

Witness Name: Roisin McDonough

Statement No: 1

Exhibits: RMcD/01 - 10

Dated:

UK COVID-19 INQUIRY: MODULE 9

**WITNESS STATEMENT OF ROISIN McDONOUGH
CHIEF EXECUTIVE OF THE ARTS COUCL OF NORTHERN IRELAND**

I, Roisin McDonough, will say as follows: -

Part A: Background and Context

1. Covid-19 created an unprecedented disruption to society in March 2020: almost overnight the economy underwent a drastic change. Arts organisations closed, events were postponed or cancelled, and audiences were simply not permitted to enter arts venues. Audiences and staff members were initially forced to lock down, and the implementation of social distancing prevented live arts performances and participations.

2. After an initial brief survey in March and April 2020, the Arts Council of Northern Ireland ran a further survey for Northern Ireland arts organisations from the 7 July until the 31 July 2020 to assess the situation faced by arts organisations Exhibit RMcD/01 [INQ000614386]; Exhibit RMcD/02 [INQ000614394]. The 129 organisations which participated in this survey estimated a loss of 180,000 arts activities and 3,000,000 audience members since lockdown had begun until September 2020. They estimated that the loss of those events prevented 36,000 work opportunities for NI artists and freelance creatives.

3. The ability of the arts to contribute to the local economy was severely compromised as a direct result of the pandemic (in line with the Executive's five stage plan, cultural organisations were some of the last services to re-open). Arts organisations reported average losses of £91,000 in ticket sales in the period up to July 2020 and many public and philanthropic funders either withdrew or were unable to provide funding Exhibit RMcD/02 [INQ000614394]. Organisations were unable to make sufficient cost savings

throughout the pandemic to balance their budgets, resulting in increased deficits and a correlative decrease in reserves.

4. In the short-term, organisations were attempting to adapt to the new operating environment. By July 2020 90% of survey respondents were delivering content on-line and 80% had deployed a range of new engagement methods Exhibit RMcD/02 [INQ000614394]. However, less than half had been able to generate income through online content, and where they had, it was just over 10% of the income lost.

5. Some arts organisations had also been able to access emergency funding, however the survey indicated that this was not enough to cover their losses Exhibit RMcD/02 [INQ000614394]. Income from hardship funding was on average £6,300 per organisation compared with £91k of losses. The charitable status of many arts organisations excluded them from small business grants opportunities.

6. As HMRC's Coronavirus Job Retention Scheme contributions tapered off, organisations understood that they would have to meet the needed staff overheads for their employees (estimated at £840k per month for full-time employees, based on average earnings within Northern Ireland Statistics and Research Agency's Annual Survey of Hours and Earnings 2018).

7. Organisations understood that in the medium-term, many changes were necessary both to the physical space they operated in and also to their policies and procedures (In the July survey, 30% of arts organisations planned to reopen by September 2020 if possible, however 8% anticipated not being able to reopen before 2021) Exhibit RMcD/02 [INQ000614394]. Necessary changes were estimated to cost £3.7m for which additional income would be required. However, organisations reported that reduced numbers due to social distancing would be the single greatest cost of re-opening. The slow re-building of audiences was one of the longest tails of the pandemic. This particularly affected smaller, less commercially-oriented organisations – which in fact make up the majority of the sector in Northern Ireland.

8. For a sector that was already fragile due to under-investment before the Covid-19 pandemic, the collapse of live arts events and the difficulty in generating income through online delivery inevitably had long term consequences for the NI arts sector. The financial strain faced by arts organisations who responded to the 2020 survey, and their loss of income, was reflective of the situation across the whole NI arts sector.

9. In terms of individual artists, surveys undertaken by the Arts Council of Northern Ireland indicated that artists' income and practice were severely affected by the lockdown, with respondents reporting an average loss of earnings of £3,756 between March and May 2020 Exhibit RMcD/03 [INQ000614395]. By August 2020, 44% of respondents projected losing more than 75% of their creative income between March and 30 September 2020, with only 20% projecting losses of less than 25%. Many of these freelance artists facilitated teaching and community arts and worked within Northern Ireland's key arts infrastructure – comprised of organisations which were also under severe financial pressure. These artists, in conjunction with Northern Ireland's arts organisations, provide arts activities to some of the most deprived areas within Northern Ireland. A majority of these artists and freelancers' (88%) experienced events and activities cancelled by organisations, and 64% of respondents had been forced to close their own events as a result of Covid-19.

10. By the end of the summer of 2020 a significant proportion of survey respondents were looking for alternative ways to work (65%), though only 60% of artists had been able to earn income through alternative means; such as remote working and streaming of services – earning an average of £1,156 in the period. As a result, after 5 months of lockdown and social distancing, over a third of surveyed artists were unsure if they would continue their career as a creative practitioner, with 22% applying to receive universal credit, 16% unable to meet housing costs and 11% struggling to pay for food Exhibit RMcD/03 [INQ000614395]. Their individual financial losses, coupled with the instability of the organisations that had previously provided employment and contracts, destabilised individual artists' and creative freelancers' careers – which in turn impacted Northern Ireland's wider, fragile arts ecology. A feedback loop was created; organisations could not support artists, and without those artists, the organisations could not provide programming.

11. While the unpredictable nature of freelance work opportunities - and even the long-term funding for key organisations – has always presented a greater degree of uncertainty for those working within the arts sector in Northern Ireland, the greatly increased lack of financial security which arose throughout the pandemic for individual creative practitioners – as well as for permanently employed staff within arts organisations at that time – had a considerable impact on the sector. As well as a loss of individual practitioners, many organisations were at risk of losing highly-experienced long-term staff, as people understandably sought greater financial security in other areas of work.

12. In response to the pandemic, the Arts Council of Northern Ireland delivered all arts-related emergency funding programmes on behalf of the Department for Communities, of which it is an arms-length-body; processing over 5,800 Covid-scheme related applications¹ and awarding over £29m in funding across 6 covid-related funding schemes. The Arts Council of Northern Ireland assisted the department in the co-design of most of the programmes, which were as follows:

Programmes for Organisations:

- Organisations Emergency Programme (£2.8m over 2 rounds) Exhibit RMcD/04 [INQ000614396]; Exhibit RMcD/05 [INQ000614397]
- Stability and Renewal Programme for Organisations (£10.5m) Exhibit RMcD/06 [INQ000614398]
- Covid Recovery Programme for Arts Organisations (£1.7m) RMcD/07 [INQ000614399]

Programmes for Individuals:

- Artists' Emergency Programme (£0.57m) Exhibit RMcD/08 [INQ000614400]
- Individuals Emergency Resilience Programme (£10.7 over 2 rounds) Exhibit RMcD/09 [INQ000614401]; Exhibit RMcD/10 [INQ000614388]
- Creative Individuals Recovery Programme (£2.7m)

13 As the main funding and development agency for the arts in Northern Ireland, one of the Arts Council of Northern Ireland's primary functions in "ordinary time" is the distribution of funding to the arts sector via the delivery of grant programmes. The main differences in relation to programme delivery during the Covid period were:

- Schemes were co-designed with the Department for Communities and were open to a much wider potential applicant base than would normally have been the case for routine Arts Council of Northern Ireland funding. For example:
 - Accredited museums and independent libraries could apply to the Organisations Emergency Programmes Exhibit RMcD/04 [INQ000614396]; Exhibit RMcD/05 [INQ000614397]
 - Creative Industries companies, such as independent cinemas, or those involved in product design, fashion design, and graphic design, or TV/ film/radio production could apply to the Stability and Renewal Programme for Organisations Exhibit RMcD/06 [INQ000614398].

¹ In addition to applications received for those regular programmes which could still be operated within the period.

- Freelancers across all creative fields could apply to the emergency funding streams for individuals, eg. graphic designers, who would not be eligible under the Arts Council of Northern Ireland's usual schemes for individual artists Exhibit RMcD/09 [INQ000614401]; Exhibit RMcD/10 [INQ000614388].
- Newly designed schemes were delivered under high pressure at pace, with a shorter turnaround from design to grant delivery.
- All aspects of programme delivery and grant management were undertaken electronically / online.
- Application and award numbers were greatly increased from usual Arts Council of Northern Ireland programme levels.
- Delivery of the earliest schemes necessitated and were concurrent with the wholesale re-alignment of the Arts Council of Northern Ireland's working practice and internal processes to facilitate online delivery in a working-from-home environment.

PART B: Cooperation and Joint Working

14. The Arts Council of Northern Ireland is the funding and development agency for the arts in the region, distributing around £20m on an annual basis across a series of exchequer and National Lottery programmes for both organisations and individuals. The Arts Council (Northern Ireland) Order 1995 established the functions of the Arts Council as follows:

- a) Develop and improve the knowledge, appreciation and practice of the Arts;
- b) Increase public access to and participation in the Arts;
- c) Advise the Department and other government departments, district councils and other bodies on matters relating to the Arts; and
- d) Such other functions as are conferred on the Council by any other statutory provision.

15. In the period 2019 – 2024, the Arts Council of Northern Ireland was working towards objectives set within its *5 year Strategic Framework for the Arts*. While setting the Council's own priorities for developing the sector within Northern Ireland, the strategy also sought to assist delivery of the draft *Programme for Government 2016-21* objectives and ensure the Council continued to work in partnership with the Department for Communities to deliver on government priorities in future years.

16. Prior to the pandemic, as an arms-length-body of the Department for Communities, our day-to-day relationship with the department was conducted in keeping with the *Management Statement and Financial Memorandum* in place at the time which set out the broad financial and reporting framework within which the Council operated in respect to government – specifically the Department for Communities (previously titled the Department for Culture, Arts and Learning). The Department for Communities is a devolved Northern Ireland government department within the Northern Ireland Executive. The department is responsible for a wide remit including urban regeneration, community and voluntary sector development, historic environment, social legislation, housing, social security benefits, pensions and child support, promoting equality, and development of arts and culture.

17. Arts Council of Northern Ireland senior management would meet with the relevant Department for Communities staff for quarterly accountability meetings, in addition to more regular and ad hoc touchpoint meetings at which Council and Department representatives would update each other on salient issues, discuss potential funding support, partnerships etc. Outwith the period of the pandemic, the Department for Communities had no role in programme design or funding decision-making – except where this related to the approval of Arts Council of Northern Ireland business cases which were above the delegated authority level of myself as the Chief Executive and/or the Council board.

18. Throughout the pandemic and the period of delivery of emergency funding, both formal and informal contact with Department representatives increased significantly, with scheduled meetings occurring on a weekly basis. Discussion comprised not only the development and design of emergency funding programmes, but also the needs and practicalities of the Arts Council of Northern Ireland's transition to home-working arrangements.

19. The Arts Council of Northern Ireland's role and responsibilities with regard to the delivery of the emergency funding programmes was as per those for the delivery of all our grant schemes: to ensure that programmes were implemented effectively and in keeping with the regulatory frameworks within which we operate as public funders; to ensure fairness, transparency and appropriate management of public funds.

20. From the beginning of the pandemic meetings with the Department for Communities took place on a weekly basis, in addition to ongoing informal contact,

such as phone calls, emails etc. Key individuals for the Arts Council of Northern Ireland in these meetings were the Senior Management Team, led by the Chief Executive and including the Director of Corporate Services, the Director of Operations, the Director of Strategy and the joint Directors of Arts Development. The Department for Communities were represented by Culture Branch staff, including the relevant G7s and G6. The Department for Communities staff collaborated with the Arts Council of Northern Ireland on the design of the emergency programmes; once programmes were approved by the Department for Communities, the Arts Council of Northern Ireland were solely responsible for the delivery of the programmes and the associated funding (the Covid Recovery Programme for Arts Organisations was an exception to this: post-project monitoring was undertaken directly by the Department for that scheme.)

21. By the time of the final emergency programme for organisations delivered by the Arts Council of Northern Ireland – the Covid Recovery Programme for Arts Organisations run in January 2022 - a more structured approach to the delivery of emergency funding was being implemented by the Department RMcD/07 [INQ000614399]. The Arts Council of Northern Ireland was one of 7 delivery partners (the others' schemes titled simply *Covid Recovery Programme for Organisations*) across the culture, arts, sports and community sectors each of which delivered a "channel" for applications relevant to their specific sector to the *Covid Recovery* funding, in line with an agreed memorandum of understanding. The overarching scheme was designed and co-ordinated centrally by the Department for Communities' Community Engagement Team, with regular meetings of delivery partners. There was a significant degree of concordance in terms of programme objectives, application window timing, basic eligibility and assessment methodologies between the 7 sub-programmes.

22. As the Arts Council of Northern Ireland is the primary funding and development agency for the arts in Northern Ireland, we are a main source of data on the Northern Ireland arts sector and provide information and analysis to the Department when required - and this remained the case throughout the period of the pandemic.

23. Collaboration between the Community Engagement Team and the Arts Council of Northern Ireland worked well throughout delivery of the Covid Recovery Programme for Arts Organisations. During delivery of the scheme, the Department for Communities

ensured that financial analysis of applications was supported via input by EY (formerly *Ernst & Young*), the professional services and accounting firm. The Department also ran a data-matching exercise on potential Covid Recovery Programme for Arts Organisations awardees to ensure there was no overlap of funding in respect of the Omicron Hospital Payment scheme. In our view, sharing of information, data and analysis between the Department for Communities and the Arts Council of Northern Ireland was at the level needed for effective delivery of the scheme.

24. Throughout the period of the pandemic, meetings and communications between the Arts Council of Northern Ireland and the Department for Communities increased both in volume and extent, as necessitated by the co-design approach to the emergency programmes and the Department's corresponding increased interest in their implementation.

25. Emergency funding programmes were co-designed, with input from the Arts Council of Northern Ireland on relevant aspects of delivery and implementation for the arts sector. Our input included drafting guidance notes; proposing eligibility criteria for applicants and eligible project costs; proposing assessment criteria and decision-making processes; and drafting letter of offer conditions. All schemes were widely publicly advertised and programme delivery took cognizance of and operated within the normal regulatory frameworks of all our routine funding, that is, subject to Freedom of Information requests, complaints procedures, funding reviews, internal audit and external audit by Northern Ireland Audit Office etc.

26. There were considerable challenges. Newly designed schemes were delivered under high pressure at pace, with a shorter turnaround from design to grant delivery. The normal timeframe for an Arts Council of Northern Ireland funding programme would be 3.5 to 4 months (depending on the scheme) from the opening of the application window to the release of letters of offer, with an initial period prior to this in which the given scheme is finalized, which can range from a week for annually run programmes requiring only minimal changes discussed internally to longer periods up to several months for new schemes on which we need to consult and undertake equality impact assessments. The timeframe for most emergency programmes was under 3 months, with a number of the smaller schemes being run in under 5 weeks. (NB: The largest of the schemes, the Stability and Renewal Programme for Arts Organisations, was run over a "normal" 4 month period.)

27. Application and award numbers were greatly increased on normal Arts Council of Northern Ireland programme levels and staffing levels did not increase proportionately. With the first emergency programme for individuals run at the close of 19/20, the number of applications processed in 19/20 rose to over 1.6k, from an average of over 860 in the previous 3 years. In 20/21 – the year in which the highest number of emergency schemes were run - the number of applications processed rose to over 5.3k - over 6 times the average. The figure remained over 2.4k in each of the next 2 years, only dropping slightly to 2.3k in 2023/24. Application levels have not returned to pre-pandemic levels. In 2024/25 over 1.8k applications were received.

28. The massive increase in application numbers at the end of 19/20 and in 20/21 in particular had to be managed while Arts Council of Northern Ireland staff were also navigating the huge changes to working practices and internal processes necessitated by lockdown.

29. The Arts Council of Northern Ireland's key relationship throughout the period was with Department for Communities. The organisations collaborated closely and had an excellent working relationship with regular and open communication which assisted the Arts Council's ability to delivery effectively during a highly pressurized period.

30. While the Arts Council of Northern Ireland partners with the equivalent arts funding bodies across the UK on several joint schemes prior to and after Covid (eg. *Four Nations International Collaboration Fund; Cultural Bridge Programme*), the nature of the pandemic and lockdown were such that those relationships were not key in meeting the challenge of continuing to operate through this period. Joint schemes are often international or UK-wide in nature. The Arts Council of Northern Ireland's main focus had of necessity to be entirely on supporting the immediate needs of the local sector, which were often existential in nature rather than developmental.

31. However, following the success of the *Culture in Quarantine* commissioning strand, launched in April 2020 by BBC Arts and Arts Council England, the BBC, in partnership with Arts Council England, Arts Council of Wales, Creative Scotland and Arts Council of Northern Ireland commissioned film and audio works from disabled artists which were hosted across BBC platforms and via *The Space* – the organisation (mainly funded by Arts Council England), whose role is to support the creation of new digital cultural content and provide free training, mentoring and online resources for organisations, artists and creative practitioners.

PART C: Data and informing the economic response of government

32. The Arts Council of Northern Ireland undertook a number of surveys and evaluations in the period which were provided to the Department for Communities including:

- o *Impact of the Corona Virus on the NI Arts Sector* (April 2020) Exhibit RMcD/01 [INQ000614386]
- o *Covid 19 Organisational Survey* (July 2020) Exhibit RMcD/02 [INQ000614394]
- o *Covid 19 Individual Artists and Creative Practitioners Survey* (August 2020) Exhibit RMcD/03 [INQ000614395]
- o *Survey to Establish Arts & Cultural Engagement Levels in NI During the Covid 19 Pandemic* (December 2020)

33. The Arts Council of Northern Ireland also provided updates to the Department for Communities regarding application numbers, request levels, award numbers and amounts for each emergency programme. Updates were also provided via provision of copies of all board papers and programme-level post-project evaluation documents.

34. Key Findings:

- Total employment across the 129 organisations who participated in the survey was 3,220.
- A total of 965 employees were currently furloughed
- There had been 48 redundancies to date with plans for a further 32.
- 44% of respondent had lost over 50% of their projected income since lockdown, and average of £91k, and a total of £11.6m across the sample.
- The maximum loss projected by any one respondent was £1.1m, with a total of 6 organisations projecting losses of more than £500k.
- 74% of organisations were predicting a deficit in 2020/21, a total of £6.6-10m, and projections place this at between 14-33% of organisations total income.
- 76% of organisation were projecting a deficit state that Covid-19 has been responsible for more than 75% of their deficits
- Almost 181,000 activities had been lost as a result of Covid-19.
- Organisations were unable to employ artists as a direct result of Covid-19 with overall estimated loss of 36,473 artists.
- To cope with the new challenges organisations were trying to engage their

audience in new ways, and trying to maintain their programme where possible:

- 90% were delivering online and 80% were developing new methods of engagement
- 53% were postponing events to either later in 2020/21 or until 2021/22
- Approximately one third of organisations were adapting existing content to be deliver online, while another third were creating new material for their online content.
- 15% were using a mixture of both adapted and new content for their online delivery.
- However 54% of organisations were not generating income through their online content.
- Organisations had generated £1.45m from new income streams, which was only 13% of the income the respondents had lost (£11.6m).
- On average organisations had been able to bring in £11k in income from new sources compared with average losses of £91k.
- 22% of organisations were planning to reopen in September 2020.
- 8% of the sample did not plan to open before 2021.
- On-site sanitiser (69%), frequent deep cleaning (63%) and reduced capacity (62%) were the most adaptations required by respondents.
- In the final question, to allow respondents to add further information to the survey, organisations expressed the need for urgent intervention, support for freelancers and the wider creative sector needed within the arts ecology, and for support that did not require onerous outcome or monetary targets.

35. The July 2020 survey was open to all organisations which deliver arts programming across all artforms, however, responses were most prevalent from music (21%) and theatre (18%) organisations Exhibit RMcD/02 [INQ000614394]. This was reflective both of the size of those respective sectors (in terms of Arts Council of Northern Ireland applications and funding, those sectors receive the highest proportion of overall funds in “ordinary time”) and also the impact of Covid prohibitions and social distancing on the performative arts, with lockdown necessitating the cancelling of shows and festivals. The majority of activities estimated in the survey to be lost between March and September fell within the performance category equating to almost 70% of all activities.

36. The survey asked organisations how many employees they had made redundant as a consequence of the pandemic since the start of lockdown Exhibit RMcD/02

[INQ000614394]. The majority of redundancies had taken place for part-time contract workers (43 of 48), equating to almost 90% of total redundancies. This was as organisations sought to save on costs and minimise their level of risk going forward.

PART D: Covid-19 Financial Support Schemes

Design

38. Advisory role of Arts Council of Northern Ireland: As the main funding and development agency for the arts in Northern Ireland, one of Council's primary functions is the distribution of funding to the arts sector via the management of funding programmes and we have extensive experience in the processes involved in effective grant delivery. Schemes were focused around Ministerial priorities; the Arts Council of Northern Ireland's contribution shaped the practical structures of delivery, ensuring clear guidance for both applicants and staff. This included: drafting guidance notes; proposing eligibility criteria for applicants and eligible project costs; proposing assessment criteria and decision-making processes.

39. The Department for Communities' Arts Branch and Community Engagement Group staff consulted with the Arts Council of Northern Ireland's senior management team on co-design, with the Directors of Arts Development and Operations particularly involved in this task.

40. Once the format of programmes were approved by the Department for Communities, all practical implementation of the funding programmes was managed and delivered by Arts Council of Northern Ireland staff, from providing advice to potential applicants, through application receipt, assessment and final payments. This included all post-project monitoring. The exception to this was the Covid Recovery Programme for Arts Organisations, for which the Arts Council of Northern Ireland was one of 7 delivery partner organisations – a Memorandum of Understanding was agreed between the Department for Communities and the Arts Council of Northern Ireland for that scheme. Guidance notes and application proforma were provided by the Department for Communities, with only small changes for the arts-specific version of the programme undertaken by the Arts Council of Northern Ireland. The Arts Council of Northern Ireland undertook its usual role in relation to pre-application advice, application receipt, eligibility checking and assessment, but Arts Council of Northern Ireland award decisions were issued to the Department for Communities for final

approval before the release of any letters of offer. While letter of offer acceptances and payments were made by the Arts Council of Northern Ireland, the post-project returns from Covid Recovery Programme for Arts Organisations awardees were issued directly to the Department for Communities and managed by their own staff.

41. The objectives of the Covid emergency schemes delivered by the Arts Council of Northern Ireland were as follows:

a. Artists Emergency Programme Exhibit RMcD/08 [INQ000614400]:

Aimed to support individual artists, creative practitioners and performers. There were two primary objectives of the programme

- 1) to support proposals for the research, design and future presentation of specific showcases, performance(s) and/or other forms of public presentation aimed at groups and communities otherwise facing barriers to the arts on a range of platforms
- 2) to engage the arts sector in employment by providing individual artists, creative practitioners and performers with financial support to create work and make a vital contribution to the well-being of communities

b. Individual Emergency Resilience Programme (Round 1) Exhibit RMcD/09 [INQ000614401]:

Aimed to retain a vital workforce within the creative sector which was at risk of being lost as a result of Covid-19. Many freelance workers and creatives had lost all earned income this year. If not given critical support this sector risked losing them and their skills. Consequently, this programme was designed to help support individual musicians, artists, actors, craftspeople and freelancers and other creative practitioners who work in the creative industries to sustain and build their creative, professional and technical skills in these challenging times. It also aimed to assist those workers to adapt to the new market conditions brought about as a result of Covid-19. The fund was aimed at workers in the creative and arts economy in whatever capacity such as: Venue support staff, singer songwriters, session musicians, set designers, lighting and sound technicians, artists, actors, musicians, rappers, writers/poets, comedians, open mike performers, tutors and facilitators, dancers, choreographers, editors and proof readers, craftspeople. Priority for funding was given to those who had been unable to access other forms of financial support from Government or other sources.

c. Organisations Emergency Programme (2 rounds) Exhibit RMcD/04 [INQ000614396]; Exhibit RMcD/05 [INQ000614397]

The objective of the programme was to support the continuance of creative work and assist operational costs where necessary by assisting small- to medium-scale organisations to explore ways of working that would help them to adapt and respond to the changing circumstances. It also aimed to assist organisations most in need due to loss of income or operational capacity up to 31 March 2021, enabling them to continue to develop and/or deliver activities

- d. Individual Emergency Resilience Programme Phase 2 (Round 2) Exhibit RMcD/10 [INQ000614388]:

The aims were as the first round of the programme, as stated at *b.* above. Priority in round 2 of the scheme was given to those who had been unable to access other forms of financial support from Government or other sources, and who had not received funding from either the Arts Council of Northern Ireland's Artists Emergency Programme or the first round of the Individuals Emergency Resilience Programme.

- e. Stability and Renewal Programme for Organisations Exhibit RMcD/06 [INQ000614398]:

Purpose of the scheme was to stabilise organisations financially to prevent closure and/or to allow continued delivery of outcomes and underpin longer-term changes; and to support the development of renewal plans where appropriate

- f. Covid Recovery Programme for Arts Organisations Exhibit RMcD/07 [INQ000614399]

The aim of the programme was to reduce or remove operating deficits in eligible organisations, which had arisen in the 2021/22 financial year because of the Covid pandemic.

42. The Department for Communities co-designed the Organisations Emergency Programme – beginning in May 2020 - the objectives of which reflected the Minister's priorities Exhibit RMcD/04 [INQ000614396]; Exhibit RMcD/05 [INQ000614397]. The Department for Communities had input to which groups would be eligible applicants to the scheme and ultimately approved each programme's format. The Arts Council of Northern Ireland's contribution shaped the practical structures of delivery, ensuring clear guidance for both applicants and staff. This included: drafting guidance notes; proposing eligibility criteria for applicants and eligible project costs; proposing

assessment criteria and decision-making processes; creating and issue of letters; receipt of acceptances; processing of payments; and, receipt and processing of post-project monitoring returns.

43. There was no time to undertake any sectoral consultation on the design of the programme, nor was there time to pilot or develop and evaluate alternative schemes or means of providing support. Sectoral needs were critical and needed an urgent response. However, the programme was informed by the information garnered via the Arts Council of Northern Ireland's *Impact of the Corona Virus on the NI Arts Sector* survey which had been run in March and April 2020 and our extensive knowledge of the NI sector arising from the delivery and management of our other programmes Exhibit RMcD/01 [INQ000614386].

44. Equivalent funding bodies across the UK (such as Arts Council Wales, Creative Scotland etc) were not consulted, nor were they informed of decisions – though all decisions were made public on our website. The scheme was delivered on a Northern-Ireland basis only for organisations based in Northern Ireland.

45. Information provided via the *Impact of the Corona Virus on the NI Arts Sector* survey run in March and early April 2020 informed the design of the Artists Emergency Programme and Organisations Emergency Programme Exhibit RMcD/01 [INQ000614386].

46. In addition, data from Arts Council of Northern Irelands Grants Management System indicated the quantum and extent of previous request levels for programmes both for individuals and organisations, and thus offered some indication of the potential ask that could arise from the new programmes.

47. In terms of sources of data that would ideally been used to inform design and eligibility, lockdown started in March 2020; the first Arts Council of Northern Ireland survey was opened as quickly as possible running between 26th March and 10th April 2020. The situation for the sector became critical very quickly and programmes needed to be delivered at pace: there was no time for extended research.

48. Programmes were designed to reach a wider range of potential applicants than Arts Council of Northern Ireland schemes would normally support and upper limits on grant amounts were set to facilitate maximum dispersal of grant monies.

49. Programmes needed to be delivered at pace due to the critical situation arising in the arts sector – there was no time for modelling of scenarios: we needed to get financial support to arts organisations and artists.

50. There were no previous crises necessitating such support, however, Arts Council of Northern Ireland do routinely run funding programmes for individuals on an annual basis so have a good understanding of what the basic framework of any programme requires.

51. Throughout the pandemic all Arts Council of Northern Ireland funding schemes were open to all eligible applicants. No organisations were individually selected for immediate financial support.

52. All applications were assessed against the assessment criteria as published in each set of guidance notes and any funding priorities were agreed with the Department for Communities prior to the opening of the programmes and similarly stated in the guidance. Assessment methodologies were as per the usual structure applied by Arts Council of Northern Ireland, comprising of individual assessments, followed by a moderation process - that is the collective decision-making meeting at which assessment recommendations are presented by assessors, and considered/recommended for award by the meeting. Assessment and moderation was undertaken by Arts Council of Northern Ireland staff, with final recommendations sent to Arts Council of Northern Ireland's board for approval. In the case of the Covid Recovery Programme for Arts Organisations, all award recommendations were also agreed by The Department for Communities before Letter of Offer release in keeping with the memorandum of understanding for the scheme.

53. Demonstration of need and the impact of the support were the focus of most schemes; financial viability of submitted proposals was also an aspect of assessments for organisations. The value for money of the schemes was inherent in the decision to make the programmes available: the rationale being that the funding mitigated risk of closure/loss of expertise to the sector and the consequent loss of socio-economic outputs of those organisations and individuals.

Implementation and Delivery

54. Programmes were delivered targeting both organisations and individual artistic practitioners:

Programmes for Organisations:

- Organisations Emergency Programme (£2.8m over 2 rounds)
- Stability and Renewal Programme for Organisations (£10.5m)
- Covid Recovery Programme for Arts Organisations (£1.7m)

Programmes for Individuals:

- Artists' Emergency Programme (£0.57m)
- Individuals Emergency Resilience Programme (£10.7 over 2 rounds)
- Creative Individuals Recovery Programme (£2.7m)

55. Northern Ireland's arts sector is relatively small, operating as it does within the smallest regional population of the UK (1.9m). The Belfast area is the largest conurbation and inevitably this contains the highest concentration of arts organisations and, indeed, individual artists. Arts Council of Northern Ireland does not fund on place-based criteria but its portfolio of clients covers all areas of Northern Ireland and the moderation process has consideration for the geographical spread of support, particularly to ensure sufficient rural provision. Moderations for emergency funding programmes were similarly cognizant of ensuring an appropriate spread of funding across the region.

56. Similarly, Arts Council of Northern Ireland does not operate art form budgets within normal programming, nor did it do so in relation to emergency programmes during the pandemic. Applications were encouraged from all art form sectors and creative practitioners and the resulting awards reflected the full range of activity and practices within the sector.

57. Funding budgets are always limited. The emergency programmes provided vital additional funding to the arts in Northern Ireland throughout a critical period of jeopardy for the sector. While the full value of request amounts could not be met, awards for 4 of the rounds were in and around 70% of request levels and were above 85% for 2 others – far above the award/request percentages achievable for Arts Council of Northern Ireland's routine programmes via our normal annual budgets.

Communication

58. Key information was detailed within each set of guidance notes (and FAQ documents), which were available for download from our website, and were available in other formats (large print etc) on request. All schemes were promoted across our social media accounts (Twitter, Facebook, Instagram), as well as being foregrounded

on our website and in our e-Newsletter – which was published weekly during Covid rather than fortnightly. We also published information videos on our Youtube channel providing information on the emergency schemes and how to apply.

59. Guidance notes were made as clear and simple to understand as possible and were supported by FAQ documents. Applicants were encouraged to contact staff if they had any queries about the application process. Award decisions were subject to the usual regulatory requirements in relation to Freedom of Information and best practice in terms of complaints and funding review processes.

60. Guidance notes for most of the schemes made a point of encouraging applications from all Section 75 categories, with the guidance for organisations making additional reference to Arts Council of Northern Ireland's statutory duty to have due regard to the need to promote equality of opportunity between all Section 75 groups.

61. As noted above, all schemes were promoted across the Arts Council of Northern Ireland's social media accounts (Twitter, Facebook, Instagram), as well as being foregrounded on our website and in our e-Newsletter – all of which are free to access. In addition, the Arts Council of Northern Ireland liaised with key umbrella bodies to help promote the programmes within their specific sectors – including the University of Atypical, the main organisation which supports and promotes work by d/Deaf, disabled and neurodivergent artists in Northern Ireland, and the Community Arts Network, which leads in the promotion, development and delivery of community arts practice in NI.

Accessibility

62. As noted above, all schemes were publicized across the Arts Council of Northern Ireland's social media accounts (Twitter, Facebook, Instagram), as well as being foregrounded on our website and in our e-Newsletter (to which the majority of our previous clients were subscribed) – all of which are free to access. In addition, the Arts Council of Northern Ireland liaised with key umbrella bodies to help promote the programmes within their specific sectors

63. In terms of considerations of regional and artform coverage, one of the purposes of the moderation process is to ensure appropriate spread of awards across art forms and geographic area. The majority of arts organisations in the region are in the small to medium range and so these are always strongly represented in any funding round.

64. All rejected applicants could seek feedback and further support re future applications. In addition, applicants which could not be funded in earlier rounds were given priority in later programmes.

Monitoring of support

65. Emergency schemes were successfully administered, with full programme delivery and spend achieved for all schemes. Letter of offer release and grant completions occurred within appropriate expenditure deadlines as set by the Department for Communities.

66. On an individual project basis, all awardees were required to submit either post-project reports, signed income and expenditure accounts or, in the case of, the Covid Recovery Programme for Arts Organisations, a pro forma confirming and explaining their final deficit out-turn.

67. Programme evaluations were also submitted to the Department for Communities in relation to the Covid Recovery Programme for Arts Organisations and Creative Individuals Recovery Programmes. No significant gaps or issues were highlighted.

68. In relation to actual figures for programmes supporting organisations: Organisations Emergency Programme – 212 organisations supported with over £2.8m; Stability and Renewal Programme for Organisations – 167 organisations were supported with £10.5m; Covid Recovery Programme for Arts Organisations – 39 organisations supported with over £1.7m.

69. In November 2022, the Arts Council of Northern Ireland published a *Survey of Grant Use and Impact* in relation to the Covid Recovery Programme for Arts Organisations programme. Key findings were as below:

- For 22 organisations, their award helped them remove financial stress so that they could continue to provide services to their audiences, clients and/or the general community.
- 9 of the organisations surveyed reported having lost more than 50% of their earned income as a result of the lockdown.
- The grant allowed organisations to restart providing services such as reaching new audiences (18 organisations), supporting artists (15), working with communities (14), among other services.

- High additionality: 20 organisations strongly agreed or agreed they would not have been able to reduce or remove the financial deficit they faced due the pandemic without this grant.

Lessons Learned

70. All emergency schemes were successfully delivered against the objectives as published. All post-project reports submitted by awardees reported a high degree of benefit from the emergency schemes as did the surveys undertaken for the Creative Individuals Recovery Programme and Covid Recovery Programme for Arts Organisations. Feedback was overwhelmingly positive for all programmes. The schemes directly countered the critical loss of income which would have severely impacted both organisations and individuals in terms of loss of jobs, programming and project opportunities.

71. In post-project returns and evaluations for emergency programmes for organisations, awardees reported multiple impacts, including:

- Sustained jobs and expertise within the sector which would otherwise have been lost
- Prevention of a reduction in programming activity
- Prevention of a reduction in geographic outreach of arts activity
- Organisations enabled to adapt to new requirements of pandemic delivery

72. In post-project returns and evaluations for emergency programmes for individuals, awardees reported multiple impacts, including:

- Continuance of artistic practice via support to remain in the sector and the creation of new work
- Improved skills within the sector via the provision of training
- Improved potential for future projects via research and development costs
- Enabled potential for creative practitioners to become more sustainable via development of new business models.

73. Flexibility in funding, with less restricted activity parameters can be highly beneficial, as can the reduction of the bureaucratic burden via more light-touch application processes – in particular reducing the need for additional mandatory

enclosures to be submitted by potential applicants.

74. For individuals in particular, we have broadened the scope of fundable activity within our routine funding programmes and where possible reduced application requirements – within necessary limits given audit and risk considerations.

Risk of Fraud and Error

75. For the Covid Recovery Programme for Arts Organisations scheme, there was a formal memorandum of understanding stipulating that the Arts Council of Northern Ireland would support the Department for Communities in mitigating risk re duplicate funding and letter of offer clauses. In keeping with our normal practices, the Arts Council of Northern Ireland sample-checked awards via their selection for verification checks, which comprise of examination of project activity and expenditure via vouching of receipts, bank statements, evidence of appropriate project oversight by the organisation, interviews with the organisations re project delivery etc.

76. One of the verification checks on a Stability and Renewal Programme for Organisations award discovered fraud in relation to a commercial organisation – a company not previously funded by the Arts Council of Northern Ireland. The Arts Council of Northern Ireland pursued the case with the Police Service of Northern Ireland and the full sum of the grant (£38,700) was repaid by the awardee.

Other Economic Support Schemes

77. The Coronavirus Job Retention Scheme applied from 1 March 2020 and ended on 30 September 2021. At the end of the scheme, the arts, entertainment and recreation sector was one of the three sectors with the highest furlough rates – 10% of the UK arts sector were still on furlough when the scheme closed. While the scheme provided grants enabling employers to retain and continue to pay staff during related lockdowns, the impacts of the pandemic had a significantly longer tail than this – particularly for the arts sector. Audiences in particular took much longer to recover: the extensive impact on incomes and confidence in wider society both reduced people's ability to spend money in the arts and created new concerns about sharing enclosed public spaces. The focus on online and home-centered consumption of entertainment throughout lockdown was an additional impact.

78. No client within any of our existing portfolios would have been eligible for the Large Business Interruption Loan Scheme which required an annual turnover of over £45m for

eligibility. We were not made aware of any who accessed the Coronavirus Business Interruption Loan Scheme and only 1 who took out a Bounce Back loan. The majority of arts organisations within Northern Ireland rely heavily on grant funding and volunteer support for delivery, have few assets and normally insufficient reserves. In combination with the uncertainty of income and the resulting financial pressures, it is not unexpected that such organisations would not avail of loan facilities, even at guaranteed low interest rates – as this would be viewed as an additional financial risk.

79. The Artists Emergency Programme and Individuals Emergency Recovery Programmes provided critical support to freelance creatives within the sector: over 4.1k awards were made across all emergency schemes for individual creative practitioners. A survey administered amongst artists who received Creative Individuals Recovery Programme funding, indicated that more than half (54%*) of respondents reported that the funding helped them create an income stream that they had established as an ongoing element of their artistic practice. For 98% of all respondents, Creative Individuals Recovery Programme funding helped them maintain their creative skills in the absence of work and helped them protect their careers in the sector.

80. For those who received the funding the impact on their general lives was significant: 78% of survey participants stated that the grant indirectly helped them to meet basic food costs and/or pay for heating / make rent / mortgage payments; 25% of survey respondents used the funding for training, upskilling and mentoring.

Part E: Long Covid

81. In relation to long covid, the Arts Council of Northern Ireland had no role in the provision or collection of related data and has no information on its impact. The potential risk of long term sequelae was not even well-understood by the medical sector or government at this time and therefore could not be taken into account in the design of any emergency schemes delivered by the Arts Council of Northern Ireland.

PART F: Lessons Learned and Reflections

82. The Arts Council of Northern Ireland delivered all emergency funding schemes on the part of the Department for Communities. Any subsequent reviews of this nature would be undertaken by that department.

83. The pandemic necessitated the wholesale transition of all aspects of the Arts

Council of Northern Ireland's programme delivery and management processes to electronic and online systems. Those systems have remained in place and are now permanent. In the event that a future lockdown occurred, the Arts Council of Northern Ireland's programme delivery would be unaffected. Changes included:

- All letters of offer issued in digital format
- Discontinuation of all hard-copy correspondence (except when requested for accessibility reasons)
- Creation of e-Filing system to replace hard copy files and ensure orderly retention of application and award documentation for audit
- Acceptance of electronic signatures re letters of offer
- All communications and meetings with clients can be conducted via Teams/Zoom.
- All post-project reporting by clients is done via our online Grants Management System or via email.

84. Recommendations:

- Allocate specific emergency budgets for the arts within each UK region, with programmes to be designed and delivered by the relevant specialist funding bodies.
- Additional funding should fully support increased staff resource costs for delivery bodies.

Statement of Truth

I believe that the facts stated in this witness statement are true. I understand that proceedings may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

Signed: _____

Personal Data

Dated: 20/10/2025