

Written evidence submitted by Acme

Supporting artists since 1972, Acme is a charity based in London which provides affordable studios, work/live space, and a programme of artist support. Acme is the single largest provider of affordable artist studios in England, and this year it will support over 800 individual artists across 16 buildings in Greater London. Our average rent for artists is £13.60 psf pa., well below the sector average. Acme operates an inclusive waiting list system for its studios which is based on individuals' length of time on the waiting list, with particular consideration given to artists with disabilities.

Providing high quality artist studios at the lowest possible affordable rent to artists in socio-economic need is Acme's core mission. We have a portfolio of permanent and long-term buildings providing high-quality, affordable and predominately accessible studio spaces for artists. This work is essential as it directly supports artists, keeping them in London and enabling their original cultural output and innovation. The arts and culture industry, built around this original cultural output, in turn contributes £10.8 billion a year to the UK economy.

What has been the immediate impact of Covid-19 on the sector?

The main impact both now and into the future is the direct impact to artists' incomes, and the threat poses to the sustainability of artistic practice.

Artists make very little money from sales of artwork. From a recent Acme artist survey it is clear that artists make the income they need to survive from a variety of sources:

- 33% selling or exhibiting work
- 29% teaching
- 16% freelance work within cultural sector
- 13% non-art related activities
- 5% grants
- 4% employment within cultural sector

A typical artist will be part self employed (selling work or conducting workshops) and part employed (eg technician or teaching work), with an average income of around £12k pa (93% of artists earn less than £20k pa). The Covid-19 crisis have severely affected all areas of artists' income. With no galleries or museums operating there are no sales or commissions of work and with the wholesale closure of cultural institutions and colleges other forms of income will disappear. From data collected from a sample of our tenants:

- 61.7% of applicants expect to lose 80-100% of their income
- 23.2% of applicants expect to lose 60-80% of their income

With cultural institutions and galleries unable to open or to plan for the future and universities making cuts to part-time staff following the end of the job retention scheme in September artist's incomes will not improve, savings will run out and borrowing limits will be reached. The overwhelming risk faced at this point is that if a large number of artists permanently abandon their practice, and with it years of experience and sunk investment the ripple effect throughout the arts and culture industry will be devastating.

How effectively has the support provided by DCMS, other Government departments and arms-length bodies addressed the sector's needs?

Due to the variety of sources of income artists do not fit neatly into definitions of a business and are therefore rarely eligible for any of the Covid-19 government support that has been offered. From Acme's artist survey:

- 76.5% are not eligible for government self-employment schemes

Those that are eligible receive 80% of 'profits'. This will not cover fixed costs such as renting a studio, given that 36% of artists receive 'profits' of less than £83 per month from their practice.

- 96.3% are not eligible for the coronavirus job retention schemes
- 94% are not eligible for Small Business Rate Grant

Acme offered all of our artists interest free rent delay payment breaks of up to three months, repayable over periods of up to two years. This was to support artists, and also to minimize the possibility of large numbers of artists giving notice on their spaces. As of 7 June 2020 133 artists have applied for and received a rent delay.

We have also introduced a rent relief fund. This allows for a 50% reduction in rent for a three month period (with no repayment required to Acme). 117 artists have applied for this so far, with a 98% success rate. This number continues to increase and we expect that a large proportion of artists currently receiving a rent payment break, will also apply to this fund when their rent payment break period expires.

As an organisation we have already increased the risk to ourselves in order to support our artists, but we have no capacity to offer further support. As an organisation we are also not eligible for government support. Our team have remained employed throughout this time supporting artists and maintaining our buildings, so we were unable to furlough any staff. Business interruption loans would not be feasible, as because we are a charitable enterprise, we do not generate sufficient surplus on our rents to repay them in the future.

What will the likely long-term impacts of Covid-19 be on the sector, and what support is needed to deal with those?

The GLA's 2018 Artists Workspace Study showed that of 7,000 artist workspaces in London only 13% are freehold, with the 87% that are rented often facing unpredictable rent reviews and the constant threat of redevelopment. 24% of studios are likely to close in within 5 years. With the effect of Covid-19 on both artists incomes and the affordable sector that figure will now be far higher. **With providers unable to pay their commercial landlords the 87% of existing rented properties that service the affordable studios sector will all be under threat of repossession.**

Without genuinely affordable workspace available for artists there would be no place for artists to create work in London. The knock on effect of artists moving out of the city or country, or ceasing their practice entirely would have devastating consequences. Losing its global reputation London would cease to be the global cultural centre and destination it currently is. Artists rely on the affordable sector for a space to work and the affordable sector, mainly made up of charities, relies on artists ability to pay their rent to survive. Affordable studio providers receive very little funding. In London there are approximately 240 workspace providers, but only 6 of these studio providers are funded through the Arts Council National Portfolio. This funding is provided for artist residencies or other temporary activities and not long term sustainable studio provision.

Without **significant long-term direct financial support for both artists and the affordable studio sector** that supports them London will lose:

- The socio-economic diversity of the capital's artists
- the additional community and educational activities that artists carry out alongside their work
- The infra-structure needed to support artistic creation in the future
- The social cohesion brought about by embedding cultural production within the community
- The bedrock upon which its arts and culture industry is built.
- And ultimately its status as a vibrant global recognised cultural centre

What lessons can be learnt from how DCMS, arms-length bodies and the sector have dealt with Covid-19?

There is an urgent need to understand the component parts that come together under the umbrella of cultural sector. The basic level of production, without which nothing else is possible, has been badly overlooked during this crisis. Whilst it has been admirable the speed at which the Arts Council have moved to provide funds to portfolio organisations and some individual artists there is also a wider need to ensure those outside of this support can

survive. All artists and those that quietly support artists need support, not just high profile public outcome artists and organisations

How might the sector evolve after Covid-19, and how can DCMS support such innovation to deal with future challenges?

Coming out of this period, paying back rent or mortgage holidays to landlords and banks at a time when income from artists' rents is diminishing, will put all affordable studio buildings at increased risk. For some organisations, this will be the tipping point for closure. Unless there is concrete government intervention buildings will be handed back to landlords and affordable studios will be lost back to the commercial sector forever.

Over the next twelve months there needs to be an **emergency fund that can be accessed by providers facing either the loss of a building or insolvency**. Whilst Acme would not expect to need to draw on this fund, we are an anomaly in the affordable sector.

Looking further afield, the creation of a direct access capital development fund which would enable charitable affordable sector providers to purchase property or long-term property leases is the most effective intervention that DCMS could make to safeguard the sector in perpetuity.

Having been a previous recipient of this type of investment, Acme, as it exists as an organisation today stands as testament to the effectiveness and long-term benefit of this type of capital development approach. For the security and the resilience of the arts and culture sector as a whole, it is paramount that affordable studios are supported to continue existing and enabled to thrive in the capital.