



Llywodraeth Cymru  
Welsh Government

RESEARCH

# Evaluation of the Wales Cultural Recovery Fund: 2020 to 2021 (summary)

The evaluation assesses the extent to which the Cultural Recovery Fund has supported the cultural and creative sectors in Wales to survive the negative effects resulting from COVID-19.

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# Introduction and methodology

This report details the findings of the process and impact evaluation of the Wales Cultural Recovery Fund (CRF) 2020-2021. The evaluation provides a judgement on the extent to which the grant aid has supported the cultural and creative sectors in Wales to survive the negative effects resulting from COVID-19. The evaluation took place between April 2021 and April 2022.

The evaluation team used a mixed methods approach including semi-structured interviews with key stakeholders; review of key policy and guidance documents underpinning the delivery of the fund and wider published evidence on the impact of the pandemic on the creative and cultural sectors in Wales; analysis of administrative and monitoring data; an online survey of CRF Round 1 applicants; an online survey of Freelancer Fund Round 1 and 2 recipients; and in-depth interviews with CRF and Freelancer Fund recipients.

## Impact of COVID-19 on creative and cultural sectors in Wales

One of the many insidious characteristics of the COVID-19 pandemic has been the disproportionate impact on specific groups and sectors within the economy. Diverse activities, from live performance and theatre productions to exhibitions and galleries, have seen their revenues fall dramatically as venues have closed their doors and gatherings have been prohibited to maintain social distancing.

The growing evidence base around the impact of the pandemic highlights the disproportionate negative impact it has had on the cultural and creative industries. This has directly affected a sector characterised by higher proportions of micro-businesses and self-employed professionals, but also a much wider supply chain. These negative impacts have continued beyond the lifting of public

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health restrictions, highlighting that not all organisations have moved fully into a recovery and rebuild phase, with many still facing immediate threats to their survival and long-term viability.

## Fund design and delivery mechanisms

The CRF was launched in July 2020, around five months after the first case in Wales was detected. The Fund was delivered by the Welsh Government, Arts Council of Wales and local authorities. The Welsh Government delivered the funds for the creative, cultural, events and heritage sectors, Arts Council of Wales for the arts sector and local authorities the Freelancer Fund.

The usual timeline for designing and launching a dedicated sector support fund was considerably compressed in recognition of the immediate threat to jobs and the survival of organisations across the cultural sector.

A consideration in the design, development, and delivery of the Fund was to ensure that support was made available as swiftly as possible whilst at the same time ensuring effective governance and due diligence to protect the public purse. The level of work required to get CRF Round 1 up and running only a few months following the onset of the pandemic should not be underestimated and the speed of response has been broadly recognised and welcomed across the sector.

Feedback from applicant organisations suggests that the Fund was promoted effectively through a coordinated approach between Welsh Government, Arts Council of Wales, cultural infrastructure bodies or membership groups. Stakeholders broadly held the same view as applicants with the Fund generally thought to have been well designed, providing clarity and ease of access. Fund applicants provided positive ratings regarding the prompt transfer of funds, the eligibility checker and speed of decision making.

Responses from organisations in receipt of funding highlights that just over a third were unaware of what other grants or funds were available to them. For many organisations, CRF was the only funding they applied for. Many freelancers also indicated that they were either not eligible for, or aware of, other support funding. In this regard, the Fund has supported a sector that may otherwise have fallen between other relief funding provision.

## Profile of grant applicants and recipients

Across CRF Rounds 1 and 2 there were 2,013 applications in total of which 1,211 organisations secured grant funding support. Applications were made by 1,517 individual organisations, 871 of whom were approved. Some 90 per cent of approved applications across both rounds were awarded to micro-businesses. A total of £71.6 million has been awarded across CRF Rounds 1 and 2 from £100.5 million applied for by cultural organisations.

The administrative data from both rounds of the Freelancer Fund shows that 3,783 unique freelancers were supported with the total value of the grants awarded amounting to £10.39 million. Analysis of the data indicates that 995 freelancers received funding support across both rounds of funding. For the majority, their freelancer practice was full time. Around a third of freelancers did not receive income support through SEISS.

## Grant recipients' response to the pandemic

In most cases grant funding made a direct contribution to keeping organisations afloat, enabling them to pay bills and staff salaries and to cover their overheads. The funding has provided a bridge for organisations through the pandemic. Just over half of recipient organisations used the funding to revise their business

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model or services or invest in equipment. This was similar for freelancers, with the majority using funding to pay bills and overheads and cover their salary and income. Around one third invested in equipment, one in five in revising their business model, activities or services and one in six in training.

Just over half of creative and cultural organisations developed new activities or services in response to the pandemic, providing evidence that the Fund has enabled innovation as well as supporting organisations to develop new areas of business and diversify their revenue streams. This has the potential to improve the sector's resilience to manage future disruption and operational restriction associated with the pandemic. Nearly all intend to keep some or all of the changes they have implemented.

Many freelancers reported that the funding has provided them breathing space to reflect on their creative practice and identify future opportunities. For some, the Fund allowed them to purchase new equipment or update their facilities. For others, it provided an opportunity to network with other freelancers, enter new ventures, or undertake professional development and training.

## Impact of the CRF on grant recipients

For many organisations in the creative and cultural sector their ability to return to pre-pandemic operating levels is still unknown. As such the full impact of the Fund in safeguarding organisations and protecting jobs may not be fully apparent for some time.

Just over half of surveyed organisations indicated that the absence of funding support through CRF would have resulted in their closure, with a wider impact on the sector's ability to support communities as part of the recovery phase from the pandemic. Just under half of organisations would have had to draw on their reserves which may have placed many in a precarious operating position,

vulnerable to failure or closure because of future economic influences (pandemic or otherwise). Some 57 per cent of surveyed organisations stated that the Fund has been fundamental to their survival.

Across both rounds those in receipt of funding accounted for 4,777 Full Time Equivalent (FTE) jobs. Given that around six in ten organisation's reported that the support received from the CRF was fundamental to their survival, this would equate to the safeguarding of 2,700 FTE jobs.

The contribution of CRF to supporting the survival of many cultural organisations has impacted not only on paid staff but also the considerable number of freelancers contracted to support their operation and delivery. When accounting for organisations in receipt of funding across both rounds the total number of unique contractual freelancer postings supported is estimated at around 21,000.

Funding has also enabled organisations to maintain contact with their volunteer base by keeping staff operational through the pandemic and also through the provision of training or social activities. This has helped to mitigate the loss of volunteer capacity which, for many organisations, would underpin their ability to reopen. It is estimated that around 77,000 volunteer roles have been protected through the Fund, ranging from one off volunteering opportunities such as at large scale participation events to longer-term volunteers. This demonstrates the direct contribution that the Fund has provided in supporting efforts to increase volunteering across Wales, delivering a range of positive outcomes both for the volunteers themselves and the communities they support.

Around a third of freelancers surveyed stated that they would have left the sector completely in the absence of funding with a similar proportion indicating that they would have temporarily secured other employment outside of the sector. In practice, only one in seven secured another job, providing an indication that the funding has helped to stem a flight away from the sector. As 58 per cent of those who received support from the Freelancer Fund reported that it was fundamental to the survival of their practice, this is equivalent to 2,194 FTE roles in the

sector.

## **Wider social and cultural impacts of the funds**

The Fund has made a direct contribution to enabling the cultural sector to support individuals and communities through the pandemic. This has included the delivery of online activities, dissemination of creative resources and family packs and maintaining links with volunteers. Whilst these wider benefits are not the primary focus of this evaluation, feedback from stakeholders has highlighted their importance in supporting mental wellbeing and addressing isolation and loneliness affecting many people through the pandemic.

It has also played an important role in protecting and safeguarding cultural assets, including key buildings and collections. The loss of these assets would have considerably diminished the cultural infrastructure across Wales, reducing the level and range of cultural events and activities which have an integral role to play in society's recovery from the pandemic.

Analysis of organisations in receipt of funds through both rounds of CRF reveals the large number of visitors, spectators and audiences hosted by these grant recipients. Should these organisations not have survived there would have been an equivalent loss of 12 million visitors, spectators, or audience members, with an associated negative economic impact due to reduced expenditure.

## **Cultural contract and the Freelancer Pledge**

Organisations applying to the Fund were encouraged to sign up to the Cultural Contract, to help ensure that the public investment by Welsh Government is deployed with a cultural and social purpose. Similarly, freelancers were

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encouraged to commit to the Freelancer Pledge, intended to help to forge a partnership between creative freelancers and public bodies to support The Well-being of Future Generations Act.

Whilst the evaluation has highlighted a need for further guidance and support, there is emerging evidence that receipt of CRF funds, along with the details of the Cultural Contract and its wider objectives, has influenced some organisations to review their business model and make changes to support inclusive growth, wellbeing, and environmental objectives. Feedback from freelancers also highlights broad support for the objectives of the Pledge.

## Confidence and outlook

Just under half of creative and cultural organisations report to be very confident that their organisation would survive the next 12 months and the same proportion stated they were somewhat confident. Most freelancers also report to be confident that their practice would survive the next 12 months, albeit with longer-term concerns around the contraction of the traditional community venues within which many freelancers operate.

These are positive findings given the considerable uncertainty and sector vulnerability evident throughout the pandemic. Having a level of certainty around what ongoing support is available will be a key driver for organisational confidence as Wales emerges from the pandemic.

## Future support needs

Creative and cultural organisations highlighted a range of future support needs. The most common response was for further financial support, often in

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recognition of the lag between the lifting of public health restrictions and their ability to return to pre pandemic operating levels and associated income streams/trading.

Organisations expressed a desire for continued dialogue between sector bodies and the Welsh Government and, if possible, reassurance that support will be forthcoming should any public health restrictions remain or return.

## Main lessons

Whilst a range of lessons were suggested by stakeholder interviewees, most notably and consistently however, lessons learned related to the relationship that had been developed between the sector and government or public bodies. Several stakeholders reflected that delivery of the fund has enabled Welsh Government to develop and deepen their understanding of the cultural sector. This has the potential to facilitate stronger dialogue and partnership working as part of continued efforts to support the sector's recovery from the pandemic. The pandemic and the Fund had also developed an appreciation not only of the connections within/between the sector and other sectors, but also between the sector and communities.

## Policy considerations

A small number of policy considerations are presented below in response to the key evaluation findings.

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## Consideration 1

The Welsh Government and key sector bodies should ensure that the recovery from COVID-19 is considered and included in the development of the national Culture Strategy. This should focus on helping the sector to move from a survive to thrive stage.

## Consideration 2

The Welsh Government and relevant sector bodies could consider undertaking work to map and profile the size and composition of the freelancer community across Wales as part of ongoing work to support and engage a workforce that is integral to the operation of many cultural organisations.

## Consideration 3

The Welsh Government and sector bodies could produce further resources and establish a community of practice to enable the potential of the Contract and Pledge to be realised.

## Consideration 4

The Welsh Government could consider investing in a dedicated campaign to promote volunteering roles within the cultural sector to assist the future operation and management of many cultural services and activities across Wales.

## Consideration 5

The Welsh Government and relevant sector bodies could consider options to raise the visibility of and support for creative freelancers as well as more fundamentally exploring the extent to which cultural organisations can be encouraged to shift their operating models to offer greater job security for the freelance sector.

## Consideration 6

Continuation of the coordinated tourism campaign led through Visit Wales will help to rebuild both domestic and international visitor numbers.

## Consideration 7

The Welsh Government could assess the impact of the pandemic on the future viability and sustainability of community venues across Wales given their integral role as spaces for cultural organisations and freelancers to engage and support audiences, participants, and communities.

## Contact details

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Views expressed in this report are those of the researchers and not necessarily those of the Welsh Government.

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