

## **FDA Wales evidence on impact of COVID-19 on Welsh Cultural Sector**

**July 2020**

### **Introduction**

The FDA is an independent trade union for the UK's senior public servants and professionals. It has more than 18,000 members across government and the NHS.

The FDA is active across Wales, representing civil servants and senior professionals working for the devolved administration, Welsh Government sponsored bodies and UK Government departments, including Amgueddfa Cymru (AC) and Llyfrgell Genedlaethol Cymru (LIGC).

This submission relates specifically to AC and LIGC.

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

Both AC and LIGC shut down rapidly once Government advice was to restrict public access, asking staff to work from home where possible.

One immediate impact for both institutions has been a drastic loss of revenue from visitors, currently £400,000 a month for AC.

While the National Collections are free to view, in recent years AC and LIGC have successfully developed and increased income generation through a range of trading activities, from retail and catering to hiring out spaces for corporate events and private parties. This was in direct response to significant, and sustained, reductions to grant-in-aid support.

FDA Wales would like to highlight how nimbly the institutions have responded to the shutdown, by creating rich, accessible online content, notably AC's acclaimed mass observation project to collect and capture the experiences of living in Wales during the pandemic.

Both organisations have successfully applied to the government Coronavirus Job Retention Scheme (CJRS) and placed a number of staff on furlough leave. Both AC and LIGC agreed to top up salaries of furloughed staff to 100%. FDA Wales supported both institutions through the process and, along with other unions, entered collective agreements on furlough arrangements.

Both institutions have suffered recent significant grant-in-aid reductions: £440,000 for AC and £200,000 for LIGC. On top of that, both institutions have incurred additional unplanned costs of providing equipment for people to work at home and

on preparing sites for opening: £75,000 for LIGC, and a combined total of £250,000 for AC's eight sites.

These unexpected monetary hits exacerbate the already perilous financial position both institutions face.

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

All expectations are that restrictions on numbers in confined spaces such as display galleries will remain in place for some time. This makes it well-nigh impossible to judge just how quickly the institutions' revenue-raising activities will recover.

However, it is likely that the continuation of significant restrictions on gatherings will see limited demand for special events - for months, if not years. This will seriously reduce income.

There may also be additional costs for the transport of objects/artworks to/from overseas for exhibitions where additional health and safety precautions may apply.

It will be necessary to ensure the ongoing financial health of the institutions and maintain, or even improve, the wellbeing of the staff. In our view, it would be monstrously unfair to expect members of staff to pay the price for years of under-funding of the sector.

It is difficult to assess the value of these institutions in economic terms, however AC's 2018/19 Operational Plan calculated that every £1 invested in it by the Welsh Government generates £4 of additional expenditure in Wales, contributing £83m of Gross Value Added (GVA) to the Welsh economy - the highest GVA of any publicly funded cultural institution in Wales.<sup>1</sup> This highlights that AC's closure has had significant impact on the Welsh economy.

Moreover, it is clear that the cultural value to the country of both AC and NLW is incalculable.

FDA Wales strongly believes Welsh Government must now invest whatever is needed in AC and LIGC; to safeguard the national treasures that they hold, and to ensure everyone in Wales continues having access to their cultural history.

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

FDA welcomed the UK Government's cultural rescue package announced on 5 July.

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<sup>1</sup> <https://museum.Wales/media/46522/Operational-Plan-2018-19-FINAL.pdf>

However, we doubt the £59m allocated under the package to all parts of the cultural sector in Wales will do little, if anything, to reverse over a decade of reductions in direct grant-in-aid funding for AC and LLGC.

The scale of self-generated income lost by institutions in the wake of COVID-19 highlights the failure of the current funding models of AC and LLGC, trying to provide first class visitor experiences with minimal investment.

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

FDA Wales stress that the funding model needs to change to one that is less dependent upon visitor numbers. While it is right to maximise the value of the National Collections to the nation, an approach that properly supports the institutions and the staff that they employ needs to be found.

Grant-in-aid must increase substantially in real terms to give the institutions a solid footing to protect Wales' rich cultural heritage and ensure its National Collections remain accessible to every Welsh citizen.

The ability of institutions to raise the same amount of money that they have in recent years is unlikely to go back to pre-pandemic levels for a number of years, if ever. It is not as simple as re-opening and generating money immediately. That is why FDA Wales now calls for Welsh Government to increase immediately grant-in-aid to support Amgueddfa Cymru and Llyfrgell Genedlaethol Cymru.

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