

CREU CYMRU | SECTOR SNAPSHOT

A collation of the shared experience and challenges facing the Creu Cymru membership in times of financial hardship.

Executive Summary

Creu Cymru represents Wales' vibrant performing arts sector. Its membership embodies virtually all of Wales' professionally run theatres, arts centres and producing companies, as well as a range of creative individuals.

Creu Cymru undertook this report to capture a snapshot of the experiences, challenges, and shared concerns of its members with regards to the current funding crisis and broader cost of living crisis. It highlights the common trends and themes that are revealing themselves across the membership in relation to cultural workforce, building stock, artistic work and creative production and programming, and its civic role in serving the needs of audience and communities across Wales.

Key Findings

1. Funding Pressure and Sector Ecology:

- The sector has seen a 25% decline in core government funding since 2010, with Arts Council of Wales making challenging decisions around the dissemination of funds. This in turn has created heavier reliance and significant pressure on National Lottery Funding and the potential income provided by Trusts and Foundations.
- The performing arts relies on an ecology of symbiotic creative organisational, independent, freelance and community networks. Reduced funding directly correlates with reduced artistic output, employment and resources, placing unsustainable pressure on sector staff and limiting capacity across the board to support new projects, community and creative collaborations and freelance employment opportunities.
- The performing arts runs through and underpins areas of society in unique and intrinsic ways, including health, education, community and social care. Funding cuts don't only affect the arts industry but have direct impact on the wellbeing and vibrancy of communities and Welsh society.

2. Cultural and Workforce Shifts:

- The pandemic accelerated systemic change, with increased commitment to diversity, inclusion, and fair employment practices within the arts. The sector is seeing

increased prioritisation of equitable pay and better support for staff and creative freelancers. The workforce welcomes a shift to progressive, more flexible work arrangements.

- Fulfilling these commitments to systemic change is at the same time placing organisations under increased financial pressure, forcing a compromise and limitations on productions and programming, activity and staffing.
- Lowered organisational headcounts are increasing pressure on the remaining workforce, impacting levels of job satisfaction and heightening insecurity. Recruitment challenges and a skills and talent drain - particularly among specialised roles - created by this instability threatens the sector's long-term sustainability.

3. Building Stock and Operational Challenges:

- Wales is fast-moving towards a crisis in relation to its ageing arts and theatre building stock. Theatres and arts venues are facing vastly increased operational costs, particularly related to energy, insurance and maintenance.
- Older buildings, many of which are culturally significant and grade 2 listed are environmentally harmful in terms of energy use and demand high insurance premiums that drain already limited budgets. All need urgent investment to remain safe and functional for their communities and audiences.
- Developments in carbon efficiency and environmental and accessibility standards mean that even relatively new buildings are now in need of high value investment.
- Financial constraints are pushing some venues to limit opening hours, rely on volunteers, or defer maintenance, impacting both service delivery and audience experience.

4. Touring, Programming, and Audience Engagement:

- The impact of reduced funding on the creative ecology – specifically production capacity and increased technical costs – is leading to reduced available product, and fewer home-grown productions. This further limits opportunities for Welsh talent and increasingly raises concerns about the viability of touring in Wales.
- Audiences remain cautious, favouring familiar, lower-risk productions. Cost of Living crisis is directly correlating with frequency of attendance rather than pricing bands. Venues have adapted with flexible pricing models, though the need for specialised

marketing and audience development expertise is hampered by the skills drain and limited resources.

5. Social Impact and Community Role:

- The arts are integral to community wellbeing, and works hard in collaboration with health, educations and social care to serve its civic role in improving the lives of communities.
- Restricted budgets make fulfilling this role increasingly challenging. The ability to deliver meaningful connections with communities is interwoven with challenges faced by education, health and social welfare to meet the increased needs of communities - specifically the needs of young people impacted by the fall out of Covid.
- Demand for community delivered arts and cultural activity is increasingly acute, particularly in areas of social deprivation with venues and theatres shouldering impact of issues around anti-social behaviour, poverty and fuel poverty. The need is growing while the ability to deliver is diminishing.

6. Advocacy and Strategic Focus:

- Members express frustration over the lack of coordinated advocacy and data to clearly communicate the sector's value and needs. Many organisations struggle to capture and demonstrate their impact due to limited resources and systemic support.
- There is disparity of leadership focus and capacity across the sector from which to galvanise a coordinated voice around impact and value and guide for navigating the challenging socio-economic landscape
- There needs to be a shared, coordinated approach between grassroots, organisational and government level to develop robust, shared understanding of the ecology, mechanisms and value of the sector to develop a plan to protect it from deepening crisis.

INTRODUCTION

Creu Cymru champions Wales' vibrant performing arts sector; connecting people, audiences and communities across the nation. Our membership represents virtually all of Wales' professionally run theatres, arts centres and producing companies, as well as a range of creative individuals.

The arts and cultural sector employs 7000 people across Wales, and makes a vital contribution to the economy, health and wellbeing and the international profile and reputation of our nation. However, since 2010 arts funding across the UK has seen persistent and dramatic cuts on several different fronts, meaning that currently, the UK has one of the lowest levels of government spending on culture amongst the European Nations¹.

This report seeks to provide a snapshot of the experiences and perceptions that exist across the Creu Cymru membership with regards to this current funding crisis. It also explores how this intersects with the impact of the cost-of-living crisis on audiences and communities across Wales.

In an increasingly precarious and unstable sector, Creu Cymru's purpose is to serve as a voice for its membership, representing the experiences and perspectives of our performing arts organisations to the Welsh public and its key policy and decision makers. This feels more important now than ever. Consultation with our membership confirms that the sustained pressure that the sector has experienced over the last 14 years has left it severely depleted. It is vital that we convey the seriousness of the issues facing the sector and the risk of their far-reaching impacts on the immediate and future cultural life of Wales.

The content of this report is drawn from in-depth interviews conducted across our membership. The sample represents the perspectives of the breadth of scale and output of Wales' performing arts sector. It covers the different geographical areas of Wales, and includes large-scale arts centres and producing houses, mid and small-scale venues and independent producing touring companies. It brings in the perspectives of both University and Local Authority owned venues, independent theatre trusts and includes both Arts Council Wales multiyear and project funded organisations.²

¹ Campaign for the Arts & University of Warwick, The State of the Arts, Campaign for the Arts & Centre for Cultural and Media Policy Studies, University of Warwick, July 2024

² Appendix 1

People had a lot to say, and the conversations have been candid, robust and detailed. It was notable that many of the themes that emerged were common across the entirety of the sample, regardless of scale, locality or demographic context.

When pulled together the key themes of the report reveal a complex range of intersecting and increasingly paradoxical factors impacting the performing arts sector in Wales. These factors need to be fully understood to effectively advocate for the sector and the ongoing investment it desperately needs.

THEATRE AS ECOLOGY

One of the prevailing themes of this report is an appeal for greater levels of understanding of the ecology that exists within the performing arts in Wales. The sectors that exist within the cultural and creative industries are deeply interwoven, with each other as well as wider society. It can therefore be hard to quantify and determine impact, as it runs through and underpins areas of society in ways that are unique and intrinsic, including health, education, community and social care and community wellbeing.

This interconnection is also one of the hardest factors in articulating the specifics and depth of the crisis that arts and culture is facing. All our conversations touched on the many symbioses that exists across the sector, that if interrupted can cause the entire system to falter.

Many members feel that the sector has failed to build an effective narrative about the complexities of how this ecology functions, and therefore a rigorous understanding at a public sector or government level. The perceived result is that the performing arts and the role they play in societal health isn't properly valued at the highest level, indicated by the cuts in investment it has experienced since 2010. This report aims to convey the unique aspects of this ecology as an appeal for a deeper examination into the ways it can be protected, nurtured or galvanised to avoid further erosion.

FUNDING

While the Arts Council Wales Investment Review in 2023 saw 23 additional organisations receiving multi-year funding, ACW was forced to enact several challenging decisions around the distribution

of funding across its portfolio. With the exception of two of the sample who provided insight for this report, all had seen either total loss, reduced or standstill funding.

You don't have to look very far to understand the context of these decisions. Since 2010 there has been a 25% decrease in the Arts Council Wales core Government Funding, and a 40% decrease in local government revenue funding of culture and related services.³ Times are tough for arts and cultural organisations. This erosion of funding has been made worse by the societal and sectoral upheaval that came with the 2020 pandemic, which delivered a near existential blow to the industry which it's still working hard to recover from.

All the members referenced a simple circular equation relating to the heart of their day-to-day challenge. Reduced funding links directly to reduced activity. Reduced artistic programme and activity correlates directly with reduction of employment opportunities. Reduced employment results in reduced resource and capacity, leaving core staff and workforce under-resourced and overstretched.

The reduction in multi-year portfolio funding has placed heightened pressure and demand on National Lottery Arts Funding programme (Create). For many project-funded organisations or creatives, Create funding often depends on the co-producing or in-kind support of the larger venues and portfolio funded organisations to support the production of work. The funding squeeze has resulted in many of those organisations paring back support due to stretched capacities and uncertainty. Many voiced concerns about the long-term impact that this will have on the creation of work and the availability of future product.

Reduced government investment has placed further pressure on organisations' capacity for fundraising and development. Trusts and Foundations generally serve as the main alternative income source for arts and cultural organisations. All members referenced difficulty in securing additional income, citing early closure of application pathways due to overwhelming demand. Additionally, the tendency of these sources not to fund operational or core costs - instead focusing on funding for community and social engagement work - means that while being a vital lifeline for the civic social purpose of organisations' work, this funding does nothing to reduce pressure in terms of staff capacity or resource.

³ Campaign for the Arts & University of Warwick, The State of the Arts, Campaign for the Arts & Centre for Cultural and Media Policy Studies, University of Warwick, July 2024

CULTURE SHIFTS

The Covid-19 pandemic saw a seismic shift in the cultural dialogue of the sector, fast tracking discussions and demand for systemic change within UK arts and culture. The interwoven nature of arts, culture and society made it impossible not to face up to the systemic injustice mirrored in our own sector's systems and structures.

This increased ambition and commitment to change; tackling lack of representation, increasing equity and diversity within the sector was palpable and continued to be at the heart of the strategic direction of those we talked to. Additionally, there was unanimous acknowledgement that for too long the arts have asked for too much from their employees for too little. And that this was interwoven with a sector culture that had excluded lower socio-economic and marginalised groups from the workforce.

All members referred to increased levels of pay as a fundamental aspect of delivering on the EDI agenda and confirmed prioritising inflationary increases or matching cost of living increases for their workforces. The uplift and support of the freelance community as a vital component in the health of the sector ecology was recognised as part of this. Producing theatres and companies noted that the emergence of freelance alliances during and post Covid had seen a greater assertion of value-based costing by freelance creatives (i.e. sound, production or lighting design). They also acknowledged that historically, a lack of formal industry guidance around commissioning rates for this type of work had led to an informal peer benchmarking practice which had kept fees artificially low across the sector. There is a shift to address this; all members firmly supported the need for better pay for the freelance workforce, with most members (apart from local authority or university) meeting if not exceeding ITC / Equity minimum rates.

Theatr Clwyd recently undertook a mapping exercise across their freelance workforce. They tracked different disciplines across production types and scales, calculating actual time spent in relation to activity against core company members (staff) roles. This resulted in a 10% increase in freelance rates across productions. While this acts as a positive shift for Theatr Clwyd and its relationships with freelancers, the reality of this in the context of the wider sector is that this level of increase can't be matched. It conveys a need for greater focus in this area, but also highlights the risk of inconsistencies around pay rates across the sector, complicating co-production partnerships which creation of work relies upon and potentially impacting provision in certain areas.

It's clear that, in the context of decreased funding, the drive to improve pay and conditions of employment across the sector has seen the redirection of budgets from artistic and audience-facing programmes and activity. In the cases of those organisations who had no capacity to absorb those costs, there was the strong belief that this had directly led to staff losses, or difficulties in engaging freelancers at a level of specialism required.

We are an artistic and creative workforce, driven by passion, ideas and a compulsion to create. Artists need infrastructure in which to create professionally and for their work to engage and connect at a civic level. Arts Management provides the structure for this to happen, and both perspectives are driven by a commitment not to compromise or dilute the work, or the impact of the experience for audiences or participants. As a result, cultural behaviours have developed in the arts that rely on the willingness of its workers to make something from nothing, demanding significant amounts of self and financial sacrifice to do so. This has and continues to exclude those workers and creatives whose needs (financial, physical, socio-economic) can't be met by the existing systems and structures we work within. There was a common view that this culture of sacrifice has resulted in a continuance of a problem, masking severe cracks in the foundations of the sector that have been bowing under pressure for some time.

A common theme in relation to questions around staff and workforce was the need to address what are considered to be these entrenched cultural behaviours. Prioritisation of equality and staff wellbeing, and embedding supportive caring cultures was consistently higher up on strategic agendas. Staff access riders, mental health first aiders and wellbeing facilitator roles are more commonplace across the membership. This has led to increased awareness amongst leadership about the levels of need within their workforce. It brings to the fore the breadth of complex situations individuals are managing as a result of the current challenging socio economic environment.

It was noted that this cultural shift was being fast-tracked by a new generation of cultural workforce coming into the workplace. People referenced differences in expectations around work/life balance and what constitutes reasonable working conditions and practices on the part of the younger people. This, alongside strides forward in diversity and inclusion has fed a fundamental aspect of the sector's wellbeing agenda and unanimously supported by everyone we spoke with.

However, this support was voiced with a caveat about the paradox of actioning these cultural shifts whilst shouldering the impact of significantly decreased funding. The common view was that to

make the sector more accessible, inclusive and equitable, the sector needs to factor in significant extra time to its processes; or to do far less; or employ more people. None of this is deemed possible in the current context and the perception is that this dilemma isn't fully acknowledged by funders.

The overwhelming message is that the sector has reached a tipping point, even by its own standards. And, in such precarious times, strong decisive leadership is needed to break the cycle. Examples of this can be seen in Wales Millennium Centre's decision to stop all activity between Jan-March 2024, while Aberystwyth Arts Centre made the decision to close over a busy May Bank Holiday due to staff shortages, rather than place unfeasible working conditions on remaining staff.

These decisions are tough and not without considerable impact on staff morale and audience provision and experience. They are, however, necessary in terms of financial and organisational health. It was acknowledged across the membership that not all organisations were structured or enabled to make these types of decisions.

JOBS & EMPLOYMENT

When asked about the impact of the current situation on staff and workforce, the primary concern was about decreasing jobs and employment opportunities across the sector, and the related impacts.

While this hasn't shown itself in immediate job losses - redundancies haven't been commonplace across the sector - the reality is less obvious but equally alarming. Every organisation we talked to spoke of reviewing strategic plans and activity, primarily involving the restructuring or reimagining of teams. Most commonly this looks like not replacing staff when people leave, and absorbing responsibilities into existing roles.

Other examples of restructuring or reimagining includes an increasing shift to short-term or self-employed contracts within organisational teams, with many core staff holding second or multiple other jobs. While short-term, flexible or zero hours contracts have always played their part in the cultural workforce (namely performers and backstage creatives) it was noted that this extension into arts administration and management was having a destabilising impact on the infrastructure needed to support the sector's creative production. Introduction of more flexible and adaptive working

patterns were often acknowledged as positive examples of staff wellbeing and care structures. However, it was also pointed out that this shift is also indicative of an attempt to claw back funds, with staff also encouraged to take unpaid leave or voluntarily move to part time hours.

Venues frequently reported a paring back of Front of House staff, with many limiting opening hours to reduce staffing costs. A pattern is emerging of venues shifting the balance to a reliance on casual staff or increasingly, volunteers. These volunteers tend to be retirees, rather than young people at the start of their working lives. This is notable in relation to the wider point around sector ecology. Sherman Theatre observed that while historically the organisation would have seen a clear pathway from FOH / Box Office through to their arts administration and management teams, this is no longer the case. This chimes with broader concerns voiced across the membership about where the future generation of workforce is getting its grounding in the cultural day to day practice of working theatres.

These shifts are having a direct impact on organisational cultures. Core staff teams are becoming thinner and less robust, with remaining reduced staff and leadership holding the burden of responsibility and pressure, with increased workload. This feels both un-strategic and unsustainable, and fails to model the systemic change needed across the sector to embed more inclusive practices and better working environments.

RECRUITMENT, SKILLS AND TALENT DRAIN

There is general recognition that a growing skills gap is emerging across the sector. Wales' performing arts sector spans urban, disparate post-industrial and rural areas. As a result, there is less movement across the sector and career progression is harder, with those in better paid strategic roles staying put for longer. This poses an obvious risk to sustaining skills, energy and dynamism amongst the workforces.

Many members voiced concerns about the disparity of leadership across the sector. Securing the experience and talent in creative and executive leadership is difficult. Specialisms relating to audiences, people management and the organisational change needed to navigate this challenging socio-economic landscape, particularly outside the city regions, were seen as increasingly thin on the ground. While the better resourced organisations acknowledged their role in modelling change and more adaptive, brave decision making, it was also acknowledged that many smaller organisations don't always have the senior leadership structures in place to follow suit.

Theatr Clwyd noted that the energy around its large-scale capital development, combined with its proximity to key cities across the border in the North of England, makes relocation or commuting more viable - but that seems to be an anomaly. All organisations based outside that of the city regions cited location as a difficulty in securing talent into core teams.

In addition to this, a common view emerged regarding a 'squeezed middle' layer of management in organisations, linked to a wider pattern of roles considered as embodying key transferable skills (notably audience development and marketing, producing and technical production) leaving the sector for opportunities elsewhere.

Artistic directors noted a historic lack of sector investment in the role of the producer and a joined up producing strategy, leaving Wales with a considerable gap in expertise in this area. Executive directors and managers noted the lack of communications and audiences' specialisms available, with many marketing roles having been removed from venue staff teams entirely, absorbed into general management and box office roles.

In terms of production and technical skills drain, this came into stark view during the pandemic where an explosion in film and media production saw an exodus of technical roles in the face of venue closures and the shutdown of live performing arts. While some of those workers have since returned, the view is that the sector still can't compete with the rates of pay to build back the pool of availability it needs. It remains that the sector has large gaps in skills and experience, with a cohort of junior staff coming through with not enough people to develop them.

Those skilled specialists still working in the sector were seen as generally unaffordable for smaller producing companies or venues.

Many observed that skills development was seen as something that had fallen between the cracks in between ACW and Creative Wales. Of the producing companies we spoke to, many felt they had no choice but to take on inexperienced graduates for demanding design or technical roles, absorbing mentoring responsibilities themselves without having proper capacity or the relevant skill sets.

Securing Welsh speaking backstage staff, particularly stage managers and production staff, was seen as particularly difficult. More so, due its impact on rehearsal rooms reverting to English, which works against Welsh Language performing arts organisations' core purpose. Theatr Genedlaethol

Cymru are currently working with backstage interns funded by a specific Welsh Government programme, linking Welsh language to the economy in the Welsh speaking stronghold areas. However, where to secure support for wider industry skills development outside the realms of Welsh language provision is problematic and unclear.

Some producing companies noted having seen a shift in the expectations of creatives graduates entering the workforce from training and higher education. The introduction of several post graduate courses means students staying at university longer, leaving with increased levels of debt, alongside unrealistic expectations of the work available as a first job.

Taking Flight Theatre Company's recent Connect and Flourish Project, Breaking the Box, provided emerging Deaf, Disabled and Neurodiverse creatives with a range of developmental placements and experience in backstage disciplines. The Company noted that they had seen an obvious and significant shift in the mental health and resilience of their early career creatives during the project, exacerbated the impact and related systems failures of Covid, and the ongoing socio-economic challenges.

There is concern around the impact of this trend on skills levels and the long-term erosion of specialist skill sets and disciplines in Wales.

Many of those we talked to spoke of morale being intrinsically linked to value. There can be no doubt that the uncertainty and volatility the sector is experiencing is having a damaging effect on morale across the workforce.

The main assertion is that the consistent de-valuing of arts and culture through cuts to public funding, and the absence of obvious advocacy at a public and political level is perpetuating lower levels of job satisfaction and increased levels of exhaustion and burnout. This differed in individual cases where audience engagement had continued to be high, and public support and value recognition was shown through audience attendance. It's notable that these organisations tended to be those with higher levels of public subsidy enabling investment in audience engagement, communications and marketing specialisms.

The broader concern is that increasingly, the Welsh performing arts sector is unable to attract the levels of skill and specialism needed to weather the current crisis. Lack of competitive salaries and

job security makes capturing the interest of wider pool of UK or international arts and cultural specialists, or encouraging people to cross sector boundaries, increasingly difficult.

BUILDING STOCK

Wales has a network of independent, Local Authority and University owned arts and cultural venues, serving a broad demographic of communities across the nation. Some serve urban populations, some serve densely populated but isolated and underserved communities, while others draw in disparate rural audiences from wide rural geographic radius.

No one venue is the same and, in many cases, they are symbiotic with the local community they serve. Many are historic spaces built specifically for the cultural needs of the old industrial communities of Wales, where community activity, alongside artistic work still takes place. Many of these buildings are grade 2 listed in need of ongoing repair and maintenance to keep them safe for public use.

Everyone we spoke to - from venue members and producing companies to individual artists, producers and creatives voiced concern for this area. The call for a strategic long-term plan for investment in Wales' theatre building stock as a key component in the broader arts and cultural ecology was unanimous and urgent.

At a basic level buildings are expensive to run. Running costs and maintenance requirements are at the forefront of day-to-day existence for most theatres managers. Across the board members spoke of the impact of skyrocketing energy costs, as well as eye watering increases in insurance premiums increasing the financial burden they're factoring into their operations.

Years of lack of investment in the public estate means that, like our hospitals and schools, arts and cultural buildings in Wales are reaching their own crunch point. Venue managers are making tough but necessary decisions on a daily basis, prioritising health and safety over artistic or customer experience.

Many of these buildings are environmentally harmful in terms of energy use and demand high insurance premiums that drain already limited budgets. Developments in carbon efficiency and environmental and accessibility standards mean that even relatively new buildings are now in need of high value investment.

Theatr Clwyd's capital rebuild, due for completion in 2025 will see it open as one of the most environmentally friendly theatres in Europe. However, this shift to a non-fossil fuel run setting comes with significant cost increases, with a budgeted increase of nearly half a million pounds in energy costs.

Also, at only twenty years old, Wales Millennium Centre has a comprehensive building maintenance plan built into its core operation costs. However, its team is now looking at costly large-scale replacement of equipment that has simply reached its shelf-life, costing thousands to replace. This is one of Wales most commercially successful venues with considerable earned income and investment potential. But these projects are not easy or attractive additional funding propositions.

For many of Wales' smaller arts and cultural venues, years of pinched budgets has resulted in many simply unable to operate in a way that builds up surplus to invest back into buildings. Without some strategic focus this issue will only become more acute, and many members called for guidance and support from local and national governments in how to plan and manage this looming issue.

Another key factor is the intersection of arts with Local Authority and Universities. Each are experiencing their own crises, and the precariousness of these relationships have been brought into sharper view as the situation worsens across the board.

The continued withdrawal of central government funding and the redirection of funds to high-need social care, has seen many local authorities forced into taking a short-term view about their arts and cultural provision. Local authority funding for the arts has fallen by 40% in Wales since 2010⁴. Those we spoke to from University or Local Authority owned venues were concerned that the stasis in arts and cultural spending from the government has created a green light for withdrawal of investment from those institutions, rather than galvanising support.

Despite this, in most cases Local Authorities and Universities are still footing the bill on energy and maintenance costs as part of their building portfolios. Although increasingly venues are facing recharges, or general maintenance and upkeep isn't happening, furthering the impending issues around widespread capital investment needs.

⁴ Campaign for the Arts & University of Warwick, The State of the Arts, Campaign for the Arts & Centre for Cultural and Media Policy Studies, University of Warwick, July 2024

As the situation worsens, things feel more unstable. Our members were clear that were they suddenly asked to shoulder energy costs, they would no longer be able to function. With the recent consultation around the proposed 'mothballing' Blackwood Miners Institute, there is concern that a local authority asset stripping could become more commonplace.

The general message across our conversations is that action around this issue is imperative, due to the considerable impact it poses to cultural provision across Wales. It was recognised that capital projects are both disruptive and unpopular during times of downturn, but at the same time this is a cyclical issue that isn't going anywhere. It calls for targeted commitment from national and local governments as part of their green and cultural policies, with clear guidance and support for the sector on how to make this shift.

Theatr Clwyd noted the significance of Government and public sector investment in catalysing and leveraging further private investment for its own capital project. The call for a strategic plan for investment in the sector building stock as valuable and vital community assets is loud across the sector.

THE ECOLOGY OF TOURING, PROGRAMMING, SUPPORTING AND PRODUCING WORK

The challenges of the operational running of business and buildings is a huge strain on strategic leadership across the sector. But for performing arts creatives and managers, welcoming audiences to quality work and artistic activity that enriches lives and enlivens communities is what gets up in the morning. But there is growing concern about the ongoing ability to produce and tour work, with many companies questioning the viability of touring in Wales in the current situation.

One of the key issues voiced across the membership is the shortage of artistic touring product - particularly quality Wales-produced work. A lack of producing and touring strategy correlating with limited opportunities for Wales' independent theatre makers to create work of scale has been a concern for some time. But now, continued cuts to funding; matched by increased costs in materials; technical production; artists and creative team fees; travel and accommodation for cast and crew, are deepening the problem further. The number of high-quality professional theatre productions created in both producing theatres and available to tour across Wales is shrinking.

The producing houses and companies we spoke to all referenced reducing the number of productions they can create over the next three years. Despite being a positive case study of growth and investment in Wales' theatre sector, its largest producing house, Theatr Clwyd is also projecting the need to drop the number of productions by nearly half next year. In addition to this, producing companies across the board are prioritising commissioning and creation of work with lower cast numbers. Sherman Theatre spoke of where possible, prioritising local casting choices to keep accommodation costs down, as well as being forced to cut production R&Ds in the next 18 months.

As a result, the climate is increasingly hard for artists and creatives not living and working near creative bases like Cardiff and Swansea. Conversely, with Wales largest producing house situated in the Northeast Wales and large swathes of its creative community living and working in South Wales this also poses issues in terms of travel and accommodation costs as part of production planning. Overall, the simple outcome is that there is less work available, with more people seeking work outside Wales or in other sectors.

Small-scale independent fringe work is a vital component of the theatre and performing arts ecology in Wales. With venues struggling to keep up with spiralling costs, they are less able to support this creation of new work. As one of the key venues in West Wales, Aberystwyth Arts Centre spoke of having to be more restrictive and discerning when underpinning project funding applications for independent companies to ensure that they can follow through on their offers of support. As well as this all venues spoke of the increasing need to charge for rehearsal space to assist with running costs or sometimes needing to compromise on artistic development or community focused programming to make way for commercial hires and income generating activity.

For receiving venues, the scarcity of home-grown product from Wales, inevitably necessitates an increase in visiting product from outside Wales. For Wales' large and mid-scale venues, commercial, populist products serve as a vital part of their operation, and therefore the wider theatre ecology they support. The revenue from commercial work allows for investment back into the more diverse, artistic elements of the programme. However, programmers were clear that theatre production, specifically commercial touring product - hasn't returned properly in any consistent or reliable sense since the pandemic. The view is that, for a while the touring network caught the crest of the wave created by the increase in Theatre Tax Relief and the confidence it gave promoters to tour as part of the bounce back recovery from Covid. However, there is concern that this confidence is likely to

contract again due to a drop in TTR rates and further funding cuts, already indicated by a reduced product availability.

The knock-on impact of this, is that venues will increasingly need to fill programmes with riskier work, for shorter runs. This work doesn't attract large audiences or income easily, and therefore demands increased capacity and resources invested in audience development initiatives (already a growing skills gap across the sector, particularly for venues outside the city regions) and increased administrative operation. Generally, this results in lower return and in most cases short-term losses.

From both a programming and producing perspective, everyone reported a shift in contractual agreements between venues and visiting companies. Moving away from guarantees to box office splits was seen as a necessity on the part of the venues to recoup costs. However, it was generally recognised that the nature of project funding cycles and existing models of producing theatre and programming hasn't been able to adapt to these shifts in a way that works for either party. Conversations around audience development, and pricing are continuing to happen too late. And productions are simply not on sale long enough to ensure the extensive leg work and marketing lead times needed to build an audience to deliver on the splits.

Many felt that these shifts in the ecology regarding venue resource, commercial and artistic touring product, isn't properly recognised at a funder level. In addition to this, the considerable investment and long term focus that meaningful audience development initiatives require also doesn't correlate with expectations around artistic programming.

The view is that there is a need for better shared understanding and clarity between the sector and ACW, around the ecology of touring productions and producing in Wales, and the balance of product required to support it. Without this, the concern is that availability of product will continue to shrink, with serious consequences for audiences and cultural provision across Wales that could take years to build back from.

TICKET BUYING AUDIENCES

When reflecting on the impact of the current climate on audiences' patterns and behaviours, the common view emerged that while audiences are still coming, their booking behaviours are shifting. Booking frequency is lower, with ticket buyers showing less inclination towards riskier

(more artistic or new) work. Booking patterns and choices are demanding guaranteed entertainment; known titles and casts, with riskier programmes and unknown titles being shunned. Saying this, in the case of Cardiff's main producing house, Sherman Theatre have noticed their in-house produced correlating with a marked growth in brand loyalty over the last few years. Audiences are returning and supporting new work and titles, specifically those that explored stories representing communities and social identities of Cardiff as a city.

With regards to ticket prices, all venues were clear that as much as possible they needed to balance their business needs with their core purpose as civic resources. Most venues spoke of a commitment not to pass on the impact of the cost-of-living crisis onto their audiences. This view was particularly strong in venues operating in localities with extreme social deprivation. Even when the decision wasn't values-driven, the practical experience was that any increase in ticket price would be a barrier to attendance.

Those better resourced venues and companies noted exploring new models of pricing, with dynamic pricing becoming more commonplace. Venue Cymru reported a considerable uptake in ticket sales through their newly introduced 'pay in three' option. In more local community contexts, 'pay what you can' models on certain performances and key programmes were common. Many members noted that the lack of specialism and experience in strategic audiences and marketing was a particular issue in relation to introducing these kinds of models to their operation. This was cited in relation to staffing reductions across the board where particularly box office, fundraising, front of house and marketing roles often being split and, in some cases, becoming the role of one individual.

This highlights again the skills drain that the sector has seen in this area, symbolised by the withdrawal of any national strategic audience development focus in Wales since the loss of Audiences Wales in 2008. This lack of investment in this area correlates with a decrease in audiences, as well as reduced capacity to effectively articulate, profile and amplify the value of arts and culture to the public.

SOCIAL NEED

There is a wealth of evidence that engaging and accessing the arts improves quality of life and supports health and wellbeing. All our members hold this as a core belief in different ways. All identify as civic, social or community resources.

All voiced a commitment to serving their local communities as a part of improving and enriching people's lives and tackling wider social issues. And all voiced an urgent message that the increased need for socially engaged, community focused work, is harder to fulfil in the face of diminishing budgets and the wider social challenges that we are collectively facing.

It's common that organisations and venues have shifted their engagement focus to young people and their emotional and mental wellbeing, as well as tackling poverty and social deprivation.

Theatr Clwyd observed an increase in demand for their arts and health, social prescribing programme, as well as their work with social services offering creative referrals with young people outside school settings. Many venues reported offering a range of activities as part of the Warm Hubs scheme. Newbridge Memo and Torch Theatre both noted that the levels of attendance at these sessions conveyed strong demand from the local community, and the need to provide this activity year-round was clear. However, neither venue was able to continue this work without that continuation of that funding stream. This was echoed across the board from the other venues involved in the scheme.

For many venues operating in areas of social deprivation, the loss of social care services, mental health and community provision is becoming more obvious. There is a growing concern that the arts are being asked to plug gaps with interventions and support in areas that they are neither funded or properly trained to provide.

Newbridge Memo noted a marked increase in anti-social behaviour, particularly school truancy and vandalism. They spoke of the day-to-day challenge of managing violence, aggressive and nuisance behaviour of young school age teenagers from in and around the community, both in and outside the building. This is indicative of the significant loss of wider youth services supporting and engaging young people in these areas, combined with the ongoing impact of Covid on that age group's mental health and social behaviour.

Many members spoke of the significance of the crisis in education on their work, and their ability to reach audiences. This is another example of the interwoven nature of arts and culture across the breadth of the public sector. It's clear that schools and teachers are fully aware of the value of children and young people connecting with the arts. However, everyone noted the growing complexity of issues facing schools and the impact this is having on their pupil's connection with arts

and cultural experiences. Shifts in pupil behaviour and the sharp spike in additional needs provision was cited as a growing barrier to off-site trips to the theatre.

Additionally, it was suggested that the Creative Schools programme may have shifted the perspectives of teachers and education professionals about the nature of creative engagement. While in the past, company run workshops and in-school activity would have brokered tickets and venue schools' audiences in theatres, it was suggested that an expectation had shifted to arts experiences taking place within the school setting.

Torch Theatre made the point that over the last ten years the local education authority funding that they used for schools specific touring had fallen from £200K to £10k, highlighting again the difficulties in retaining the level of provision needed to maintain relationships between arts and education.

The infrastructure of transport in Wales came up several times as a fundamental sticking point in relationships between schools, theatres and producing companies. Cost of travel and availability of coach hire is prohibitive, and many of the producing companies' creative learning teams noted that the Go and See and Have a Go Funds are still not as known across the school system as they could be. The common view is that the funds place administrative burden on already overstretched schools, and that in some cases this is prohibitive. Additionally, companies reported that some venue box office teams are not as knowledgeable about the details of the funds, with information not filtering down from creative learning teams, some of whom bypass the issues by administering applications on the school's behalf to secure the booking. Again, without a strategic process connecting education, transport and creative learning as part of the creative curriculum there was a feeling that these barriers would continue to be an issue.

ADVOCATING OUR VALUE

These conversations communicate a range of issues that are indicative of the wider experiences of the Creu Cymru membership and arts and cultural organisations across Wales.

One of the most persistent sources of frustration voiced by the membership is feeling unable to rigorously communicate the social value and impact of the performing arts. Specifically, the lack of time needed to slow down and review the system, individually and as a sector. To gather robust and rigorous evidence of both the impacts and the challenges we're facing. Across our sample only one

or two organisations had accessible ROI or ROSI data, making it hard to build a representative snapshot of the sector. The correlation between better resourced organisations and robust data capture and evaluation creates a skewed balance of evidence, perpetuated further by chronic firefighting and skills drain in the smaller less resourced organisations.

There is a lack of tools and centralised systems in place to capture, monitor and communicate the real nuances of the impact of arts and culture in a way that penetrates - through human-centred storytelling and examples that connect emotionally.

Every member spoke of their appreciation of the public subsidy they receive, and acknowledged the extreme challenges and difficulties faced by Arts Council of Wales in the current climate. However, there was considerable concern about the perceived lack of public advocacy for arts and culture, or communication of a clear, strategic framework from which to make decisions within.

We are keen to understand how awareness of the impacts and challenges we raise in this report might inform decisions about investment and support for our sector. We hope that this report can initiate a wider and more in-depth dialogue about how to stabilise and balance public investment in our work. Investment that will enable us to navigate the challenges, but more importantly, tap the untold opportunities that the performing arts offer individuals and communities of Wales, strengthening the social fabric of our cultural nation in these difficult times.

Appendix 1.

MEMBERS INTERVIEWED

- Aberystwyth Arts Centre (University Venue)
- Arad Goch (Producing Company)
- August 012 (Producing Company / Independent)
- Blackwood Miners Institute (Local Authority Venue)
- Carmarthenshire Theatres (Local Authority Venues)
- Dirty Protest (Producing Company / Independent)
- Lighthouse Theatre (Producing Company)
- National Dance Company Wales (National Producing Dance Company / Venue)

- Newbridge Memo (Venue / Independent Theatre Trust)
- Pontardawe Arts Centre (Local Authority Venue)
- Pontio (University Venue)
- Riverfront Theatre (Local Authority Venue)
- Sherman Theatre (Producing House / Venue)
- Taking Flight Theatre Company (Producing Theatre Company)
- Taliesin Arts Centre (University Venue)
- Theatr Clywd (Producing House / Venue)
- Theatr Colwyn (Local Authority Venue)
- Theatr Genedlaethol Cymru (National Producing Theatre Company)
- Theatr Iolo (Producing Theatre Company)
- Theatr na NÓg (Producing Theatre Company)
- Torch Theatre (Producing House / Venue)
- Venue Cymru (Local Authority Venue)
- Wales Millennium Centre (National Arts Centre)