

Written evidence submitted by Creative Arts East

Call for evidence - Impact of Covid-19 on DCMS sectors

Creative Arts East is an award-winning arts and community development charity committed to bringing the very best arts and cultural activities to rural and/or under-engaged audiences across Norfolk, Suffolk, and the wider Eastern region. We aim to use the transformative power of the Arts to fight rural and social isolation; increase enjoyment, skills, health and wellbeing; broaden horizons and ambitions; and make a positive difference to the lives of people living in rural communities. We achieve this by helping people access and engage with high-quality arts experiences, including live performances, cinema screenings, creative workshops, training sessions and volunteering opportunities. We are an Arts Council National Portfolio Organisation and member of several sector and regional development fora, including the National Rural Touring Forum, Norfolk Arts Forum and Third Sector Systems Leadership Group for Norfolk.

Like so many in our sector, Creative Arts East fulfils its mission and financial responsibilities not through ticket sales, but through our ability to generate project funding. Whilst our live performance rural touring work is underpinned by Band1 Arts Council NPO income, the rest of our work, including our community cinema scheme and business administration infrastructure, is built on annual and multi-year project investment and small levels of local authority grants.

To achieve this, we design and deliver time-limited programmes of creative activity that provide important and proven social impacts and stepping-stones for community, practitioner, and audience development.

In a normal year of business, this work supports around 100 rural community groups with a total reach to over 40,000 audience members and beneficiaries. 60% of the rural audiences and volunteers we support are aged 55+ (40% aged 65+), and our social impact project work reaches and engages with some of the most vulnerable people in our region, including older people living with, or caring for someone living with, a dementia and rurally isolated children and young people. The effect of this work is many and varied. 60% of our volunteers say they have an increased sense of personal satisfaction. Our dementia-inclusive work has a statistically significant increase in individual levels of wellbeing ($P < 0.5$). More than 70% of the 'at-risk' teenagers we work with have increased levels of self-confidence. Annually we provide employment for over 30 freelance artists and performers.

"The events my family, friends and I have attended have all been wonderful and have brought the whole community together. Without these events, the village communities would be even more isolated"

"The Town Council value the service and it truly benefits the community especially those on a low income or with transport difficulties"

Our average annual income is £500,000, of which approximately 60% is spent on business administration, including salary costs for 9 FTE PAYE employees. We operate with a small amount of reserves which include a ring-fenced business closure amount and less than 1% of our turnover in working capital; these reserves have been built slowly over a period 15 years.

We are making this submission in order to discuss the immediate crisis that funded organisations like ours have been dealing with, and to highlight the longer-term and more deeply impactful issue of closure of funding streams on the financial stability of the sector for 2021-22 and beyond. We hope that by presenting details about our own organisation and our specific concerns, we can provide an example that is representative of many similar project-funded, community-driven arts organisations across the country.

Immediate Impact:

As of Friday 20th March, the Creative Arts East office was closed, and the team deployed to work remotely from their homes. In the weeks leading up to this, in response to the growing health threat, all events and participatory workshops were cancelled or postponed either directly by our team and/or in partnership with the presenting venues across both our cinema and live performance rural touring schemes. Cancellations continue to be reviewed on a 6-weekly 'review and respond' cycle. We have committed to maintaining payment of fees to contracted artists who have experienced disruption across our portfolio, and where necessary to support any out of pocket expenses that may be incurred by voluntary event promoters, in terms of venue hire, licensing, etc.

We have been proactive in repurposing our social impact projects to make a relevant contribution to the COVID-19 emergency relief effort locally, including working with artists to produce postal Creative Wellbeing Packs for isolated people across Norfolk, and making regular 'keeping in touch' phone calls to vulnerable older residents. These actions have been a lifeline at a time of increased and extended isolation and anxiety for many of our older vulnerable service users and the postal packs are an innovation that we hope we can continue to deliver as part of our new normal for years to come, ensuring that lessons learnt during this crisis can extend and develop new ways of working to enhance wellbeing or combat loneliness for vulnerable and isolated people in the longer term.

This story will be one of many across the funded-community-arts sector nationally.

2020-21 intervention:

The 2020-21 financial year was always going to be a pivotal one for Creative Arts East, with several large-scale social impact project investments coming to an end between May – September 2020. Therefore, since Oct 2019, our team had been initiating and developing several new or evolved streams of work, many of which were due to be in application by March/April 2020.

Our original 2020-21 budget included approximately £40,000 of core income from £120,000 worth of new project activity due to start from September 2020, and which was in development or application by the time COVID-19 hit. Since then 90% of the project funding streams we had identified have been closed and the money redirected to provide emergency intervention, most of which has focused specifically on the first 6-9 months of the financial year and been targeted at those who operate a box office model and/or do not have reserves to see them through this short-term period. Whilst this has undoubtedly been a critical lifeline for the sector it has also presented a considerable risk to the medium and longer-term financial security of project-funded organisations. At Creative Arts East many of our funding applications for income from 2020-2023 are still awaiting submission but there is very little certainty about when or whether funding streams will reopen, and if so, how much will be available and for what.

Thanks to continued and flexible investment commitments by our primary funders such as local authorities, Arts Council England, Spirit of 2012, Trust and Mercer's Company, plus additional emergency investment from the Esmée Fairbairn Foundation and the National Lottery via the British Film Institute Film Audience Network, as well as savings made internally and through the government's Job Retention Scheme, we are secure for 2020-21 and able to keep our staff employed. This means we can continue to deliver our portfolio of newly COVID-secure social impact projects and maintain our commitment to underwrite the costs of rural touring events for the remainder of the year, as and when communities feel safe and able to open their village hall doors to artists and audiences again. Early indication suggests these community venues may be the first in the

sector to reopen their stage doors, with some suggesting performance dates as early as October 2020 based on the current trajectory, of course this is entirely dependent upon COVID-19 cases continuing to diminish and those venues being able to meet new safety measures.

Mid to long-term impact:

Whilst we are relieved to have secured ourselves this year, and we are incredibly grateful for the support we have received in doing so, the clock is running down for us to be able to do the same for 2021-22.

At present we estimate a core funding gap of over £100,000, which is the equivalent of £340,000 worth of successful fundraising for this year alone; with less than nine months left to achieve this, and with no sense of when and how funding streams might reopen this year, it feels an almost impossible task.

It is essential that large-scale, flexible revenue funding streams are quickly reopened, and increased where possible, with an emphasis on full cost recovery and COVID-19 survival. However, fundraising is a time consuming and unpredictable lottery and because of that, funded organisations must be underpinned by a rolling package of emergency investment by central and local government and private investors for at least another 12 months. This will give us room to breathe, innovate and recover our business models to move securely forward, supporting and safeguarding both those we serve, and those who deliver our services.

It has been becoming increasingly difficult to function as a project-funded organisation over the last few years and the impact of COVID-19 has only compounded and brought forward the fragility of community focused organisations such as ours. Decreasing levels of unrestricted core investment has required us to offset that by either increasing the amount of funding for staffing and overheads that we ask for in project applications (potentially reducing fundraising success) or by making more project funding applications (creating a considerable drain on a dedicated but already stretched staffing capacity). Neither is adequate as a solution, but this is the reality for most funded arts organisations across the country. It is debilitating trying to innovate in a world of low-chance/high-stakes when people's jobs and the wellbeing of community members are on the line.

Nevertheless, Creative Arts East has survived and thrived for 25 years on this evolving business model and has grown in ambition and reach despite the challenges. We are successful fundraisers because we are raising funds with and for the communities we serve and as a result we can make compelling arguments based on real evidence of beneficiary need. This is an unprecedented moment where we must do the same of ourselves and our sector.

We are always thinking about solutions to our snowballing financial situation and COVID-19 has brought some of these ideas into much sharper focus. One example solution is a 'guarantor' model; an investor by way of a strategic body or private individual who can, if needed, commit to helping underwrite core operating costs for community arts organisations like ours. The likelihood of drawing on the guarantor 'reserves' would be slim, as the organisation continued to fundraise for the delivery of work and a percentage of core organisational costs as usual, but the chance vs stakes psychology would be substantially reduced, enabling officers and trustees to focus on vision, mission and innovation rather than redundancy and reduction. The COVID-19 crisis offers an opportunity to test such a model.

In order to rebuild and recover from this unprecedented crisis, communities will be at the heart of the approach and it is the very arts organisations who facilitate and support those communities to be creative and resilient that are under real threat of closure, exactly when what they offer is even more vitally important than ever before. The staff within these organisations are skilled, dedicated and specialist; theirs are not easily

learned or replicated jobs. They are eager to be at work, to be doing something useful for our society at this and all times, particularly for those overlooked communities who form a quiet but extensive and vital part of the landscape of people across our nation. The work they do has an immeasurable social impact and this simply must be preserved in this moment.

Community-arts organisations and the staff who run them are a unique asset to the people they serve and the authorities who help fund their work. If we are preparing for heightened levels of mental health/wellbeing needs in people of all ages and circumstances as a result of COVID-19, the creative interventions that community arts organisations provide are uniquely placed in responding quickly to those needs and they will play a vital role in helping society to overcome this crisis. The spark of creativity and empathy, courage and compassion, inclusivity and individuality which is unique to artists and arts professionals has never been more valuable in mending our society going forward.