

It is of vital importance that this consultation is based on an acknowledgement that the object of the exercise is *not* to reduce WG's financial commitment to the arts, but how best to facilitate the sector's ability to increase earned income / non-public funding through its existing public subsidy.

1/ "the success of the arts sector's efforts to attract more non-public funding"

Strategic planning

Core funding affords you the ability to plan strategically; without adequate core funding you lose this ability, and with it the ability to attract alternative sources of funding. G39 has attracted non-public funds from various trusts and charities, but these have been predicated on our ability to develop long term relationships with them. With the combined stability of our modest core funds and a 10-year lease on a large-scale venue we have been able to secure project partnerships with high profile UK art agencies such as Artangel and Jerwood, both of which brought significant investment.

Organisations that rely largely or wholly on project funding face another challenge, specifically that they are often obliged to assign earned income as match funding and are therefore unable to accrue significant reserves.

Scale of operation

The consultation must also recognise the wide ranging scale of arts organisations operating in Wales and what this means for developing an approach to alternative sources of funding. Wales's artistic culture is delivered by a mosaic of organisations of different scales and crucially, with different functions. Small organisations serve a different role and function differently from their larger, more hierarchical counterparts. It is not feasible to develop a one-size-fits-all approach for business development across all arts organisations, for example: a) the capacity to generate significant earned income increases exponentially with scale of organisation; and b) there are threshold levels of annual turnover below which it is acknowledged [needs citation] that certain business models (eg gallery with cafe) are more of a burden than an asset.

A further consideration that should be taken into account is the **instrumental value** of the arts. This is widely understood and the sector helps delivery of many policy

decisions taken by the Assembly, passed on through the Arts Council of Wales to its clients. All publicly funded arts organisations are in the process of implementing key strategic targets connected with the Welsh language, accessibility and diversity, art in schools and education – the list goes on. With this remit as a central tenet of any agreement that involves public funding many organisations focus their energies on delivering these targets.

Non-financial philanthropy

There are already philanthropists who support the arts. These philanthropists do not give money, but give the resources that they have to offer. They are volunteers – they are the people who give time, who turn up, who keep things going. Some are highly skilled (eg charity trustees). They all play a crucial role and are essential to the arts in Wales.

The consultation should also identify the value of current support for the arts from non-public sources that can not be evidenced in financial reports, eg rent reduction and rates relief. People who work in the arts are skilled at working economically, driving a hard bargain and making small amounts of money go further.

Excerpt from our proposal for the Arts Council of Wales' Resilience Programme

G39's value perception

Out of necessity g39 has grown with an economic model that places significant emphasis on non-financial investment (eg voluntary input by participants and staff) as well as other cost-reducing exercises such as recycling and reusing materials. While this means that g39 is perhaps one of best examples in Wales of an organisation that drives maximum value and output from financial investment, it has also resulted in poor understanding internally (and perhaps externally) of the equivalent financial value of our overall output. When there is an opportunity to earn income we often are not well equipped to maximise it.

How our value is perceived externally is also likely to be a barrier, by stakeholders and audiences / participants. Our sustained output gives the appearance that we are adequately resourced, but our dwindling reserves tell a different story.

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To become less reliant on project funding we need to:

Develop the means and confidence within the organisation to realise potential income streams and pursue a more sustainable model

We need to bring about an attitudinal shift that makes financial exchange a commonplace part of engaging with g39's activities (but not necessarily the default method of value exchange). This shift needs to be implemented with a confidence that filters throughout the organisation as a whole so that the exchange of money (in both directions) is acknowledged as a positive action and not a squeamish or unpleasant matter. The organisation needs to improve its own perception of its value, and that of its services and experiences.

2/ "The distribution of non-public arts funding in Wales and how this compares to the rest of the UK"

We believe the consultation should be framed by *measuring* the availability of non-public funds. To that end, the questions that we believe need addressing are:

- What existing philanthropists and alternative sources of funds are there within Wales?
- What do they support?
- What level of private funding is currently available to the arts in Wales?
- What is the appetite for financial patronage of the arts in Wales?

A supplementary question would be to ask why the vast majority of philanthropic funding in the UK is centred on London, with fewer sponsors spread regionally in England, and the fall-off of these sponsors particularly notable in Scotland, Northern Ireland and Wales.

3/ "international models of best-practice that Wales could emulate"

Canada is particularly good at encouraging a mix of public and non-public subsidy of the arts, but there is an agency (similar to Arts & Business) that is actively engaged in delivering it in each region. They also understand the differences more clearly between different scale orgs (funded by the town/ city, by the region, by the country depending on the remit they have the ambition to perform).

The government must be fully committed to its role in securing alternative funding for the arts. Ideas:

Alternative education – student loans / bursaries for non-accredited training (or make accreditation easier for non-institutional training)

Develop more diverse ways for meeting corporate responsibility (not just percent for art – eg Tesco's bag tax). WG could be using a carrot for the businesses – provide incentives for businesses to support arts. Percent for art exists not because developers/ architects love art, but because it is a regulatory obligation.