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C **V** Contemporary
A **N** Visual Arts Network

VISUAL ARTS

The beating heart and soul
of Building Back Better

THE VALUE OF THE VISUAL ARTS

As the Prime Minister Boris Johnson said on 5th July in announcing a Covid-19 package for cultural and heritage organisations, the “UK’s cultural industry is the beating heart of this country”. Our talent and flair for innovation has made the UK one of the world’s most influential cultural markets, contributing £111.7bn to its economy in 2018¹; providing unique opportunities for community cohesion and diversity; and attracting world-leading talent and tourists from around the world.

The visual arts make a major contribution to this success story, playing a positive role nationally and internationally. Artists such as Grayson Perry, Tracey Emin and Steve McQueen are among the most high-profile in the world, while the announcement of the Turner Prize attracts an international audience of millions. Visit Britain data shows that the primary reason for visiting cited by tourists is our galleries, museums and heritage centres.

The creative industries are a high growth sector – between 2017 and 2018 alone growing by 7.4% in real terms, more than five times the growth rate of the UK economy as a whole². It is a significant employer, with 2.10 million people employed in 2019, an increase of 34.5% from 2011. This is more than three times the growth rate of employment in the UK overall (11.4%), reflecting the growing economic importance of the sector³.

The considerable contribution of the visual arts is not currently measured. Therefore it is not possible to quantify the growth potential and untapped return on investment both economically and in terms of the opportunities to drive community spirit and cohesion. We know that in addition to the employment and GDP return, there is a strong social return from the growing regional networks of galleries, artist-run spaces, innovative individual artists and creative higher education institutions. These networks provide significant community cohesion, with socially engaged touch-points for communities that have lasting benefits for health and well-being. They offer significantly greater potential to help bring communities together, for example by using art and performances to coalesce around issues such as Black Lives Matter and social and economic disparities. Looking at global Britain, these networks also generate a huge international profile.

THE IMPACT OF COVID-19

The economic growth and social contribution of the Visual Arts over the years has happened with only a fraction of the levels of government support provided to many other sectors. Even prior to Covid-19 this model of neglect was becoming unsustainable: the “beating heart” of the country needs more than shoe-string nourishment.

The lockdown and social distancing measures introduced in response to the pandemic have brought things to a head. The creative industries have projected a £74bn turnover loss during 2020 – a drop of 30%, including 406,000 job losses (19%) of which over 2/3rds are likely to be amongst the self-employed⁴. Although regions such as the East Midlands, the North East, and Yorkshire & the Humber have made substantial use of the furlough scheme, if staff cannot be re-employed the visual arts will be hit very hard as the scheme ends. Many in the visual arts sector are self-employed and significant numbers of them are judged to have missed out on Covid-19 support, putting the future of the workforce at serious risk.

A May 2020 study carried out by CVAN and Earthen Lamp⁵ found that 44% of visual arts workers had permanently lost work in the pandemic. A further 58% were concerned that they would not find further work, and others reported that they had lost access to spaces or collaborators. The study found that small organisations and independent practitioners, especially disabled and neuro-divergent artists and artists from BAME backgrounds, risked complete loss of livelihood and were the most vulnerable to employment precariousness.

The government’s immediate support package of £1.57bn announced on 5th July for the creative industries was hugely welcome in the short term, as were additional contributions such as the £1.5m from the London Mayor and those made by the Metro mayors such as the Greater Manchester business recovery programme called “Find Your Space” and the West Midlands Combined Authority £500k in funding for local creatives as part of Coventry hosting the Capital of Culture in 2021.

But, as the Culture Select Committee reported on 23rd July 2020, this support package is not sufficient on its own. The jobs recovery scheme needs to be extended to the creative and visual arts sector in a “sector-specific recovery deal that includes continued workforce support measures, including enhanced measures for freelancers and small companies”⁶.

NURTURING THE SOUL OF THE NATION BEYOND COVID-19

Looking beyond Covid-19 to the medium-term, if the visual arts are to contribute more to tackling loss of employment, social disparities and inequality, and to continue to provide, as the Culture Secretary said in July, the “soul of our nation”⁷, system changes are needed. This report sets out recommendations to build back the sector and deliver the vision of a more resilient, innovative visual arts sector, properly supported so as no longer to be the forgotten sector, and with stronger leadership links with government.

Finally, another significant impact from Covid-19 restrictions has been the almost overnight move to online and in-home ways of meeting demand for arts and culture, with resulting innovation in digital production and platform development by the sector. For example the National Gallery in May had a 1000% increase in virtual tours compared to May 2019. To stay current after restrictions are fully lifted the sector will have to continue to develop a blended digital/physical offer. The follow-on work recommended in this report needs to be considered through this digital lens.

WHAT NEEDS TO BE DONE AND WHY

RECOMMENDATION ONE ESTABLISH A VISUAL ARTS BASELINE

Formally define the value of the visual arts sector and measure in DCMS trade figures, using similar criteria as for craft, and establishing a group of visual arts-specific Standard Occupational Classification (SOC) codes.

Rationale - Why Establish a visual arts baseline?

In recent years, Government has promoted the visual arts via incentives such as the establishment of the Creative Industries Council and the publication of a Sector Deal as part of the 2016 UK's Industrial Strategy. If more is to be done in a focussed way we need to understand the true value of the visual arts in its own right.

DCMS has worked to differentiate the contribution of other sectors within the creative industries such as music, video games and, most recently, craft. By formally defining the economic baseline of the visual arts, the sector - including education, galleries, and touring exhibitions - will also be able to coalesce around a common baseline to develop strategic plans for growth, to deliver economic and social benefit. The government for its part will be better able to judge the size and value of public good achieved from public investment, including in visual arts in the education system.

Doing this through the SOC codes will also provide a basis for the right decisions in the new immigration points system (see recommendation 4).

RECOMMENDATION TWO SET SOCIAL AND ECONOMIC GROWTH TARGETS AT NATIONAL AND LOCAL LEVEL

The Creative Industries Council should take this baseline and set an annual growth strategy and targets for the visual arts and ask for the same to be done at the local level. Such targets should include:

- social objectives such as levels of community engagement and cohesion, and
- economic objectives such as sales and exhibitions for each of the key export markets identified by DCMS (USA, Europe, China, the Middle East, and Japan).

The DCMS Select Committee should monitor progress against the growth targets and the levels of investment needed to deliver them.

Rationale - Why Set social and economic growth targets?

The visual arts can play a significant role in delivering the government's agenda of tackling regional disparities and healing the social divides within England, which the Brexit referendum and Covid-19 crisis, as well as campaigns such as the Black Lives Matters, have brought into stark relief.

Those providing evidence to the inquiry were agreed that more should be done to help Councils and Combined Authorities develop the creative industries in a way that represented local values and celebrated regional traditions and cultures. This would be helped through targets set locally as well as nationally.

Economically - and as part of Covid-19 recovery - the visual arts can play a vital part in the Creative Industries Council (CIC) target of increasing overall exports by 50 percent by 2023. Pre-Covid bilateral arrangements such as the UK - Japan Season of Culture⁹ shows there is considerable appetite for growing key export markets with traditional partners as well as emerging markets. HM Trade Commissions and the Department of International Trade should work formally with sector leadership to help achieve these goals by:

- Taking more small and medium sized visual art bodies and organisations on trade missions and introducing them to new markets;
- Providing strategic guidance for artists, exhibitors and galleries; and
- Increasing inward investment to the United Kingdom.

RECOMMENDATION THREE TAX INCENTIVES TO SUPPORT GROWTH

The Government should extend and simplify current tax incentives for small galleries and new artists to ensure that the social and economic benefits of culture are shared across the United Kingdom, and English regions, to support the government's levelling-up agenda. Specifically, the Museums and Galleries Exhibition Tax Relief should be rolled-over for a further five years, increased and expanded.

Rationale - Why Tax incentives to support growth

Showcasing art domestically and to export markets makes a significant contribution to the economic growth of the visual arts sector. Exhibitions provide a forum for aspiring and established artists alike to showcase their work to the public, and give galleries and museums a constantly changing collection of works. The April 2017 Museums and Galleries Exhibition Tax Relief was a positive initiative, but is currently due to end after five years, in April 2022. Given the devastating impact of Covid-19 from which the sector will take time to recover, action should be taken now to extend the life of the legislation by a further 5 years, and at the same time address at minimum three aspects that need reform to ensure the visual arts can properly benefit. These are:

- Allow exhibitions with a main purpose of selling items on display or of advertising/promoting
- Remove the requirement for an organisation to have formal charitable status, as charitable status imposes significant regulatory burdens that small not-for-profit bodies cannot afford. Instead apply a 'not-for-profit' test.
- Increase the rate of payable credit from 20% (and 25% for touring exhibitions) to 50% for the next 5-year period of the tax relief. This will help target support on small galleries at a time when they are struggling more than ever due to the impact of Covid-19 on people's spending power.

This work (which the government has begun) should be completed over winter 2020 to allow changes to be introduced as part of the Spring 2021 Finance Bill. It should include simplifying how applications are made, to allow the tax relief to be used by those who need it most - the tiny organisation with very limited resources. The parallel development of a growth target as per Recommendation Two will provide the data to evidence the impact of extending the scope of the tax benefit.

RECOMMENDATION FOUR REMOVE BARRIERS TO TALENT FROM ABROAD

Visual artists should be explicitly part of the government's proposed 'Global Talent' immigration route as it is developed, with a wide range of applicants able to be endorsed as 'future leaders' by the Arts Council, using the new Standard Occupational Classification code(s) in Recommendation One.

Rationale - Why Remove barriers to talent from abroad?

Part of growing the sector and improving community cohesion through diversity is by attracting highly talented visual artists from abroad. But the majority are self-employed, so may not have a job offer, and salaries below both the £25,600 general salary threshold and the minimum salary threshold of £20,480 are common for the first few years of work, even for sector leaders of the future. The Government has rightly established a 'Global Talent' route¹⁰ to attract the 'leaders of tomorrow' as well as of today. In developing this 'route' the potential of highly talented but as yet poorly paid visual artists should be woven in, so as to mitigate the intangible nature of much employment in the sector¹⁰ and remove the barriers to Britain being a magnet for the brightest and best artists, at which the new immigration points system is aimed¹¹.

RECOMMENDATION FIVE STRENGTHEN NETWORKS TO DELIVER SOCIAL INCLUSION AND DIVERSITY

To provide capacity for the existing network of galleries, local authorities, schools and universities to operate more effectively together and provide sector leadership, collaboration funding should be provided through the government to support delivery of the growth targets in Recommendation Two.

Rationale - Why Strengthen networks to deliver social inclusion and diversity

The visual arts contribute significantly to well-being and inclusion. Local galleries and museums are highly effective at creating areas to provide space for people to meet, to foster dialogue and act as hubs for wider community engagement.

A 2019 report by The Audience Agency shows the visual arts are particularly successful in attracting a younger and more diverse section of the community. For example, 41 percent of Visual Arts audiences are aged 16-34, compared with 41 percent of museum audiences being aged 65 or older, and audiences under the age of 35 are significantly overrepresented in Visual Arts attendees, compared with the population as a whole.

However, more needs to be done to increase diversity within the sector. Between 2016/17 and 2017/18¹² there was only a two percent increase in the number of students from BAME backgrounds taking the subject to degree level, and the visual arts sector and wider creative industries are still struggling with diversity¹³. A 2019 report by the Roundhouse and Partnership for Young London set out the challenges associated with encouraging young people, especially from BAME backgrounds, in taking creative degree programmes¹⁴. These findings echo those made in a 2014 study by the Cultural Leadership Programme (CLP)¹⁵.

Our inquiry concluded that this needs be tackled through systematic interaction between local artists and schools. Given the inflexibilities around the national curriculum and education funding this must be driven nationally, to broaden the curriculum and devolve funding powers as part of the devolution and levelling up agenda.

In addition to giving to schools the curriculum and funding flexibility to engage, such systematic interaction will require a stronger visual arts-based network. To get off the ground and provide the existing network with the capacity to work effectively together and provide leadership to the sector, including for delivery against growth targets, the current network will need new collaboration funding, potentially through the Arts Council. Providing capacity within the network will allow proper knowledge sharing between schools, universities, galleries and museums. For example, to include learning from successful examples where galleries have become truly civic spaces engaging with the local community as a whole.

A representative from the leadership of the network should sit on the Creative Industries Council, with the remit of ensuring benefits are driven for both the sector and the Government in support of the social and economic growth targets proposed in Recommendation Two.

¹Oxford Economics Report 2020 <https://www.creativeindustriesfederation.com/sites/default/files/inline-images/The%20Projected%20Economic%20Impact%20of%20Covid-19%20on%20the%20Creative%20Industries%20Report%20-%20Creative%20Industries%20Federation%202020.pdf>
²Ibid. ³Ibid. ⁴bid - Oxford Economics Report 2020 ⁵Impact of COVID-19 on Visual Arts Workers, Summary of Findings, CVAN & Earthen Lamp, May 2020 ⁶<https://publications.parliament.uk/pa/cm5801/cmselect/cmcmmeds/291/29102.htm> ⁷Oliver Dowden, Press Notice 5th July 2010 <https://www.gov.uk/government/news/157-billion-investment-to-protect-britains-world-class-cultural-arts-and-heritage-institutions>
⁸Embassy of Japan to the United Kingdom, Japan-UK Season of Culture, April 2019 ⁹<https://www.gov.uk/government/publications/uk-points-based-immigration-system-further-details-statement/uk-points-based-immigration-system-further-details-statement>, paragraphs 65-70. ¹⁰The Stage, "New immigration system branded devastating for creative workers, 20th February 2020 ¹¹<https://www.gov.uk/government/publications/uk-points-based-immigration-system-further-details-statement/uk-points-based-immigration-system-further-details-statement> ¹²Higher Education Statistics Agency, Higher Education Student Statistics: UK, 2017/18, September 2019 ¹³Arts Professional, Government should fund young creatives to build diversity, says report, 5th July 2019 ¹⁴Partnership for Young London and Roundhouse, Self-Made Sector: Working in the Creative Industries, July 2019, pg. 17
¹⁵Cultural Leadership Programme, Black, Asian and Minority Ethnic Leadership in the Creative and Cultural Sector, December 2014, pg. 37

ALL PARTY PARLIAMENTARY GROUP FOR DESIGN AND INNOVATION



The All-Party Parliamentary Design and Innovation Group is a cross-party coalition of Parliamentarians and design sector organisations that works to develop new design policy ideas, critique existing government decision-making around design, communicate within Parliament on the enormous potential value of design, and help the design community better engage with the policy process.

POLICY CONNECT



Policy Connect provides the secretariat for the All Party Design and Innovation Group. As a cross-party think tank Policy Connect improve people's lives by influencing public policy. We collaborate with Government and Parliament, through All-Party Parliamentary Groups and Commissions, and across the public, private and third sectors to develop our policy ideas. We work in health; education & skills; industry, technology & innovation, and sustainability policy. This project was undertaken by the Industry, Technology & Innovation team at Policy Connect. Special thanks go to Policy Connect's Business Adviser Oona Muirhead CBE who led the work on this report.

CVAN



CVAN, who has kindly sponsored this report, is a sector support and advocacy organisation that represents a diverse visual arts community of artists, creative practitioners, and arts organisation, institutions and art galleries across nine regions in England. The network is representative of the whole of England's visual arts sector, bringing together individuals ranging from artists, independent creative professionals including technical professionals, academics, students, National Portfolio Organisations and organisations (including studio providers) with investment models outside of NPO and ACE funding. CVAN's representation of the whole visual arts ecology means that it can consider and articulate the individual segments of the sector in relation to its whole.

a-n The Artists Information Company



a-n The Artists Information Company is the largest artists' membership organisation in the UK with over 22,000 members. We support artists and those who work with them in many practical ways, acting on behalf of our membership and the visual arts sector to improve artists' livelihoods. We have a reputation for providing compelling insights and playing a catalytic role in influencing and informing cultural policy. Growing from a grassroots 500-copy-a-month newsletter in 1980, to a magazine, an online platform, and now a full professional membership organisation, a-n celebrates its 40th anniversary in 2020/21.

METHODOLOGY

This report was produced by Policy Connect for the All-Party Parliamentary Design and Innovation Group (APDIG) in partnership with the Contemporary Visual Arts Network (CVAN) in the light of Covid-19, to highlight the importance of the visual arts in the recovery from the economic shocks resulting from the global response to the pandemic. It builds on earlier evidence-gathering sessions held by the APDIG in July 2019: one at the Slade School of Fine Art at University College London, and one at BALTIC 39 in Newcastle. Both events brought together leading figures from across the sector to discuss the issues facing visual arts, as well as to suggest ways in which public policy in this area could be developed. An open call for evidence was also held during the inquiry period.