

The PLACE Report

Policy for the Lottery, the Arts and Community in England

Peter Stark, Christopher Gordon & David Powell
*Authors of *Rebalancing our Cultural Capital**
(The RoCC Report)

Copyright © Peter Stark, Christopher Gordon, David Powell, Steve Trow 2014
www.theplacereport.co.uk

This paper was first published on 25 April 2014

PREFACE

The three principal authors of this report and its predecessor *Rebalancing our Cultural Capital* (www.theroccreport.co.uk published October 2013¹) have worked in the arts and culture, together and independently, for over 45 years. That work has spanned local, regional, national and international contexts and has included work as directors, managers, teachers, researchers, board members and consultants in almost all art forms and at almost all scales. In this report we have drawn heavily on the independent research of another long-standing and similarly experienced colleague, Steve Trow, who also contributes the perspective of a serving local authority councillor. We share a passionate belief in the potential of public policy and public funding in the arts and culture more widely to:

- enrich our localities – the places where we all live – and to contribute to healthy and diverse communities
- inform our humanity, illuminating our inner lives, enriching our emotional world and promoting empathy
- challenge the norms of society and inform and maintain critical debate within it
- play a growing economic role in creative and cultural industry and culture-led tourism
- offer exceptional artistic talent the opportunity to develop – whatever the circumstances of the individual

We believe that public policy in the arts can and must engage with all of these. We believe that this is possible, even within currently constrained resources, if proper balances can be found between international, national, regional and local perspectives respecting the principles of subsidiarity in the design of structures and in the deployment of national resources.

A further report, 'The Artist', in preparation, will address the critical importance of support for the individual artist and the small company/collaboration within culture and in a digital and many-cultured world.

Our work is self funded. Further details of our background and qualifications can be found in Appendix A. We acknowledge the support and advice received from critical friends, who have reviewed earlier drafts, and thank our partners and families for their understanding.

We are grateful to the House of Commons Select Committee on Culture, Media and Sport for their permission to use the parts of this report that informed the evidence we submitted to their current Inquiry into the work of Arts Council England.

CONTENTS

1	Executive summary	5
2	Introduction	16
3	Taxpayer and National Lottery player funding for the Arts and Culture: the scale and location of the best-funded organisations	18
4	... and who benefits most?	24
5	From where and from whom do the Arts Lottery* funds come?	25
6	Winners and losers: where are the net benefits of Arts Lottery funding delivered?	29
7	Sustaining the foundations of our national artistic and cultural life in local communities throughout England	34
8	Context, guidance and directions to Arts Council England on the role of the Arts Lottery	39
9	Conclusions and the need for a new 'concordat' between the arts, local government and civil society	42
10	Towards a new model	46
11	Appendices	52
	Appendix A The authors	52
	Appendix B The National Lottery Directions	54
	Appendix C The historical context	55
	Appendix D The international context	61
	Appendix E Illustrative approaches by other distributors	65
	Financial Appendices	67
12	Endnotes	71

* The term Arts Lottery used throughout this report refers both to the function of Arts Council England as the distributing body for the 'arts good cause' as an area of benefit from the National Lottery and to the funds from that source at its disposal, except where indicated otherwise. References to the Arts Lottery refer to England only and exclude film.

1. EXECUTIVE SUMMARY

1.1. Introduction

This is the second of three independent reports intended as contributions to the national debate on the arts and culture in advance of the celebration of the 50th anniversary of Jennie Lee's White Paper, *A Policy for the Arts: The First Steps* and the general election in 2015. Its twin concerns are with Arts Council England's stewardship of the Arts Lottery funds at its disposal to date and as planned to 2018, and with the roles the arts play in fostering well-being in society.

1.2. The PLACE Report: Policy for the Lottery, the Arts and Community in England

This report studies the Arts Lottery in detail. It addresses the roles that the arts can play within society (as the RoCC Report focused on the economy) alongside their intrinsic role. It argues that these three roles for public funding should complement each other, as should the two streams of contributions, from taxpayers and lottery players, that sustain them. Those two streams of funding should remain clearly distinct. As with the challenge of the geographic imbalance of investment between the capital and the rest of the country, so the challenge here is one of balance between the social, economic and intrinsic values of public support for the arts and the suites of funding and other programmes designed to promote them.

Just as the 'economic' focus requires clustered investment in creative production to be effective, so a 'social' focus requires the widest possible spread of local opportunities for participation throughout the country – particularly in communities of least current engagement with the arts and culture.

- Public Sports Policy, grant-in-aid and Lottery funding balance the needs of the élite athlete with support for a broad base of lifelong participation.

- Public Heritage Policy and programmes funded from grant-in-aid and the Lottery find their balances between the preservation of our material heritage and wide community engagement.
- There appears to be no valid reason that the same balances cannot be found in policy, programmes and budgets for the arts and culture, enabling high standards of engagement and artistic excellence to complement each other rather than conflict.
- The relevant directions and clear guidance issued to Lottery distributors in relation to this community-based and participative role appear at best to have been given no priority, at worst to have been substantially and systematically ignored.
- As research clearly indicates the beneficial impacts of the arts and culture on our education system, our economy and/or our health,² why is it that Arts Council England does not have major programmes to develop and support precisely those benefits at community level through Arts Lottery funds?

1.3. Taxpayer and Lottery player funding for the arts: which organisations benefit?

The current disposition of taxpayers' and lottery players' funding for the arts in terms of the scale and indicative nature of the organisations supported is analysed. The uniquely large scale of grant aid available to the largest cultural organisations is illustrated. The four main phases of the Arts Lottery to date are reviewed, and patterns of grant-in-aid and Lottery awards to different scales of organisation are compared.

- Lottery funds have been, and are increasingly being, used to fund the same organisations for the same programmes of work that were previously funded only through grant-in-aid.
- The largest recipients of grant-in-aid are also the largest recipients of private support and, now, of Arts Lottery funds as well.

- Plans announced by Arts Council England for 2015–2018 entail direct substitution of lottery funding for grant-in-aid. The cardinal principle of public policy that lottery funding was to be used for ‘new and additional’ programmes and projects is being lost.

1.4. ... and who benefits most?

The Arts Council England assertion³ that ‘subsidy per attendance’ is a more representative measure than analysis of grant support ‘per head of population’ is examined, and the available evidence on ‘who benefits’ is summarised.

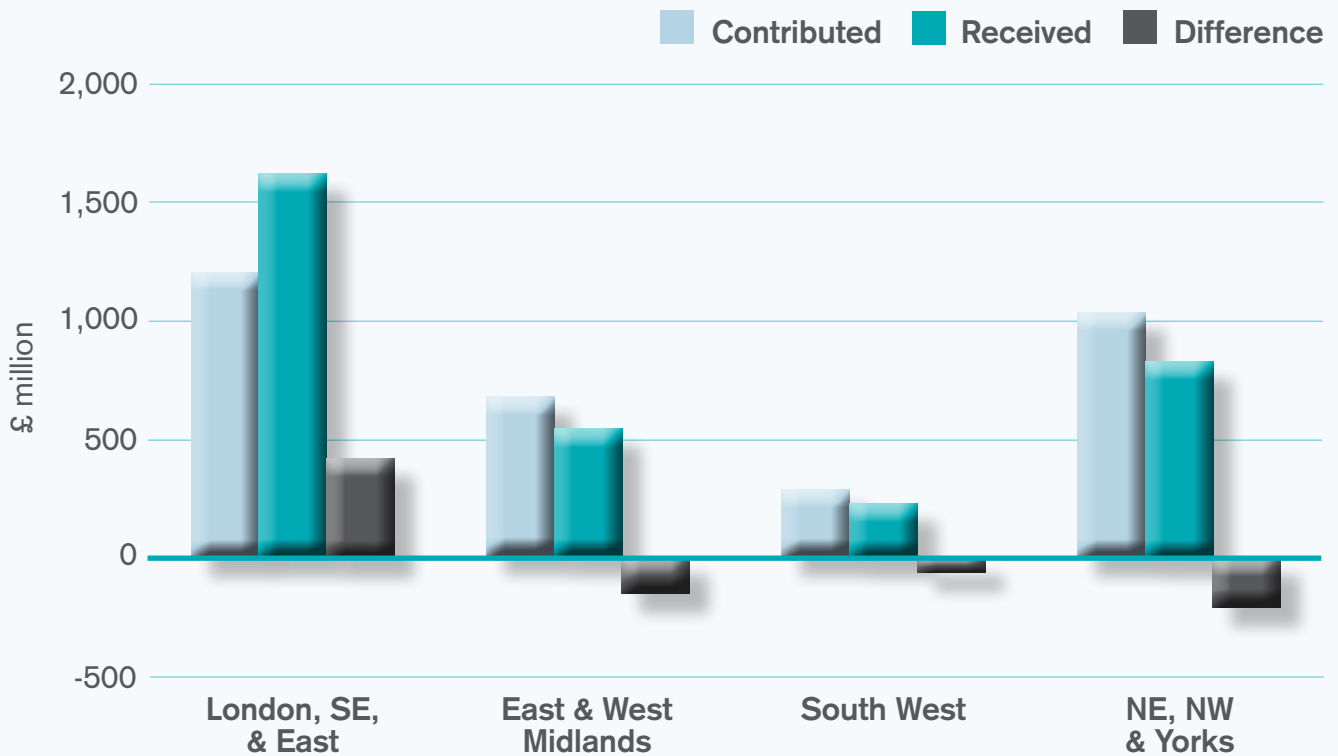
- The most regular attenders of the most heavily funded cultural organisations are some of the most privileged in society – the highly educated and wealthy middle and upper classes living within easy reach of these major cultural institutions.
- Through the regular attendance that they are able to afford within their household budgets, these already privileged groups derive by far the most benefit from funds provided by taxpayers and, now, lottery players across the whole country.

1.5. From where and from whom do Arts Lottery funds come and to whom do they go?

Despite the lack of available data on who plays where, the source of Arts Lottery funds can be calculated per capita and weighting can be applied illustratively, using the different proportions of households playing the Lottery weekly. Known patterns of distribution of Arts Lottery funds are combined with weighted figures for contribution (the value of tickets bought) at area level to show patterns of net surplus or deficit.

- From this wider ‘area’ perspective, which takes account of the extended cultural catchment of the capital, the surplus of £416 million that has grown in London, the South East & East together since 1995 has been funded from the North (£216 million), the Midlands (£140 million) and the South West (£60 million).

ACE Lottery contributed vs grants received since 1995



£ MILLION	CONTRIBUTED	RECEIVED	DIFFERENCE
London, South East & East	£1,217	£1,633	£416
East & West Midlands	£689	£549	-£140
South West	£293	£233	-£60
North East, North West, Yorks & Humber	£1,051	£835	-£216
ENGLAND TOTAL	£3,250	£3,250	£0

1.6. Winners and losers: where are the net benefits of Arts Lottery funding delivered?

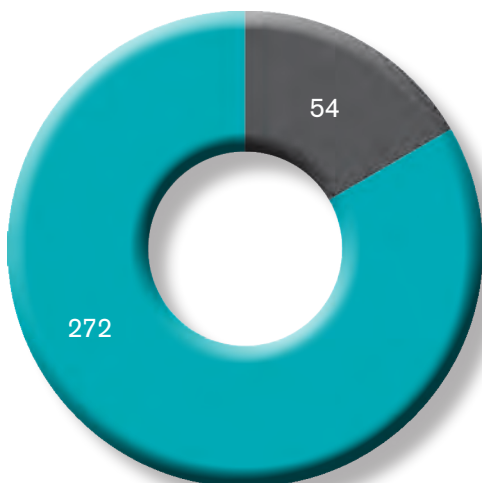
The patterns of net surplus and deficit at local authority level (although here 'weighting' on contributions cannot as yet be deployed) are examined.

- In the 10% of local authority areas where people are least engaged with the arts (DCMS survey) the total receipt of Arts Lottery funding since 1995 is £288 million, against a contribution from Lottery players of £395m – a deficit of £107 million.

- In the 10% of local authority areas where people are the heaviest users of the arts, the total Arts Lottery funding received is £1.327 billion in the same period, producing a surplus – a net benefit against funds contributed of over £1 billion.
- The local authority area with the highest net return to its Lottery players is the City of Westminster, whose population has contributed £14.5 million to the Arts Lottery since 1995, while its arts organisations have received £408 million, a surplus of £393.5 million.
- The local authority area with the poorest return is County Durham, where its Lottery players have contributed £34 million since 1995, while its arts organisations have received £12 million, a net deficit – in effect a contribution to the surpluses of others – of £22 million.⁴
- Only 54 of England's 326 local authority areas are net winners from the Arts Lottery, with a combined income of £2,691 million, against a total income of £821 million shared by the remaining 272.

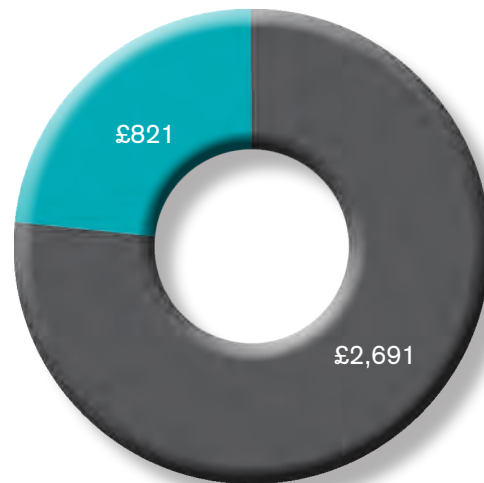
All England local authorities winners & losers

■ No. of winners ■ No. of losers



All England local authorities £m received

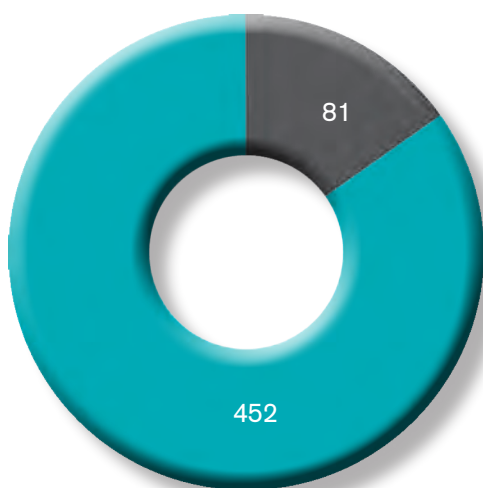
■ Winners ■ Losers



- In terms of straight net financial benefit, only 81 (12%) of constituencies in England have received more than they contributed.
- In total these 81 constituencies have received £2.75 billion – £2.2 billion more than they have contributed – leaving only £730 million to have been distributed across the remaining 452 constituency areas.

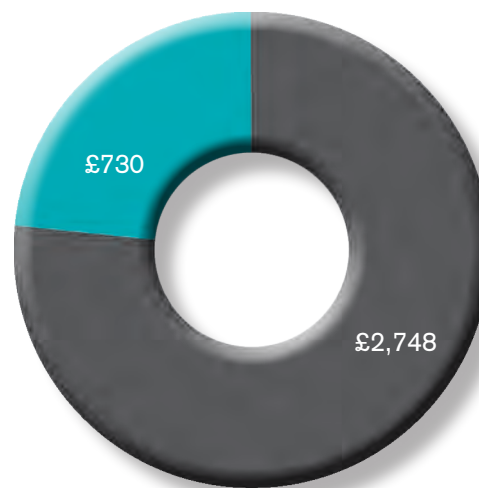
All England constituencies winners & losers

■ No. of winners ■ No. of losers



All England constituencies £m received

■ Winners ■ Losers



1.7. Sustaining the foundations of our national artistic and cultural life, now at risk, in local communities throughout England

The current position of arts and culture facilities, programmes and projects at local level and the different approaches to Lottery funding taken in sport, heritage and the arts is summarised. The nature of Arts Council England's response to date is considered in more detail, and the following conclusions are drawn:

- Local infrastructure of facilities, organisations and programmes, the foundations upon which our national cultural life is built, may

be at risk of failure as an unintended consequence of the combined impacts of demographic change and funding settlements for local government.

- In some areas local councils, arts organisations, the voluntary sector, museums, library services and inspirational 'creative citizens' are developing innovative models to address these challenges.
- In other areas, often those facing the widest range of other economic and social challenges and the sharpest reductions in national support for local government, the damage is already far advanced, despite best local efforts.
- In the majority of cases, local communities address the future of their cultural infrastructure almost entirely without designated professional or financial support from Arts Council England.
- While of interest, neither the availability of additional 'touring' product or the uses of digital technology appear likely to have significant roles in addressing low levels of engagement with the arts among audiences or participants.
- The time-limited 'Creative People and Places' pilot programme, while most welcome, is drawing down only circa 4% of available Arts Lottery funds over three years in only 18 areas of the country, and cannot constitute a 'structural' response to a 'structural' problem of the scale identified.

1.8. The remit and role of the Arts Lottery in supporting those meeting this challenge at community level throughout England

The guidance and directions that have been issued to Arts Council England as a Lottery distributor are illustrated in the wider context of Camelot's marketing drivers and recent developments in competitor activity within the gambling industry.

There is no evidence that the Directions below (extracted from those issued to Arts Council England in 2007, shown in full in Appendix B) have been integrated into policies or implemented through nationally available programmes in practice:

- the need to increase access and participation for those who do not currently benefit from the cultural opportunities available in England
- the need to foster local community initiatives that bring people together, enrich the public realm and strengthen community spirit
- the need to support volunteering and participation in the arts and community arts
- the need to involve the public and local communities in making policies, setting priorities and distributing money
- the desirability of ensuring equality of opportunity, of reducing economic and social deprivation and ensuring that all areas of England have access to the money distributed.

1.9. Overall conclusions: the need for a new concordat between the arts, local government and civil society

An important rationale for government intervention is the achievement of equity objectives. Before acting, an assessment should be made of the extent of the inequality to be redressed, and the reasons it exists. Treasury Green Book (Annex 1.10, April 2013)

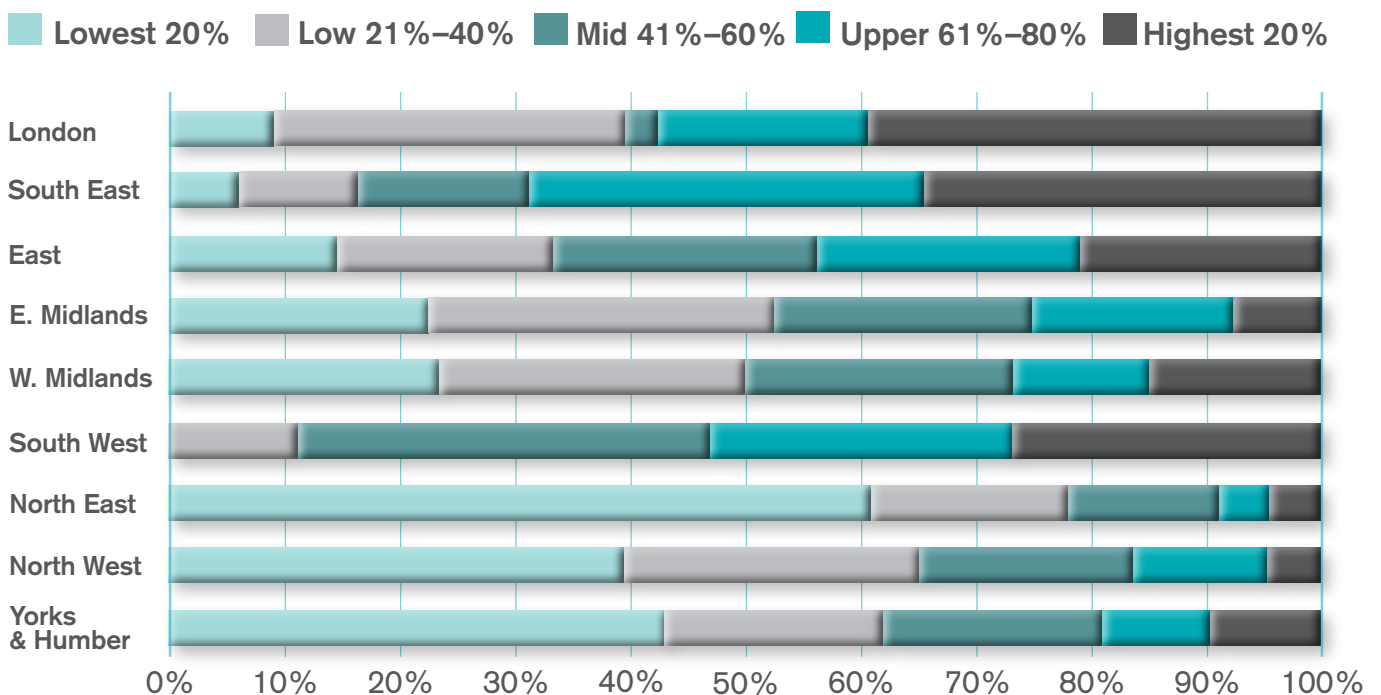
The five largest arts organisations in the country (already in receipt of the largest annual revenue grants) have received more Arts Lottery money than has been available, over the same 18-year period, to the 10% of local authority areas (33) where populations have the least engagement with the arts. Any structure that has made such awards appears to require fundamental reform.

A new concordat is required to promote the role of local arts, museums and libraries and to develop new and sustainable models for the future, bearing in mind that:

- Programmes focused on the economic role of arts and culture within the creative industries (and often, though not always, cultural tourism) will require investment to be geographically clustered.
- Programmes designed to emphasise and deliver the role of the arts and culture for individual and communal well-being need to be available to all communities.

A national strategy for the local will need to be implemented differently in different parts of England with resources weighted for the challenges faced and with the cultural sensitivity that only local knowledge can bring. Charting the distribution of local authorities grouped by their residents' degree of current engagement with the arts illustrates the range of difference in the cultural challenges to be addressed within regions as well as between regions.

Arts engagement: percentage of local authorities by region with lowest to highest levels



- The principle of per capita allocation is precisely the policy applied to Scotland (population 5.3 million), Wales (3 million) and Northern Ireland (1.8 million) by the UK government. All have populations smaller than those of the Midlands or the North West.

1.10. A possible model for a new Arts Lottery programme in England

An alternative model for distributing Arts Lottery funding is proposed, based on a high-level indicative budget over an illustrative five-year period. The suggested tripartite structure for allocating Arts Lottery funds is offered below as an example of a principled and targeted approach to Arts Lottery distribution. The three major target areas respond to suggested national arts Lottery policy imperatives. The proportions of funding illustrated therefore reflect a newly balanced approach to the guidance provided by the existing National Lottery Directions:

- **Arts and culture in society (40%)**
In partnership with arts organisations, museums and libraries, civil society and local government to develop the role of the arts at local level in promoting individual and community well-being
- **Arts and culture in the economic context (40%)**
In partnership with arts organisations, museums and new arrangements for wider economic regeneration at regional level (e.g. Local Enterprise Partnerships) to foster creative cultural production
- **Artists (20%)**
Through programmes available to individual artists and artist-led projects to encourage new talent, innovation, and excellence in work locally, regionally, nationally and internationally

Operational costs

The Arts Council currently allocates 40% of its total operating costs (£14,426,000 in 2012/13) as a charge to the Arts Lottery. This would provide a substantial resource for the management of these programmes.

Decentralisation and devolution process

It is suggested that decentralisation and devolution could best be achieved through a two-stage model. An initial weighted allocation at area (i.e. grouped regional) level could be followed by devolution of responsibility for delivery to regional and (possibly) sub-regional levels, with broad but clearly differentiated criteria for allocation and detailed decision-making powers within each programme (as above) established in advance.

Using the weighting derived from the proportions of households in each region playing the Lottery weekly as an indicator of how such a calculation might work in practice, an illustrative budget at area and programme level for a year in which the Arts Lottery had, say, £300 million available would look like this:

AREA	WEIGHTED ANNUAL ALLOCATIONS			TOTAL
	ARTS AND CULTURE IN SOCIETY	ARTS AND CULTURE IN THE ECONOMIC CONTEXT	ARTISTS	
London, South East & East	£44,955,000	£44,955,000	22,478,000	£112,388,000
East & West Midlands	£25,408,000	£25,408,000	12,704,000	£63,520,000
South West	£10,811,000	£10,811,000	5,405,000	£27,027,000
North	£38,826,000	£38,826,000	19,413,000	£97,065,000
TOTALS	£120,000,000	£120,000,000	60,000,000	£300,000,000

If – now that top slicing to pay for the Olympics is behind us – the National Lottery were to continue this level of average income for the arts over the five years from 2015, London, South East & East would receive £186 million more, East & West

Midlands £218 million more, the South West £70 million more and the North £300 million more from the Arts Lottery than in the five-year period 2009–2014.

ACE LOTTERY FUNDING £M	2004–09	2009–14	2015–20
London, South East & East	183	376	562
East & West Midlands	80	100	318
South West	38	65	135
North	139	185	485
Other	6	37	0
TOTAL	446	763	1,500

2. INTRODUCTION

2.1. The value of culture to people and society

Preparation of this report coincided with Arts Council England publishing *The value of arts and culture to people and society – an evidence review*.⁵

The introduction to the Arts Council’s review states: ‘When we talk about the value of arts and culture, we should always start with the intrinsic – how arts and culture illuminate our inner lives and enrich our emotional world. This is what we cherish.’ It then continues: ‘But while we do not cherish arts and culture because of their impact on our social well-being and cohesion, our physical and mental health, our education system, our national status and our economy ...’

This statement is made despite the UK having been at the forefront internationally of arts practice that has demonstrated ‘the (beneficial) impact arts and culture has on the economy, health, well-being, society and education’ for the last 50 years or more.

If cherish is taken in its core meaning of ‘foster’, then why does the Arts Council not accept, welcome and implement its responsibility to assist the realisation of the potential of the arts for individual and community well-being?

What is being set out here is a needless dichotomy. Surely the nation would expect its national Arts Council to cherish both the intrinsic value of ‘art’ and the wider benefits that ‘the arts’ – the individual, social and institutional practices involved with creating, distributing, participating in and responding to art – contribute to our physical, mental, communal, economic and educational well-being?

This question has particular resonance alongside the DCMS definition of the Arts Council's remit⁶ and the government's Directions issued in 2007 to all specialist Lottery distributing bodies (see section 8):

‘ Arts Council England is sponsored by the Department for Culture, Media & Sport in order to make the arts, and the wider culture of museums and libraries, an integral part of everyday public life, accessible to all, and understood as essential to the national economy and to the health and happiness of society. ’

- Public Sports Policy, grant-in-aid and Lottery funding – although not without its own controversies around the prioritisation of different sports – balances the needs of the élite athlete with very substantial support for a broad base of participation.⁷
- Public Heritage Policy and programmes funded from grant-in-aid and the Lottery find their balances between the preservation of our material heritage, engagement with our intangible cultural heritages and wide community engagement.
- There appears to be no valid reason why the same balances cannot be found in policy, programmes and budgets for the arts and culture.
- The relevant Directions and guidance issued to Lottery distributors in relation to this community-based and participative role appear to have been substantially and systematically ignored for the arts. Fundamental reform is needed.

If research clearly indicates the beneficial impacts of the arts and culture on our education system, our economy or on our health,⁸ why is it that Arts Council England does not already have major programmes to develop and support precisely those benefits at community level through Arts Lottery funds in the same way that its sister Lottery distributor bodies do?

2.2. Summary

The intrinsic and the instrumental bases for public policy in arts and culture are necessary complements in a 21st-century democracy. The gross imbalances in the distribution of Lottery funds at local authority level – in the context of the contributions to the ‘arts good cause’ made by the populations of those areas – sit very uneasily with an ethical basis for Lottery funding that mandates systematic engagement with the social dimension of policy for the arts and culture.

3. TAXPAYER AND NATIONAL LOTTERY PLAYER FUNDING FOR THE ARTS AND CULTURE: THE SCALE AND LOCATION OF THE BEST-FUNDED ORGANISATIONS

The RoCC Report focused on the imbalances in funding in absolute terms and per capita between London and the rest of England. That information is summarised here at Financial Appendix F1 and can be found (updated) at www.theroccreport.co.uk. What follows is an examination of the nature of the arts infrastructure sustained by both taxpayers' and lottery players' investment.

Before doing so, it is important to recognise the achievement of the Arts Council itself in managing an extraordinarily challenging reduction in its grant-in-aid budget alongside being asked simultaneously to increase its sphere of responsibility and effect very major savings in its operating costs. However much there may be disagreement with the operational and programme strategy adopted, the scale of the management challenge faced is acknowledged.

3.1. A cultural ecology 'deep rooted' in locality

While increasingly globally connected by travel and digital communication technology, the cultural ecology of the country remains rooted in the localities where we live and the opportunities for engagement with the arts that exist there throughout our lives. These begin at home and in school but then draw on the local library, museums, voluntary cultural societies, arts centres and commercial offerings through public houses, cinemas and clubs. In later life many of us are able to widen our geography of cultural connection but for more disadvantaged people and in our extending older age, what is available locally reasserts its centrality to our capacity to engage creatively with the arts and culture.

3.2. A cultural ecology in which artists and small companies are critical

Arts Council England rightly points out how complex this arts 'eco-system' is. Within this system the individual artist and small-scale producing companies and venues provide an essential developmental function in localities and regions as well as producing work of international

standard in all art forms. Within established art forms and the wider definitions of the creative industries, artists, 'creatives' and cultural entrepreneurs are developing new ways of working with each other, with communities of geography and of interest and with collaborators and the market internationally. All play a critical role in the cultural ecology (one we will return to in our third report, 'The Artist'). Even a small grant to many individual artists, smaller arts companies and local cultural facilities can have immense importance.

3.3. An arts infrastructure built on a spread of intermediate organisations

At the next level of financial support, Arts Council England invests all of its grant-in-aid funds to sustain what it has assessed to be the nation's core infrastructure for the arts and culture, namely 696 National Portfolio Organisations and Major Partner Museums. Outside London it is these NPOs and MPMs, spread across the country and increasingly working together in city, conurbation, art form/sectoral or regional groupings (and with locally based artists and arts groups), that are the organisations/clusters identified by the RoCC Report as requiring additional investment to enable their potential for creative cultural production to be realised.⁹

3.4. Stability and scale in the delivery of sustained excellence and partnerships throughout the country

In many art forms and in the world of museums, sustained and consistent excellence and the capacity to deliver opportunities for engagement to the same high standards in long-term partnerships (for example with higher education or working across local authority areas) often depends on having a sufficient scale of operation to give a sense of security to such partners. The development of a spread of such organisations across the major conurbations of England has been a significant achievement of the Arts Council, almost always working in partnership with local government, and particularly since the advent of the National Lottery. The addition of a small number of larger and very welcome 'new' cultural institutions in the regions (for example the network of new contemporary visual arts centres such as MIMA in Middlesbrough, The Hepworth in Wakefield, Turner Contemporary in Margate and Firstsite in Colchester, and new performing arts centres such as The Lowry in Salford and Sage Gateshead) has substantially strengthened our national infrastructure outside the capital.

The importance of the work of these major organisations in delivering programmes of work of the highest standard across the country is acknowledged. Notable, in addition to reductions in Arts Council funding, is the scale of the management challenge they have faced when they have, almost exclusively outside London, had to address a decline in local government's ability to sustain partnership funding at previous levels. The fact that they earned and contributed income has risen to meet part of this challenge is acknowledged as a significant achievement during a period of national austerity.

3.5. National companies

At a larger scale than the companies referred to above are the five¹⁰ 'national' companies that receive an annual subsidy between them of over £80 million, enabling them to operate in ways that are not open to any of the other organisations funded by the Arts Council. There is a powerful argument that the disparity in scale of operation between these national organisations and their largest colleagues/comparators in major conurbations outside London is no longer justified in the changed economy and ecology of the 21st century. Despite the international quality of the work of such major organisations outside London, there is no sense in which we have a network of 'national' companies in the regions.

Both the number and size of grants made through grant-in-aid budgets in 2012/13 are analysed at Financial Appendix F2, using ranges £0.25–£0.5 million, £0.5–£1 million, £1–£5 million, £5–£15 million and above £15 million. The same analysis is illustrated for all Arts Lottery grants since 1995.

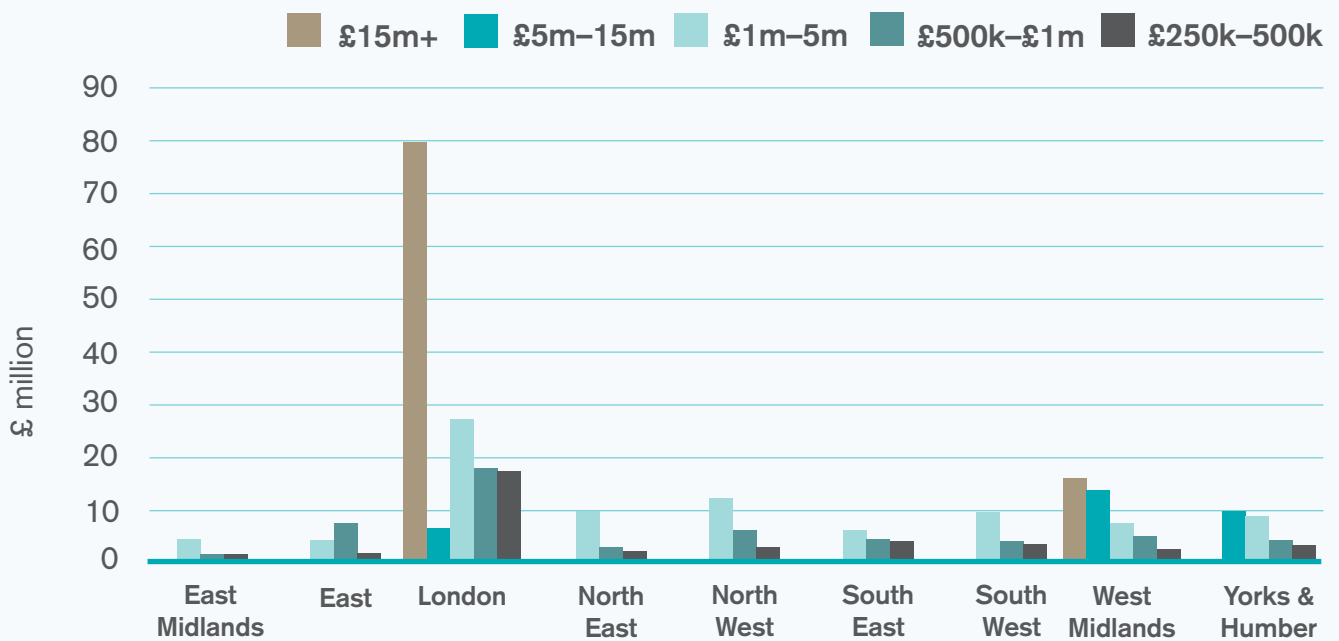
3.6. Towards a 'closed system'

The two charts that follow encapsulate different processes, the grant-in-aid profile from 2012/13 and a depiction of total Arts Lottery awards since 1995. The startling similarity in the picture of award scales and spread suggests an overlapping pattern of beneficiary across the two funding streams. This degree of overlap between the grant-in-aid and Arts Council Lottery streams of funding might seem to indicate the emergence of a 'closed system' within which the funder and the largest highest-profile beneficiaries become part of an increasingly exclusive 'club'.

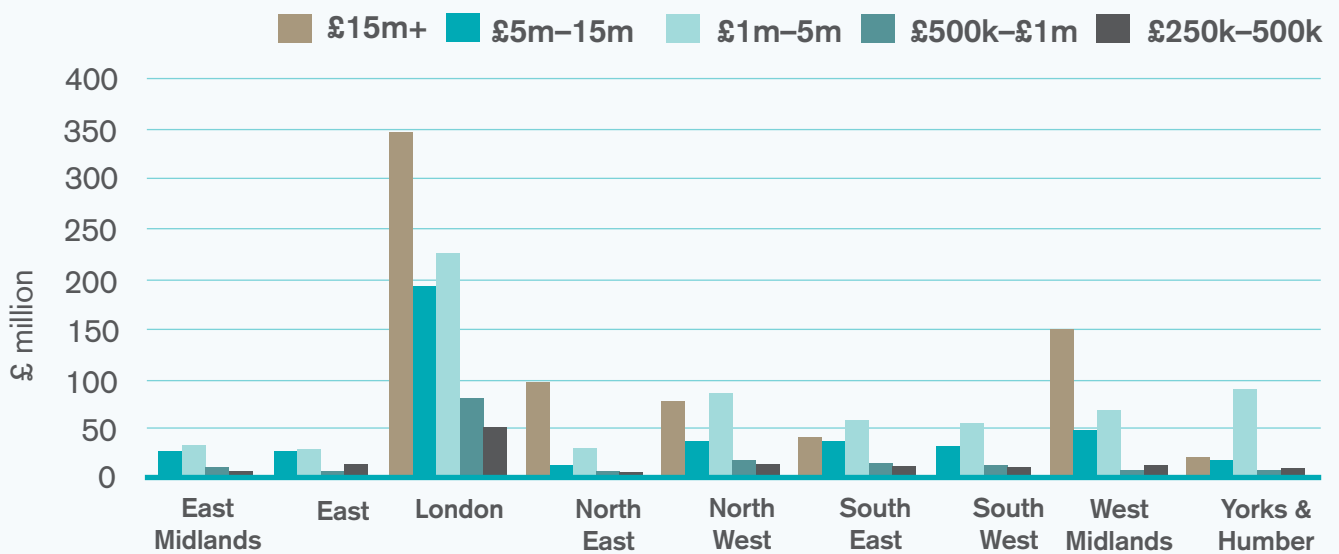
In such a closed system, the funder's stakeholder consultation is conducted with those already in receipt of such funding and status. It concludes that it is right to prioritise existing beneficiaries. Strategic funding programmes are established, with rules that exclude others (e.g. from major capital funding) or are principally designed to benefit the established group ('Catalyst' programme and Strategic Touring Fund).

Even the 'Creative People and Places' programme – which was introduced to address low engagement with the arts and to produce a sustainable ten-year 'vision' for greater engagement in areas of the country with the lowest such levels – asserts the capacity of the independent cultural sector to lead such programmes (and deliver them over a decade) above the knowledge and skill base of fellow arts and cultural professionals working in local government and its elected members.

Total value of ACE NPO & MPM grants by size of grant 2012/13



Total value of ACE Lottery grants by size of grant since 1995



3.7. From 'new and additional' to a complement, to a supplement, to a replacement: a principle eroded

At the establishment of the National Lottery there was substantial concern that the principle of additionality would not last. The Arts Council, emphasising its 'arm's length' from government, was at the forefront of those who argued that it must, could and would be protected. Since then, an evolving distribution pattern of Arts Lottery funding can be mapped across four broad phases:¹¹

1995–2001 The capital years

The Lottery was to be used for capital projects only and, therefore, was clearly 'new and additional' to Arts Council activity at the time; there had been no programme to fund such work since the ending of the 'Housing the Arts' fund in the early 1980s. Funds were accessible by open application and were intended to be adjudicated without reference to any existing Arts Council strategy.

2002–2007 The transitional years

With the immediate capital ambitions of the largest arts organisations having been realised alongside those that were 'shovel ready' prior to the millennium, those same organisations began to lobby for the Lottery to be opened up for 'once-off' injections of what was essentially 'revenue' funding to 'build resilience' in 'complementary' programmes.

2008–2014 'Great Art for Everyone'

The overall strategy provides the basis for a further transition from complementary programmes to the argument that some existing programmes would not be able to be resourced in future without additional funds and, therefore, that the retention of these programmes with 'supplementary Lottery funding' could be seen as 'new and additional'. A total of 174 NPO organisations have received £85 million of 'once-off' Lottery funds from 2011/12 and 2012/13, used to provide support for their existing programmes in touring and education over three years to 2015.¹² In short, the complementary became supplementary on its way to substituting for previous revenue funding.

2015– 'Great Arts and Culture for Everyone'

The plans announced in 2014 by Arts Council England for its 2015–2018 programmes provide for £60 million per annum of Lottery funding to be, effectively, locked into three-year funding agreements with 'Lottery NPOs', (almost) all of which will have been previously funded from grant-in-aid. Direct substitution of grant-in-aid with Lottery funding for the revenue funding of organisations becomes Arts Council policy.¹³

In addition, between 2015 and 2018, ACE has announced that there will be £370 million of Lottery funds allocated to strategic funding programmes. With reference to funding patterns in 2012/13 (see 3.8 below), it is reasonable to assume that the bulk of these funds will go directly or indirectly to NPOs.

The critically important principle that the lottery funding was to be used for 'new and additional' programmes and projects is being lost.

3.8. The shift from ‘open application’ to ‘strategic funding’

On the establishment of the NPO programme, NPOs were told they could no longer apply for additional project funds from the ‘Grants for the Arts’ programme. That prohibition can seem rather hollow when viewed against the total sums awarded and the success rates enjoyed in the field of Arts Council Strategic Lottery funds.

- In 2012–2013, £55.5 million was committed from the open application ‘Grants for the Arts’ programme. There were 2,745 successful applications – a success rate of 48% and an average grant award of £20,220.
- The total value of Strategic Lottery funding awards made to Arts Council England’s NPOs in 2012/13 was £148.2 million (just under half against ‘capital’ programmes). Of the 263 NPOs that applied for Strategic Lottery funding, 225 were successful – a success rate of 86%. The average grant size was £658,450.

3.9. A differential pattern of arrangements for partnerships with local government

The new ‘partnership agreements’ with local government for the newly created institutions (see 3.4) now sit alongside those others that were negotiated over decades as the number of substantial arts organisations in the country has expanded. What is perplexing is the existence of a group of arts organisations that includes not only all of the ‘National Companies’ (which may in this regard be justifiably considered to be exceptions) but also other high-profile organisations, none of which appears to be required to achieve any significant funding from their local authorities. In very many cases, they are based in authorities that already benefit substantially from national arts funding and have the manifest capacity, if they so choose, to fund the arts and culture to a larger extent than is currently the case.

As will be seen later, the imbalances and apparent lack of consistent policy in regard to partnership funding with local government can be extremely damaging in a period of immense pressure on local government finance in many parts of the country.

3.10. ... and the private sector and philanthropy

The scale of the dominance of the arts and culture in the capital in attracting private sector sponsorship, private philanthropy and support from trusts and foundations is well known and is covered in greater detail in the RoCC Report. What is reported here is the extent to which DCMS and ACE grant-in-aid and Lottery funding combine to create what might be seen as a cartel of the largest and/or most prestigious cultural institutions, which in turn dominates the field of private giving (alongside a handful of notable privately endowed independent organisations).

Some 80% of that private sector support goes to London. Of that sum, it is estimated that 80% in turn is awarded to just 25 major cultural organisations.

3.11. Summary

- The principle of additionality in respect of lottery funding has been eroded over the years and is now about to be comprehensively breached.
- Lottery funds have been and are increasingly being used to fund the same organisations for the same programmes of work that were previously funded only through grant-in-aid.
- The largest recipients of grant-in-aid are also the largest recipients of private support and these same organisations are now the largest recipients of Arts Lottery funds.

4. ... AND WHO BENEFITS MOST?

4.1. Subsidy per attendance

In its response to the RoCC Report, ACE suggested that 'subsidy per attendance' provided 'a more representative measure' of public benefit than the RoCC Report's analysis of 'spend per head of population'. This proposition is disputed, but even were it to be the case, neither ACE nor the DCMS could be comfortable with the results of such analysis.

ACE has already concluded that only 9% of the resident adult population was 'highly engaged' with the arts¹⁴ The DCMS 'Taking Part' commentary agrees: 'Participation rates continue to be significantly higher among those in the upper socio-economic groups and in the least deprived areas of England.'

The A.C.O.R.N. socio-economic profiles, which track respondents to the Target Group Index and the 'Taking Part' surveys, identify the characteristics of almost two-thirds of those attending the arts:

- 28.2% Comfortably off young couples, secure families, older couples and pensioners
- 24.0% Wealthy executives, affluent older people, well-off families
- 12.3% Prosperous professionals, young urban professionals, students living in city areas

Even more disturbing for those advocating 'subsidy per attendance' as an appropriate and representative measure of the achievement of access or engagement objectives should be

the analysis of attender data from performing arts venues' ticketing systems. This points to the following percentages of 'multiple attendance' within the arts attenders:

- 15% of arts attenders, frequently attending, buy 50% of tickets sold per annum
- 35% of arts attenders, attending at least twice a year, buy 35% of tickets sold per annum
- 50% of arts attenders, attending once a year at most, buy 15% of tickets sold per annum

4.2. Summary

Audience research for substantially priced ticketed events, both performing arts and special exhibitions, tells us that:

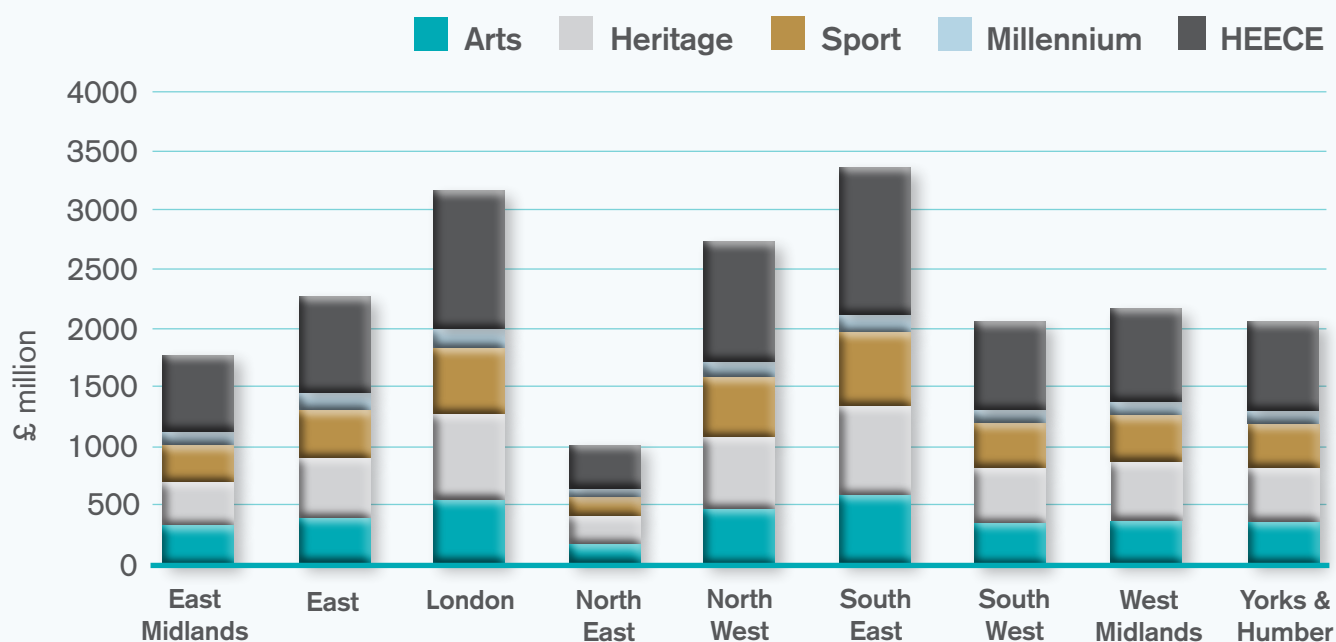
- the most regular attenders at the most heavily funded cultural organisations are some of the most privileged in society – the highly educated and wealthy middle and upper classes living within easy reach of the predominantly London-based institutions
- through the regular attendance that they are able to afford within their household budgets, these already privileged groups derive by far the most benefit from funds provided by taxpayers and now Lottery players across the whole country

5. FROM WHERE AND FROM WHOM DO THE ARTS LOTTERY FUNDS COME?

5.1. How much have Lottery players across England contributed to each 'good cause'?

The Lottery database on the DCMS website provides a running total and detail for all awards by all distributors since the beginning of the National Lottery. This enables calculation of the total contribution made by Lottery players to each of the 'good causes', initially on a per capita basis.

Lottery players' contributions to 'good causes' funding as national average per head



CONTRIBUTED £M	ARTS	HERITAGE	SPORT	MILLENNIUM	HEECE	TOTAL
East Midlands	300	399	317	93	646	1,755
East	387	515	408	120	834	2,264
London	541	720	571	168	1,165	3,165
North East	172	229	181	53	370	1,005
North West	467	621	492	145	1,005	2,730
South East	572	761	603	177	1,231	3,344
South West	350	466	369	109	754	2,048
West Midlands	371	494	391	115	799	2,170
Yorks & Humber	350	466	369	108	753	2,046
TOTALS	3,510	4,671	3,701	1,088	7,557	20,527

Excludes £2,346 million funding not attributed geographically in England

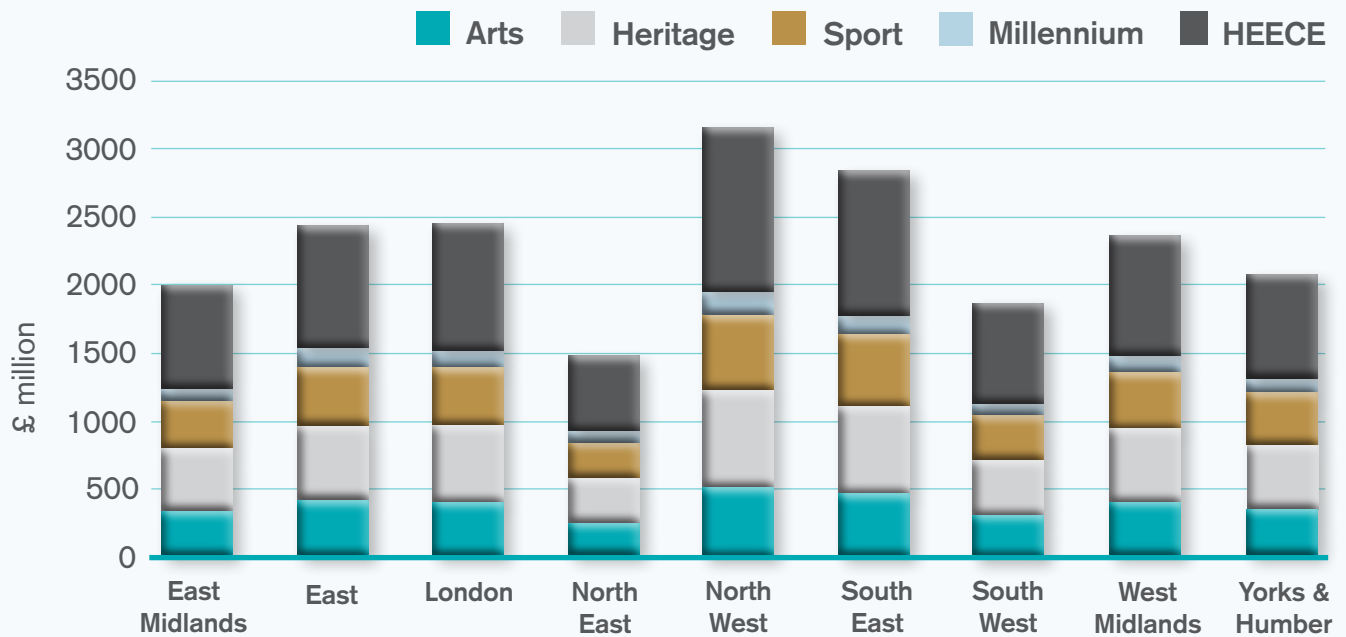
HEECE = Health, Education, Environment and Charitable Expenditure (now Big Lottery Fund)

5.2. ... but which parts of the country spend and contribute the most on the Lottery?

The RoCC Report drew attention to the paucity of information available from Camelot, the National Lottery Commission and the DCMS on patterns of purchase for lottery products, even

at the macro-level of nation and English region. Given the importance of the issue, advice was sought and guidance given that, as an indicator at this stage, the proportions of households playing the Lottery (for which there is ONS data for 2007) could be used to weight per capita contributions as an indication of the sources of all 'good causes' Lottery income by region. See also sections 5.3 and 10.

Lottery players' contributions to Good Causes funding by households playing



CONTRIBUTED £M	ARTS	HERITAGE	SPORT	MILLENNIUM	HEECE	TOTAL
East Midlands	340	453	359	105	733	1,990
East	416	553	438	129	894	2,430
London	417	555	439	129	898	2,438
North East	252	336	266	79	544	1,477
North West	528	703	557	164	1,138	3,090
South East	482	642	509	149	1,038	2,820
South West	316	421	334	98	681	1,850
West Midlands	404	536	425	125	867	2,357
Yorks & Humber	355	472	374	110	764	2,075
TOTALS	3510	4671 ¹⁵	3701	1088	7557	20,527

Excludes £2,346 million funding not attributed geographically in England

HEECE = Health, Education, Environment and Charitable Expenditure (now Big Lottery Fund)

5.3. Weighting contributions to the Arts Lottery

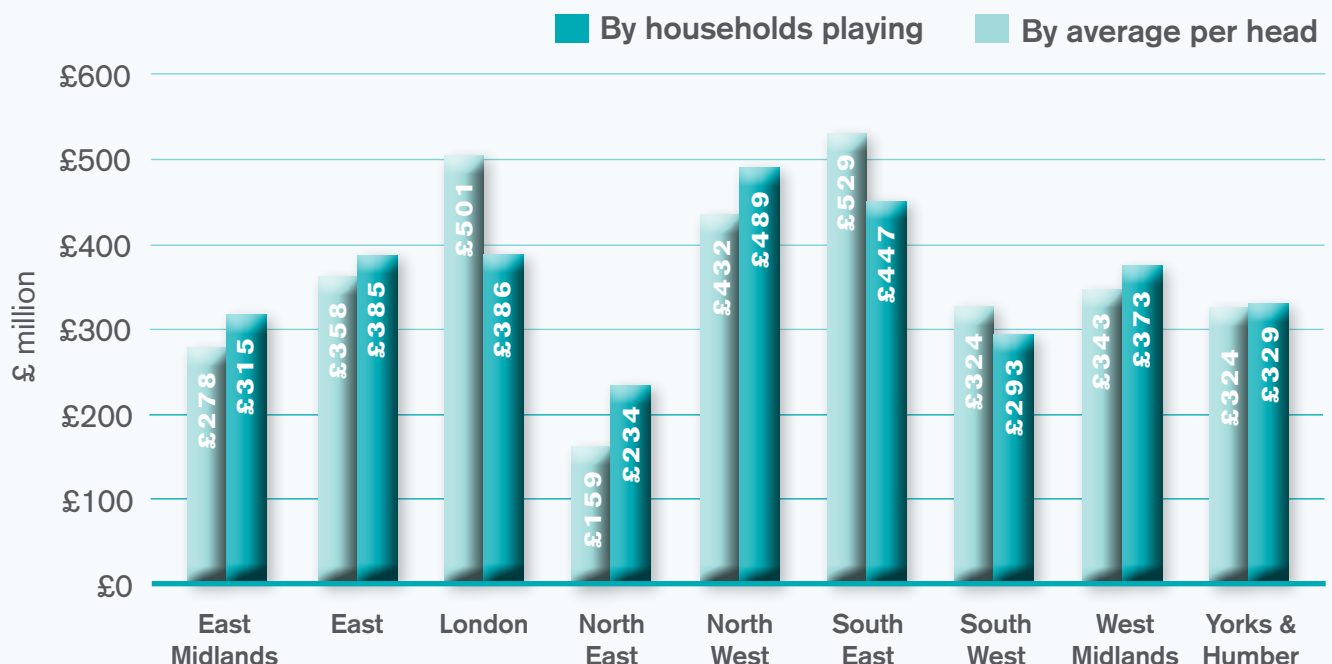
There is general acceptance in similar areas of public policy and finance that weighting in the distribution of public funds is appropriate in principle (although the detail is complex and often contentious). In the case of the Arts Lottery, it is suggested that the key points can be derived from the 2007 Directions to the Arts Council on Lottery funding (see Section 8). Those would be:

- ease of access to London and then, within areas/regions, to other centres of availability of substantially funded arts and culture programmes or offer
- the levels of current engagement with the arts and culture by local authority area (DCMS 'Active People' surveys)
- the levels of economic and social deprivation (Index of Multiple Deprivation)

Very preliminary scoping of these weightings suggested a sufficient degree of match with the weighting based on household participation to encourage us to continue to use it in the illustrations that follow as an indicator. Thus, in the table below:

- In London, where fewer households than average play the Lottery every week (32%), the levels of contribution to Arts Lottery funds to date are shown as falling from a total of £501 million (using per capita figures) to £386 million.
- In the North East, where many more households than average play every week (56%), the levels of contribution are shown as rising from £159 million to £234 million.

Lottery players' contributions to ACE Lottery funding



6. WINNERS AND LOSERS: WHERE ARE THE NET BENEFITS OF ARTS LOTTERY FUNDING DELIVERED?

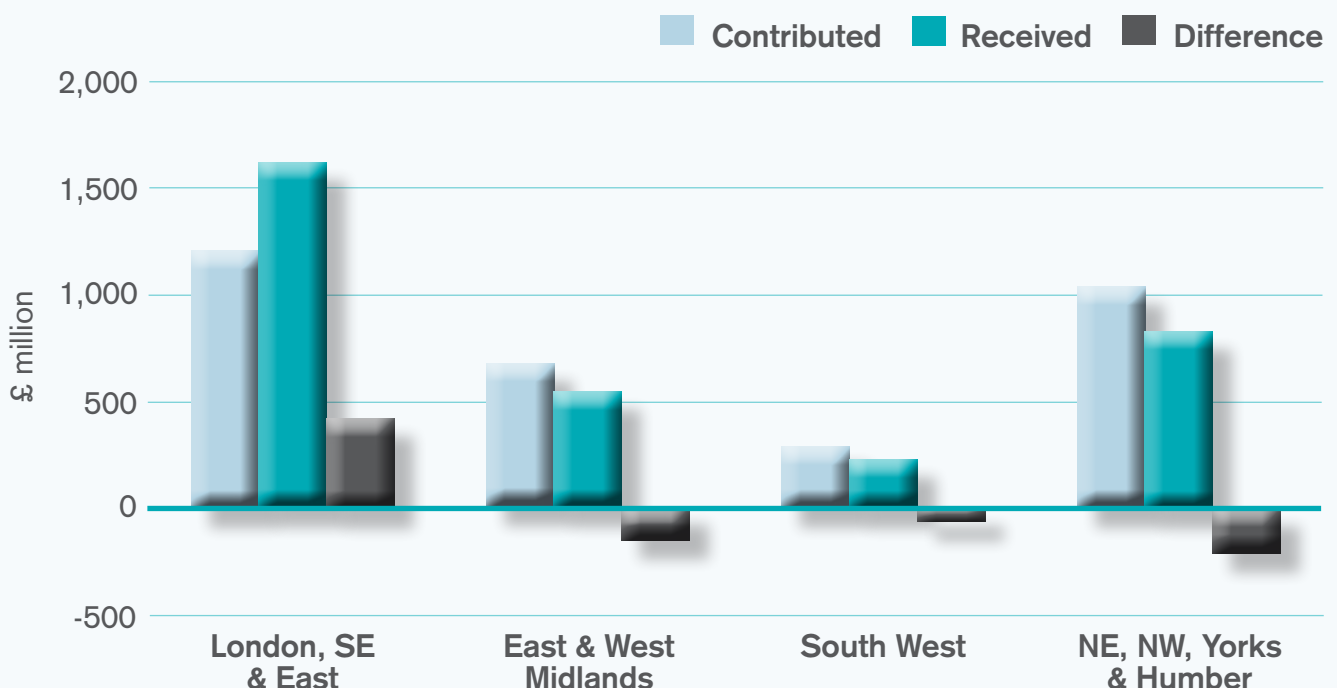
6.1. Bringing contribution and distribution together at regional and 'area' level

It is now possible to put together an assessment by Region of net benefit from, and contribution to, the Lottery's Arts and other 'good causes' since 1995 using the weighted contribution figures (see 10.8). The RoCC Report drew attention to the 'cultural catchment area' of London, beyond which visitors to the capital's cultural attractions have to pay a heavy premium for engagement.

Recognition of the need to factor the cost and ease of accessibility of London into any future weighting led to the indicative combining of regions into larger areas, which gives an overview of the net benefit of the Arts Lottery since 1995, using weighted figures for contributions.

- The South West is treated as a stand-alone because of its geographical scale, extended coastline and other unique factors.
- The particular geographic and historical challenges to the parts of the East region most distant from London are also acknowledged.

ACE Lottery contributed vs grants received since 1995

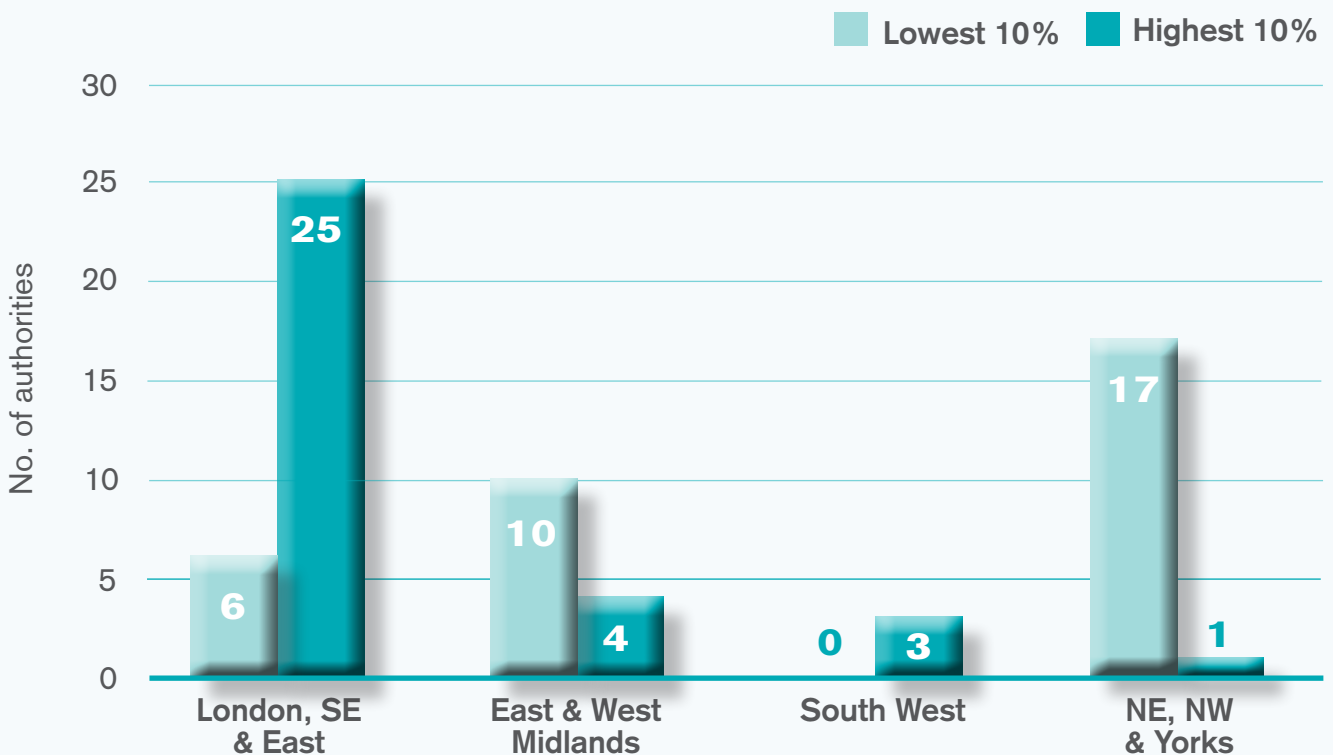


£ MILLION	CONTRIBUTED	RECEIVED	DIFFERENCE
London, South East & East	£1,217	£1,633	£416
East & West Midlands	£689	£549	-£140
South West	£293	£233	-£60
North East, North West, Yorks & Humber	£1,051	£835	-£216
ENGLAND TOTAL	£3,250	£3,250	£0

6.2. The patterns of arts engagement at local authority, regional and area level

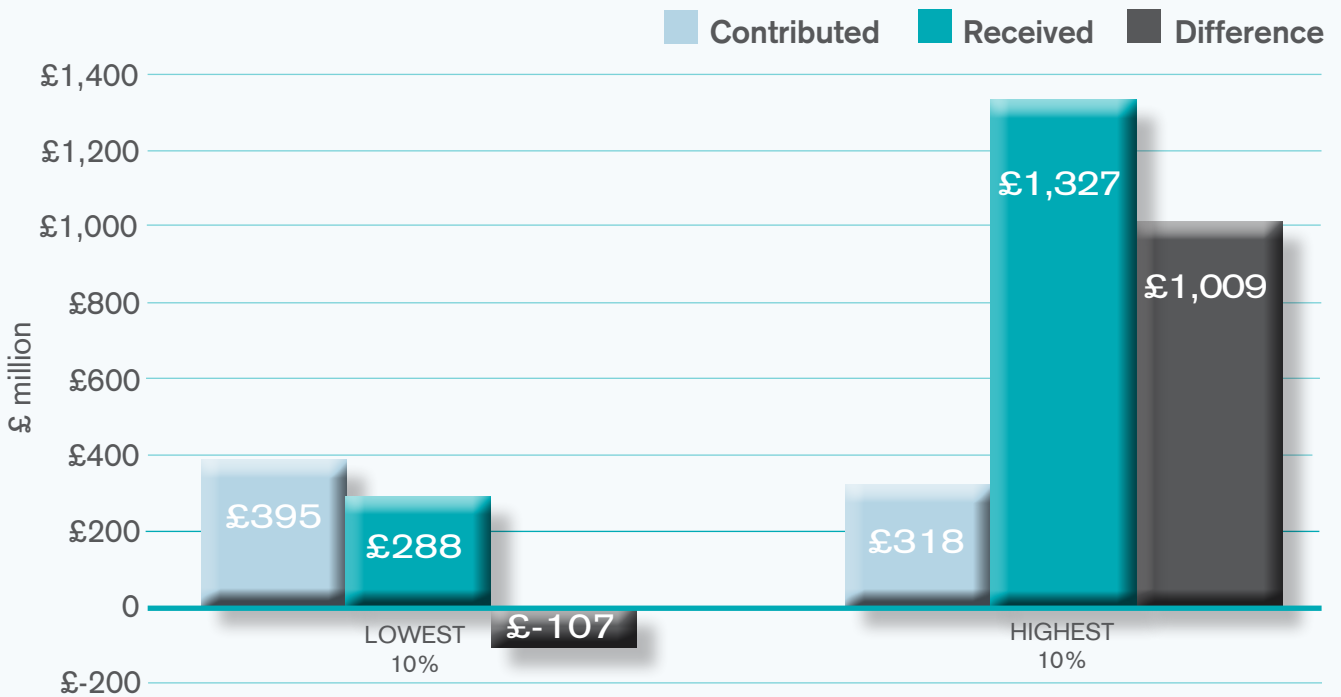
It is also possible to illustrate the same patterns of winners and losers at local authority level but to do so it is necessary (at the current stage of work) to revert to the earlier and more crude per capita measures of contribution. Before doing so, the different nature of the make-up of the regions and areas of England is illustrated by data from the DCMS 'Active People' survey, charting the differential levels of arts engagement by local authority area in regions and areas.¹⁶

No. of local authorities in lowest 10% and highest 10% for arts engagement



The marked concentration in London, the South East & East of those most heavily engaged in the arts contrasts with a concentration in the Midlands and North of those who are least engaged. Comparison of the total net cash benefit from, or contribution to, the Arts Lottery of the 33 local authority areas in the top 10% for engagement with that of the 33 authorities with lowest engagement is similarly marked.

Lowest 10% and highest 10% local authorities for arts engagement Arts Lottery contributed and received

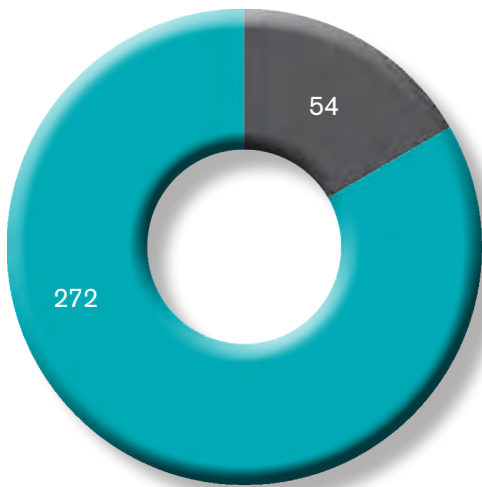


6.3. The patterns at local authority and constituency level: net winners and net losers in cash

Across the country as a whole – including all 326 local authorities in England – it is also now possible to show (below) both the total number of net winners and losers and the total of Arts Lottery funding since 1995 that each category has received.

All England local authorities winners & losers

■ No. of winners ■ No. of losers



All England local authorities £m received

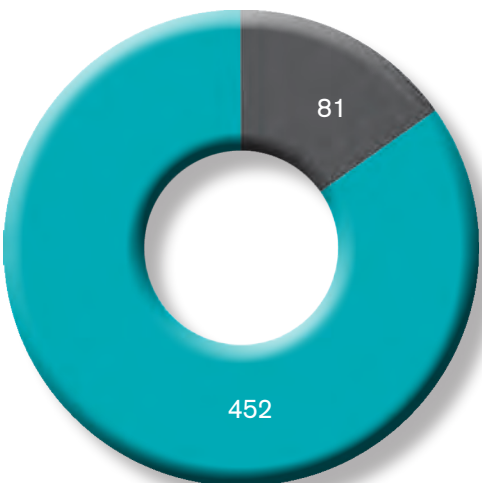
■ Winners ■ Losers



At the more granular level of England's 533 Parliamentary constituencies, a similar pattern remains apparent.

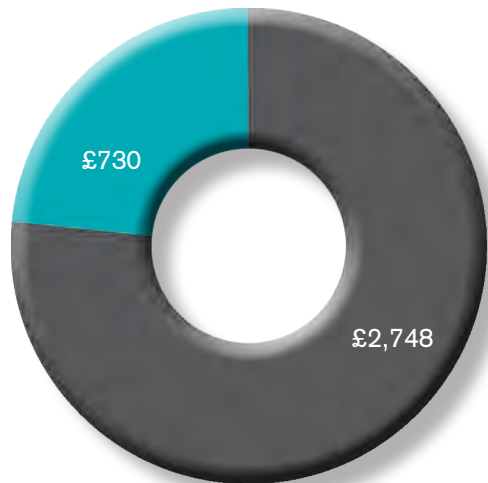
All England constituencies winners & losers

■ No. of winners ■ No. of losers



All England constituencies £m received

■ Winners ■ Losers



6.4. Summary

- In the 10% of local authority areas – home to over 6 million people – where people are least engaged with the arts (by DCMS statistics), the total receipt of Arts Lottery funding since 1995 is £288 million. This represents a deficit against the funds they are estimated to have contributed of £107 million.
- In the 10% of local authority areas – home to 4.8 million people – where people are heaviest users of the arts (by DCMS statistics), there has been receipt of £1.327 billion from the Arts Lottery in the same period. This represents a surplus against the funds they are estimated to have contributed of over £1 billion.
- Overall, only 54 of England's 326 local authority areas are net winners from the Arts Lottery, with a combined income of £2,691 million against a total income of £821 million shared by the remaining 272.
- The local authority area with the highest net return to its Lottery players is the City of Westminster, whose population has contributed £14.5 million to the Arts Lottery since 1995 (and this figure is per capita and not negatively weighted for lower participation), while its arts organisations have received £408 million, a surplus of £394 million.
- The local authority area with the poorest return is County Durham, where Lottery players have contributed £34 million since 1995 (again per capita and unweighted for higher participation), while its arts organisations have received £12 million, a net deficit – in effect a contribution to the surpluses of others – of £22 million.
- In terms of straight net financial benefit, only 81 (12%) of constituencies in England have received more than they contributed.
- In total, these 81 constituencies have received £2.75 billion – £2.2 billion more than they have contributed, leaving only £730 million for distribution across the remaining 452 constituency areas.

7. SUSTAINING THE FOUNDATIONS OF OUR NATIONAL ARTISTIC AND CULTURAL LIFE IN LOCAL COMMUNITIES THROUGHOUT ENGLAND

7.1. Foundations at risk of failure

There is an argument that the fundamental infrastructure for the arts and culture of this country is in more danger at the present time than at any time in the last 65 years. The reasons for the seriousness of the situation lie in the current condition of the foundations upon which so much of the more visible infrastructure, built and organisational, of our local cultural life stands.

Any national cultural ecology is connected to, and affected by, global events, markets, media and technologies. Its essential nature, however, is deeply rooted in the interconnected diversity histories and aspirations of its changing communities at a very local level. The schools, clubs, pubs, churches, chapels, mosques, shops, community centres, sports centres, arts centres, health centres, play centres, care homes, libraries, galleries, museums, heritage sites, gardens, parks, beaches and much more sustain local identity and offer new opportunities to explore our own talents, engage with those with similar interests, and experience the best in the creativity of others.

7.2. The relationship between the ‘local’ and the national requires an intermediary

At the heart of any national strategy to support the arts at local level has to be the relationship between the national strategic body for the arts and culture and local government. Between the early 1970s and the beginning of the new century, that relationship was capable of being essentially bilateral and mediated through the shared presence of both local and national bodies within regional arts structures.

In 2002 Arts Council England was re-created with a revised Royal Charter by merging the Arts Council of England with the Regional Arts Boards. A fundamental premise of this change was greater decision-making at a regional level. It promised the creation of a level playing field for all regions, providing involvement for those based in every region, at all levels of decision-making and governance within the new Arts Council.

Since 2010 this design principle has been eroded and then decisively side-lined. An already highly centralised framework of policy making and decision making for arts and culture in England has been reinforced, extended and focused in an ever-smaller central executive group.

Alongside this and since the first impacts of austerity, as Arts Development UK reports from its annual survey, there has been 'rapid and severe change in local authority funding for the arts'. Some 35% of local authorities across England and Wales no longer have any arts service. Of remaining services, 91% are predicting cuts or complete loss over the next two years. Until recently these changes appear to have disproportionately affected smaller district authorities, which have tended to have smaller and more community-focused arts services. Major funding reductions are now being seen among larger and metropolitan authorities.

At this level there is also evidence that, where budgets are being cut, there is a tendency to protect grant funding for larger organisations. This is especially apparent for national portfolio organisations where the local authority funding is matched by significant Arts Council England support – which is under threat of reduction or removal if local authority support is lost. Although positive for those individual arts organisations, the loss of support for community and voluntary sector arts provision is potentially devastating over time. A senior local government officer, with overall responsibilities for culture and with additional experience at senior level in both the independent cultural sector and the Arts Council, has written of his challenge to maintain a comprehensive local service across a large authority in one of the poorest parts of the country:

‘ There is no match, no partnership, no champion, no policy, so why the hell would local authorities want to fund this non-statutory activity in the current climate? ’

7.3. Creating new hybrids with the support of National Lottery distributing bodies

There are ways forward in these new circumstances, and they are being pioneered in authorities of all scales across the country. They involve new partnerships across sectors, bringing together the local authorities' own cultural services with other parts of the public and voluntary sectors in such fields as education, economic regeneration and housing, and looking to use the new community planning frameworks (whether in housing estates, high streets or the rural areas) and new resources such as those available through social enterprise funding to preserve and grow facilities, programmes of participation and presentation and services.

As will be seen (in 7.4 and at Appendix E), the wider Lottery is playing a major part, both strategically and locally, in many of these new initiatives. Sport and Heritage programmes are configured in a way that promote engagement, often providing external leadership and encouragement and network connections. The Big Lottery Fund has configured its funds

to enable it to engage structurally with the Department of Business Innovation & Skills to provide European Union match funding through the Local Enterprise Partnerships. Arts organisations, often NPOs, are playing a full – sometimes a leading – part in these new and emerging structures. There is, however, no discernible national strategic or locally supportive presence in these debates from the National Distributing body for the arts and culture in England.

7.4. The analogy and comparison with Sport

For sport, attention to this local infrastructure and the promotion of active participation in physical recreation has been a fundamental tenet of national policy since the days of the foundation of the CCPR immediately after World War 2 and by the Sports Council from its foundation in 1972 under its motto Sport for All. This work is now carried forward by Sport England with UK Sport taking lead responsibility for élite sport. In the arts, it has been essentially left to local government, the schools service, the voluntary sector and the committed activist to develop and sustain local cultural life without any national framework of policy or support, or any signposted and secured pathways for talent (particularly from poorer communities) to be identified and nurtured. Brief extracts from high-level descriptions of Sport England's policy and programmes in Appendix E give a flavour of a very different approach by a national Lottery distributing body working at local level while – working with UK Sport – it builds the two-way bridges of connection to élite sportswomen and sportsmen and the facilities they may require.

7.5. Comparisons with Heritage

The Lottery distributing function for our national heritage sits with the Heritage Lottery Fund, which has perhaps more in common with the arts than Sport England as it deals, specifically and essentially, with issues of cultural specialism and sensitivity. The Heritage Lottery Fund, however, devised a decentralised regional structure to ensure that local sensitivity and responsiveness is as present in its decision-making processes as are specialist national considerations. It has adopted an approach that deploys its own professional development resources into prioritised local authority areas to assist new applications and new applicants. Extracts from high-level descriptions of HLF national policy and approaches to working with local communities at Appendix E indicate an alternative way of working.

7.6. Arts Council England and the foundations of national cultural life

The lack of either a national strategic, or supportive local, presence from Arts Council England in these matters has been noted, while the Arts Council's own review of evidence for the social impacts of the arts recognises the central importance of participation (alongside the experiences

available in early life in schools) in providing a route to engagement for those not already engaged.

7.7. Arts Council England: research definitions and reporting

That same review fails to address the change in research reporting protocols for the major annual DCMS survey from 2010 onwards when 'participation' and 'attendance' were no longer to be separately reported (although the data is still collected separately) but merged into a new category of 'engagement'. It is difficult not to see this as a deliberate attempt to boost figures for advocacy to the disadvantage of the kind of evidence that might assist the formulation of policy and the design of programmes.¹⁷ The effect of this change was to move 'attendance figures' of 30–40% to those for 'engagement' of 70% plus.

7.8. Arts Council England: engagement, touring and production

A major part of the Arts Council's response to addressing areas of least engagement in the arts is centred on the role of touring, i.e. the problem is seen as being inherently one of the lack of supply of an appropriate quality of product. There is clearly demand for such a product from established and (undoubtedly some) new audiences, and it is a proper part of national policy to ensure that national companies fulfil that function (which some conspicuously fail to do at the moment). However, costs associated with touring in the larger-scale performing arts and the largest and most attractive exhibitions bring the problematic factors of audience benefit for the already most privileged (see Section 4) into play and there is little or no evidence – even where attendance costs are dramatically reduced – that this is the most appropriate product to attract currently culturally unengaged members of the public. There is, however, some evidence to support the role of home-based production in reaching such groups, particularly where it can work at scale or build audience relationships in non-traditional venues over the long term. In this regard it is of interest that a recent substantial snap survey of the profession (almost 700 respondents representatively spread across the country) showed 82% definite support for Arts Council England prioritising new resources for creative cultural production in the regions. It is notable that this is a significantly higher figure than for increased touring from the capital (53%).

7.9. Arts Council England: engagement and digital technologies

For the arts, sport and heritage, the opportunities afforded by digital technologies and communications media offer immense potential for the enrichment of our fields but also pose

risks of losing or damaging something essential to both our humanity and to our communities. In the strong communities to which public policy aspires, an active and creative citizenry builds and gives life to the 'places' in which we live. It is unclear to what extent digital engagement supports or threatens live, collective cultural activity.

There are significant differences in access to, and capacity to engage with, the new technologies. People in the least deprived areas of the country have almost double the average digital participation rate (45.7%) compared with those in the most deprived areas (24.8%). Research projects like Culture24's 'Let's Get Real' demonstrate that the vast majority of people engaging with the arts online already happen to be 'super-attenders' of live events. Digital technology is yet to cross any significant new boundaries in audience development.

7.10. Arts Council England response: 'Creative People and Places'

'Creative People and Places' is the Arts Council England's major programme that seeks to support the arts in areas of least engagement (bottom 20%) and to lead to ten-year strategies. To date, 18 projects have been funded from a programme total budget of £37 million, which will run over three years, representing under 4% of anticipated Arts Lottery budgets for that period.

This compares with the £100 million invested in programmes to grow private sector support and philanthropy over the same period, with the vast majority of the funds going to large-scale organisations that have established arts audiences (see Section 4) and are already raising substantial funds from these sources.

Given the 'Creative People and Places' programme's clear target to build sustainable models for the future (the brief is to develop a clear ten-year vision for the arts in areas in some of the most challenging social and economic environments in the country), the decision to exclude local government from leadership roles in the projects has been strongly questioned. This sits alongside concerns at the essentially short-term nature of the funding and some of the guidance that has been given, following the award of funding. This latter gives priority in programme detail for a focus on audience development for nearby NPOs, rather than the 'bottom up' promotion of participation and production by local communities and local artists aspired to by the local partners.

7.11. Summary

- There is as yet no authoritative overview of what is happening locally to the roots and foundations of our national cultural life, but there is a growing body of evidence that financial cutbacks and other actions taken in individual parts of the local and regional infrastructure are beginning to connect, conflict and interact in a cumulatively damaging way.

- At the same time the new 'nationalised' structures, policies and programmes of Arts Council England are providing neither strategic overview nor informed and resourced support at local level. The new local models beginning to emerge where conditions are more favourable, or struggling for survival, in what are often the most disadvantaged parts of the country do so without any policy overview or action to connect them and develop and learn from best practice.
- The National Lottery is providing critical support to many communities through the Heritage Lottery Fund, Sport England and Big Lottery Fund. In terms of the local picture, there is a sense of a 'missing distributor' in the arts. Arts Council England appears to be focused on the immediate interests of its National Portfolio to the increasing exclusion of wider strategic and more local cultural interests.
- Neither increased touring nor digital interaction (both have their place) is more than a tangential or complementary element of adequate long-term strategies to sustain and develop local cultural life.
- Arts Council England's time-limited 'Creative People and Places' pilot programme, while most welcome, is drawing down only circa 4% of available Arts Lottery funds over three years and cannot constitute a 'structural' or a long-term response to a 'structural' and long-term problem of the scale identified.

8. CONTEXT, GUIDANCE AND DIRECTIONS TO ARTS COUNCIL ENGLAND ON THE ROLE OF THE ARTS LOTTERY

8.1. The texts

This section focuses on advice, guidance and directions available to Arts Council England in relation to the Arts Lottery and on statements it has itself issued on the prioritisation of funding. These texts are re-presented to assert the importance of both a social dimension to the design of funding programmes and the criteria to be applied in making decisions on Arts Lottery funds.

8.2. The remit

'Arts Council England is sponsored by the Department for Culture, Media & Sport in order to make the arts, and the wider culture of museums and libraries, an integral part of everyday public life, accessible to all, and understood as essential to the national economy and to the health and happiness of society.'¹⁸

8.3. DCMS Directions

All the directions issued to Arts Council England as a Lottery distributor in 2007 (see Appendix B) are clearly of importance, but the following are highlighted here as the 'link' between policy for the Arts Lottery and the current position of the arts and culture at community level in local authority areas throughout the country. The directions include:

- the need to increase access and participation for those who do not currently benefit from the cultural opportunities available in England
- the need to foster local community initiatives that bring people together, enrich the public realm and strengthen community spirit
- the need to support volunteering and participation in the arts and community arts
- the need to involve the public and local communities in making policies, setting priorities and distributing money
- the desirability of ensuring equality of opportunity, of reducing economic and social deprivation and ensuring that all areas of England have access to the money distributed

8.4. Arts Council England's case for the reinstatement of a 20% benefit to the arts

In its 2010 response to the DCMS consultation on the incoming government's commitment to reinstate the original 20% of 'good causes' money to the arts to the perceived detriment of the Big Lottery Fund and the interests of community and voluntary sectors, Arts Council England stated that:

- The restoration will provide increased support to arts organisations in the charitable sector, who will continue their work in local communities. In this role, local arts charities will be able to play a key role in realising the Big Society agenda.

- Lottery funding has traditionally been used to fund projects in areas of the country that lack established arts and culture infrastructure. We would plan to sustain and enhance programmes of this sort, which will continue to be valued by less well-off communities.
- Increased lottery funds will mean we will be able to enhance our strategy, looking at the possibility of helping parts of the infrastructure we wouldn't otherwise be able to, in areas such as the amateur arts sector, for instance.

8.5. The DCMS commentary on its decision to reinstate 20% benefit to the arts

In its response to the consultation, the DCMS concluded or noted that:

- It was pleased to note the overwhelming majority support for the proposed change, allowing new projects, particularly with disadvantaged and hard-to-reach communities.
- Lottery funding through arts, heritage and sport had increasingly benefited local community and voluntary groups over the years, and that the proposed changes would further this.
- It was their intention that voluntary and community sector organisations should be able to benefit from the additional funding for arts, heritage and sport.

8.6. Camelot and the general public

The extent to which the Lottery Operator emphasises the comprehensiveness of the geographical spread of both lottery winners and 'good causes' projects has been noted (and this approach will no doubt be based on the highest-quality market research). Camelot states: 'In total, National Lottery funding has now been awarded to more than 420,000 individual projects across the length and breadth of the UK – the equivalent of 135 lottery grants for every postcode district.' There is evidence, however, from a 2013 survey of the continuing fragility of general popular support for public funding of the arts, the broad consensus in support of the social and cultural reasons for funding, and a widespread belief that arts funding is currently poorly distributed. (YouGov May 2013).

8.7. Summary

- There is no evidence of a systematic address to the 2007 Lottery Directions in the years following 2008 other than the time-limited pilot projects in some areas of least engagement funded through ‘Creative Peoples and Places’ (included in figures and tables earlier in this report) with a budget over three years of under 4% of the Arts Lottery.
- There is no evidence supporting the claim that ‘Lottery funding has traditionally been used to fund projects in areas of the country that lack established arts and culture infrastructure’. The evidence seems to point substantially in the opposite direction.
- There is no evidence that ACE has, since 2010, ‘sustained and enhanced’ programmes addressing local arts and culture infrastructure or opened up new funding streams to the amateur sector.
- Contrary to the DCMS’s beliefs and hopes expressed at the time of the reinstatement of the 20% funding levels, there is no evidence that ‘Lottery funding through arts ... had increasingly benefited local community and voluntary groups over the years’. Or that the changes have furthered this, or that the voluntary and community sector organisations have been able to derive extra benefit from the additional Lottery funding in the arts.

9. CONCLUSIONS AND THE NEED FOR A NEW ‘CONCORDAT’ BETWEEN THE ARTS, LOCAL GOVERNMENT AND CIVIL SOCIETY

9.1. Inequity and redress

The RoCC Report cited, at the beginning, a general rationale in public finances towards equity and a requirement for research to establish the extent and causes of any inequity that exists.

“ The other important rationale for government intervention is the achievement of equity objectives. Before acting, an assessment should be made of the extent of the inequality to be redressed, and the reasons it exists. ” Treasury Green Book. (Annex 1.10), April 2013

The evidence of the extent of inequality regarding cultural provision is now to hand.

A brief summary of the historic context of the current policy and structural situation (an analysis repeated from the RoCC Report) is given at Appendix C.

A wider international context for the English model is provided at Appendix D.

9.2. To those that have shall more be given ...

Our review of the shifting pattern over the 18 years of the National Lottery's operation appears to reveal Arts Council England having aligned both the purpose and the recipients of funding within a single structure of prioritisation and decision making. This 'closed system' has been to the very considerable benefit of a small number of arts organisations, but to the substantial disadvantage of the wider potential that the arts and culture have within society and the economy.

- Arts Lottery funding to the five largest London recipients (the Royal Opera House, the Royal National Theatre, English National Opera, Sadler's Wells and the South Bank Centre) totals £315 million since the beginning of the National Lottery. This is in addition to the annual funding they receive from taxpayers of over £80 million per annum between them.
- At the same time, in the 10% of local authority areas (33) where people are least engaged with the arts (DCMS statistics) the aggregated receipt of Arts Lottery funding in 18 years since 1995 totals £288 million – less than the amount of Arts Lottery funding received by the five organisations above.

9.3. Planning for a different future and working in partnership

Just at a time when we need to be planning for the role of the arts and culture in addressing such fundamental challenges as structural youth unemployment, the need to keep our elderly active and in the community, and the huge potential of our creative industries, the resources of space, equipment, expertise and training necessary to sustain even present provision locally are disappearing or moving beyond the reach of the budgets of those most in need.

Given the differences in the rates of engagement (as either audience or participant) in the arts in different parts of the country and the fundamental duty of public funding to work towards equity in access to public services, it might be expected that Arts Council England would have placed at least the same importance on its partnership with local government to secure that access to opportunities for participation, enjoyment and skills development as it does on its work to secure

international excellence in production in the nation's arts. Since ACE acquired responsibility for regional and local museums and libraries, this emphasis on local authority partnerships might surely have been expected to increase? There do appear to be serious questions to be asked, not only in relation to the Arts Council itself in this regard but also in relation to the oversight roles of Ministers and the Department for Culture, Media and Sport.

There is one over-riding area of national policy for the local where a clear and consistent 'central' policy is vital. Sadly, in precisely this area (i.e. strategy in relation to the balances and interdependence of national and local authority funding for the arts) there is a clear failure to provide such a consistent policy. That failure, at a critical time for the arts at all levels throughout the country, could be deeply damaging.

9.4. Centralisation

Instead, the Arts Council has closed down its partnership arrangements with local government in arriving at funding decisions on small grants. It has told local government that it should not take a lead in proposals under its time-limited 'Creative People and Places' programme, and it is increasingly appearing to equate any given local authority's 'commitment to the arts and culture' with that authority's ability to maintain its contributions to the funding of Arts Council England's own selected National Portfolio Organisations in their area.

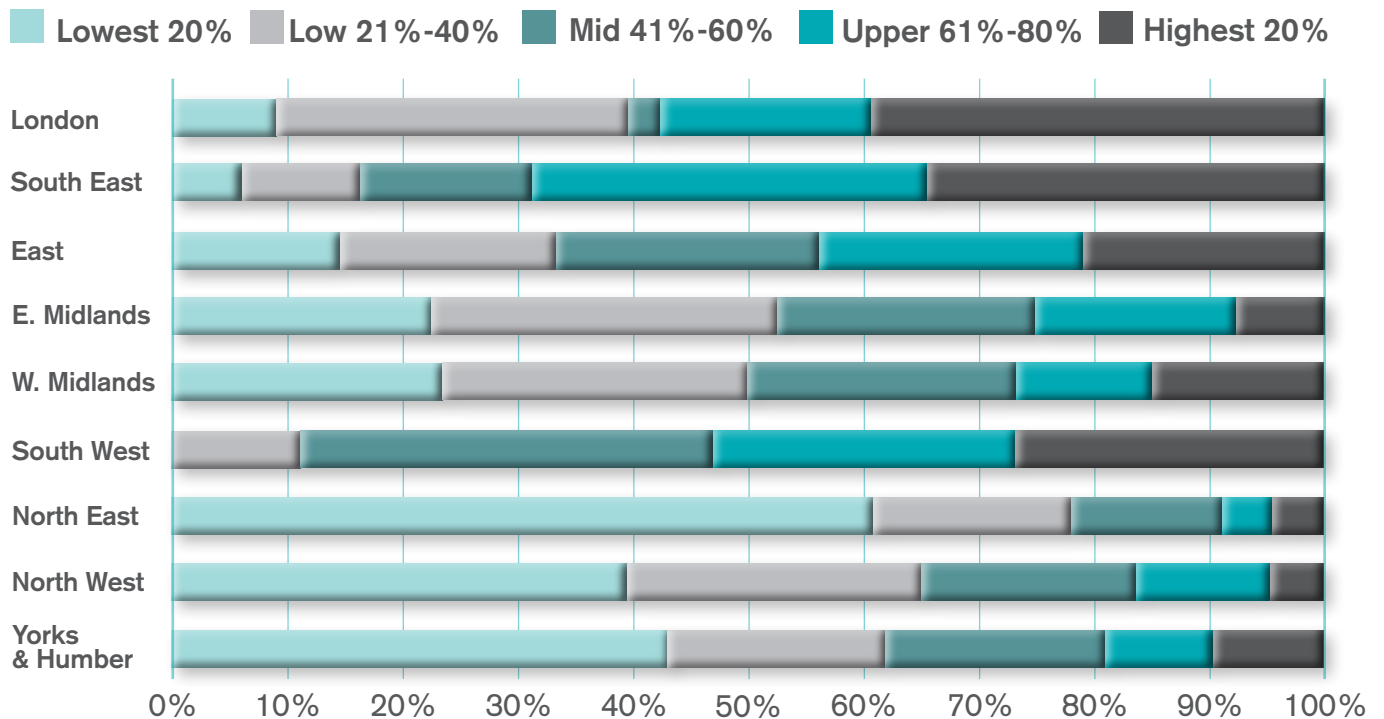
Arts Council England's 2002 restructuring purported to be designed to provide for 'greater decision-making at a regional level'. Since 2010, the Arts Council has decisively moved away from this design principle, creating a very substantially centralised decision-making process without checks and balances and disturbingly lacking in transparency.

9.5. Decentralisation

In culture, perhaps as much as in any other area of national life, local knowledge and 'sensitivity' is essential to sound decision making. This fact is clearly recognised in the retention of substantial devolved decision-making powers in the English regions within HLF. Full devolution of the arts funding function (grant-in-aid and lottery) is already in place in Scotland, Wales and Northern Ireland despite their populations being smaller in comparison to that of many English regions.

From the cultural perspective alone, the differences between the English regions can be clearly seen on the following table contrasting the proportionate make-up of each region by the number of local authorities in each 20% band of levels of engagement with the arts (DCMS 'Active People' survey).

Arts engagement: percentage of local authorities by region with lowest to highest levels



The case for enhanced rather than diminished regional authority in expertise, discretion and decision making is strong. The need for informed and flexible partnerships with local government, the private sector, higher education, civil society and arts organisations of all scales is clear and immediate if the existing infrastructure is to be sustained. It is at least as important if new solutions are to be found where old models are no longer sustainable and where new challenges and opportunities can be addressed in new ways.

9.6. Guidance, directions and accountability

Taking an overview of the research informing this report, it is difficult not to see both a 'missing area' of policy, programmes, funding and implementation and a conspicuous absence of the DCMS. The enforcement of general policy directions on the use of Lottery funds does not infringe an arm's-length principle designed to protect against political interference in detailed decision making in the arts within an overall policy framework. Arts Council England's 'Catalyst' programme was devised in relation to government policy to increase philanthropic giving and private support for the arts but the implementation is left to them.

10. TOWARDS A NEW MODEL

The RoCC Report included an illustrative proposition for the deployment of the £600 million total 'regional dividend' that would be produced by re-allocating Arts Council Lottery funding on a per capita basis for an initial five years. This funding is now included in a more developed but still high-level and illustrative model as to how the whole of the Arts Lottery funds might be redeployed. Current thinking produces a tripartite programme structure for such a re-allocation:

○ Arts and culture in society

As recommended in this PLACE report and in partnership with arts organisations, museums and libraries, civil society and local government, to develop the arts at local level to promote individual and community well-being. (40%)

○ Arts and culture in the economic context

As recommended in the RoCC Report and in partnership with arts organisations and museums, and with new arrangements for wider economic regeneration at regional level (e.g. LEPs), to promote creative cultural production. (40%)

○ Artists

As will be recommended in our third report, programmes available to individual artists and arts-led projects to encourage new talent, innovation and excellence in work locally, regionally, nationally and internationally – essentially a more tightly 'artists focused' version of the current 'Grants for the Arts' programme. (20%)

10.1. Operating costs

The Arts Council's recharge of 40% of its overall operating costs (£14,426,000) to the Arts Lottery has been noted, with the balancing 60% (£21,895,000) taken from grant-in-aid.

10.2. A two-stage devolved model

The allocation of these funds within a two-stage devolved model for decision making on funding is proposed. Initially, funds would be allocated to an 'area/supra-regional' level on the basis of a weighted formula (to be devised with reference to current or revised DCMS directions on Arts Lottery spending but illustrated here (at 10.8 below) on the basis of the proportions of 'playing households'). These area funds would then be allocated to the appropriate 'implementing' level using the proposed 40:40:20 proportions derived from the Lottery directions.

10.3. Potential of newly evolving structures for cooperation between local authorities

The recent development of Local Enterprise Partnerships, combined authorities and the growing number of 'shared-service'/'shared-function', less formal arrangements between authorities, seem to be harbingers of a suite of new 'intermediate' structures within the old Regions (which retain their integrity differentially throughout the country) and across current local authority boundaries. The arts and culture as a sector needs to be involved in those debates, between authorities and nationally, and to find one or more new 'homes' within the new structures. This illustrative proposal for the future of the Arts Lottery (alongside existing devolved resources and structures for Heritage) would give the combined cultural sector cards to play in such negotiations.

10.4. Criteria for prioritisation

- Areas of prioritised benefit for 'Arts and culture in society' funds will be selected in relation to research into areas of least engagement with the arts and measures of economic and social disadvantage (including reference to rurality and transport patterns within the region). There will be an anticipation of 'spread' rather than 'clustering' in this funding.
- Areas of prioritised benefit for 'Arts and culture in the economic context' funding will be selected on the basis of assessed ability to produce work of high quality and to contribute to the region's economy. There will be an expectation of significant geographical clustering in this investment.
- Funding for 'Artists' and international programmes will be on the basis of peer group assessment with expert panels selected regionally but with reference to national and international knowledge.

10.5. Assessment of impact and outcomes

The criteria for prioritisation for the three areas (society, economy and the artist) would indicate the kinds of economic, social and artistic impact that should properly be expected from such a policy-driven approach to the allocation of Arts Lottery funds.

The national distributor would be asked to account to Lottery players through DCMS for the distribution of its Lottery funds against the three proposed areas of allocation and with particular regard to all of the DCMS Lottery Directions. Within each of the three areas, clear measures would be used to assess the impacts and outcomes from this redirection of Arts Lottery funding across England.

Within the limitations of this illustrative proposal, it is clearly not possible to set out the impacts of the new model. At a minimum, however, the suggested allocations set out in 10.8 below would be expected to:

- research, pilot, encourage the spread of best practice and partnership in sustainable models for participation in, and enjoyment of, the arts at local level with particular reference to areas of current least engagement
- increase the leverage for the sector on regionally and locally targeted funds for economic regeneration, such as LEPs, by direct and indirect investment and with particular reference to the development of clusters of creative production outside London
- maintain direct support to Artists and encourage new partnerships to open up new opportunities for artists' practice to flourish

10.6. Linkage to the national portfolio

The implementation of this model for the Arts Lottery alongside a 'National Portfolio' of arts and cultural organisations – funded, for the long term, through grant-in-aid and constituting a rebalanced national infrastructure for the arts and culture – could provide a new and flexible dynamic for a more polycentric and resilient English cultural ecology.

Key to this would be acknowledgement of the critical leadership roles that such nationally funded organisations would play, individually and together, within their own regions, working alongside local government, the private sector, individual artists, higher education and civil society and, in partnership, being able to access these regionally allocated funds.

10.7. Institutional strength and austerity

In a time of continuing austerity in public finances, it will be important from a national perspective to identify those organisations with (a) the most capacity to develop alternative income sources to arts grant-in-aid and Lottery funds and (b) levels of resource (in funding, personnel and collections) that could be modestly redirected to fulfilling wider national roles.

Those organisations would need to take a smaller share of public finances available in future. It should be possible for such a gradual and phased rebalancing to be achieved by negotiation and introduced in a way that does not risk damaging the core national and international functions. In a time of austerity it is reasonable to ask those that have the most capacity to do more for themselves to do just that.

10.8. An illustrative allocation

The tables below are based on an illustrative annual sum of £300 million¹⁹ available to Arts Council England from the 'arts good cause' of the National Lottery, with weighting applied on the earlier basis of the differing percentages of households in each region playing the lottery each week. This references but does not factor into the weighting the fact that in regions where a higher proportion of households play the Lottery each week those households are also generally higher weekly spenders.

The first table below shows the basis of the calculation of the weighting at area level. The second allocates the resulting weighted total between our three proposed programme areas and the four broad geographical areas in the proposed proportions.

AREA	POPULATION	POP. %	NO. OF HOUSEHOLDS	HOUSE-HOLDS %	PLAYING HOUSEHOLDS % (ONS)	NO. OF PLAYING HOUSEHOLDS	PLAYING HOUSEHOLDS AREA %	TOTAL WEIGHTED ALLOCATION £
London, South East & East	22 655 656	43%	9 244 671	42%	36%	3 295 938	37%	112,388,000
The Midlands	10 135 069	19%	4 190 513	19%	44%	1 862 782	21%	63,520,000
The South West	5 288 935	10%	2 264 641	10%	35%	792 624	9%	27,027,000
The North	14 932 796	28%	6 363 543	29%	45%	2 846 589	32%	97,065,000
TOTALS	53 012 456	100%	22 063 368	100%	40%	8 797 933	100%	300,000,000

AREA	ARTS AND CULTURE IN SOCIETY	ARTS AND CULTURE IN THE ECONOMIC CONTEXT	ARTISTS	TOTAL
London, South East & East	£44,955,000	£44,955,000	22,478,000	£112,388,000
East & West Midlands	£25,408,000	£25,408,000	12,704,000	£63,520,000
South West	£10,811,000	£10,811,000	5,405,000	£27,027,000
North	£38,826,000	£38,826,000	19,413,000	£97,065,000
TOTALS	£120,000,000	£120,000,000	60,000,000	£300,000,000

It is important to stress again that, whereas weightings are calculated at broader area level, decisions on distribution would be taken at regional/supra-local level.

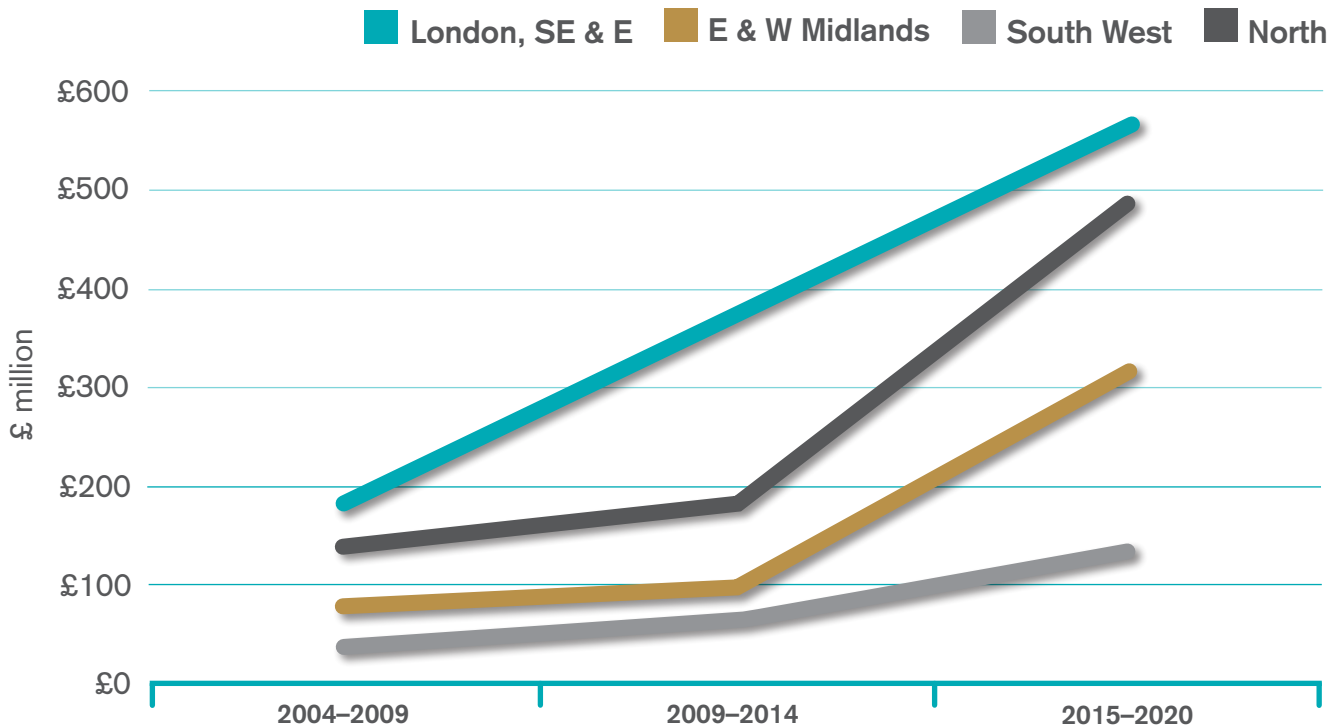
10.9. The background to the projected totals

Following full reinstatement of the 20% overall share to the 'arts good cause' (at the end of the 'top slice' on the Lottery to fund the Olympics), our illustrative and indicative annual total of £300 million for Arts Council England is based on a forward projection of Arts Council lottery income of £263 million in 2013/14. We have then used a year-on-year increase of 5% in that lottery income, in line with continuing increase in National Lottery sales to arrive at an annual average of £300 million over the five years, beginning 2015/16.

Were this annual average of £300 million over the five-year period 2015–2020 to be allocated to the broader areas in the proportions above, London, the South East & East would still receive as much in those five years as was received in total by those regions over the previous ten years to 2014.

As shown below, compared with the most recent five-year period, 2009–2014, London, South East & East would receive £186 million more; East & West Midlands £218 million more; the South West £70 million more; and the North £300 million more.

Effect of weighted allocation compared with previous 5-year periods as amount received



ACE LOTTERY FUNDING £M	2004-09	2009-14	2015-20
London, South East & East	183	376	562
East & West Midlands	80	100	318
South West	38	65	135
North	139	185	485
Other	6	37	0
TOTAL	446	763	1,500

11. APPENDICES

Appendix A: The authors

We have worked in the arts and culture, together and independently, for more than 45 years. We share a concern for community and the 'local' and for the work of the contemporary artist, and we profoundly believe in the importance of local government. David Powell adds a lifetime's commitment to London and the experience of Dockland renewal. Christopher Gordon brings 25 years of work in the cultural policies and structures of Europe, East and West, North and South. Peter Stark brings the experience of the regeneration of Tyneside and the fresh perspective of his recent return from 12 years' work with the arts and culture in the inner city of Johannesburg and in the rural areas of South Africa.

Peter Stark's work in researching, developing and delivering cultural policy and projects in the UK has ranged from his founding directorships of South Hill Park Arts Centre and Voluntary Arts to the culture-led transformation of his native Tyneside. In South Africa, since 2000, he has worked in inner-city Johannesburg and the former homelands of the Eastern Cape. Throughout his career he has been a teacher of cultural management and leadership. He was awarded the OBE in 1990 for his work as Director of Northern Arts and he was appointed Professor in Cultural Policy and Management at Northumbria University in 2000. He is the Chair of Voluntary Arts (UK & Ireland).

Christopher Gordon is an independent consultant and university lecturer in international cultural policy in the UK and in continental Europe. Formerly Chief Executive of the English Regional Arts Boards, a local authority Arts Officer (LB Camden and Hampshire CC) and festival programmer, he led and wrote the National Cultural Policy evaluations of Italy, Latvia, Cyprus and Turkey for the Council of Europe, and is author of two UNESCO cultural policy publications. Sometime Adviser to the Culture Committee of the European Parliament and Treasurer of the European Forum on the Arts & Heritage, he is an editorial board member of the International Journal of Cultural Policy.

David Powell works as an animateur, consultant, mentor and board member with arts and cultural organisations across the UK and internationally. Since 1990 he has run his own independent research and development practice, DPA. He advises civic and cultural leaders – in the Thames Gateway, in the North of England, in coastal communities and elsewhere. He promotes the role of cultural practice and creative businesses in regeneration and community building, helping strong local cultures and economies to flourish. He was a Director of Inter-Action, the influential arts and community development charity, until 1985. He is a visiting professor at University of East London.

Associate Steve Trow brought his own research into patterns of contribution to the Lottery in general and the Arts Lottery in particular to our attention and he generously agreed to continue

that work with us in the context of this report. Now an elected Member of Sandwell Metropolitan Council, Steve also continues his long professional involvement in arts and cultural policy and programme development, principally in the West Midlands region. His experience as a practitioner, as a local government and regional arts officer, and as a consultant ranges from his early involvement as a founder of the community arts movement to the establishment of the WM Cultural Consortium as its first Executive Director. Steve remains especially committed to winning a fairer share of cultural opportunities for the people and communities of the West Midlands and in particular for those he now represents in the Black Country.

Appendix B: The National Lottery Directions

Under the National Lottery etc. Act 1993, the Secretary of State issued Policy Directions in November 2007, which Arts Council England had to take into account from April 2008 in distributing National Lottery funds.

- A** The need to involve the public and local communities in making policies, setting priorities and distributing money.
- B** Its assessment of the needs of the arts and its priorities for addressing them.
- C** The need to increase access and participation for those who do not currently benefit from the cultural opportunities available in England.
- D** The need to inspire children and young people, awakening their interest and involvement in the arts.
- E** The need to foster local community initiatives, which bring people together, enrich the public realm and strengthen community spirit.
- F** The need to support volunteering and participation in the arts and community arts.
- G** The need to encourage new talent, innovation, and excellence and help people to develop new skills.
- H** The need to ensure that money is distributed for projects which promote public value and which are not intended primarily for private gain.
- I** The need to further the objectives of sustainable development.
- J** The desirability of ensuring equality of opportunity, of reducing economic and social deprivation and ensuring that all areas of England have access to the money distributed.
- K** The need to support the long-term managerial viability and leadership of organisations in the arts.
- L** The desirability of working jointly with other organisations, including other distributors.
- M** The need to ensure that all those receiving Lottery money acknowledge it using the common Lottery branding.
- N** The need to require an element of partnership funding, or contributions in kind from other sources, to the extent that this is reasonable to achieve for different kinds of applicants in particular areas.
- O** The need (a) to support projects which are for a specific, time-limited purpose, (b) to ensure that Arts Council England has the necessary information and expert advice to make decisions on each application and (c) for applicants to demonstrate the financial viability of projects.
- P** Where capital funding is sought, the need (a) for a clear business plan showing how any running and maintenance costs will be met for a reasonable period, and (b) to ensure that appraisal and management for major projects match the Office of Government Commerce's Gateway Review standards.

Appendix C: Historical context

‘A Policy for the Arts: The First Steps’

On 25 February 2015, three months before the general election, we will celebrate the 50th anniversary of the publication of Jennie Lee’s historic White Paper *A Policy for the Arts: The First Steps*.

The Labour Government was elected in 1964 on the basis of a ‘visionary’ manifesto. One extract must serve to illustrate not only the risk to historical exposure of such an enterprise but also the willingness of the party to share its analysis of the weakness of the market with the electorate:

“Automation, new sources of energy and the growing use of the electronic calculating machine are beginning to transform almost all branches of our economic and social life. As these trends develop, the importance of leisure will steadily increase. It is not the job of the Government to tell people how leisure should be used. But, in a society where so many facilities are not provided because they are not profitable and where the trend towards monopoly, particularly in entertainment, is steadily growing, the Government has a duty to ensure that leisure facilities are provided and that a reasonable range of choice is maintained.”

Roots in postwar history of the Arts Council of Great Britain

The Arts Council of Great Britain had been created by the Attlee Government 20 years earlier, in 1944, to carry forward the work of the Council for the Encouragement of Music and the Arts inherited from the war years. During those 20 years, however, the ‘policy in practice’ of the Arts Council turned its back on the regionalism, plans for partnerships with local government and the radicalism of the war years.

In 1945, following consultation with the Ministry of Town and Country Planning, the Arts Council produced a booklet, *Plans for an Arts Centre*, and an architect’s model of an arts centre suitable for a small town was toured throughout the country to great interest from local authorities. On receiving a copy of the booklet, John Maynard Keynes, Chairman of the Arts Council, wrote to his Secretary-General, Mary Glasgow, ‘Who on earth foisted this rubbish on us?’

The Council focused on the production and encouragement of ‘few but roses’, almost exclusively in London, which – by 1964/5 – was receiving 66% of the Council’s funding. The 1950/51 Annual Report confirms:

“... a policy of consolidation in preference to further diffusion. The Arts Council’s job is to consolidate standards in London.”²⁰

This policy drift had been opposed by a few ex-CEMA members of the Council, including Ralph Vaughan Williams, and was also advised against by a Parliamentary Committee:

“ [The Arts Council] should turn its energies to making the Arts more accessible, being content at first, if necessary, with less ambitious standards, and your Committee therefore suggests that the provinces, where the Arts are not so readily available to the public, provide a more valuable field than the metropolitan area for the activities of the Council.”²¹

By 1956 the Arts Council had closed its regional offices, inherited from CEMA. The South West responded with a delegation that met the Secretary-General, Sir William Emrys Williams. Their leader interjected early, ‘Sir William, please be silent. We have come to do the talking,’ and later reported: ‘We reeled out an hour later with a few thousand pounds in our pockets and the agreement to set up a regional arts association ...’

In 1963 the newly formed North East Association for the Arts raised £24,000 from local authorities (£400,000 at today’s prices) to fund the arts in the Region and matched that sum with contributions from the private sector. The Arts Council was asked to match the sum again but offered only a token £500. It took a year of intense lobbying by the Region’s MPs before the Arts Council was persuaded to change its mind.

A radical ambition and resistance ... resisted

The authors of the 1965 White Paper were clearly very aware of the recent history of the Arts Council when they proposed their radical refocusing of policy on capital and institutional infrastructure in the regions outside London in partnership with local government, the universities, the business sector and trade unions. Four extracts from the introduction to the paper give a flavour of the whole:

A wide cultural concern:

“ In any civilised community the arts and associated amenities, serious or comic, light or demanding, must occupy a central place. Their enjoyment should not be regarded as something remote from everyday life. The promotion and appreciation of high standards in architecture, in industrial design, in town planning and the preservation of the beauty of the countryside, are all part of it. Beginning in the schools, and reaching out into every corner of the nation’s life, in city and village, at home, at work, at play, there is an immense amount that could be done to improve the quality of contemporary life.”

Rebalancing the nation:

“ If a sane balance of population between north and south, east and west, is to be achieved, this kind of development (regional and local facilities) is just as essential as any movement of industry or

provision of public utility service. If the eager and gifted, to whom we must look for leadership in every field, are to feel as much at home in the north and west as in and near London, each region will require high points of artistic excellence.”

New local facilities:

“ Some of our new civic and arts centres already demonstrate that an agreeable environment and a jealous regard for the maintenance of high standards are not incompatible. Centres that provide a friendly meeting ground where both light entertainment and cultural projects can be enjoyed help also to break down the isolation from which both artist and potential audiences have suffered in the past.”

No excuses for not acting:

“ There is no short-term solution for what by its very nature is a long-term problem. This is a field in which, even in the most favourable circumstances, it will never be possible to do as much as we want to do as quickly as we want to do it. But that is no excuse for not doing as much as we can and more than has hitherto been attempted.”

This policy focus was briefed against by the Cabinet Secretary, Sir Burke Trend, to the Prime Minister, Harold Wilson:

“ The draft White Paper concentrates on the need to develop artistic activities and enjoyment outside London, particularly by the encouragement of regional and local arts associations and arts centres. This presentation can perhaps be justified in relation to the Government's industrial and social policies for regional and regeneration. But it is very noticeable that the work of the great national institutions is taken for granted in the White Paper, in the sense that they are not singled out for any degree of special mention and do not feature in the section on the Government's proposals. It is arguable that the White Paper tilts the balance too far in this respect and that a balanced presentation would make rather more of what the national institutions have achieved and of the need to maintain their development. They are important for the whole country, not just for London, because they are the apex of the pyramid: they set standards for the whole country and provide the outlet through which national

talent reaches the international scene, Perhaps the introduction to the White Paper could be edited to reflect this point ...””

A note was made in the margins to copy the paper (with this paragraph highlighted) into the Appointments file pending a lobbying visit from an Arts Council delegation. In the event there were no discernible changes to the introduction although at paragraph 76 (ii) we find what looks suspiciously like an edit taking the Cabinet Secretary's intervention into account, but in context it reads like something of a rebuttal:

““ 76 (ii) The Government hope to see a great increase in local and regional activity, **while maintaining the development** of the national institutions. They are convinced that the interests of the whole country will be best served in this way. ””

It appears that whatever last-minute pressure was exerted by the 'Great National Institutions', the Prime Minister and his redoubtable Arts Minister stuck to their guns.

A timeline of the influence of the White Paper

- 1939** Council for the Encouragement of Music and the Arts (CEMA) created
- 1946** Arts Council of Great Britain (ACGB) established
- 1948** Local Government Act (Section 132 legitimises spend on arts and entertainment)
BBC Radio Third Programme starts
- 1956** ACGB completes closure of regional offices inherited from CEMA
In response, South West Arts Association created by local voluntary arts societies.
- 1958** *Housing the Arts Enquiry* set up (requested by Chancellor of the Exchequer, Harold Macmillan)
- 1959** Gulbenkian Foundation commission *Help for the Arts* (Bridges Report) notes the primary need for a policy focus addressing the needs of 'the provinces'
Housing the Arts in Great Britain (Part I 'London, Scotland & Wales')
- 1961** North East Association for the Arts founded by local authorities and partners.
Housing the Arts in Great Britain (Part II 'The Needs of the English Provinces')
- 1965** White Paper *A Policy for the Arts: the First Steps*

- 1968** New Activities Committee of the ACGB established
- 1972** *Arc et Senans Declaration* (Colloquium on the Future of Cultural Development).
Local Government Act establishes Metropolitan County Councils
(Section 145 consolidates and increases general local authority powers to act in cultural provision)
- 1973** Manchester Hospitals Arts Project started (by Peter Senior)
First ACGB Community Arts initiative – led by Marina Vaizey
- 1974** First conference of arts centre directors and community arts groups (Beaford Declaration)
Arts Council's Community Arts working party (Baldry Report)
- 1975** *The Quality of Life* experiment
- 1976** *Funding the Arts* (Redcliffe Maud Report, Gulbenkian Foundation).
Creation of the Association for Business Sponsorship of the Arts (ABSA) in Bath
TUC Working Party Report *The Arts*
'Shape' Disability Arts network created (Gina Leveté, Gulbenkian assisted)
- 1978** *The Arts Britain Ignores: the arts of the ethnic minorities in Britain* (Naseem Khan; Gulbenkian/CRE/ACGB)
- 1982** House of Commons Select Committee Report *Public and Private Funding of the Arts A Hard Fact to Swallow* (Policy Studies Institute)
- 1984** ACGB's *The Glory of the Garden* development strategy published
- 1985** *Enquiry into Arts and Disabled People* (Attenborough Report, Carnegie UK Trust)
- 1986** Abolition of GLC and Metropolitan County Councils
Museum charges imposed
- 1987** *Expounding the Arts* (Douglas Mason, Adam Smith Institute)
- 1988** *Arts and the Changing City* symposium (British-American Arts Association)
The Economic Importance of the Arts (John Myerscough, Policy Studies Institute)
- 1991** Conservative manifesto commitment to create a national lottery
- 1992** Department of National Heritage created
National Lottery legislation initiated

- 1994** Scottish and Welsh arts councils established independently
- 1995** First distribution of Lottery funds
- 1999** Policy Action Team 10: Arts and Sport; a report to the Social Exclusion Unit (DCMS to the Cabinet Office)
All Our Futures Creativity, Culture & Education Report to Secretaries of State for Culture and for Education & Employment (Ken Robinson; Gulbenkian Foundation)
- 2001** Arts Council England (ACE) 'absorbs' the independently constituted Regional Arts Boards
- 2008** Financial crisis
- 2010** ACE's *Achieving Great Art for Everyone*

Appendix D: The international context

Comparison of public cultural policy systems reveals different emphases in how they relate policy to 'people, community and society'. Three broad issues need to be considered:

- How the arts and cultural policy responsibility is legally and administratively assigned, and what the key factors are that underpin differences in support systems
- What balance is achieved between the capital city and metropolitan region (or regions) and the rest of any given country, and how this is dealt with
- How different unitary and federal governments try to ensure a reasonably fair and democratically accountable disposition of facilities and opportunities for their taxpayers and citizens.

The ways in which other countries have dealt with the inevitable consequences for culture of the financial crisis of 2008 also provides revealing evidence.

The UK's cultural policy and funding distribution systems lack coherence, with significant gaps for which nobody takes responsibility nationally. Incoherence across England in particular exists through the ad hoc mixture of government, local government and NDPB statutory and non-statutory duties (post-devolution Scotland and Wales both seem to be pursuing more rational approaches). The post-2010 'reformed' patchwork of NDPB 'arm's length' cultural agencies in England, with ill-defined and overlapping roles, inevitably leads to uneven provision together with inbuilt London bias. The lack of constitutional or general legislative competence granting political authority at a sub-national level has facilitated a centralist concentration of power through supposedly independent NDPBs whose devolutionary policy rhetoric is not always matched by authentic actions or public funding distribution.

Local government capacity in culture, with its precarious constitutional position and discretionary powers under the 1972 Local Government Act, Section 145 (the public library service excepted) is under severe pressure as budgets are reduced. Arts Council England has, unsurprisingly, sought to protect its own chosen priorities and budgets by stating it cannot make good local authority cuts to the arts and museums. The DCMS's position can only be characterised as complacent. The Department's and ACE's merging (in 'Taking Part') of 'activities' and 'events' as 'arts engagement' ('actively or passively engaged') is in marked contrast to the parallel sport survey that draws directly on socio-demographic information about active participation in 65 named sports.

How comparator countries in Europe have dealt with their cultural infrastructures and participation in the face of extreme financial stringency following the 2008 crisis helps reveal how robust their structures are. Those states with a clear constitutional base and rationally disposed

support systems (whether devised 'top down', as in France, or 'bottom up', as in the Nordic countries) tend to have dealt with the crisis more even-handedly, nationally speaking.

The Netherlands provides an extreme example. Confined in a contractual cycle of four-year fixed term grants since the mid-1980s, the Ministry since 2006 has given preferential treatment to the large-scale cultural institutions in Amsterdam and The Hague that are integral to the country's international tourist offer. The consequence since 2008 has been serious damage to the local cultural infrastructure throughout the country at a time when the 'national' budget for culture has been reduced by 40%.

France's regionally based, joint cultural planning agencies between local, regional and central government (DRACs, Directorates of Regional Cultural Affairs) are an effective model within the country's political and administrative culture. Culture in France has a recognised and significant role in regional planning. It is an element that determines social cohesion and is rated as a development factor (though cultural resources are not evenly spread across each region). A national policy combining several modes of intervention is in place, defined within a framework of partnerships and worked out jointly with the regions, départements and communes by means of state-region plans, city plans and cultural development conventions.

The French municipalities, owners of most cultural facilities such as museums, theatres, libraries and music schools, are now the main providers of government funds for culture. In 2012 the Minister of Culture in the difficult budgetary context was able to protect budgets, but decided to revise central government priorities, abandoning some large-scale projects that had been programmed during the previous parliament. The main targets are currently to foster cultural and artistic education, territorial cultural development and to reconsider the issues of 'cultural exception' in the digital economy context.

Germany under its 1948 federal Constitution (Basic Law, Article 28.2) was explicit and clear about cultural policy responsibility residing with the Länder and local authorities. Chancellor Schröder, however, created a small department and budget in 1998 for a Federal Cultural Commissioner (against considerable internal opposition) in particular to stabilise and safeguard a number of important but vulnerable cultural institutions in the five former GDR Regions following Germany's reunification.

The **Nordic countries** all tend to have well-developed local facilities and programmes for cultural life that predate their welfare state systems, often rooted in municipalities' responsibility for adult education and public libraries. Central governments and parliaments have long accepted the need to try to ensure sufficient spread of cultural opportunity and quality locally in territories that are large, distant from the major conurbations and often sparsely populated.

Italy, having been unified, like Germany, as a nation state only in the second half of the 19th century, has a widely dispersed, national cultural infrastructure and institutions. Concurrent powers (in central, regional, provincial and local government) and a plethora of legislation can

confuse as much as assist. The 1990 privatisation of local and regional savings banks produced an effective alternative dispersed support network of foundations that to some extent mitigates the effects of structural ambiguity in the context of concurrent and sometimes conflicting powers to act in culture and heritage down to the local level.

Austria demonstrates how having a dominant concentration of major institutions in its capital (partly the historical legacy of an imperial past) can seriously compromise even a federal intention to decentralise.

Poland after 1989 thought seriously about its redesign of cultural support in the post-communist context, and devised a lean, effective and successful devolved model.

Spain, like Italy and Germany, has major metropolitan regions but, for a number of historical and more contemporary political reasons, delivers a much less concentrated and centralised cultural critical mass than the UK and England in particular.

The USA is sometimes referred to admiringly, almost as a policy- and subsidy-free zone in cultural practice. This, however, tends to ignore the substantial amount of tax foregone by the US Treasury as a consequence of active encouragement of philanthropy, the very different degrees of state and local authority involvement (often owning major arts buildings) and the uneven 'live culture' situation at local level.

The general conclusion has to be that most Western European countries continue to struggle with adapting what were 19th-century (or earlier) institutions to 21st-century social, economic, cultural and technological conditions. Countries with more devolved, polycentric models seem to be exhibiting greater arts and heritage philanthropy at the local and regional levels than heavily centralised ones.

The additional role played by state lotteries

Supplementary funding for the arts and heritage through dedicated lotteries is now widespread practice. Only France has resisted the trend, reasoning that culture is too important a national symbol and reality to risk exposing it to chance in a fluctuating situation where revenue might vary considerably from year to year. Three broad categories of lottery for cultural benefit seem to exist. They can be seen as having (1) strong and centralised, (2) partial or (3) weak licensing and supervisory structures. The Nordic countries and Ireland belong to the first group, the UK, Italy and most German Länder to the second.

Finland has the oldest European cultural lottery still in operation – today run by a licensed, state-owned joint-stock company under the jurisdiction of the Ministry of Education and Culture. Initiated in 1926 to create the Finnish National Opera and National Theatre, the national lottery's proceeds are earmarked for support of the cultural institutions with the Ministry's (tax derived) funds more aligned to social and educational aspects. During Finland's 25% economic downturn in the early 1990s following collapse of the USSR, the proportions

of state: lottery funding for culture were altered, making it very difficult clearly to identify 'substitution' (see Endnote 8).

The Italian government in the mid-1990s earmarked a lottery-derived fund of €100 million for a three-year heritage restoration programme that required a higher degree of coherent planning and funding match (with both public and foundation money) than had been customary. It helped improve management practice in the sector, but the succeeding centre-right government discontinued the successful initiative.

Most countries in **Central and Eastern Europe** during the 1990s experimented with combinations of lotteries and/or arts councils as an alternative to former communist systems in a period when market economies were dysfunctional and subsidy for cultural institutions was low on political and economic agendas. Hungary attempted to finance culture solely through a lottery – a complete failure as people's disposable income levels at the time precluded any ability to purchase lottery tickets. The Baltic Republics more successfully established cultural foundations from hypothecated taxes (e.g. from tobacco sales, alcohol and gambling).

Mark Schuster (of MIT), the acknowledged authority on dedicated state lotteries for culture at the time, warned the UK sector at a special seminar organised by the Regional Arts Boards in 1994 of the risk of 'lottery substitution' gradually taking place through government intervention:

“ To what extent does the arrival of dedicated lottery revenues actually provide additional resources to the arts and culture? Is this new money accompanied by the creation of new funding structures with new decision-making procedures, or is it simply folded into existing structures and procedures? What are the implications of each? (source: see endnote viii) ”

Furthermore, evidence from around the world indicated that any lottery's 'additionality' as a source of funding for 'new and additional' projects and activity was at greater risk over time where the lottery distributing agency was one and the same as that for government's tax-derived arts funding. This emphasised the need for clearly separate and transparent lines of accountability for the two streams of expenditure. Further examples of these trends globally were recorded in the Circle report of 2004 (*Gambling on Culture*) addressing the same issues. Noting policy drift regarding the arts twenty and ten years on from these predictions and warnings, it seems they were not unfounded.

Appendix E: Illustrative approaches by other distributors

Sport England

(Extracted from Sport England high-level documentation)

Sport England is committed to investing in clubs and projects across the country to create a great environment that encourages more people to play sport. Whether you need to make your clubhouse more accessible, want to improve the drainage of your pitch or need financial help to put on more coaching sessions, we have a funding stream that could help. Examples include:

- Inspired Facilities is a £110 million programme that funds the renovation and modernisation of clubs & local sports facilities
- The Community Sport Activation Fund is a £40 million Lottery fund which aims to meet demand at a very local level
- The Improvement Fund awards grants of £150,000–£500,000 into sustainable projects with a clear local need

Get Equipped is a £1 million fund that provides grants up to £10,000 to provide equipment for disability sport. The Small Grants programme uses Lottery funding to make awards of £300–£10,000 to cover the project costs of getting more people to play sport

- Active Colleges is a £25 million National Lottery fund which aims to help more college students play sport and address the 'drop off' rate in sports participation after school

The Inclusive Sport programme is designed to increase the number of disabled young people (aged 14+) and adults regularly playing sport. In the first round of Inclusive Sport 44 projects benefited from over £10 million of National Lottery investment.

The Heritage Lottery Fund

(Extracted from Heritage Lottery Fund high-level documentation)

Our view of heritage is broad, progressive and inclusive. We believe that understanding, valuing and sharing our diverse histories changes lives, brings people together and provides the foundation of a confident, modern society. We expect our funding to make a lasting difference for heritage, people and communities and describe how we will achieve this through a set of outcomes. All of our programmes expect projects to achieve one or more outcome.

Outcomes for heritage

With our investment, heritage will be:

- better managed
- in better condition
- better interpreted and explained
- identified / recorded

Outcomes for people

With our investment, people will have:

- developed skills
- learnt about heritage
- changed their attitudes and/or behaviour
- had an enjoyable experience
- volunteered time

Outcomes for communities

With our investment:

- environmental impacts will be reduced
- more people and a wider range of people will have engaged with heritage
- your local area/community will be a better place to live, work or visit
- your local economy will be boosted
- your organisation will be more resilient

Priority development areas

We have identified a number of priority development areas within each region. They will be the focus of additional targeted activity by our development staff, who will be doing more to raise awareness about Heritage Lottery Fund programmes and supporting local organisations and groups in making applications for grants in these areas. Priority development areas will not receive automatic funding, but our aim is to generate a greater number of good quality bids from these areas which will be able to compete with applications from other places.

Devolved decision making

The HLF still operates through Regional Committees and offices in England (based on the Standard Planning Regions) with substantial decision-making powers devolved to that level.

Financial appendix F1

Patterns of benefit from Arts Lottery funds by region

The pattern of distribution of Arts Lottery funding – of geographical benefit – was shown in the RoCC Report as between London and the rest of the country and by region. Now, using data at 24 January 2014, the patterns of distribution from 1995 in total and per capita can be shown again:

Total value of ACE Lottery grants since 1995



Total value of ACE Lottery grants as £ per head since 1995



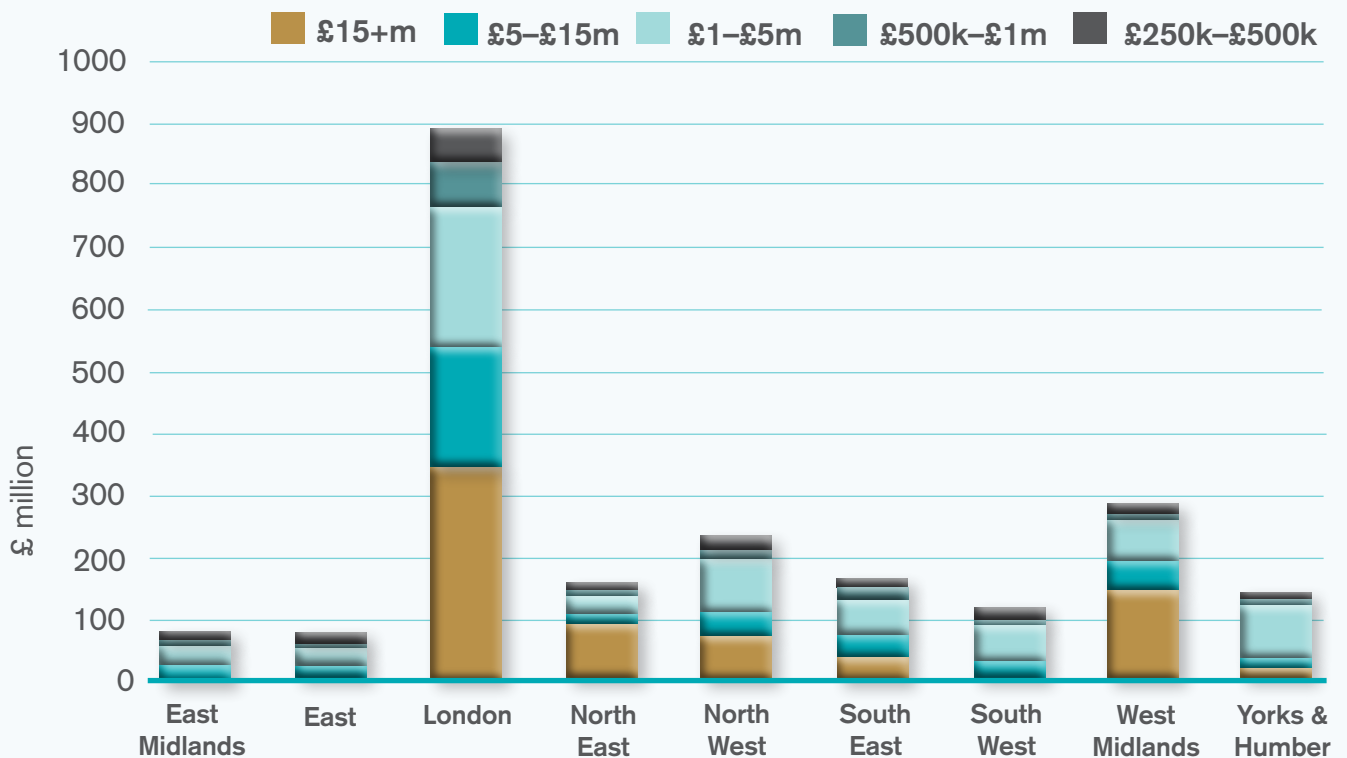
Financial appendix F2

Regional distribution of Arts Council Lottery grants by size and value

No. of ACE Lottery grants since 1995 by size of grant



Value of ACE Lottery grants since 1995 by size of grant



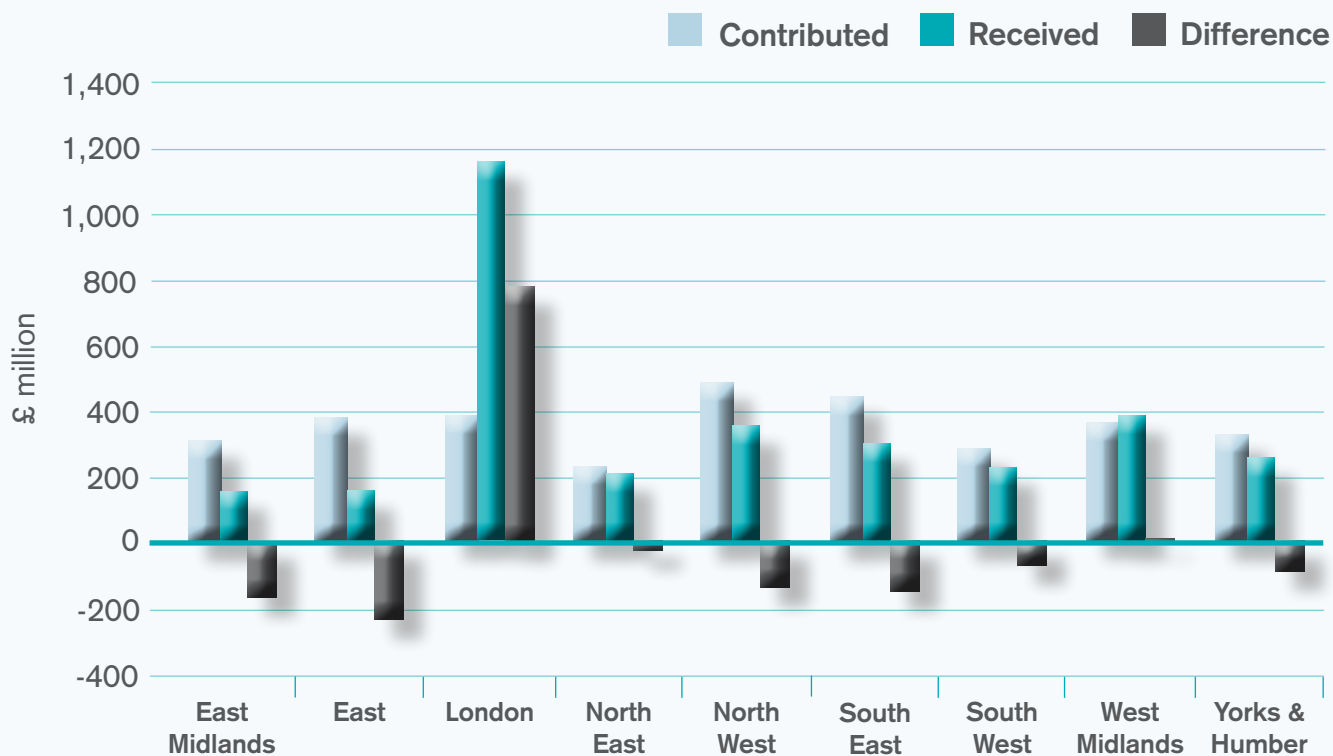
No. OF GRANTS	£15M+	£5M-£15M	£1M-£5M	£500K-£1M	250K-£500K
East Midlands	0	3	19	15	22
East	0	4	12	12	42
London	11	22	109	111	136
North East	2	2	13	12	20
North West	2	5	33	27	43
South East	2	5	28	23	35
South West	0	5	30	20	38
West Midlands	4	7	27	13	39
Yorks & Humber	1	2	40	15	32
TOTALS	22	55	311	248	407

£M VALUE	£15M+	£5M-£15M	£1M-£5M	£500K-£1M	£250K-£500K
East Midlands	0	£28	£34	£11	£9
East	0	£28	£30	£8	£14
London	£346	£191	£223	£80	£48
North East	£97	£14	£31	£8	£7
North West	£77	£38	£84	£18	£16
South East	£40	£38	£59	£15	£12
South West	0	£33	£56	£14	£14
West Midlands	£148	£48	£68	£9	£14
Yorks & Humber	£21	£17	£89	£10	£11
TOTALS	£729	£435	£674	£173	£145

Financial appendix F3

Bringing contribution and distribution together: winners and losers by region (weighted)

ACE Lottery contributed by players (weighted) vs grants received since 1995



£ MILLION	CONTRIBUTED	RECEIVED	DIFFERENCE
East Midlands	315	156	-159
East	385	163	-222
London	386	1,162	776
North East	234	221	-13
North West	489	360	-129
South East	446	308	-138
South West	293	233	-60
West Midlands	373	393	20
Yorks & Humber	329	254	-74
ENGLAND TOTAL	3,250	3,250	0

12 Endnotes

1 The RoCC Report addressed the imbalances in public funding for the arts and culture between London and England's regions and made a proposal to address this by allocating Arts Lottery funds – and Arts Lottery funds only – for a time-limited period on a per capita basis in England, just as they are already so allocated to England, Scotland, Wales and Northern Ireland. It argued that – in the case of the roles of the arts and culture within the economy – such regionally devolved funds should be used for new investment in clusters of creative cultural production outside the capital. The RoCC Report has now been reviewed in the light of new data made available by Arts Council England. Nothing in the new data available has led to significant change in the ratios found in the original research or led to any need to modify the analysis or conclusions. The updated figures can be found at www.theroccreport.co.uk

2 The ACE Chairman's introduction to 'The value of arts and culture to people and society: an evidence review', published on 14 March 2014. See 5 below.

3 In ACE's Response to the RoCC Report published in November 2013.

4 Information extrapolated from detailed research by Steve Trow. Clearly the City of Westminster has roles in the capital that County Durham is not called upon to fulfil. It is none-the-less noted that Westminster cut the whole of its arts commissioning budget in 2012/13 without any apparent strategic response from the Arts Council, while County Durham – confronting some of the greatest social and economic challenges in the country – has maintained its commitment.

5 <http://www.artscouncil.org.uk/media/uploads/pdf/The-value-of-arts-and-culture-to-people-and-society-An-evidence-review-Mar-2014.pdf>

6 Quoted in 'Great Art and Culture for Everyone', October 2013.

7 The emerging evidence of the comparative failure of the Olympics as a spectacle for the public as 'audience' to promote any great increase in active participation 'dividend' in sport has caused concern. Some 18 months after the conclusion of the London Olympics, the number of people playing sport once a week had increased by only a maximum of 200,000 – a disappointingly small return for the billions of pounds of investment pumped into the staging of the Games and the funding of grassroots legacy schemes thereafter. This has refocused policy on the critical importance of local facilities and programmes. See e.g.:

<http://www.bbc.co.uk/sport/0/olympics/25356001>

<http://www.telegraph.co.uk/sport/olympics/10118018/London-Olympics-legacy-questioned-as-number-of-adults-playing-sport-drops-following-Games.html>

<http://www.theguardian.com/uk/2013/jan/26/fury-lost-london-2012-games-legacy>

8 The ACE Chairman's introduction to 'The value of arts and culture to people and society: an evidence review' published on 14 March 2014 (see 5 above).

9 It is significant that our proposition, that Arts Council England should prioritise just such production, has recently received the endorsement of 93% of the profession in a substantial representative survey carried out by Arts Professional, 21 February 2014. The views of very nearly 650 individual professionals are interpreted and shown at: <http://www.artsprofessional.co.uk/pulse> and http://www.artsprofessional.co.uk/sites/artsprofessional.co.uk/files/full_responses_-_regional_arts_funding_-_getting_the_balance_right.pdf

10 Custom and practice has long been to apply the phrase 'national company' to the Royal Opera House, the Royal National Theatre, the Royal Shakespeare Company, English National Opera and, since 1986, London's Southbank Centre. We note that in its evidence to the current Culture Select Committee Inquiry, Arts Council England has now added four other companies to this category for reasons that have not been explained, namely Welsh National Opera, Opera North, Birmingham Royal Ballet and Northern Ballet. All four of these additionally specified companies receive very substantially less annual funding than the first five.

11 We acknowledge that this 'four phase' characterisation is a simplification of what was a complex set of debates. Noteworthy of positive mention in the context of this report are the A4E Express and A4E Main programmes initiated by ACE in 1997 (to promote wider spread of Arts Lottery grants and partly in response to Parliamentary pressure following evaluation of the initial Lottery franchise period) and the Regional Arts Lottery Programme of 1999 (created by ACE after concerted pressure from the Regional Arts Boards). This latter was a delegated scheme with each region allocated an amount by a formula partly based on population.

12 It is not clear how ACE intends to backfill the 'hole' in its NPO budget programme that this 'once-off forward funding mechanism' creates in 2015–2018. Is another 'once-off' fund to support these same NPOs again being accumulated?

13 There is no real evidence that the advance warnings about 'lottery substitution' given by the Mark Schuster in 1994, or the need for risk analysis recommended in the CIRCLE report of 2004 addressing the same issue, have been seriously heeded in the UK. Policy drift and direction has continued over two decades, notwithstanding political 'assurances' issued at the time of the original 1992 Lottery white paper. See: 'Funding the Arts and Culture through Dedicated State Lotteries: The Twin Issues of Additionality and Substitution (Part 1)' and 'Opening the Way for Alternative Decision Making and Funding Structures (Part 2)' by J. Mark Davidson Schuster (*European Journal of Cultural Policy*, vols. 1/1 and 1/2, 1994/95) and *Gambling on Culture: State Lotteries as a source of Funding for Culture, the Arts and Heritage* (ed. Bodo, Gordon and Ilczuk, CIRCLE/Boekmanstudies, Amsterdam 2004).

14 Arts Audiences Insight segmentation combined the Target Group Index (TGI) and 'Taking Part' survey data with the A.C.O.R.N. socio-economic profile.

15 The figure for Heritage being larger than for Arts and Sport (which have received the same percentage of funding for good causes throughout the history of the Lottery) is accounted for by

the HLF having a far smaller amount of its grant aid recorded as geographically not attributable to individual regions.

16 DCMS 'Active People' surveys were conducted from 2008 to 2010 and continue to be used by the ACE in allowing for some arts engagement analysis at the individual local authority and area levels.

17 The change in the question for 'Taking Part' 2010/11 was to ask if the respondent had participated in a given list of arts activities, or attended a given list of arts events namely:

Participation

Dance – ballet or other dance (for fitness and not for fitness)

Singing – live performance or rehearsal/practice (not karaoke)

Musical instrument – live performance, rehearsal/practice or played for own pleasure

Written

Music

Theatre – live performance or rehearsal/practice (e.g. play or drama)

Opera/musical theatre – live performance or rehearsal/practice

Carnival (e.g. as a musician, dancer or costume maker)

Street arts (art in everyday surroundings like parks, streets, shopping centres)

Circus skills (not animals) – learnt or practised

Visual art – (e.g. painting, drawing, printmaking or sculpture)

Photography – (as an artistic activity, not family or holiday 'snaps')

Film- or video-making as an artistic activity (not family or holidays)

The effect of this change was to move attendance figures of 30–40% to figures for engagement of over 70%.

18 Quoted in 'Great Art and Culture for Everyone'.

19 This figure has been adjusted downwards from the £350 million used for the same illustrative purposes in the RoCC Report on the advice of Arts Council England, based on forward planning figures provided to them by the DCMS.

20 W.E. Williams in the ACGB Sixth Annual Report 1950/51 (page 34). This commented on the success of the Festival of Britain, and concluded that 'few but roses' was a better policy aim than 'raise and spread', advocating the need 'to concentrate our resources upon establishing a few more shrines like Stratford and the Bristol Old Vic'.

21 Nineteenth Report of the House of Commons Select Committee on Estimates, 1948–49.