

Senedd Cymru | Welsh Parliament

Pwyllgor Diwylliant, Cyfathrebu, y Gymraeg, Chwaraeon, a Chysylltiadau Rhyngwladol | Culture, Communications, Welsh Language, Sport, and International Relations Committee

Diwylliant a'r berthynas newydd â'r UE | Culture and the new relationship with the EU

Ymateb gan: British Council | Evidence from: British Council

British Council

The British Council is the UK's international organisation for cultural relations and educational opportunities. We support peace and prosperity by building connections, understanding and trust between people in the UK and countries worldwide through Arts, Education and English

The British Council works for all four nations of the UK. Our office in Wales has been open since 1944. The British Council works closely with a wide range of stakeholders across the Welsh creative sector, including the BBC National Orchestra of Wales and No Fit State, a contemporary circus company based in Wales, and it is through interviews with colleagues in these organisations, as well as our wider UK and overseas network, and research and insight teams, that we have gathered information relevant to this inquiry.

We will respond to:

- the impact of the new relationship on artists and creative workers touring and working cross-border (including touring and working in Wales);
- the availability of guidance and support for the sector relating to the new relationship between the UK and EU;
- the impact on access to funding programmes and networks.

The impact of the new relationship on artists and creative workers touring and working cross-border (including touring and working in Wales)

The United Kingdom's departure from the European Union (EU) has impacted companies in Wales in several ways. For creative workers touring, they now face a complicated landscape of carnets, tax liability uncertainty, health insurance costs, 90-day visa limits, delays at borders and in processing A1 forms. They also bear the additional cost of staff to navigate and manage this new level of administration.

Carnets:

When the UK was in the EU, orchestra members could carry instruments throughout the EU with no checks. Now companies must provide a 'passport' for each piece of equipment they are touring

with, all of which has to be logged and coded.

- BBC National Orchestra of Wales meanwhile have had to bring in costly experts to certify the type of wood that is used in each instrument under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) treaty, incurring additional costs of fumigating instruments.
- In an interview with No Fit State, they spoke of how preparing their carnet for a recent tour took six people three weeks to prepare, covering approximately one thousand two hundred individual items and estimated the total cost as 28,000 GBP in human resource and insurance against indemnities for ferry handlers or provision of false information that could lead to accidents.

90 Day Visa limits:

The 90 Day Visa limit (a UK citizen can now only spend a maximum of 90 out of every 180 days in the EU without visas and work permits) has had a tangible impact, not only on the length of tours, but also on the ability of staff to attend key networking events in EU countries or even take personal holidays in the EU if they've been working there within the 180 day limit.

- For example, No Fit State said, *'we were forced to turn down bookings for summer 2023 with an estimated loss of income of circa £120,000 and a reduced gross profit on the tour of circa £40,000'*.

Employing EU Nationals:

Inbound workers have been affected too. Whilst many companies in Wales would like to work with EU nationals to prepare or as part of their tour, this now has visa and insurance implications that were not previously a requirement when the UK was part of the EU.

- No Fit State estimates that the cost of health insurance alone for an EU national to work for their company is 1,305 GBP, noting that regardless of whether the employee is working for a month or a year, they have to pay the full rate. Furthermore, they estimate that their touring has witnessed a 40% reduction in profit margins from a combination of the extra costs associated with non-EU membership and increased human resource to navigate the complexities.

Tax Liabilities:

Since the UK's departure from the EU, companies have expressed that they struggle to navigate the different rules and tax implications between different EU countries.

- BBC National Orchestra of Wales had tax withheld from the German authorities when they invoiced for a recording, which wouldn't have previously happened. Despite the BBC submitting documents to the German federal tax office, the Orchestra are yet to get tax back. The BBC had to put in a withholding tax exemption form and these are taking 9-12 months to process.
- With regards to income tax, it is not clear what liability the Welsh organisation has with regards to working in EU countries. For example, No Fit State travelled to both France and the Czech Republic to work on partner festivals and could not find an agreement that outlined the requirements on income tax. Since the exit from the EU, there isn't an

overarching agreement that addresses this for cultural work and so organisations are having to look into individual agreements for each country. In the end, No Fit State had to enlist the help of a local Member of Parliament to try to get an answer on tax exemption.

- For the Czech Republic, No Fit State had to look at documents going back to 1990 between the UK and Czech Republic to understand what the tax agreement was.
- So far, no tax has had to be paid by the touring company, but the uncertainty and extra resource needed to be compliant and find out the regulations takes a toll, as well as EU partners feeling that it might be easier to work with non-UK partners.

The availability of guidance and support for the sector relating to the new relationship between the UK and EU:

Although the Arts Councils have set up the information points and British Council has directed artists with questions to these, cultural organisations feel that there is still not a singular hub which can clarify the latest rules and regulations as these are not formally agreed post-exit with individual countries.

Companies state that between various organisations and websites, there is a lack of clarity, and it is up to the individual to try to understand what agreement the UK government has in place with the country in question.

The impact on access to funding programmes and networks:

A loss of key funding opportunities since the UK left the European Union has been felt across many organisations both small and large.

Creative Europe:

One significant example of this is Creative Europe.

The EU has increased the budget of its flagship cultural development programme, Creative Europe, by 66% to €2.44bn.

- In Wales alone, a total of 2,575,369m EUR was awarded by Creative Europe between 2014-201. The fifteen beneficiary organisations partnered with contemporaries in 27 of the 41 countries participating in the Creative Europe programme.² This funding enabled them to diversify income streams, exercise creative independence, and challenge preconceptions around audience demand. It also allowed them to present work in new territories.
- A 2021 report commissioned by the British Council and supported by the Creative Europe Desk; of which Welsh Government, Creative Scotland, British Film Institute, and Arts Council England were also key partners, gave insight into the impact of the programme. 76% of respondents said they had worked in or delivered activities or products in European countries new to them, while 60% had done so in countries outside of Europe, as a result of Creative Europe. 31% of respondents also received an award or equivalent recognition for

¹ https://issuu.com/mediadeskuk/docs/creative_europe_in_wales_2014-20

² https://issuu.com/mediadeskuk/docs/creative_europe_in_wales_2014-20

their work.³

- Financially, there was also a positive influence. Many of the participating firms claimed to be more profitable (63%), more resilient financially (76%), more competitive in Europe (86%), and to have achieved higher turnover (77%).⁴
- *Hinterland* was a ground-breaking series which received over 1m EUR in grants from Creative Europe. It ran for 3 seasons and sold to 100 countries worldwide. One of the key impacts of this project was to bring new audiences into contact with the Welsh language, paving the way for the creation of other bilingual Welsh English dramas.⁵
- Located in Aberystwyth, the production found local support during filming from the community, University and authorities. An economic impact analysis commissioned by the production partner S4C revealed that the Aberystwyth economy benefited by nearly £1 million during one season of filming.⁶
- Ed Thomas, creative director at Fiction Factory, creators of *Hinterland*, said: “Without support from the MEDIA programme *Hinterland/Y Gwyll* would not have been produced... Celebrating and nurturing the diversity of culture and language across Europe is vital and our partnership has given a voice to a small country, its culture and its people.”⁷

Europe Beyond Access:

British Council has consistently been a regular participant, and leading partner, in Creative Europe cooperation projects. In 2018-2023, we were the lead beneficiary and partner of *Europe Beyond Access*, a large-scale cooperation project with a consortium of seven European partners, supported by 2m EUR of European Union funds.

- UK artists and cultural professionals participated as performers, speakers, workshop leaders, and expert advisors; invited to share the UK’s internationally recognised expertise in Arts & Disability.
- The aim of Europe Beyond Access was to support Deaf and disabled artists to break the glass ceilings of contemporary performance, and to internationalise the careers of artists across Europe. It was the largest Arts & Disability programme in the world, with a total of 2,037 artists and cultural professionals taking part in the programme. Of these, 169 were from the UK.
- Through the project the British Council established the European Arts & Disability Cluster – a networking platform for Arts & Disability companies across Europe. Included in this are Wales-based *Hijinx* and *Disability Arts Cymru*.
- Across the whole programme, 3.8m people engaged with the project events and films; either as face-to-face audiences or online. 1.5m of these experienced works made in a country

³ <https://www.bfi.org.uk/get-funding-support/funding-support-international-activity/creative-europe-desk-uk>

⁴ <https://www.bfi.org.uk/get-funding-support/funding-support-international-activity/creative-europe-desk-uk>

⁵ https://issuu.com/mediadeskuk/docs/creative_europe_in_wales_2014-20

⁶ <https://www.bfi.org.uk/get-funding-support/funding-support-international-activity/creative-europe-desk-uk>

⁷ https://issuu.com/mediadeskuk/docs/creative_europe_in_wales_2014-20

other than their own. 126 media articles and interviews were published and broadcast, representing a readership / viewer figure of 33,783,996.

- UK artists, experts and cultural professionals took part in programmes across 7 countries – often invited to share UK expertise in Arts & Disability which is internationally recognised. They took part as performers, as speakers, as workshop leaders, and as expert advisors.
- The Europe Beyond Access consortium has just been awarded funding for a second programme period, 2024-2027. British Council is not able to be a main partner of the consortium as the UK is no longer eligible to be a partner in Creative Europe.
- British Council has chosen to be an Associate Partner. For us this means not receiving EU funds, but instead making a financial investment into the project to secure our partnership. Unlike most UK arts organisations it is within our core objectives to maintain our presence in networks such as this, and so we will make a net financial contribution to the second generation of Europe Beyond Access.
- Through our negotiations with the consortium, we have ensured our investment will ensure that allow UK artists are able to apply for open calls in Europe Beyond Access the project. This is something that projects sometimes elect not to allow; – i.e., to limit open call opportunities to Creative Europe eligible countries only.

Impact of Loss of EU Structural Funds on Arts in Wales:

It is not only European funding via Creative Europe which has impacted the arts in Wales, but also the loss of the EU Structural Funds to Wales.

- The Structural Funds made a significant contribution to the Welsh economy over the past several years. Between 2014-20, Wales received almost £2.7 billion from these funds, and a significant part of this involved arts and culture projects.
- In addition, the Arts Council of Wales estimated that between 2006 and 2017, arts organisations in Wales received £18m from the European Structural & Investment Funds (ESF) and £6 million for rural art projects from the Rural Development Plan. Along with match funding, this investment has supported projects as diverse as training, apprenticeships, community projects and capital build schemes for arts centres, galleries and theatres.
- Projects supported by these funds included £1.7 million for Galeri Caernarfon and £15 million for Pontio, Bangor University's arts centre, as well as Aberystwyth Arts Centre and Mwldan, all of which are creating new opportunities for people in Wales to participate in cultural activities.
- The 'Reach the Heights programme' was a recipient of EU Structural Funds, through which the Arts Council of Wales (ACW) distributed over £10 million to 73 projects involving over 9,000 young people.

Loss of Networks:

Following the UK's exit from the EU, the creative sector feels the loss of the informal networks that arise from working on collaborative projects that being part of programmes like Creative Europe brought. Under Creative Europe, arts organisations and individuals worked collaboratively with peers on projects across the EU and felt the benefit of long-term, informal relationships that develop

through joint working. There is a concern that in 10 years' time the new generation, will not have the informal connections, gathered over years of collaboration, with their EU peers and therefore those networks, connections and insights could die out.

- The UK and British Council are still members of formal networks, but in some cases we have had to change our status. In the case of EU National Institutes for Culture (EUNIC), British Council is no longer a full member but has associate member status. This means at global level, the British Council will continue to participate in all activities organised by EUNIC Global: general assemblies (GAs), knowledge sharing workshops, webinars, regional meetings, etc. It will also continue to pay the same annual membership fee as before (€46,000) but it no longer has voting rights during the General Assemblies and cannot sit on the Board.
- **At Cluster Level**, the British Council is eligible to be an Associate Member **without a vote** by the existing members (this is not the case for local associate members) and signs the Cluster Charter. It can no longer hold the Presidency but can be **Vice-President** and it cannot mandate the diplomatic representation of the UK or other organisations to join a cluster on its behalf. It can vote on projects but not on the inclusion of new members.
- Significant international relationships were formed not just with populated areas but also smaller regions in the UK. Literature Across Frontiers, based in West Wales, developed significant partnerships through Creative Europe, enabling it to support and connect writers, publishers, universities, festivals, individuals, and practitioners through programmes like Creative Europe.⁸
- Literature Across Frontiers' Director, Alexandra Buchler, spoke about the legacy of their Creative Europe as "*significant: lasting connections have emerged from our projects; festivals for which our partnerships provided the first spark, formal and informal networks, growing audiences for writing in translation and collaborative development models. The intangible legacy is perhaps even more meaningful: the impact international experience has on writers' creative and professional development and their general outlook, a deeper understanding of other cultures and historical circumstances acquired by readers and audiences.*"⁹
- Events like the 2018 IETM (International network for contemporary performing arts), hosted by Wales Arts International in Llandudno, presented the opportunity to network and profile Welsh culture. Themed *Fields of Vision – other voices, rural places, global stories*, it was attended by cultural operators across the UK and Europe. Given the setting, it was an opportunity to continue conversations around working in rural areas at a European and international level. It was also a chance to unite for peer-to-peer support, inspiration and debate: an integral part of international working.¹⁰
- As referenced in the SQW report earlier, participating in EU programmes allowed UK organisations to develop connections with partners beyond Europe, opening doors to global collaboration. When asked if working in Creative Europe enhanced their hunger for working abroad, 60% of respondents said it had, and 73% said it had for working in the rest of the

⁸ https://issuu.com/mediadeskuk/docs/creative_europe_in_wales_2014-20

⁹ https://issuu.com/mediadeskuk/docs/creative_europe_in_wales_2014-20

¹⁰ https://issuu.com/mediadeskuk/docs/creative_europe_in_wales_2014-20

globe.¹¹

- To quote one respondent:

“Creative Europe support and networks has made us able to move from an “import and export” approach to European work. Without Creative Europe we would have toured work that we admired from Europe in the UK and promoted work from the UK to European festivals and venues, but we would not have been able to collaborate across borders on sharing ideas and challenges, developing artists, developing the art form, upskilling, making work, developing audiences, etc.”¹²

UK Expertise:

Many of the Creative Europe programmes in which British Council has participated or which it has led, have focused on areas of practice in which the European cultural sector acknowledges UK cultural sector expertise: Arts & Disability, Arts & Gender, Arts & Diversity more generally, community practice, and audience development.

Insight from our in-country teams, and informal conversations in Brussels, tell us that the UK experience and expertise in these areas is often missed, and that there is still great appetite to see the UK participate in these collaborative projects.

¹¹ <https://www.bfi.org.uk/get-funding-support/funding-support-international-activity/creative-europe-desk-uk>

¹² <https://www.bfi.org.uk/get-funding-support/funding-support-international-activity/creative-europe-desk-uk>

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