

A Report on Artists, Galleries and Money

6.30 – 8pm/ 29th April 2005

Centre for Contemporary Arts, Sauchiehall Street, Glasgow

Introduction: Su Grierson, SAU President

Su began by contextualising the Union's position which was established in May 2001 to act as a representative body for Visual and Applied Artists' of Scotland. We depend on our membership's subscriptions and voluntary support and campaign for improvements in artist's pay and conditions.

Currently visual and applied artists are paid and valued the least of all the arts disciplines. Our wish is to establish parity for visual and applied artists with other creative professionals, by getting endorsement for our Rates of Pay document and lobbying on behalf of our members on issues they are concerned about. Within the existing 'arts' infrastructure, managers, project developers and administrators all receive better pay and job security than the artists they work 'for'.

In fact 90% of the arts budget is absorbed by 'administration' with only 10% actually being awarded to artists. Without parity, creative partnerships (which are already under extreme stress) will under-perform or fail. We are also getting out and about to promote and increase our membership.

We have been responding to the current debate being headed by the Scottish Cultural Commission and investigating issues raised by our members. It was in response to members enquiries regarding VAT, that executive member, Laura Hunter, started to the research which has resulted in tonight's event.

'Disclosure' issues are another topic we are looking at closely. Members have been frustrated by the demand for multiple disclosures which are taking up to eight weeks to complete. Clogging up the system with expensive (@£23 ea.) and largely unnecessary paperwork. In England, disclosure applications are valid for up to six months, however this is currently not the case in Scotland.

The Union has recently upgraded its Rates of Pay document and web site, where you will be able to find this document and more. We have also been meeting with ministers for the arts of all the major Scottish parties, in order to raise their awareness regarding the issues affecting the visual and applied arts. We have a stall at this year's Glasgow Art Fair, through the generous support of UZ Events, and are looking for further opportunities to publicise our work. If you know of any event or suitable gathering relevant to artists' please let us know so we can arrange to be there.

Fiona Pilgrim, SAU Associate Member and Advisor for Cultural Enterprise Office, continued the event with an introduction to our guests.

There are important issues arising from the variety of contractual arrangements that artists and gallery make. Many artist/gallery contracts have only been verbally agreed and this is fine until something goes wrong, when without formal written agreements, Artists can do very little to protect their rights and their work.

We have invited Donald Urquart, Artist and Tutor at Edinburgh School of Art who recently worked on the Sanctuary Project at the Royal Hospital, Edinburgh; to talk about his relationship with galleries over the last twenty years.

Angela Bedi who is an expert on VAT and who has vast experience working within the creative industries, to give us some insight into how VAT works and the types of contractual arrangements that are possible.

And, finally, Colin Greenside who has experience working with Artist-lead Galleries (Zoo Art and Peacock Studios, Aberdeen) and now currently works for the Royal Scottish Academy as exhibitions co-ordinator. Colin promotes Arts and artist's development and best practice.

Fiona describes the Visual Arts as the 'Wild West of the Creative Industries' with its lack of employment structure and support mechanisms. Unclear and wildly variant contractual arrangements, inconsistent rates of pay, career and employment opportunities.

Talk about Art and Artists: Donald Urquart (Artist)

The wild west is a good analogy for the visual arts and compares well with Donald's experiences in the 'field'. This is where expectations are 'least' by comparison to other 'arts professionals' Donald believes is societal and often a view reinforced by artists' themselves. The situation for artists is worse in Britain by comparison to our European and American neighbours; however the situation is even worse in Scotland. For example a couple of years ago now there was an advert for three gallery spaces available in Greenock during the Tall Ships Festival. Artists were invited to apply with 'installation' projects. There was no funding (just the space). However photographs would be provided of the finished work, free of charge. When visitor numbers were underestimated and portable loos had to be brought in, so Donald wrote to the organisers suggesting that they 'paid' the loo people by sending them photographs! There are double standards operating to reinforce the view that artists' work for the love of the job without recognising the professional training and practice that has given them the skills to carry that job out. Without DHSS support and some survival strategies it would have been difficult for Donald to continue making work after graduating.

On returning from a visit to LA, Donald went to sign on at Maryhill DHSS only to be joined in the queue by three other artists, all of whom had recently won prestigious art prizes and competitions. No other profession would tolerate such a travesty as this. It was not till around 1998 when he got his first public art commission that his working situation became more stable and teaching at Edinburgh College of Art since, has also improved this situation. However Donald often sees his students agreeing to unrealistic projects, which are under-budgeted and resourced. Which, as we know puts impossible strain on successful delivery. While working with Architects, Donald has picked up some good working practice and a better awareness of realistic costing. At the moment the relationship artists have with their 'employers' and funders... amounts almost to a form of social control, which excludes artists' from any real participation. Lobbying is essential to raise awareness of these real issues as there is still a considerable amount of ignorance regarding the work artists' are engaged in. Whilst Donald has had some

bad experiences with private galleries, he has found public galleries to be better and they do provide written contract agreements. Artists' do have power, but rarely know how to use it. Being better informed about other professional earnings and rates of pay will certainly help. Disclosure forms and funding applications are a considerable distraction for artists' and often where funding is concerned, very time wasting.

Talk about VAT: Angela Bedi (Financial Advisor and VAT Specialist, Grant Thornton)

Angela has over 20 years experience in Customs and Excise and VAT issues. She charges £165 per hour for her consultative services. She has been very impressed by the passion and research that Laura has put into this event and surprised to learn of some of the issues that visual and applied artists are facing. Many issues Laura has raised are relevant to a significant number of artists. Below are listed some of Angela's key bullet points:

- When artists pay commission to a gallery they are paying the gallery for a service.
- The full selling price is regarded as the artist's income for VAT purposes.
- Artists should be able to demand payments from their gallery within an agreed timescale after the sale being made. This could be agreed in a contract with the gallery in writing before the exhibition goes ahead.
- Artists should receive a copy of a sales statement or pay advice along with any payment they receive; to help document income from sales and VAT paid.
- Because galleries do not always pay artists on time, artists are liable for late payment penalties and which can prove costly. Offering financial incentives for early payment might be a way of addressing this (i.e. pay within 28 days receive 10% discount).
- It is really important to understand what custom and excise considers your actual income to be (i.e. the sum of all full selling prices of all completed sales).
- VAT is a European wide tax.
- The rules applied to gallery sales are the same for Avon ladies, tour operators and travel agents, actors and agents.
- We may not be able to change these existing rules but we can work smarter.

What we can do:

- All artists' should have written agreements or contracts when working with galleries.
- Working toward standardising contacts and sales arrangements would give artists a firmer base from which to work within the existing system
- Lobbying for Best Practice models and suggesting the adoption of some procedural changes that would simplify and standardise VAT and selling practice.
- Timely information: often not knowing when tax returns and paperwork are due can incur excess costs and penalties.
- Looking at Alternative models: Outright Purchase (a gallery buys your work directly from you before exhibiting), Consignment Sales (where a gallery only buys your work at the time of a sale) and Joint Venture Transactions (where the artist and the gallery enter an equal partnership).

Talk about Galleries and Policy: Colin Greenside (RSA Exhibitions Co-ordinator)

Colin has worked with a very wide range of artists and art forms. He has experience of working with a number of artists' initiatives and publicly owned galleries including Peacock Studios in Aberdeen and the RSA in Edinburgh in exhibitions, marketing and sales. It is important to improve opportunities for artists, especially recognising that artists are continually creating and developing work. This means that there is a significant requirement for opportunities for practice development and education/training. To this end the RSA contributed £200,000 to artists for career development last year. The RSA promote artists' talks and pay artists' to participate in events they organise. Supporting these communication processes is very important for both the artists' and their audience. The Friends of the RSA offer a Bursary to Artists' of £2000 to support individual development. Colin is often asked to give advice on artist's contracts and gallery related issues. Too often difficulties arise when there is no formal agreement in place. A contract should be about putting the artists' needs first. The important role of the artists is to represent themselves and a good way to do this is to write your own contract and campaign for your own boundaries. Issues that should be considered are:

- Publicity and marketing strategy.
- Opening arrangements (including invitations list)
- Fundraising issues.
- Catalogue and/or accompanying information or text.
- All relevant dates and times (when to hang show, when to take down etc.)
- Sales procedures, information and records (keeping records).
- Removal of works and transport arrangements.

There are some grey areas that Colin advises against:

- Exhibiting in Bar and Restaurants.
- Making informal arrangements of any kind.
- Exhibiting without insurance or adequate security.
- Inconsistency in pricing work.

Promote your work and get galleries interested:

- Invite interested parties to your studio.
- Develop your own database of contacts to include interested parties and past clients.
- Get advice: from RSA, CEO, SAC and SAU etc.
- Get support: from artist's initiatives. Join artists' networks. They often take lower commission rates on sales.
- Look for small assistance grants, a wide variety are available from local authorities and charitable organisations.
- Get online: there are many artists ebulletin, newsletters and websites promoting funding, job opportunities and training.

Open Forum Discussion

Q. Angela, how much do you need to earn in gallery sales before you need to register for VAT?

A. A turnover of £60,000 per annum. If you are not registered for VAT then a sale should not appear with extra VAT. If the gallery is registered for VAT, then they will pay it.

Q. Regarding contracts, are the SAU making model contracts available for artists?

A. Su replies: This is a huge issue due to the variety of requirements on both sides and for different art forms. The Scottish Arts Council is developing a scheme called 'Own Art' which is looking at model contracts and they have asked the SAU to work with them. AN have templates for contracts. Advice is also available from the Cultural Enterprises Office. Donald points out that there are no penalty clauses on the side of the artist (who can wait months for payments). Angela replies that there already is a law for payments to be made within 30 days and thereafter a percentage for late payment can be added. *(Since this conference SAU have published Considerations for Artists Contracts).*

Q. Could a reduced price be offered for timely payment (the actual price) with the full price (with the additional late payment cost) being active after 30days?

A. Angela replies that there is no reason why things could not be done that way. Fiona suggests artists look at 'Pay on Time' website www.payontime.co.uk

Q. If artists are to be regarded as small businesses then why are they not being trained in marketing and business management as part of their training at Art College?

A. Chris Kelly answers, many artists do eventually learn about running themselves as a business.

Q. To Angela: How do our regulations compare to European regulations?

A. Resale and VAT rules are pretty varied; however rules on Intellectual Property are common across Europe. Although there are differences in tax systems.

Q. Is Vat recoverable on resale's?

A. Yes, Vat is payable on all transactions. Although artists will retain the copyright on any reproductions unless arrangements have been agreed and a written contract signed.

Members of PACT (entertainments industry organisation for independent producers) insist they get signed agreements before parting with any work. PACT offer legal support relating to contractual arrangements, but membership is around £400 per year. Su replies: The SAU is looking at developing affiliations with existing organisations, like PACT in order to offer information and advice relating to legal issues and insurance. In relation to insurance. It is often easier to alter an existing policy to your needs than taking on a new policy (which can be a lot more expensive and complicated). There is a general artists' insurance policy available from GSP, which can be altered to suit individual needs. There is a list of providers on the SAU website. Fiona invites members to email to recommend good insurance services.

Q. Why is there not more training in professional practice at art school? Architects are required to train in business and legal subjects as part of their overall qualification, could this not be applied to artists?

A. Chris Biddlecombe replies: Unless this training was a compulsory part of the curriculum, I doubt that many students would attend. However this training would give

students professional confidence and insight into their future working environment. Jayne Taylor suggested that work based training and mentoring might be better ways to introduce students to the realities of professional working practice, whilst providing a source of income for artists. Clare Galloway pointed out that the SAU provided an opportunity for artists to share their experiences and offers a way of providing advice and support in the sector.

Fiona explains that there has been a shift in Scottish Executive policy toward supporting graduates around 'employability and enterprise' skills; and that there are sources of free advice available from Business Gateway and the Cultural Enterprise Office.

There are a number of interesting issues surrounding 'best practice' and it is our role as a union to set up constructive dialogue.

Q. Surely galleries just see the SAU as small fry?

A. Angela replies: Good practice should be in the galleries interest.

Clare points out that Artist lead ventures offer more opportunities for artists to work outside galleries and galleries realise they may be losing out.

Colin agreed that Artists Initiatives have the 'energy' that galleries want to buy into and therefore they cannot afford to ignore them.