Introduction

This report presents a baseline for Culture, Heritage and Arts (CHArts) sector activity in Argyll and the Isles. It covers:

- The approach to preparing the baseline, including considerations, scope, coverage and caveats;
- Briefly, the wider socio-economic performance of Argyll and the Isles and the role of the culture, heritage and arts sector within it;
- The Culture, Heritage and the Arts business base, including social enterprises, other Third Sector organisations, and including venues;
- Employment in the sector;
- Volunteering;
- Other indicators of the breadth of culture, heritage and arts activities.

Importantly, the baseline starts to draw upon the views of those in the sector gathered via primary research. As discussed below, this is very much still underway, however it provides some early indications of:

- Future growth prospects in the sector, and factors that may influence this growth, including barriers to growth;
- Collaborative working and CHArts sector views on the tourism, broadband and transport connectivity issues, and their importance as an enabler or constraint to the sector

Approach, Scope and Caveats

It has long been difficult to accurately assess the extent of Culture, Heritage and Arts activity in any one area, and to quantify its contribution to the economy and to communities. This relates to the lack of robust and reliable data; the nature of the sector is that there are many micro-enterprises, sole traders, freelancers and volunteers active in Culture, Heritage and the Arts, and the sector has myriad inter-connections, with collaboration frequent and widespread.

Data therefore is typically restricted to those businesses that are of a certain scale, those that are registered with Companies House and which are registered for VAT or PAYE purposes. What we know is that this excludes a wide range of activity, from micro-businesses to volunteer time.

The approach to the baseline has therefore sought to go beyond the published data-sets, whilst recognising that the published data is a starting point. The published data allows some trend over time analysis and comparisons with other areas, since the data limitations similarly apply to other areas in the same way as they do for Argyll and the Isles.

Our understanding of the scale and nature of culture, heritage and arts activity is also building over time, and the whole two-year Place Partnership project will continue to build and deepen sector knowledge. The bottom-up data gathering being undertaken as part of the project is not, and cannot, be complete at this stage. New activities are being discovered, new volunteers and businesses are being identified, and more and more are coming forward to say they are active in the sector in some shape or form. This breadth and depth of activity is of vital importance to Argyll and the Isles communities, and to its economy.

The aspiration for CHArts is to grow the sector. The report therefore considers factors that are a barrier to this growth, whether this be accommodation for visitors and practitioners, digital infrastructure that inhibits the offer, or transport constraints to facilitating or accessing sector activities. In establishing the baseline we have therefore sought to place the CHArts sectors in the context of the wider economy of Argyll and the Isles.

The baseline report therefore draws on analysed data-sets, and published documents, including local, regional and national strategies.

Overview and Context: Argyll and Isles

Argyll and the Isles, for the purposes of the baseline, is the Argyll and Bute local authority area, since the CHArts activities relates to A+I. It is a large, and largely rural area, with five principle towns but no single large population centre. The five key towns are Campbeltown, Helensburgh, Oban, Rothesay and Dunoon (sometimes referred to by the acronym CHORD developed for European Structural Fund investment), and each of the towns serves its hinterland.

There are 25 inhabited islands in A+I, and the geography of the area, with sea routes as important as land ones, is one of its most unique characteristics. It is an area characterised by many traditional forms of employment, notably agriculture, forestry and fishing, other land-based industries including food and drink, and sectors such as construction and transport and storage. A+I economy remains more dependent on the public sector employment than elsewhere, with a relatively weak and narrow private sector business and employment base.

There is also a higher concentration of small and micro-businesses than the Scotland and UK average, partly a reflection of the lower population density and rurality of the area. Sector businesses and employment are also typically lower wage, and lower value added, which include tourism and culture, heritage and arts are more common in A+I, than in the other areas.

The challenge for the A+I economy therefore remains growing and diversifying the business and employment base, growing the private sector and entrepreneurialism, creating more businesses of scale and moving businesses up the value chain. This has been increasingly recognised in recent years, for example through the Argyll and Bute Economic Forum report of 2016[1], and there are sector opportunities on which to build, including in culture, heritage and arts.
The Economic Forum report highlights opportunities for increased employment in tourism and hospitality, food production, young people and education, and other opportunities related to small businesses and construction. Within tourism and hospitality and food production there are a number of sub-sectoral opportunities: opportunities for increased employment specifically include major cultural attractions and music, festivals and events, core CHArts activities, which taken alongside the importance of education and other factors, forms a sound rationale for investment in the sector.

The Economic Forum report also recognises the barriers to business and employment growth: broadband and transport connectivity are cited (alongside affordable housing). The views of the CHArts sector on the key issues of broadband and transport are therefore covered in this baseline.

There is also wider regional and national recognition of the role culture, heritage and the arts can play in strengthening communities and growing employment. The Creative and Digital Industries is a Scottish Government key sector, cited as such in the Government's Economic Strategy, and so the Government's Enterprise and Skills agencies have actions to support and develop the Creative and Digital sector. Whilst this is not a direct read-across to culture, heritage and the arts, it is the one where most published data exists, and it is the sector around which policies and actions have been based.

[1] https://www.argyll-bute.gov.uk/economic-forum-report

As a priority sector, Skills Development Scotland (SDS) lead on the Creative Industries Skills Investment Plan[2], and Highlands and Islands Enterprise have a Creative Industries Strategy[3] for the sector. In the past, both have examined the needs and priorities for the sector in terms of 16 sub-sector activities which are grouped into broad cultural domains (which indeed has been the approach of the UK Department for Culture, Media and Sport (DCMS) in defining the sector). HIE has grouped its support around industry networks in four key sub-sector areas: screen and broadcast; music; writing and publishing and crafts, fashion and textiles.

This approach to the Creative Industries is being reviewed. There is evidence that despite decades of prioritisation of key sector investment in Scotland this has not delivered the impact that may have been hoped (Nora Senior, Chair of the Enterprise and Skills Review Board)[4] and HIE are reassessing their approach to sector support, perhaps moving away from the focus on traditional sub-sectors. Increasingly the inter-connectedness of the sector, the multi-disciplinary, multi-activity, multi-platform, collaborative nature of Culture, Heritage and the Arts (and Creative and Digital Industries within it) means that traditional approaches, and methods of sector support, are perhaps becoming outmoded.

The baseline analysis here, although just a start, points to some of these dynamics, certainly the extent to which practitioners are engaged across a range of sector activities and disciplines. At the same time, data remains marshalled along traditional lines, and published data-sets are still referenced, even with their limitations.

The challenges for the A+I economy remain. In their latest local authority summary report as part of the annual Regional Skills Assessments, SDS identify a number of issues and challenges for area. The assessment takes into account economic projections prepared by Oxford Economics, as well as other national projections. It indicates that the rate of population growth in A+I is set to continue to be lower than at the national level, with Argyll and Bute's population forecast to decrease by eight per cent in the period 2014 to 2039, so that it is 80,600, compared with a seven per cent increase for Scotland. Whilst this is an extrapolation of past trends, and does not reflect current and proposed policy interventions, this illustrates the challenge to grow the population and economy of A+I.

SDS also identifies that:

- Total employment in A+I is expected decline over the next few years as the economy shows weak output growth. The number of jobs is expected to remain relatively flat thereafter, trailing both the Scottish and UK averages to 2027;

- Total employment is therefore forecast to fall by 1,000 by 2027, from its 2017 baseline of 46,800, equivalent to an average contraction of 0.2 per cent per year. In contrast, employment in Scotland is forecast to grow at an average annual rate of 0.3 per cent;

- The sector composition of employment is expected to change. Employment is forecast to rise in Construction, Administrative and support services, Professional, scientific and technical services and (of importance to CHArts) in Arts, entertainment and recreation.

[2] https://www.skillsdevelopmentscotland.co.uk/media/35670/creative_sip_digital_v4.pdf
[3] http://www.hie.co.uk/growth-sectors/creative-industries/overview.html
[4] https://www.scottishparliament.tv/meeting/economy-jobs-and-fair-work-committee-february-27-2018

This will largely compensate for the expected job losses in Public sector services and the continued decline in Manufacturing jobs.

- These sectoral changes will be reflected in the occupational profile of A+I's workforce. In absolute terms, Skilled construction and building trades is the only occupation to show evident growth, though it is modest. Most other occupations are likely to see no growth or experience a decline in employment over the forecast period;

In 2017, total employment in A+I was 46,800 jobs, with the largest employing sectors being: Public administration and defence (7,400 jobs, 16 per cent); Human health and social work (6,200 jobs, 13 per cent); and Accommodation and food services (5,700 jobs, 12 per cent). This indicates the reliance on the public sector for jobs; accommodation and food services jobs reflects the importance of tourism to A+I.

As the following analysis shows, the culture, heritage and arts sector is growing in A+I (using the Creative Industries as a proxy for the sector), although this has not matched Scotland-level growth.

The Business Base

Introduction

Using the Creative Industries as a proxy for culture, heritage and the arts, and using the Scottish Government Growth Sector database statistics, the business base in A+I is modest. This is principally because this only includes those businesses that are registered for VAT or Pay-as-you-Earn (PAYE). This data will significantly under-estimate the number of businesses and enterprises in the CHArts sector.

Sector Definition

The Scottish Government definition of the Creative Industries, which includes Digital, is based on the 2007 Standard Industrial Classification (SIC) codes. These are summarised below, in Table 1, the detailed definition is at Appendix 1.

Table 1: Scottish Government definition of Creative Industries, including Digital

Creative Industry	Cultural Domain
Advertising; Architecture; Visual Art; Crafts; Fashion and Textiles; Design	Visual Art
Performing Arts	Performance
Music; Photography; Film and Video; Computer games; Radio and TV	Audio Visual
Writing and Publishing	Books and Press
Heritage	Heritage
Software and Electronic Publishing	Digital Industries
Cultural Education	Cultural Education
Source: Scottish Government Growth Sector Database, based on UK DCMS definition	

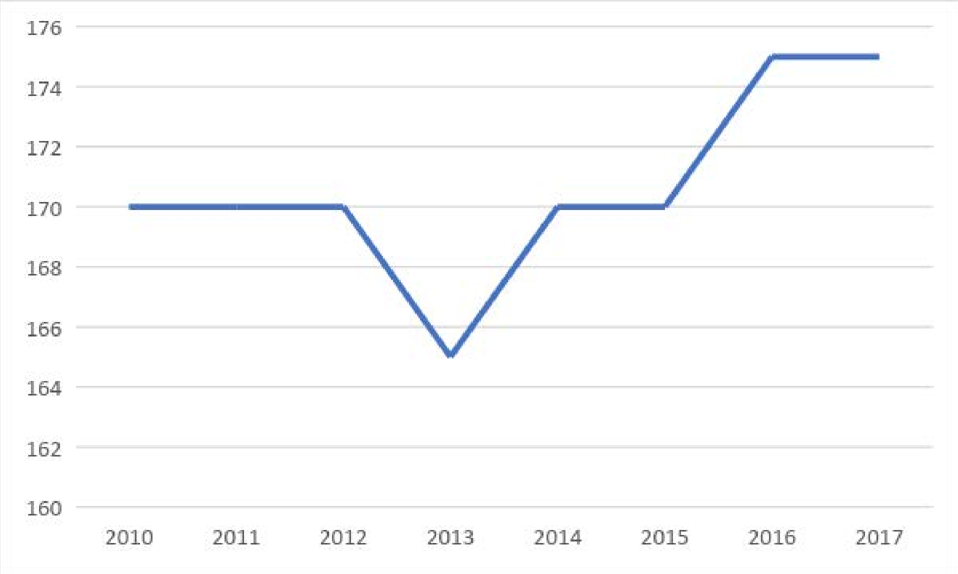
There are limitations with the definition in relation to Culture, Heritage and the Arts. A notable example is Heritage, where the definition covers just library and archive activities, rather than a broader definition which may include historic venues, archaeology or museum-related activity. The analysis of activity later in the report also indicates the extent of multiple activities which is not readily captured using the statistical definition, where a single principal activity is required to be self-identified by the business or organisation.

Number of Businesses – and Change Over Time

There are 175 enterprises in the Creative Industries in A+I, using the Scottish Growth Sector database, itself based on UK Business Count data. An enterprise can be thought of as the overall business, made up of all the individual sites or workplaces. It is defined as the smallest combination of legal units (generally based on VAT and/ or PAYE records) that has a certain degree of autonomy within an enterprise group

Although at 175 the number of VAT/ PAYE registered enterprises in A+I is modest, it is nonetheless encouraging that the number has increased from a low in 2013. Numbers are rounded to the nearest 5, and an increase from 165 to 175 represents a 6% increase from 2013 to 2017.

Figure 1: Number of Businesses in the Creative Industries (including Digital)



Source: Scottish Government Growth Sector database, using UK Business Count data

The 175 businesses represent 5% of the total number of 3,855 businesses in A+I. This is below the 9% average for Scotland. **There is a challenge to grow Creative Industry businesses of scale in A+I**; the equivalent proportion in Glasgow is 14% and in Edinburgh 18%. At 5%, the Creative Industries business base is however above the Highlands and Islands regional average of 4%.

Of the 175, 70 were located in the region's urban areas, and 105 in its rural areas, illustrating the important role the Creative Industries plays in the rural parts of A+I in particular.

The Strategic Action Plan for Culture, Heritage and Arts in Argyll and Bute Final Report March 2014[5] estimated the proportion of total business units in the sector in Scotland that are in A+I as being 1.9%, which equated to 228 businesses (based on 2012 data). This was prior to the preparation of A+I data via the Scottish Growth Sector database, which, as described above, indicates there are 175 businesses in the local authority area (2017).

Business Base - Sizeband

Even those businesses and organisations registered for VAT and/ or PAYE are typically micro-businesses. In 2017, 90 of these businesses (more than half) had no employees and 80 had between 1 and 49 employees - this has increased from 65 employing between 1 and 49 in 2013, indicating **that the number of Creative Industries businesses in A+I employing someone is on the rise**. The majority of sector businesses who are employing someone employ between 1 and 4 persons. In all, 60 out of the 80 Creative Industries businesses that have employees employ between 1 and 4.

VAT and PAYE businesses by sub-sector

It is difficult to obtain data on sub-sectors within the Creative Industries within A+I due to low numbers and data reliability. Digital industries comprise a third of the total, largely since these are the ones more likely to be trading above the VAT threshold of £83,000 per annum, along with architectural services, 15% of the total.

The Visual Arts (Artistic creation) accounts for 11% of the VAT/ PAYE business base, rising to 15% when Visual Arts retail including galleries is included; as we go on to demonstrate, this sector comprises anything between 25% and 40% of total trading enterprise activity. It is clear that the majority of these do not have turnover above the VAT threshold of £83,000 (as is also demonstrated later). It is also clear that A+I has a concentration of Visual Arts; in Scotland, the sector comprises around 4% of the total business base.

Although care must be taken over data reliability, A+I has a relative strength in jewellery making, film, writing and specialised design when compared to Scotland as a whole.

Business Base - Turnover

Turnover data lags business registrations, with the most recent data for 2015. This shows that the turnover in the sector's VAT registered businesses was £30.2m. This implies (based on 2015 data) that the average turnover (per business registered for VAT) was a little over £177,750 per annum. Total turnover in the sector has increased by more than 10% since 2013 (faster than the increase in businesses) although this is not as fast as the increase for Scotland.

Table 2: Turnover in Creative Industries businesses, 2008 to 2015

[5] https://www.argyll-bute.gov.uk/moderngov/documents/s88061/Culture%20Heritage%20and%20Arts%20Action%20Plan%2

Year	Argyll and the Isles Turnover ('000s)	Argyll and the Isles year on year change (2008 index=100)	Scotland Year on year change (2008 index=100)
2008	30,700	100	100
2009	25,800	84	91
2010	27,200	89	90
2011	29,000	94	94
2012	32,500	106	104
2013	28,400	93	108
2014	30,200	98	123
2015	31,800	104	134
Source: **Scottish Government definition - VAT registered businesses only**			

Non-VAT registered businesses

It is generally considered that the VAT registered business base represents a third of the total business base, given that many are micro-businesses and sole traders operating below the VAT threshold of £83,000 per annum.
For the Culture, Heritage and Arts sector, an even higher proportion are likely to operate beneath the VAT threshold, given the challenges of securing remuneration for culture, heritage and arts activities, and the number for whom CHArts related activity may not be the sole source of individual, or household, income. In all, at the UK level, 44% of those in the Creative and Cultural Skills footprint class themselves as freelance or self-employed[6].

Not only do many in the Culture, Heritage and the Arts not reach the VAT threshold of £83,000, many earn a small fraction of this total. The Scottish Artists' Union survey of members reported (2017) that 81% of their members earn less than £10,000 per year from their practice[7].

This reinforces the need for a 'bottom-up' approach to identifying businesses and trading individuals in the Culture, Heritage and Arts sector to continue to build the most comprehensive picture of the business base (see breadth of activities below).

The Scottish Artists' Union (SAU) sixth annual survey (2017) indicates that the profile of the sector reflects what many already perceive to be the case: 81% of artists are self-employed; 52% work as full-time practitioners; and 73% work from home. Their members are drawn from a range of creative practices from painting, sculpture, socially, engaged art, weaving, curating, research-based practices, writing and sound art.

Venues

Within the VAT registered business base will be some (although not all) of the Culture, Heritage and Arts sector venues. A full asset mapping of venues is being undertaken separately, and the overall data collection undertaking throughout the two-year PPP will continue to build a picture of the venues across A+I.

Information is available on visitor numbers to attractions, many of which are Culture, Heritage or Arts based attractions or venues. The following Table shows the visitor numbers for 2016, and the change from 2015. Neither is this an exhaustive list of attractions, our work as part of the Place Partnership is already gathering data from venues and attractions not covered below.

[6] Creative Industries, Skills Investment Plan
[7] Scottish Artists' Union Membership Survey Report, 2017

There is a wide range of visitor numbers to attractions within A+I. Argyll Forest Park, Arrochar, is estimated to attract around 150,000 visitors per year, part of the Loch Lomond and Trossachs National Park. Inveraray Castle, with a little over 100,000 visitors in 2016, is the top attraction with an admission fee.

Table 3: Visitors to Attractions in Argyll and Bute, 2016, and change from 2015

Venue or attraction**	Visitor Numbers 2016	Change in Visitor Numbers 2015-16	Ownership
Argyll Forest Park, Arrochar	151,538	-1.9% (estimate)	Government
Inveraray Castle, Inveraray	102,499	+15.9%	Private
Iona Abbey & St Columba Centre (Mull), Isle of Iona	65,092	+9.7%	Historic Scotland*
Oban Distillery Visitor Centre, Oban	53,690	+12.4%	Private
Cruchan Power Station, Dalmally	53,127	+11%	Private
Benmore Botanic Gardens	47,881	-0.1%	Trust
Mount Stuart, Rothesay	43,146	+102.9%	Trust
Oban War & Peace Museum, Oban	29,794	+0.6%	Private
Hill House, Helensburgh	26,857	+6.0%	National Trust Scot
Isle of Mull Museum, Tobermory	26,507	-6.1% (estimate)	Trust
Laphroaig Distillery, Islay	23,176	+2.3%	Private
Iona, Isle of Iona	22,421	+53%	National Trust Scot
Dunstaffnage Castle, near Oban	19,671	+7.5%	Historic Scotland*
Lagavulin Distillery Visitor Centre, Port Ellen	17,959	+0.5%	Private
Aros Park, by Tobermory	17,129	+7.1% (estimate)	Government
Arduaine Garden, by Oban	14,381	-2.6%	National Trust Scot
Kimartin House Museum, Kilmartin	13,156	+16.1%	
Dunollie Museum, Caslte & Grounds, Oban	12,969	-0.2% (estimate)	Trust
Sutherland's Grove, Bacaldine	12,737	-2% (estimate)	Government
Caol Ila Distillery, Port Askaig	12,238	-2.4% (estimate)	Private
Rothesay Castle, Rothesay, Bute	11,839	+16.9%	Historic Scotland*
Geilston Gardens, Helensburgh	11,348	+25%	National Trust Scot
Bunnahabhain Distillery, Port Askaig	10,774	-11.7% (estimate)	Private
Crarae Garden, Inveraray	10,304	+9.6%	National Trust Scot
Taynish NNR	10,000	0% (estimate)	Government

Source: Moffat Visitor Attraction data, via Argyll and Bute Council
*Historic Scotland is now Historic Environment Scotland
**Those with 10,000 visitors or more

As noted in the introduction, primary research is being gathered as part of the Place Partnership. Data is being gathered via the CHArts website and sign-up processes. Seven of the 12 organisations responding to the survey at the time of reporting offered venue space, and a further two would like to offer this.

These organisations responding to the survey receive a varying number of visitors/ attendees, from around 1,000 per annum, to an estimated 60,000 (an outdoor park space). One of the survey respondents is an attraction which has estimated 12,000 visitors, which would place it amongst the 10,000+ attractions listed above. Some of the venues and attractions attract very local visitors (85% to 90%), others attract those predominantly from outside A+I (and again this can be up to 90%).

The Employment Base

Total Employment

Using the Scottish Government definition of the sector with data just for those businesses registered for VAT or PAYE, there were an estimated 640 employed in the sector, in 2017.

[Note: This is below the 844 identified in the 2014 Strategic Action Plan, which made an estimation that 1% of the total sector employment base was in Argyll and Bute. The Scottish Growth Sector database estimates 84,000 are employed in the Creative Industries in Scotland in 2017 (and so 1% would equate to 840 persons), however the same database is now able to estimate the number employed in Argyll and Bute, which is the 640 employees identified above].

As already discussed, we know that 640 under-estimates total employment in the Culture, Heritage and Arts sector, given that many do not work in VAT or PAYE registered businesses (see breadth of activity below).

Change over Time

The 640 employed in the sector in Argyll and Isles represented a considerable (+22%) increase on the numbers employed in 2016 (despite only a modest increase in the number of businesses overall). The implication is that the average number employed per VAT registered business in the sector is 3.66.

Table 4: Number Employed in the Creative Industries in Argyll and Bute, 2010-2017

Year	Number (excluding additional units for PAYE only)	Number (including additional units for PAYE only)	Percentage Change 2016 to 2017 (Argyll & Bute)	Percentage Change 2016 to 2017 (Scotland)
2010	600	-	-	-
2011	600	-	-	-
2012	500	-	-	-
2013	500	-	-	-
2014	500	-	-	-
2015	500	-	-	-
2016	475	525	-	-
2017	-	640	+22%	+15%

Employment includes employees plus the number of working owners who receive drawings or a share of the profits but are not paid via PAYE. However, the employment estimate does not include those that are self employed operating below the VAT threshold with no employees i.e. the smallest sole proprietors and partnerships

Employment per Business and Geography

The implication from the data is that the average number employed per VAT registered business in the sector is 3.66.

Of the total employed, 315 were employed in the urban areas, and 275 in the rural areas (note - this does not sum to the 640 above due to rounding in the data). The data implies that **whilst there are fewer urban VAT registered businesses in the sector in Argyll and Bute than in rural areas**, they employ more (4.5 per business in urban areas compared to 2.6 per business in rural areas).

The Voluntary Sector

The work through the Place Partnership is continuing to build the understanding of the extent of the volunteer base. The 2014 Strategic Action Plan cites "Our electronic survey, sampling 140 relevant people and organisations in the arts and creative industries in A+I, identified 924 people employed by them and 2,741 volunteers". This suggests an average of 20 volunteers per organisation. This appears high, however we will seek to establish if this is case.

Volunteer Profile

Although at present the survey data on volunteers in culture, heritage and arts-related activities is quite limited[8], it nonetheless gives a flavour of the profile, motivations and aspirations of sector volunteers. Two thirds of volunteers are aged 45 and over, although one third are aged between 25 and 44. The average number of hours per week is 7.8, which is roughly one day per week of volunteer work, although many state that this fluctuates quite considerably. Each volunteer typically supports two or three organisations.

Motivations

All volunteers responding to the survey said they had chosen to do so, rather than having to do so. All seek to help grow the organisation they volunteer with, and more than 90% believe they have the right skills to help. Eight in 10 volunteer because they believe it is a good cause. Few of those surveyed to date volunteer to gain specific work experience, although this is often a positive by-product of volunteering. Whilst all choose to volunteer rather than having to do so, almost two thirds (64%) volunteer because the organisation or event struggles to find volunteers. Nine of the 11 are formal post holders or Board members for the group(s) they volunteer with.

There are, however, a wide range of specific motivations for participation:

"Helping my local community access events and activity on their own doorstep"

"I can see so much potential but no one is being paid to explore this - I can be frustrated or I can do something about it - though that does mean some personal financial sacrifice on my part. In everything I do I try to work towards less reliance on unpaid volunteers by looking at funding / revenue generation opportunities".

"I feel fostering heritage and the arts with my skills and time is essential, or these things would not happen otherwise".
"I enjoy the contact with others who have a similar interest".

[8] 11 had responded to the survey at the time of reporting

"Enjoy being part of and contributing to my community".

"Few opportunities for paid employment in Arts sector in area means to get any projects happening a large proportion of time goes unpaid".

"My civic duty ..l.learn. I'm with like minded people I enjoy it ...keeps my community alive. I get back more than input .meet new people always learning".

Barriers to Further Voluntary Work
There are clear barriers to doing more voluntary work; seven of the 11 were constrained by employment, three by caring or parental responsibilities (or both caring and employment).

Five of the 11 (45%) were actively seeking a career in the culture, heritage and arts sector; however just one believed there to be sufficient local opportunities, or opportunities in Argyll and Bute. Three (27%) cited the lack of sector opportunities in Argyll and Bute.

There are some specific training needs, these include bid or grant writing, IT (cited twice), marketing and public relations, fund management, data protection and Gaelic. In many cases, these reflect more general business training needs (see below).

Although based on a limited number of responses currently, an increase in the number of responses will provide rich data on the volunteer profile, as well as their motivations, constraints and development needs.

Breadth of CHArts Activities

The following Table presents an analysis of the initial database of contacts collected for CHArts. In all, 377 contacts were available where either the activity or a location is specified. No further information is available for these contacts, however **it is clear there is a very wide range of activity** covering music, venues and festivals, dance, drama and storytelling, film, digital and literature, heritage, visual arts and crafts and Gaelic.

One third (33%) are involved in more than one activity. This reinforces the point in the overview about individuals, organisations and businesses being multiple arts interests and activities.

The analysis of these contacts (which are a combination of those representing organisations, venues and individuals) shows **that the Visual Arts and Crafts sub-sector is clearly important in A+I**, with one third of all contacts citing visual arts and crafts as their sole activity, rising to 37% who cite this as their principal activity. Although care must be taken when analysing the contact information (since the data is partial), the sector is strongly represented. Some of the **visibility and activity in Visual Arts and Crafts relates to the strength of local organisations**, including Artmap, centred in Mid Argyll, the Isle of Bute Arts Collective (IBAC) and the network in Cowal.

Heritage organisations are also well represented, where 18% cited this as their first activity, reflecting the need to recognise this through CHArts activity and support. There are **very few venues and festivals that act only as a venue or festival** (just four in total), however venues and festivals are cited by almost 10% of all contacts, illustrating their wider impact. Music (13% as the principal category) and film, digital and literature (8%) are also strongly represented.

Table 5: Culture, Heritage and Arts activity by activity and geography

Category(s) AISTP area	(West) Loch Lomond and Clyde Sea lochs	Bute	Dunoon and Cowal	Inveraray, Knapdale, Kilmartin and Crinan	Islay, Jura and Colonsay	Kintyre and Gigha	Oban and Lorn	Tiree and Coll	Mull and Iona	Not specified	Total
Music	9	4	9	1	1	2				3	**29**
Music/venues and festivals		1	1	3	2	5					**12**
Music/visual arts and crafts		1									**1**
Music/Venues and festivals/Visual Arts and Crafts						1					**1**
Music/heritage/gaelic						1					**1**
Music/dance, drama and storytelling			1								**1**
Music/film, digital and literature	1	1			1						**3**
Venues and festivals	1	2					1				**4**
Venues and festivals/Visual arts and crafts/music/dance, drama and storytelling						1					**1**
Venues and festival/dance, drama and storytelling/film, digital and literature/music/visual arts and crafts/Gaelic				1							**1**
Dance, drama and storytelling	3		2				3				**8**
Dance, drama and storytelling/heritage		2	2				1				**5**
Dance, drama & storytelling/Venues & festivals			1			1					**2**
Dance, Drama and Storytelling/Film, Digital and Literature/Heritage/Music						1					**1**
Dance,drama and storytelling/Music/Visual Arts and Crafts (+ Heritage/Venues and Festivals)						1		1			**2**
Dance, drama and storytelling/Digital and literature/Music/venues and festivals					1						**1**
Film, digital and literature	3		2	1	1	6	4			5	**22**
Film, Digital and Literature/Heritage		1									**1**
Film, digital and literature/Music/Heritage/Dance, drama and storytelling					1						**1**
Film, digital and literature/venues and festivals						1					**1**
Film, digital and literature/dance, drama and storytelling	1						1				**2**
Literature/Visual arts and crafts			1								**1**
Heritage	5	3	8	10	2	8	11	1	5	9	**62**
Heritage/dance, drama and storytelling/film, digital and literature							1				**1**
Heritage/venues and festivals		1					1				**2**
Heritage/visual arts and crafts/Gaelic/venues and festivals							1				**1**
Heritage/Gaelic							1				**1**
Heritage/Visual Arts and Crafts		1									**1**
Visual arts and crafts	8	23	20	28	2	7	8	3	6	19	**124**
Visual arts and crafts/Venues and festivals				1		1	1			1	**4**
Visual arts and crafts/film, digital and literature			1	1			1		1		**4**
Visual arts and crafts/Music/Venues and festivals				2	1		1				**4**
Visual arts and crafts/venues and festivals/music/heritage/film, digital and literature	1										**1**
Visual arts and crafts/dance, drama and storytelling							1	1	1		**3**
Gaelic				1	2						**3**
Gaelic/Venues and festivals/Music					1						**1**
Gaelic/Heritage/Music/Venues and Festivals					1						**1**
Gaelic/music					1		1				**2**
Five or more categories		2		1		1					**4**
Unspecified	10	15	16	7	7	10	13	13	3		**94**
Total	**42**	**57**	**64**	**57**	**24**	**47**	**51**	**19**	**16**		**377**

Source: Initial CHArts contacts, Argyll and Bute Council, analysed by Context Economics

There is also strong representation of activity across the geographic areas, especially Dunoon and Cowal, Inverary/ Knapdale/ Kilmartin/ Crinan, Bute and Oban/ Lorn. These typically have the larger population centres, but also strong networks. Again, however, this is not a complete picture, and there will be CHArts activity not covered by this initial contact database. In terms of geographic representation, is it interesting to note that **in smaller areas, individuals and organisations are more likely to be involved in more than one activity**. In larger or more populous areas, it is more possible to focus on a single activity.

CHArts Website Analysis

At the time of the preparation of this draft of the baseline (end of February 2018), 28 organisations were signed up to the CHArts website. Whilst we know this is not exhaustive, it already reflects the wide range of CHArts sector organisations across A+I. The following Table details the organisations signed up to the website.

Table 6: Organisations Signed up to the CHArts website and their activities

Organisation	Range of Activities/ offer
An Cridhe	Culture, heritage and arts
Ardchattan Parish Archive	Local history; Genealogy
Ardkinglas	Historic plants and landscape
Argyll and the Isles Coast and Countryside Trust	Natural heritage
Artmap Argyll	Artmap members are practicing artists through a many and diverse range of processes - analog, digital art & photography, art installation, public & community art projects.
Campbeltown Picture House	Film, exhibition and education
Comar (An Tobar & Mull Theatre)	Theatre, Visual Arts, Music, Literature, Education, Youth Theatre.
Cowal Music Club	Bringing live quality music to Dunoon and Cowal ranging from classical through to jazz over the 6 months from March to April
Dunoon Burgh Hall Trust	Multi arts
Ergadia Museums & Heritage	Funding, sustainability and business planning; Project planning, evaluation and options exercises; Assessment of heritage significance and early stage advice; Museum collections care (including Accreditation) and forward planning; Exhibitions and interpretive writing; Access and community engagement; Learning workshops for schools and community groups; Training
Friends of Hermitage Park	Restoration and rejuvenation of town park - community, environment, fund raising, volunteering.
Fyne Studios/ The Hidden Gallery	Drawing, painting, teaching and going to weddings, birthday parties etc as 'Brushstroke Memories' to get the guests to contribute to a painting using acrylic and on a canvas celebrating the occasion.
Helensburgh Heritage Trust	Helensburgh and district's history and heritage
Homesong	Home music gigs
Inveraray Jail	Scottish Penal History
Islay Book Festival	Books of all kinds: historical and contemporary fiction, island themes, non-fiction, Gaelic, poetry, storytelling, children's books, workshops; school visits and community outreach.
Sound of Jura	Music, live arts, cross media arts
Tenterhooks	Site-specific theatre, street theatre, theatre for families, wild play, creative learning.
The Touring Network	Theatre, Music, spoken word, circus, dance
Three Wee Crows Theatre Company	Theatre
Tighnabruaich Gallery	Visual Art
Urras Achadh an Droighinn/ The Auchindrain Trust	Museums, archaeology, work experience and employability training
Youth Theatre Arts Scotland	Youth Arts, Festivals, Training and Professional Development, Theatre Criticism/ Critical Response
icecream architecture	Culture, Heritage, Arts
Hub Representatives	Culture, Heritage, Arts
Culture, Heritage and Arts Assembly	Culture, Heritage, Arts, strategy, design, data collection, brand

Source: CHArts website

At the time of report preparation, just 3 of these organisations had identified employment numbers, however it is already clear that volunteers play a considerable role. From the three specifying, the average number of employees is 1.3 Full Time and 4.3 Part Time; with an average of 4.3 volunteers. Turnover for two of the organisations was £200,000 per annum, the other £20,000 per annum; generally via grants and some local fundraising and ticket sales. More information is clearly needed to build a more representative picture of organisations, their employment and volunteer numbers, and their annual turnover.

In addition to these 28 organisations, **196 individuals had signed up to the CHArts website**. These are a wide range of CHArts sector interests. **The Visual Arts are again strongly represented** (19%), as one would expect given their strong representation in the initial contact database for CHArts. **The performing arts are also well represented**, which covers theatre and dance amongst other activity (7%) and music (7%).

Table 7: Individuals Signed up to the CHArts website and their activities

Scottish Creative & Cultural Industries	Number	Per Cent
1. Advertising	3*	2%
2. Architecture	0	0%
3. Visual art	37	19%
4. Crafts and Antiques	12	6%
5. Fashion and textiles	11	6%
6. Design	6	3%
7. Performing arts	14	7%
8. Music	13	7%
9. Photography	2	1%
10. Film and video	8	4%
11. Computer Games	0	0%
12. Radio and TV	1	1%
13. Writing and Publishing	6**	3%
14. Libraries and archives	2	1%
15. Software/ electronic publishing	1	1%
16. Cultural education	8	4%
Not covered by DCMS definition:		
Heritage (including archaeology and museums)	19	10%
Capacity building in the sector – professional and voluntary	13	7%
Environment & conservation	6	3%
Tourism	5	3%
Health & therapy	3	2%
Various (multiple activities)	17	9%
None/ not stated	2	1%
Other	7	4%

Source: CHArts website; analysed by Context Economics

* media & journalism, assigned to advertising as closest DCMS fit
** includes Book Festivals

What the information above also tells us (again) is that **there is a poor fit between Culture, Heritage and Arts activities and Standard Industrial Classifications used to define the sector and its activities**. One in 10 (10%) of those signing up to the CHArts website are involved in heritage activities, whether this is museum-related, archaeology or other natural heritage, and a further 3% are focused on environmental and conservation issues, and their interface with a range of cultural activities.

Some of the DCMS classifications are not represented at all amongst those signing up to the CHArts website, or only minimally; these are typically professional services, including software, computer games and architecture. A number of these are IT-based, design activities – whilst these are sectors that are under-represented in A+I (the majority of these jobs and businesses are in the urban centres), it is also likely to be the case that CHArts does not currently extend to these professionals.

There is a significant amount of capacity building in the sector, both professional (paid) development work, and voluntary (fundraising, other support). At least 7% of those signed up to the website are involved in supporting CHArts organisations and individuals.

Growth Aspirations

Those working in CHA sector almost universally have growth aspirations; 22 out of 23 of those individuals/ businesses responding (at the time of reporting) have aspirations to grow over the next three years; and 12 out of 12 of the organisations responding. **These growth aspirations are strong**: one third of trading individuals and one third of organisations wish to grow by more than 50%, and 86% of trading individuals wish to grow by more than 10%.

All bar 3 of the 23 trading individuals sell their goods and services beyond Argyll and Isles, and two of those not currently doing so intend to do so. However, the amount of trade outside A+I varies: **for a third of trading individuals, more than 75% of their goods and services are sold outside Argyll and Isles,** and for almost half (48%), more than half of their business is beyond Argyll and Bute. Five of the 12 organisations also sell beyond Argyll and Bute.

Table 8: Trading Businesses: Level of Trade outside Argyll and Bute

Proportion of trade outside Argyll and Bute	Number of respondents	Per Cent
Up to 10%	1	4%
11-25%	4	17%
26-50%	3	13%
51%-75%	3	13%
76%-100%	8	35%
not stated	4	17%
Total	23	100%

Barriers to Growth

General Sector Barriers

The Scottish Artists' Union survey highlights that *"the issues facing artists, such as health, care, finance and gender equality are a reflection of our wider society"*. The SAU reports that there is a general lack of remuneration and proper recognition of the work of the sector, for example:

- 79% do not get issued contracts for paid work.
- 73% often receive less than the industry standard rates of pay for paid professional work
- just 23% regularly receive payment according to the industry standard rate of pay); and
- 80% do not receive an Exhibition Payment Fee when they show their work in galleries.

This all contributes to the finding that 45% of artists *"do not believe the sector is healthy and viable for their practice"*.

The SAU report also states *"One of the main concerns emerging from this year's SAU survey is the lack of efficient and affordable studio spaces. With three quarters of those surveyed now working from home, many report that studio space is increasingly unaffordable, also below par, and (with income levels as they are) not economically viable on a low practice income"*. The report states that this creates other effects and that these can also cause concern stating *"many artists report feeling isolated by working from home, due to the lack of artistic support networks"*.

CHArts Data on Barriers to Growth

From the data gathered via the **CHArts website** at the time of report preparation, there are some early signs of barriers to growth and of training needs. One festival, wholly reliant on volunteers would *"welcome practical support, e.g. internships or additional volunteers; any available funding would of course be welcome; help with promoting our events on social media"*.

For **trading individuals** in A+H, **more than one third cite a lack of money as the principal barrier to growth**, yet this is by no means the only factor cited. For three (13%,) there is a lack of knowledge about how to access the market, and for others a lack of business knowledge, the ability to develop new products or services, or a lack of IT skills. **Business and technical knowledge and skills is therefore a barrier to growing the sector**. A lack of premises is a constraint for two (9%), and it will be interesting to see whether this is an issue as more responses are gathered; one cited a lack of local skills available.

Table 9: Factors Affecting Ability to Grow or Increase Culture, Heritage and Arts activity:

Constraint to Growth	Number of respondents	Per Cent
Lack of money	8	35%
Lack of knowledge about how to access markets	3	13%
Lack of premises	2	9%
Lack of business knowledge	1	4%
Lack of IT skills	1	4%
Lack of people and organisations to collaborate with	1	4%
Lack of knowledge about how to develop new products or services	1	4%
Lack of time	1	4%

Lack of staff with the right skills	1	4%
Nearly all of the above	2	9%
None of the above – I do not wish to grow/do more	2	9%
Total	23	100%

Many of these constraints are echoed by sector organisations.

Collaboration

The SAU survey tells us collaboration is clearly important to artists: 46% of artists work in collaboration with others; and almost four in 10 (39%) make art in/ with/ for local communities. This **extensive collaboration is borne out by the emerging data for Argyll and Bute**, where the survey suggests almost four in every five is involved in collaborative activity. Just over one quarter (26%) of those surveyed collaborate often, and a further 52% collaborate occasionally. **Further, almost two thirds (65%) would like to collaborate more.**

When asked what would enable them to undertake more collaboratively, one cited premises, another broadband and another tourism infrastructure, all as infrastructure barriers (see below. For others, the issues are the ability to work with others through workshops, local partners, networking and better recognition/ awareness of their good and services.

Shared Spaces

Almost three in four are interested in some form of shared space, either for producing (1) or for selling good and services (8) or for both (6). This is a considerable appetite for shared space, which also extends to workshop space (1) and for performances/ screenings (1). Willingness and ability to pay for such space varies, and this will be analysed as more responses are generated.

Views on the Tourism Offer

Data is being gathered on how those involved in Culture, Heritage and the Arts view the tourism offer, given how closely linked the sectors are, particularly in some of the more rural geographic areas. The following presents these views on the accommodation offer.

When asked about views on the accommodation offer (on a scale of 1-5 where 5=very good and 1 is very poor), the following responses were obtained (average scores out of 5). Overall, respondents perceive the overall A+I offer to be better than in their own local area. Availability and affordability score less highly than quality of accommodation.

	Your local area	Argyll and Isles
a) Quality of accommodation	3.48	3.61
b) Affordability	3.33	3.39
c) Availability	3.13	3.30

Respondents typically think the accommodation offer is important to their Culture, Heritage and Arts sector activity. The availability (average 3.61 out of 5) is the most important factor, followed by quality of accommodation (3.59) and then affordability (3.52).

Respondents were asked "In your opinion, to what extent do accommodation providers understand the culture, heritage and arts offer in ….". The following details the responses, suggesting on the whole accommodation providers understand the culture, heritage and arts offer more than they do not, but that there is room for improved understanding.

To what extent do accommodation providers understand the culture, heritage and arts offer in …..

	Your local area	Argyll and Isles
Excellent	0	0
Good	5	8
Neither/ nor	15	14
Poor	2	0
Very poor	1	1
Total	23	23

Respondents were then asked "How do you rate the overall tourism offer…". For some, the tourism offer is viewed as excellent or good (between one third and one half), however a sizeable minority think the offer to be poor or very poor (circa 20%).

How do you rate the overall tourism offer…

	Your local area	Argyll and Isles
Excellent	1	2
Good	7	11
Neither/ nor	7	6
Poor	5	3
Very poor	1	1
Total	23	23

There are also divergent views on the quality of the Culture, Heritage and Arts offer; just over a third consider the local offer to be good or excellent, slightly higher for Argyll and Bute as a whole. Around 20% consider the local offer to be poor or very poor, slightly lower for Argyll and Bute as a whole.

How do overall culture, heritage and arts offer:

	Your local area	Argyll and Isles
Excellent	1	2
Good	7	7

Neither/ nor	10	10
Poor	4	3
Very poor	1	1

In all, just two of those responding (9%) offered accommodation alongside their culture, heritage and arts activities.

A range of views were expressed on how tourism and culture, heritage and the arts could be more closely aligned to their mutual benefit.

Many of the ideas centred on collaborative working with tourism businesses and accommodation providers:

"It's about working together rather than them (tourism businesses) *doing something for us –* [elsewhere] *you see lots of tourism-focused businesses offering incentives to accommodation providers (free experience / enter a prize draw every time you refer someone) in the hope this will lead to referrals. Tourism in A&B is dominated by small businesses (B&Bs) so we can't expect all the burden to fall to them. Maybe we should band together to create some 'come and try' sessions".*

"There should be a tour from Glasgow with an overnight stay and several stops on the Art Map trail during open studios weekend… I don't see this as something that the tourism industry should do for us - it's something we should be working in partnership… however, artists rarely have the spare cash to take the time to develop these ideas".

"Communication and engagement. Free tickets and invites to key accommodation providers. Treat them with respect and they'll do the same for you".

"By having one voice and not over 10 as it is currently - one point of contact".

"Encourage accommodation providers and attractions to link up with local artists. Could have leaflets, details of open studio & local craft shops, and possibly offer craft workshops or a small display of local crafts in the premises. They should also give preference to local crafts over generic mass produced products in gift shops".

Other ideas were about practical links with tourism promotion:

"engaging stories/ film and video"

"Keep promoting and linking us on websites through flyers etc and word of mouth so get togethers and links"

"Dedicated features in tourism promotions"

For others, it is about focusing on a greater understanding of culture, and a focus on residents and communities, rather than tourism per se.

"Use culture as a sense of identity"

"A deeper understanding of progressive arts and emerging art forms"

"I think we should focus on supporting resident practitioners and bringing in more resident practitioners or visiting practitioners instead, not tourism, as the main means of growth and improved profile".

As one put it, *"CHArts has now opened the door to more awareness and interaction within the region. Now a need to build on this".*

Views on Broadband Connectivity

The increasing importance of broadband connectivity is clear. In all, **just 13% do NOT use broadband to deliver their culture, heritage and arts activity**, the corollary being that 87% do so. This is for a wide range of activities from a website, to online sales, to design, research, purchase from suppliers and email contact with customers. More than 43% now use broadband for online sales, and two for live streaming, showing the advancement of broadband as a medium.

Almost half (48%) do not consider their broadband speeds to be sufficient for what they wish to do currently.

The following are some of the responses given to the question: What else would you do if broadband speeds were greater?

"Improve my web presence, upgrade website, possibly more things"

"Online streaming - also would like to be based somewhere slightly more remote but there is no landline broadband"

"Upload higher quality images of wares. Upload more images".

"A lot more live streaming of events and classes. I ran an online course…a few years ago that was hindered by broadband capacity".

"Collaborate through cloud software on edits. Compete better with production houses and agencies based on the mainland or in urban areas".

"Spend less time waiting and be more focused"

"Live streaming, online courses, work faster!"

"More actual making, marketing, live streaming, living instead of sitting starting at a blank screen for hours..... "

"Quicker"

Views on Transport Connectivity

The website also asks for views on transport connectivity. It is clear that the majority are reliant transport for a variety of purposes, from access to customers, product distribution and supplies, to accessing events, workshop and other events and training,

To what extent are you reliant on transport to carry your culture heritage and arts activity?			
	Highly Reliant	Quite Reliant	Not Really Reliant
For events/workshops	14	3	6
To reach customers	10	5	8
For customers to reach me	10	6	7
Suppliers	11	7	5
To distribute products	11	4	8

A range of views were expressed in terms of the type of transport improvements that would enable respondents to undertake more culture, heritage and arts activities. These ranged from specific routes or connection improvements (e.g. the Islay and Jura ferry link, Islay to the mainland) to general responses, such as improved and more available and affordable public transport. Timetabling was raised as an issue by some, especially bus to ferry timetabling, and the prohibitive cost of some links (again, largely ferry costs precluding running workshops profitably). Congestion in Oban, of which stakeholders are aware, was also cited as a constraint.

Closing Remark

The baseline review presents a range of analyses, and an indication of the growth aspirations and barriers to growth for the sector. It has started to identify training and development needs, and to quantify the breadth and extent of activity across A+I. Given the breadth of Culture, Heritage and Arts activity across A+I, this picture is building all the time, and as the Place Partnership Project progresses this intelligence will become deeper and richer.

The baseline sets out where A+I is now against comparators, for key indicators including businesses and employment. It is important that the bottom-up understanding of the sector continues, through the CHArts Hubs and further data gathering, so that this can provide the best possible evidence for the five year Business Plan to be developed.

Annex 1: Standard Industrial Classification definition of Creative Industries (including Digital)

Cultural Domains	Scottish Creative & Cultural Industries	SIC 2007
Visual Art	1. Advertising	SIC 73.11: Advertising agencies
		SIC 73.12: Media representation
	2. Architecture	SIC 71.11: Architectural activities
	3. Visual art	SIC 90.03: Artistic creation (70%)
		SIC 47deli.78/ 1: Retail sale in commercial art galleries
	4. Crafts and Antiques	SIC 31.09: Manufacture of other furniture
		SIC 16.29: Manufacture of other wood products (30%)
		SIC 32.12 Manufacture of jewellery and related products
		SIC 32.13: Manufacture of imitation jewellery and related articles
		SIC 23.41 Manufacture of ceramic household and ornamental articles (35%)
		SIC 23.49 Manufacture of other ceramic products (35%)
		SIC 23.13 Manufacture of hollow glass (15%)
		SIC 23.19 Manufacture of other glass (15%)
		SIC 47.79/ 1: Retail sale of antiques and antique books
		SIC 95.24: Repair of furniture and home furnishings
	5. Fashion and textiles	SIC 13: Manufacture of textiles (25%)
		SIC 14: Manufacture of wearing apparel (20%)
		SIC 15: Manufacture of leather and related products (20%)
		SIC 74.1: Specialised design activities (25%)
	6. Design	SIC 71.12/ 1: Engineering design activities for industrial process and production
		SIC 74.1: Specialised design activities (75%)
Performance	7. Performing arts	SIC 90.01: Performing arts
		SIC 90.02: Support activities to performing arts
		SIC 90.04: Operation of arts facilities
		SIC 78.10/ 1: Motion picture, television and other theatrical casting
Audio-Visual	8. Music	SIC 59.2: Sound recording and music publishing activities
		SIC 18.20/ 1: Reproduction of sound recording

		SIC 32.2: Manufacture of musical instruments
	9. Photography	SIC 74.20/1: Portrait photographic activities
		SIC 74.20/2: Other specialist photography (not including portrait photography)
		SIC 74.20/9: Other photographic activities (not including portrait and other specialist photography and film processing) n.e.c.
	10. Film and video	SIC 18.20/2: Reproduction of video recording
		SIC 59.11/1: Motion picture production activities
		SIC 59.11/2: Video production activities
		SIC 59.12: Motion picture, video and television programme post-production activities (25%)
		SIC 59.13/1: Motion picture distribution activities
		SIC 59.13/2: Video distribution activities
		SIC 59.14: Motion picture projection activities
	11. Computer Games	SIC 58.21: Publishing of computer games
		SIC 62.01/1: Ready-made interactive leisure and entertainment software development
	12. Radio and TV	SIC 59.11/3: Television programme production activities
		SIC 59.13/3: Television programme distribution activities
		SIC 59.12: Motion picture, video and television programme post-production activities (75%)
		SIC 60.1: Radio broadcasting
		SIC 60.2: Television programming and broadcasting activities
Book and Press	13. Writing and Publishing	SIC 90.03: Artistic creation (30%)
		SIC 58.11: Book publishing
		SIC 58.13: Publishing of newspapers
		SIC 58.14: Publishing of journals and periodicals
		SIC 58.19: Other publishing activities
		SIC 18.11: Printing of newspapers
		SIC 18.129: Other printing (not labels)
		SIC 18.13: Pre press and media services
		SIC 63.91: News agency activities
Heritage	14. Libraries and archives	SIC 91.01: Libraries and archive activities
Digital Industries	15. Software/electronic publishing	SIC 58.29 Other software publishing
		SIC 62.01/2: Business and domestic software development
		SIC 62.02: Computer consultancy activities
Cultural Education	16. Cultural education	SIC 85.52: Cultural Education