

1.0 INTRODUCTION

1.1 The Study Brief

This report was commissioned by Highlands and Islands Enterprise (HIE), with financial support from the Scottish Arts Council (SAC), to:

- Assess the economic and social impact of the arts in the Highlands and Islands.
- Compare these figures with those of the similar study carried out for HIE in 1991 by Mackay Consultants and Tom McGrath.
- Compare Highlands and Islands levels of arts activity with national and international levels.

Also, the brief for the study asked for the following to be analysed:

- The wider economic impact of the substantial funding from the National Lottery for projects in the area over the past five years.
- The impacts of the investments that have been supported by the EU Objective One and Leader II Programmes.
- The value of the voluntary work involved in delivering arts activities and the impact of this on wider issues of community regeneration.
- Changes in “voted” SAC spending in the Highlands and Islands since the 1991 report, and the wider impact of this investment.

In terms of economic impact, the specific study objectives were to:

- Examine direct, indirect and induced impacts derived from arts facilities and activities (including the impacts of visiting and touring arts groups).
- Review employment supported by artists’ output.
- Determine the financial contribution made by visitors to Highlands arts events.
- Where possible, estimate the size of the “black” economy in the arts sector.

In terms of social impacts, the specific study objectives were to:

- Examine the role of the arts in retaining community identity and where possible apportioning a value to this, especially in the context of cultural tourism.
- Review the voluntary sector’s contribution to supporting arts in the Highlands and Islands.
- Assess the role of the arts in contributing to social inclusion initiatives.

Our conclusions (Section 14) include an assessment of the progress made in implementing the recommendations of the 1991 report.

1.2 Summary of the Study's Scope and Methodology

The methodology that we devised for the quantitative analysis was intended to facilitate comparisons with recent Scottish, UK and international research. This involved, for example, using standard art form categories for the analysis, standard methods for analysing economic impacts from tourist visits to arts events and exhibitions, and gathering data in such a way as to yield figures that could be compared with the results from specific sectoral studies (eg. on music) that have been produced for other areas.

It should be noted, however, that our fundamental method of data collection - from source - differs from other national and international studies of the arts, which have tended to be based on Census and other official sources of statistics. Our approach was necessitated by the lack of regional and sub-regional data for the Highlands and Islands on the sector, and this "bottom up" method has two important implications:

- Informal activity has been included, and a much more comprehensive sweep of all contemporary activity has been possible. In some activities, this has yielded much higher figures than would have been indicated by official statistics, even if it had been possible to disaggregate national figures to the required spatial level.
- It has been possible to delineate qualifying artistic activities much more accurately than is possible from official sources of statistics. Specifically, activity that is cultural rather than artistic is normally difficult to disentangle from official statistics on cultural trends, which consequently tend to overstate jobs directly associated with the arts.

The definition of "the arts" used for this study was agreed with HIE and the SAC prior to data gathering, and this is discussed in Section 2 below. The scope was wider than that of the 1991 study in some respects, and, as far as possible, this has been taken into account in the comparisons given in Section 10. Also, there is now much more information available than ten years ago on arts activity in the Highlands and Islands, and, inevitably, part of the increase that is indicated by the quantitative analysis reflects the increased comprehensiveness of the new study's coverage.

This increase in the visibility of artistic activity, due to improved events publicity, improved databases, press releases on Lottery assistance, etc, has been important in itself in bringing the economic and social benefits of the arts to the attention of the public in the Highlands and Islands.

It should be noted that the study was commissioned before HIE's remit was extended to cover the whole of Moray. The analysis covers west, but not east, Moray, as incorporated in the Moray Badenoch and Strathspey Enterprise area prior to the extension.

Despite the comprehensiveness of the research undertaken for this study, it is important, in interpreting the quantitative results, to appreciate that there will inevitably be activity not picked up, which means that the results should be regarded as minimum economic impacts.

Artistic activities (eg. craftwork) excluded from the study and activities that were particularly difficult to measure are noted in Section 2 and in Appendix 1.

1.3 Background

The key changes since 1991 that have influenced the economic and social impacts of the arts in the Highlands and Islands can be summarised as follows:

- New capital developments that have been made possible by funding from the National Lottery, principally the Arts Lottery, but also the Millennium Commission and the Lottery Charities Board (including major new facilities and the equipping of village halls, schools, etc for arts events).
- Lottery funding for a large number of smaller scale capital and revenue projects that has helped many local groups to introduce new initiatives and sustain their activities, and for Local Authorities and other bodies (including HI Arts) to introduce new regional or sub-regional programmes.
- The establishment of HI Arts as a partnership between HIE and the SAC which was specifically tasked to help increase the economic and social impact of the arts in the area.
- Local Government reorganisation, which, together with cuts in budgets, has much reduced the financial contributions of the area's Local Authorities (in general) to the arts, both capital and revenue.
- Difficulties that the SAC has had in taking on new annual revenue clients as demand has grown across the country, and that Local Authorities have had in providing revenue funding to arts organisations due to reduced budgets. As a result, new arts venues, organisations and events have increasingly had to rely on "hand-to-mouth" project funding rather than having a relatively secure base of core funding.
- The development of the University of the Highlands and Islands (the UHI Millennium Institute).
- A resurgence in interest in the traditional arts in Scotland, particularly music, and the related growth of feisean.
- The Highland Festival, with its extensive programme of events across the area and the stimulus it has given to community level arts initiatives.
- Growth in small scale professional arts-related activities in the Highlands and Islands, including galleries, touring theatre companies, record labels, etc. Together with increased voluntary provision, this has helped the area to attract discriminating tourist visitors from the UK and overseas.
- Increase in cinema provision in the Highlands and Islands, including the new mobile cinema, reflecting national growth in cinema-going.

- Support for the Gaelic language, in particular (from an economic impact perspective) public financial support for Gaelic television.
- Increased economic prosperity, which has given people more money to spend on the arts and has given some people (including the early retired) more time to put into arts-related voluntary activity.
- Increased recognition (especially in recent years) of the need for customised approaches to providing facilities and activities for the area's young people.
- Increased networking by promoters, currently through PAN (Promoters Arts Network), which has increased the average quality of tours by professional arts groups and improved the match between local demand and supply.