SCAN Covid-19 Impact Survey: Organisations

May 11, 2020

Introduction and methodology

Scottish Contemporary Art Network (SCAN) is a member-led organisation which exists to connect, champion and cultivate contemporary visual art in Scotland.

SCAN's 180 members include national institutions, publicly-funded organisations, commercial galleries, education, voluntary collectives, production facilities, artists and individual workers. Our membership spans two-thirds of Scotland's local authority areas from Shetland to the Borders.

Since the beginning of the Covid-19 outbreak in the UK, SCAN's team has been gathering evidence from its membership on the impacts being felt of immediate loss of work, loss of income, closures and cancellations. SCAN has provided a range of support including digital, legal and peer-to-peer advice.

On April 15th SCAN Scottish Contemporary Art Network undertook a survey to collate information on the impact of the Covid-19 pandemic from the wider visual arts community, to inform advocacy with government and funders. The survey was available online between 15th and 30th April 2020.

The survey was open to those (usually) working within the visual art sector in Scotland. A total of 108 people responded to the survey and it had a section for completion by individuals and a section for completion by representatives of organisations.

27 people completed the survey on behalf of organisations in the Scottish visual art sector.

The following summary outlines responses from these 27 organisations, describing their experience of Covid-19.

SCOTTISH CONTEMPORARY ART NETWORK

About the respondents

Respondents were most often Directors (59%), Managers (26%), or Committee members (15%) of the organisation in question.

About the organisations:

- Respondents came from very varied types of organisations from across the visual art sector.
- In terms of legal structure, the organisations were most often charities (48%) or limited companies (44%).
- The organisations ranged in size from 2 to 201+ employees, however 74% had under 20 employees.
- The organisations were based in 10 of the Scottish regions.

Key findings

More than one in five (22%) of those responding from organisations are currently working to reduced hours. These working to reduced hours are employed across the range of organisations in terms of function, legal structure, job role and location. However, all come from organisations with fewer than 20 staff.

76% of the organisations have lost income during April 2020, with a range from 10-100%. An average of 37% of income has been lost per organisation during April 2020.

The organisations have already progressed the following actions to mitigate the impact of COVID-19:

	Completed or in progress %	Plan to undertake %
Working from home	78	0
Postponed Activity	78	0
Closure of office	70	0
Closure of venue	70	0
New digital content / activity developed	67	11

Cancelled Activity	67	0
Activity moved online	56	7
Furloughing Staff	26	4
Reducing staff working hours	22	4
Making staff redundant	0	0

About the actions and mitigation plans:

- The majority of the organisations are working from home with closed offices and venues.
- Most have postponed or cancelled activity and/or moved activity online, and several are still planning to do this.
- Around a quarter or the organisations have furloughed staff and/or reduced staff working hours.
- So far none of the organisations have made any staff redundant.

More than half (59%) of the organisations intend to take at least one income-saving action:

	Likely to take %
Using reserves	41
Cutting overheads	37
Requesting early draw down from funders or partners	15
Repurposing restricted grants to cover unrestricted costs (where applicable)	11

The organisations most often expect to save income by using reserves (41%) or cutting overheads (37%).

A third of the organisations anticipate utilising Government backed support measures, across the range of options:

	Likely to use %
Coronavirus Job Retention Scheme (furloughing staff)	33
Deferring VAT and self-assessment payments	11
Rates relief through your local authority	11
Grant scheme offering £25,000 for hospitality, leisure and retail properties with a rateable value between £18,000 and £51,000	11
Grant scheme offering £10,000 for small businesses who get Small Business Bonus Scheme Relief or Rural Relief	11
Third Sector Resilience Fund	7
Coronavirus Business Interruption Loan Scheme for SMEs through British Business Bank	4
HMRC Time to Pay scheme	4
Statutory Sick Pay Relief for small and medium-sized businesses (SMEs)	0

The support measures most often being utilised are the Coronavirus Job Retention Scheme (33%).

19% of organisations will not access Government backed support measures as they do not need them, and 19% will not access Government backed support measures as they are not entitled to them.

This survey was launched prior to the recent Scottish Government announcement on new funds for businesses and the self-employed, therefore it does not capture this data.

The organisations feel it is likely that following will happen as a result of Covid-19:

	Likely to happen %
Cancel programmes and projects	70
Lower positive impact on public	56
Change structure / strategy	48
Increase debt	19
Make staff redundant	15
Be unable to pay rent / mortgage for place of work	11
Cease trading / operating	4
Sell or refinance premises	0

Seven in ten of the organisations expect to cancel programmes and projects as a result of Covid-19, and more than half expect to have a lower impact on the public as a result. Many also anticipate making changes within their organisation, with just under half expecting to make changes to structure / strategy.

Ultimately, 15% of organisations expect to need to make staff redundant, 11% expect to be unable to pay for their premises, and 4% expect to cease trading as a result to Covid-19.

The organisations were asked who or what have been the most valuable sources of advice since the start of the Covid-19 crisis.

	Most valuable %
SCAN	48
Creative Scotland	44
Scottish Government	30
Local Authority	26
Scottish Council for Voluntary Organisations	19

UK Government	19
Your own accountant or lawyer	19
Arts and Business Scotland	11
Scottish Artist's Union	7
Arts Council England	4
Creative Industries Federation	0

The organisations felt that the most valuable sources of advice had been SCAN (48%) and Creative Scotland (44%), followed by the Scottish Government (30%) and their Local Authority (26%).

The organisations were asked to describe their biggest challenge caused by Covid-19.

	%
Loss of income	44
Covering staff costs	26
Programming	26
Uncertainty / cannot plan	26
Activity cancelled	22
Loss of engagement with public	15
Covering premises costs	11
Cashflow	7

The organisations most often said that their biggest challenge had been loss of income. Specifically, cashflow and covering staff and premises costs were mentioned. Many also noted that challenges had included loss of engagement with the public, activity being cancelled, and situational uncertainty meaning they cannot plan for the future.

For most that responded, a combination of these factors were cited:

Postponed and cancelled events - loss of profile and some income, hard to programme due to the uncertainty about when we can pick things up again.

Funding pots have closed that we are reliant upon to make projects and programmes happen. The uncertainty and worry of not knowing how to plan and respond. Staff mental health. Keeping a sense of purpose, working with communities in ways that feel meaningful, not being able to develop strategically.

Although we have stepped up online engagement it does not make up for direct engagement with art and artists.

Realising how 95% of our activities depend on face to face communication or experience, and having to reconfigure what we can offer that meets our charitable objectives in this new distanced environment. PLUS lack of income placing staff at high risk of redundancy.

Reopening with social distancing restrictions in place will continue to impact upon our income, while our overheads and wage bill will go up placing us in an extremely difficult financial situation.

The organisations were asked what had been the most useful support / advice that they had received to date.

	%
Advice given	
Information about sources of income	19
Information for employers of staff	19
Source of advice	
Colleagues	15
SCAN	11
Creative Scotland	7
Other organisations (cited once)	19

Those that responded most often appreciated support and advice about income:

To guard against loss of income due to delayed reopening of our building.

HMRC Government - VAT and tax freeze.

The 10k Small Business Relief grant has meant we've been able to safeguard our Creative Scotland funding and continue to run with reduced overheads and staffing.

Information relating to staffing was also appreciated.

Creative Scotland advice on furloughing for publicly funded organisations.

Legal employment advice via SCAN.

How to look after staff and mental health whilst working from home.

Sources of support were most often colleagues or SCAN.

The organisations were asked what support would benefit them the most.

	%
More funding	91
Policy-level support	30
Sector-wide collective support	17
Support to re-engage with audience	9
Support with strategy	9

The organisations most often said that more funding would benefit them the most:

Survival funding to enable core costs to tick over while we plan and fundraise for a creative future.

Financial bridging support to help meet the shortfall in our earned income whilst social distancing restrictions are in place.

A fund that addresses loss of earned income.

Many organisations also said that that they would appreciate a commitment to the arts across the sector and at a policy-level:

Confidence from government that arts funding is a priority next year.

Support within the council

Sustained advocacy for the pivotal role that arts can play in people's lives.

Some of the organisations also said they would appreciate support with planning and taking their organisations forward after COVID-19:

Support to reengage with audiences.

Advice and training on the best online platforms for delivering interactive educational visual arts projects.

/ends