

# Future Arts Centres

Sector Insight Report  
2022/23



# Introduction

This report provides a snapshot of the arts centre sector, based on financial information relating to 2021/22 and 2022/23.

It is the first time that this information has been brought together to highlight the opportunities and challenges that exist within the sector.

It presents a mixed picture: clearly arts centres are under huge financial pressures, as a result of COVID recovery, high inflation and the cost of living crisis, but their business models offer opportunities to survive and grow with the right support.

Typically arts centres have higher levels of earned income from a more diverse range of sources than other arts organisations. They are less dependent on traditional box office income, earning more from other sources such as facility hire, tenants, services and contracts. The breadth of their activity, and consequential reach into local communities provides opportunities to align with place-based agendas in terms of health and wellbeing, education, youth services, adult social care, high street revitalisation and other local capital developments.

Evidence suggests that there are also opportunities around fundraising, particularly in terms of better activating our charity messaging to lever individual and corporate giving. Arts centres typically generate less contributed income than other arts organisations.

Future Arts Centres is working with members and partners to support developments in all these areas.

# The Arts Centre Sector

We think it's important that there is not one specific definition of an arts centre, although we do have some key guiding principles. We would generally identify an arts centre as being a multi-art form and public-facing building, usually with a mix of performance/exhibition and participatory/community-led programmes.

Future Arts Centres currently has 156 members across the four nations<sup>1</sup>:

141

ENGLAND

4

NORTHERN  
IRELAND

6

SCOTLAND

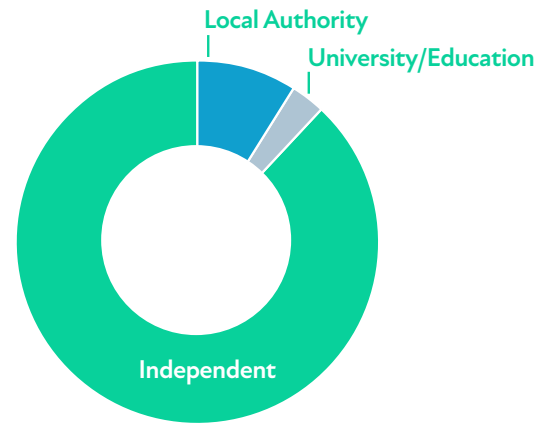
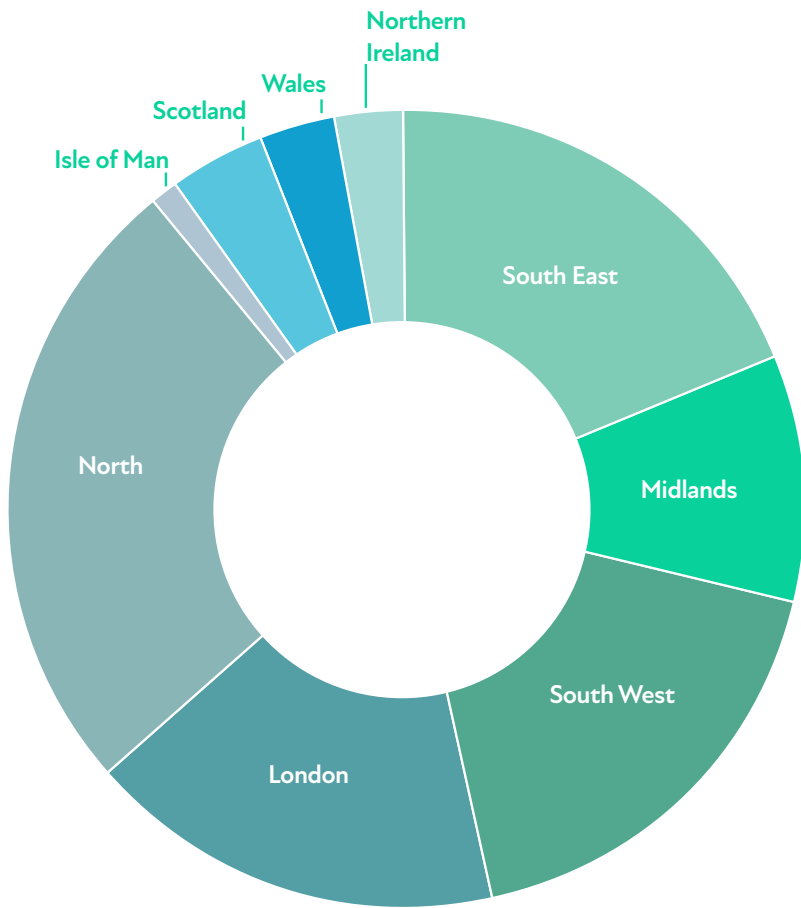
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WALES

1

ISLE OF MAN





## Location of FAC members

10%	Midlands	1%	Isle of Man
18%	South West	4%	Scotland
17%	London	2%	Wales
26%	North	3%	Northern Island
19%	South East		

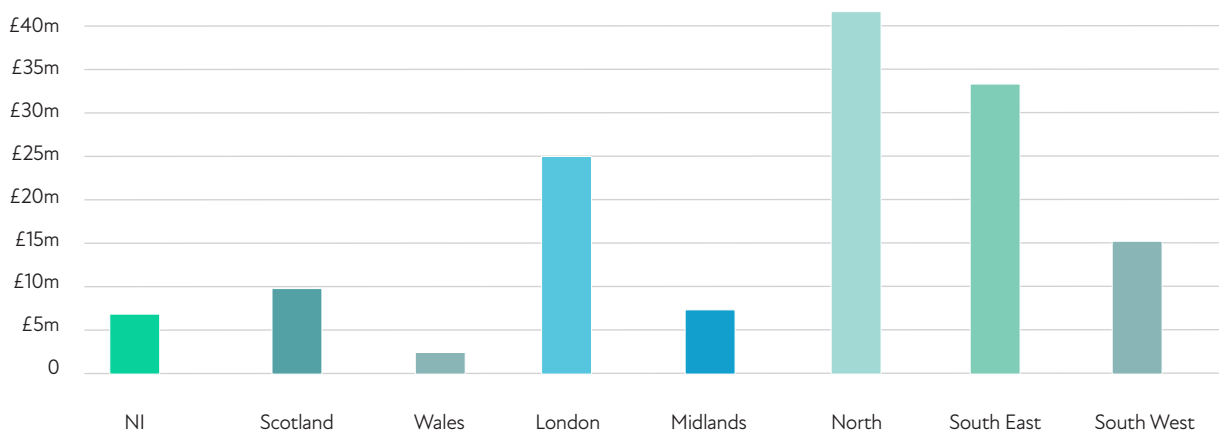
## Ownership Type

Most arts centres are run by independent trusts:

9%	Local Authority
3%	University/Education
88%	Independent

## Value of the sector

The total value of the sector (Future Arts Centres members) in 2022/23 is estimated to be over £200m (including those we have full data for, detailed below). This excludes the Southbank Centre in London and The Lowry in Salford, which would add a further £88m.





# Financial Models

Year on year, overall turnover decreased between 2021/22 and 2022/23 by £17m, from £164m to £147m (note: this is from data collected from 107 FAC members where full data was available).

This was caused by a reduction in Arts Council income from £27m to £20m and a dramatic drop in local authority grants from £22m to £11m. However, there would have been a number of COVID grants included in the 2021/22 figure which partially accounts for this difference.

More significantly, income from trusts and foundations dropped from £20m to £16m.

Individual donations remained fairly static at just under £4m, accounting for 2-3% of turnover.

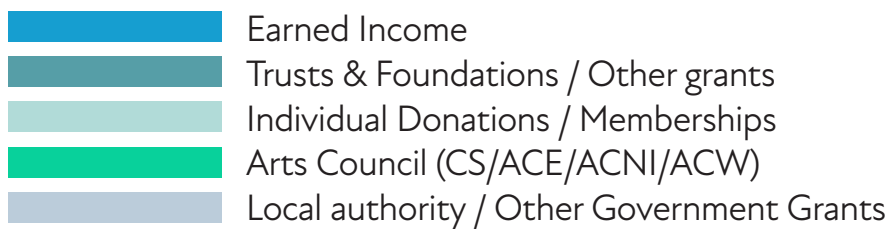
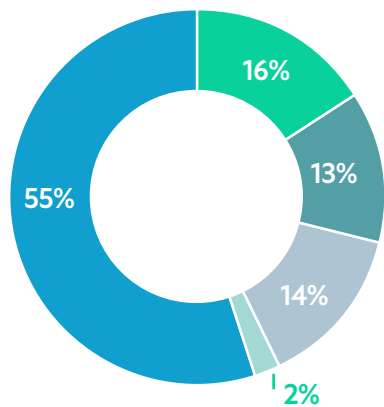
Arts centres have been successful at developing earned income strands. 65% of total income in 2022/23 was from earned income, showing a continuing post-COVID recovery in this area.

Although earned income for arts centres receiving regular funding from Arts Council England (National Portfolio Organisations – NPOs) shows a lower average of 42% of turnover, due to the subsidy received, this is still notably higher than the average of 37% for other arts organisations that are NPOs<sup>2</sup>.

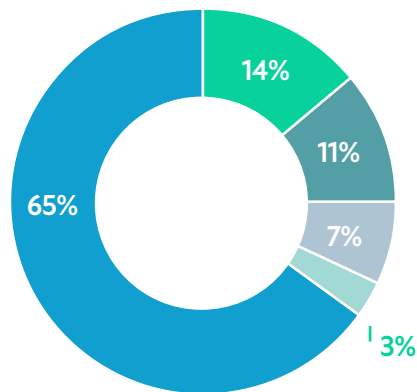
	2022		2023	
<b>Earned income</b>	<b>89,975</b>	<b>55%</b>	<b>96,100</b>	<b>65%</b>
<b>Arts Councils (CS/ACE/ACNI/ACW)</b>	<b>26,850</b>	<b>16%</b>	<b>20,085</b>	<b>14%</b>
<b>Trusts &amp; Foundations / Other grants</b>	<b>20,520</b>	<b>13%</b>	<b>16,013</b>	<b>11%</b>
<b>Local authority / Other Government Grants</b>	<b>22,482</b>	<b>14%</b>	<b>11,013</b>	<b>7%</b>
<b>Individual Donations / Memberships</b>	<b>3,930</b>	<b>2%</b>	<b>3,753</b>	<b>3%</b>
<b>Total</b>	<b>163,756</b>		<b>146,964</b>	



## Sources of Income 2022

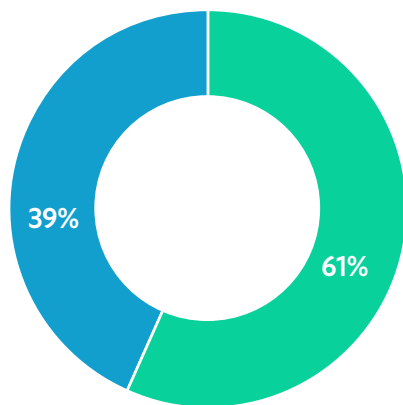


## Sources of Income 2023

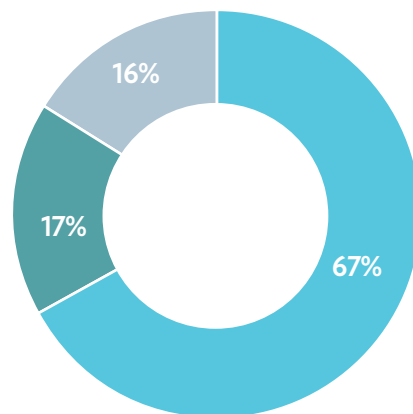


## Revenue funding

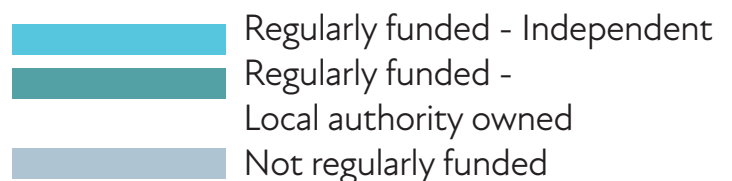
39% of FAC members received regular funding from their relevant arts council in 2022/23; 67% received local authority funding and 17% were local authority-owned.



### Regularly funded by national arts councils



### Local Authority Funding



Arts centres receive a much higher percentage of income from local authorities than other arts organisations. For regularly funded Arts Council England NPO's, it makes up 16% of total income compared to 9% for other organisations that are NPOs.



## Earned income

Further research with members has provided some additional insight into earned income:

Approximately 40% of earned income comes from ticket sales, with 60% drawn from other sources. In theatres, the opposite is more common: 60% from ticket sales, and 40% from other sources. The largest earned income streams for arts centres aside from ticket sales are Food & Beverage (27%), facility hire (16%), classes and workshops (5%) and contracts/consultancy (4%)<sup>3</sup>.

## Contributed income

The decrease in Trusts & Foundations income is compounded by low levels of individual giving and other donations. Arts Council England NPO data shows this even more starkly, with contributed income making up just 7% of arts centre income, against 16% of other NPOs.

## Staffing costs

Staffing costs remain the highest area of expenditure for most arts centres, accounting for 39% of turnover with very little variation in percentage terms between small and large organisations. However, staffing costs are higher as a percentage in London and the South East (44%) compared to the North (36%).



hall circle & ...

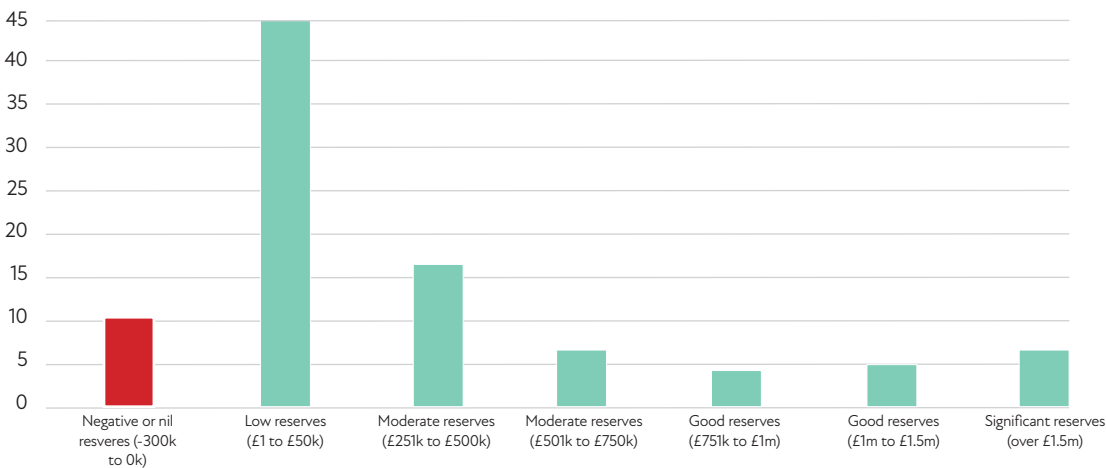
## Health of the Sector

Like many arts organisations, the challenges of post-COVID recovery were magnified by high inflation and the cost of living crisis, which impacted running costs as well as customer spend.

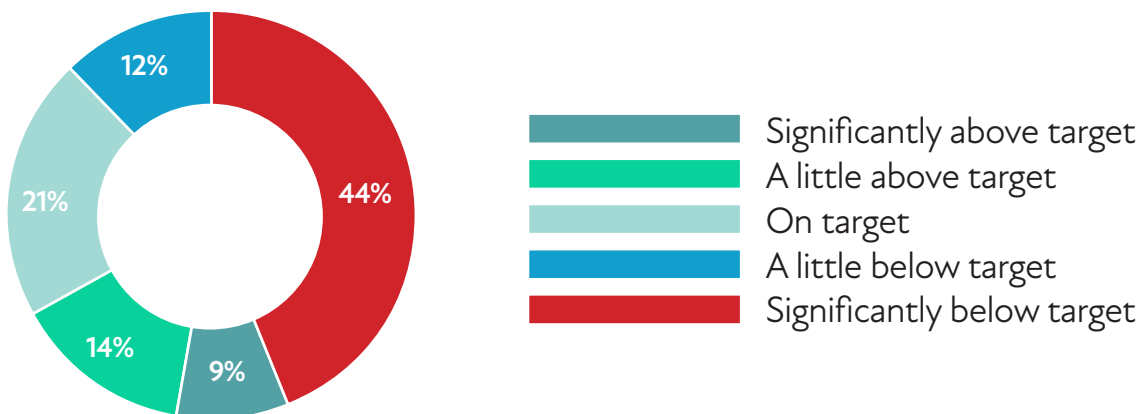
As a result, in 22/23, 76% of arts centres were loss making, with 43% loss making at a margin of more than 10% of turnover, and 19% at a margin of more than 20%. At the same time 26% of arts centres had reserves of less than 10% of turnover.

## Unrestricted Reserves

### 2022/2023



## Expected reserves position for current financial year (eg March 2024)



This position is unlikely to improve, with 56% estimating that they would finish 2023/24 with below target level of reserves<sup>4</sup>:

## Data Sources

All data has been taken from financial statements of arts centres which are publically available via Companies House and/or Charities Commission and/or OSCR for periods ending in 2022 or 2023, with the exception of:

1. Future Arts Centres membership data (as at August 2024)
2. Arts Council England data for National Portfolio Organisations (2022-23)
3. Survey completed by 37 Future Arts Centres members (June 2024)
4. Survey completed by 43 Future Arts Centres members (March 2024)





# Future Arts Centres

Future Arts Centres is a UK network of 150+ members that exists to champion the unique importance of arts centres at a local, regional & national level. We believe that by offering outstanding artistic experiences for all in our communities & operating as robust social enterprises, arts centres present a fantastic model for the cultural venues of tomorrow.

[futureartscentres.org.uk](https://futureartscentres.org.uk)

Published by Future Arts Centres  
August 2024



Supported using public funding by  
**ARTS COUNCIL  
ENGLAND**