hire rates are around 50% of comparator rates in, for instance, the West Midlands, which limits the amount the Company can earn by hiring out its facilities.

The low level of fees paid by venues in Wales reflect the relative size of venue catchment areas, whereby the number of available arts attenders is relatively low compared to elsewhere in the UK, both due to population density, and to demographics. To match this ticket prices vary across Wales – from rates in Cardiff which are comparable to any major UK town or city, to places such as Newtown and Milford Haven where ticket prices are, by necessity, around a third less. These venues report a highly price sensitive audience, limiting the amount they can earn at the box office, and accordingly the amount they can pay for a performance by a company such as NDCWales.

NDCWales' earned income is derived from the following primary sources:

- Touring income: fees paid by venues, festivals and other promoters for performances. This income has grown by 130% in 3 years. The increase has been enabled by giving more performances in the UK and the diversification of the programme, and by securing international engagements which pay higher fees than in the UK. This financial year international touring accounts for 55% of touring income, even though it represents just 10% of performances. The future reliability of this income is in doubt in the light of the plan to leave the EU as a high proportion (and the highest payers) of the Company overseas bookers are in the EU
- Box office and project income: primarily for community and learning activities delivered at the Dance House in Cardiff Bay, this income has risen by 29% over 3 years as a result of increased activity levels

- Fees earned on project delivery and hires: these are management and delivery fees charged on restricted projects and from hiring out studios and other facilities, increased by 115% in 3 years to the extent that the studios are full most days, and there's little further room for expansion.

5. Trusts and Foundations

The competition for Trusts and Foundations' income is more competitive than ever before. Since the reduction in core arts grants across the UK, arts organisations' operations focused on raising funds from these sources have increased significantly leading to lower success rates, and smaller grants being awarded. This is likely to become more competitive in the future, with a continuing decline in success rates, making it more expensive to raise each pound, and realistically putting major grants out of the reach of smaller organisations.

Trusts and Foundations' primary interest is in community benefit and impact; they are more likely to be interested in supporting new activity in unlikely places, than in supporting ongoing work with existing venues or groups. They are unlikely to support the creation of new work, or of touring at a high level. To be successful, bids must be deeply rooted in the organisation's core mission, and be innovative, exceptional value for money and able to demonstrate real and lasting impact. These funds are not easy to access, and require patience, expertise and the development of strong relationships based on mutual trust and understanding – not easy when you're based in Wales, far away from where many of these organisations are based and where trustees live and socialise.

In total the Company expects to raise around £120,000 from Trusts and Foundations this year (from £15,000 in 2014/15). Here are a few examples of NDCWales' key investments from Trusts and Foundations and their purpose:

- Small-scale touring and associated learning and participation programme: London-based Esmée Fairbairn Foundation (EFF) has made a 3-year investment in the Company to support a new small-scale tour of Wales each Autumn, along with associated participation programmes. The award came as a result of close working with EFF's officers, not simply by making a written submission, but also exploring and explaining the Company's vision, building their

confidence in a company they were funding for the first time

- Dance for Parkinson's: this programme is funded by a range of smaller (mainly Wales-based) trusts who give between £1,000 and £10,000 p.a.
- Core support: there are a few England-based trusts who will provide support towards core costs, linked to existing community, touring and participation work
- Capital: in the past, the Company has been successful in raising funds for the part-funding of vehicles and other capital purchases from Trusts.

6. Individual Giving

2% of people in the UK give to the arts, compared to 20% to religious organisations, and 10% to overseas aid, (Charities Aid Foundation 'UK Giving 2017'). There are fewer regular donors to charitable causes in Wales than elsewhere in the UK, as shown by The Community Foundation's recent research. The tax regime to incentivise individual donations is not as generous as that in the US, for instance.

Traditionally, UK arts giving has been focused primarily on a few very 'well-heeled' art forms such as opera and classical music, which can request significant % donations on top of relatively high ticket prices. For a touring company, without control of the ticket-selling process, and in a country where the average ticket price in a price-sensitive part of Wales might be £14, there is limited scope for developing regular giving of small amounts, from which most UK arts organisations derive the majority of their individual giving.

NDCWales has recently launched an individual giving scheme with annual subscription amounts of £30 – £120 for an individual. This is linked to twice yearly events where additional funds are raised. In this financial year, the amount expected to be raised from individuals totals around £21,000. Given time and investment this figure could rise, but by its nature the growth is long term as it is dependent on legacies and gifts which come as a result of long-term relationships and an investment of time and care. In the case of a mid-scale dance company, it is unlikely to rival the importance of Trusts and

Foundations, or earned income.

7. Opportunities for collaboration

The national arts companies of Wales have created a joint action plan for working together, focused in part on developing new sources of joint funding, and diversifying those who engage with culture. These programmes of work – both at early stages of development – could help diversify income for these companies and for others.

The profile of the arts in Wales is relatively low in the corporate sector, and with individual donors of significant means. The Welsh Government might assist by helping to create a powerful and compelling brand for the arts and culture in Wales, targeted within Wales, in the wider UK and internationally, enabling competition on a level playing field for Wales-based arts companies to secure higher levels of investment.

Unlocking the power and potential of digital arts dissemination – thinking about ‘pay per view’, broadcast and other commissioning funds – is still in the relatively early stages of research and development. Arts organisations interested in this means of dissemination and income growth could work together to share experiences and knowledge, seeking out best practice elsewhere, and bringing back to Wales insight and expertise to share.

When touring to venues in Wales on all scales, the Company is aware of the importance of attracting and retaining talent, in marketing, earning ancillary income and fundraising. This is difficult in sparsely populated areas where there are few such jobs on offer, meaning that the local ‘pool’ of experience is small if it exists at all. Encouraging skills exchanges between organisations and improving access to relevant training courses (mostly in England) could help develop and retain staff.

This would require some central co-ordination and support.