

GPS Culture

A New Destination for the Arts Between a RoCC and a Hard Place

Reflections, Recommendations and Conclusion

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Prologue

The title of this report indicates that we sense we have completed a cycle of work but also that we are under no illusions about the scale of challenges that will face the arts in the next five years.

On the other hand we retain optimism for the future. This derives from many sources including our interaction with energetic and ingenious artists, producers and civic leaders across the country, the vibrancy and diversity of English society, and the perspective that comes from our long history and our varied international work. At the start of our careers in the late 1960s we built our arts practices with the funding structures and arts training and support that were available at the time, nationally and locally – a tiny fraction of what is still available. Over forty years on, we firmly believe that the energy and commitment of artists and communities to engage in generous collaborations with other agencies, institutions and businesses can still create new opportunities for themselves, their communities, their regions and the country as a whole.

Why did we undertake the work?

Early in 2013, we reaffirmed our commitment to the role that the arts could play within our wider cultural and spiritual life, within society and within the economy. We shared our belief that this could best be achieved in a country that nurtured its national capital alongside a range of major centres of cultural production and presentation in other – and equally valued – parts of England at the same time as it ensured as even as possible a spread of opportunities for all communities and their citizens to participate in, and enjoy, a rich creative life locally.

What we found through our research was an England with a damagingly centralised pattern of determination on public funding for culture and one that concentrated both provision and decision-making in the capital city. As in so many other areas of England's public life, London had become dangerously over dominant.

In a time of austerity and major reductions in public funding for the arts, resources for production and presentation were being protected in the capital and in the largest scale of organisation at

the expense of the regions, of smaller companies and of programmes for educational, social and economic development.

Of even greater concern was the silence of those that were funded on the policy, programmes and practices of their funders. They appeared to have lost their independence and their voices. A triennial funding regime and the loss of both local and specialist knowledge within the funders had introduced unprecedented levels of uncertainty – even fear – into the client/funder relationship. What was said in private was often at odds with public utterance – where there was any.

Nowhere was this more evident than in the lack of public debate in the arts about the self-interested abandonment of the principle that Lottery funding should be additional to grant-in-aid, not substitute for it. This voluntarily provided funding is derived disproportionately from the poorest in society, some of the least likely to be engaged in the arts. As mandated by specific Lottery directions, it was from the outset recognised as ethically different from general taxation-sourced revenue. It was to provide for 'new and additional' activity, with a very substantial proportion of that new activity targeted at the most disadvantaged communities and those currently least engaged.

Simultaneously, those same communities have been the most disadvantaged in their opportunities for access to the arts and culture locally by reductions in funding for local government. There was silence and inaction at the centre and across the sector on the consequences of austerity that has led to the loss of local infrastructure – finance, facilities and expertise – for the arts and culture.

Research conclusions – a summary

‘Rebalancing our Cultural Capital’ (The RoCC Report)

As a great global city and the national capital, London will and should continue to receive a higher allocation of national funding for the arts and culture than its population size alone would call for.

However, at least two thirds of the UK population lives beyond comfortable cultural commuting distance of the capital. These taxpayers and their families are obliged to pay a premium of hundreds of pounds before they can access the ‘free’ galleries or subsidised (or unsubsidised) performances in the capital. National cultural policy has to recognise this fundamental reality.

At the moment taxpayers’ funding for the arts and culture by the DCMS directly and Arts Council England provides circa £70 per head to everybody resident in London, against £5 per head to those elsewhere in the country. At 14: 1, that ratio is indefensible.

Beyond this, 82% of private sector funding for the arts is given to London-based organisations. London audiences also have access to a commercial cultural sector largely sustained by international tourists who also comprise a very significant proportion of the visitors to major publicly subsidised cultural institutions. London’s Mayoralty boasts that the capital’s culture and heritage assets are responsible for attracting 80% of the 16.8 million international tourists who visited in 2013, with estimated spend very largely within London in the summer months alone of £3.3 billion.

Successive governments and Arts Councils for the past 60 years have argued that ‘new’ money is needed to improve funding to the regions in order not to damage the capital.

Over the past 20 years Arts Council England has had stewardship of £3.5 billion of precisely such new funding for the arts from the National Lottery, but it has still chosen to spend that money in a ratio of 4:1 in favour of the capital. That is wrong.

‘Policy for the Lottery, Arts and Community in England’ (The PLACE Report)

Successive governments have repeatedly reaffirmed support for the principle of ‘additionality’ in the use of Lottery funds – that Lottery funds should be directed to ‘new and additional’ activity

and must not be used to substitute for taxation-based funding. In addition, the DCMS in 2007 issued directions to all Lottery distributors that they shall take into account – inter alia:

- 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 which 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.

Lottery distributing bodies for Sport and Heritage have clearly taken care to comply with these directions. Arts Council England appears to have chosen – and been allowed – to ignore them in both principle and practice. This, despite recent Gambling Commission research confirming again the wide regional and class variations in purchase of Lottery products, and Camelot's continued emphasis in its marketing on the provision of benefit to 'good causes' right across the country 'where you live'.

Only 17% of Local Authority areas (12% of Parliamentary Constituencies) have received more back from the Arts Lottery than they have contributed per capita. Lottery funding has massively benefited areas of the country where the population is already most engaged with the arts:

- In the 10% of local authority areas (33) where people are least engaged with the arts the total receipt of Arts Lottery funding since 1995 is £288 million, against a contribution from Lottery players of £395 million – 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.

Furthermore ACE Lottery funding has increasingly been concentrated on arts organisations already in receipt of the largest shares of public and private funding. The five largest of these organisations have received more of the new Lottery grants money allocated to ACE than has been available, over the same 18-year period, to the 10% of local authority areas where populations have the least engagement with the arts.

In this way the Arts Lottery funding sourced disproportionately from some of the poorest in society is being used to furnish additional benefits for some of the most privileged – those living within reach of the most heavily subsidised organisations and able to afford the cost of using them most often.

At the same time local cultural infrastructure and the opportunities it affords for active participation in the arts – where the arts deliver their contribution to individual and community wellbeing – is under the severest threat from reductions in local government funding.

‘Hard Facts to Swallow’

Considering the arts (i.e. excluding the new ‘earmarked’ museums expenditure) and strictly comparing like with like, our analysis is unable to substantiate the claims made by Arts Council England that:

- funding of the National Portfolio in London has moved from 51% to 47% of the total;
- there is a ‘current trend’ of 60% of grant-in-aid investment outside London, or that
- there is a ‘current trend’ of 70% of National Lottery investment outside London.

During the three years of Arts Council England’s 2015–18 investment plans the imbalance between national funding for the arts in London and in the rest of the country will worsen.

- The Arts Council will have stewardship of funds to support the arts in England directly of £1,589 million (excluding operating costs of over £100 million) provided by taxpayers and lottery players from across the whole of the country;
- £689 million (43.4%) of this will be invested in the arts in London at £81.87 per head of population (php) as against £900 million in the rest of the country at £19.80 php.

In its publication ‘This England’ (February 2014), Arts Council England states a clear position that it would only be able to ‘strengthen regional provision’ as a consequence of ‘our grant-in-aid cuts being restored’. In all the likely circumstances, that is a further commitment to indefinite delay.

The Arts Council has also blatantly breached the spirit and letter of the principle of additionality, and the Lottery Directions, by substituting Arts Lottery funding for the revenue grant-in-aid support of major opera and ballet companies.

At the same time its ‘flagship’ programme to address the Lottery Directions and focus on areas

of least engagement with the arts in the country, Creative People and Places (allocated only 4% of available Lottery funds in the current three-year budget), has had its budget for the next three years reduced by 46%.

Our analysis of the 2015–18 strategic plans and budgets led us to conclude that the Arts Council continued to demonstrate a systemic inability to reform itself without external intervention. The forces of custom, practice and vested interest were just too strong.

The Select Committee

In January 2014 the House of Commons Culture Media and Sport Select Committee announced its Inquiry into The Work of Arts Council England. The Inquiry's terms of reference directly acknowledged the RoCC report and its wide public impact.

The calling of the Inquiry reflected RoCC's contributory role in creating this debate and in placing uncomfortable evidence on the table. As Lord Bragg had said of RoCC on its launch:

'This report is timely, urgent and damning of an increasingly centralised funding process. London is simply eating up the resources, which are limited, and is therefore starving the rest of the country. This is wrong, short-sighted and undoubtedly unfair. I think it is time that the rest of England fought back.'

The Select Committee's report, published in November 2014, embodied much of our evidence and argument. GPS Culture was asked to provide additional analysis and presented evidence in person. The Select Committee gave support to our research and analysis, acknowledging and comprehensively referencing our three reports – RoCC, PLACE and Hard Facts to Swallow – and many of our recommendations. The Committee's important report, the most critical and progressive Parliamentary review of the Arts Council and its funding programmes since 1982, unequivocally sets out for the arts sector and local, regional and national government the urgency of rebalancing the national arts budgets in England and the opportunities to do so.

1] The need for a comprehensive government policy for the arts

In the context of 'the cultural, social and economic importance of the arts to the whole country, and given the Arts Council's central role in their promotion', there is acceptance of the need for external intervention by government to secure those functions of public support in the policies and priorities of the Council. (Report Recommendations and numbers are quoted in the text below.)

1. A strategic direction for the Arts Council would best be set by a clear overall policy statement by the Government. We recommend that the Government produces and publishes a comprehensive arts policy.

2] The need for urgency in rebalancing funding between London and the regions

In advance of any such a policy being in place, and with clarity and emphasis, the Committee concludes that the Arts Council should address the issues of imbalance with 'greater urgency' and it endorses a mechanism to achieve this 'without threatening London's world status as a cultural centre' by limiting London's proportion of Arts Lottery funding (and Lottery funding only) to its per capita share. (Report Recommendations and numbers are quoted in the text below.)

13. A redistribution of funds along the lines suggested by the authors of Rebalancing our Cultural Capital would do much to redress the imbalance in funding to benefit England as a whole. We believe this could be achieved in a timely fashion without threatening London's world status as a cultural centre.

14. We agree with the Chair of the Arts Council that the trend in shifting lottery funds outside London should continue. However, we believe the pace of change should be much faster than it has hitherto been.

21. Just as the Arts Council has played its part in helping to tackle the deficit, so should it be considered a beneficiary in the event of economic recovery. Once the Government is satisfied that resources allow, it should consider an increase in Arts Council grant in aid. This new money should be earmarked for the English regions, beyond the M25 area.

22. The Arts Council is well placed to tackle the clear imbalance of funding that favours London unfairly. It must do so with greater urgency if it is to realise its declared ambition to engineer the provision of great arts and culture for everyone.

3] A distinct focus for Arts Lottery funding

Beyond geography and as relevant to the situation within London as to that beyond it, the Select Committee accepts that Lottery funding is – and needs to remain – distinct from grant-in-aid funding

The principle of additionality should be adhered to both in spirit and in practice

and it highlights the Lottery Directions issued to the Arts Council by the DCMS cited in the PLACE report and referenced above.

4] A partnership basis for decentralised and transparent decision making

The Report emphasises the need for ACE to fund projects 'within reach of where people live' and the Committee argues that the Arts Council is well placed to be the agent for the redistribution

of funds. (Report Recommendations and numbers are quoted in the text below.)

14. ‘... but only if it engages fully with elected local authorities and regional strategic organisations with the best local and regional knowledge.’

20. The Arts Council should be more proactive when it comes to encouraging high quality applications from around the country and establishing the underlying reasons for any current imbalance.

11. The Arts Council should do more to explain the criteria on which it apportions funds to different art forms. It should provide detailed information both on the absolute and relative number of applications received and rejected, and the funds requested, broken down by general genre and geographical area.

12. The involvement of local authorities is a welcome reflection of the desirability of providing some democratic input into decision-making. However, we believe there is more scope for involving local communities and businesses. Art and culture can and should be available to all, and engagement will be increased if individuals feel they have had some influence in a decision to fund a particular activity or organisation.

The GPS Culture reports have argued that the devolution of Lottery funding responsibilities should be to an appropriate ‘combined authority or regional’ tier guided by the existing (or with revised) Lottery Directions and that that could be achieved through partnership negotiation as such new structures emerge. They argue that the proposal for such devolution, if made now, could introduce the arts and culture as a ‘competence’ of those emerging democratic formations and secure the creative industries within the investment frameworks of the LEPs.

Such devolution is already in place for the Arts, Heritage and Sport in Scotland, Wales and Northern Ireland, each of them countries with far smaller populations than the English Regions.

... and a response from the Core Cities Group

We believe the response to the Select Committee Report from the Core Cities Group to be of particular significance and that their conclusions are of much wider relevance. (see in full at <http://www.corecities.com/what-we-do/publications/core-cities-uks-response-select-committee-report-work-arts-council-england>). Note the following extracts. (Numbers are quoted from their document in the text below.)

12. ... what is manifestly under the control of ACE is the extent to which its lottery and treasury grant-in-aid spending is allocated. We agree with the

Select Committee that greater urgency is needed in rebalancing this spend. It is disappointing that ACE has recently determined its agreements for the period 2015–18 without adequately addressing this issue. We therefore call for ACE to act on the Select Committee's recommendation that future lottery spend for London be limited to its per capita share; a policy which should be implemented with immediate effect.

19. ... discussion (with the DCMS) must include the potential for alignment/ pooling of funding for culture and for devolving cultural budgets (including potentially national lottery funding) to a city, or city region, level to enable us to take a lead in innovating and developing new models for supporting the sector, potentially matching funding against bids to European sources. We believe this would be a more cost effective way of working, bringing cultural planning closer to those who fully understand local needs, and integrating it with local decision-making on a broader canvas, linked to place-making, economic growth, skills and public health.

23. ... We must guard against the idea that it is only the largest organisations which are a cause for concern in this environment. The smaller cultural and creative businesses are essential for the wider ecology of the sector and with the liabilities associated with the largest, building-based and most high-profile companies, there is a real danger that we lose the depth and range of the offer in focussing only on the organisations in the national portfolio.

27. ... We further ask for devolution of funds for culture, once a rebalanced settlement has been agreed, to deliver the national cultural strategy through a series of city cultural strategies, approved directly by DCMS.

Recommendations

1] Just do it! Begin rebalancing the national arts economy now

The Arts Council contends that it is constrained from doing more for the arts outside London by the need not to damage the arts within the capital. However, the Select Committee argues that our proposal to limit London's allocation of Arts Lottery funding only (grant-in-aid allocations would not be affected) 'could be achieved without threatening London's world status as a cultural centre'. The Commons Committee is right. Changes in levels of Lottery income provide a unique and immediate opportunity to implement this change.

Setting aside the current incomplete year, Arts Lottery grants in the last five years (2009/10 – 2013/14) have totalled £784 million (a figure adversely affected by the Olympic diversion). New Arts Lottery grants funding for the coming five years will increase to £1.2 billion (as forecast by Government) following full restoration of a 20% share of 'good causes' funding for the arts. (source: DCMS website – www.lottery.culture.gov.uk/AdvancedSearch)

The scale of this increase enables the total of Arts Lottery awarded to London to be progressively reduced to reach the strict – but fair – per capita target levels by 2019/20 while funds to the regions beyond the capital are increased by a matching amount. **This process would result in London receiving the same cash amount from the Arts Lottery in 2015–20 as it received in 2009–14.**

It is therefore perfectly possible to achieve a 'fair share' for London alongside 'no cuts' to London and – by the end of this period (or earlier if required) – arts and culture outside the capital will have access to £100 million each year, weighted appropriately, of additional and devolved funds for new investment. The supporting analysis, based on DCMS and Treasury figures, is attached as **Appendix A**.

Jennie Lee's 1965 White Paper – 'A Policy for the Arts: The First Steps' – was prescient:

'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.' (Paragraph 15)

2] A new national policy for the arts and culture – where to start?

During 2014, Arts Council England published a 'holistic case for culture' and an advocacy toolkit in support of it. The front page of the toolkit summarises the case for public support for the arts in a way intended to command broad support (see extracts below):

The holistic case for public investment in art and culture is a way of thinking about, and describing the benefits of art and culture – its cultural value; how it contributes to a flourishing society, to education and to the economy – and how these benefits are interdependent.

Cultural value

By this we mean the value of art to entertain us, to move us, to inspire us, and how it is crucial to our identity as individuals, communities and as a nation.

Society

Art and culture bring people together; they make valuable contributions to health, welfare and inclusion, reaching out to vulnerable and marginalised communities in hospitals, prisons and through work with older people. They teach empathy, break down barriers and are vital to releasing the talent within our increasingly diverse society.

Education

The arts are vital at all stages of our education system, from primary school to life-long personal development. The arts are crucial to imagination, self-expression and creativity in young people and develop skills that improve social mobility.

Economy

There is an increasing awareness of the economic value of the arts. Art and culture develop the talent for the nation's creative industries – which are currently growing much faster than the rest of the economy. They also play a valuable role in helping to revive our cities and drive urban regeneration, changing local and national perspectives and creating better places to live and to locate businesses. Art and culture attract significant vital visitor revenue into the national and local economies.

[Source: <http://www.artscouncil.org.uk/what-we-do/value-arts-and-culture/advocacy-toolkit/holistic-case-our-story-and-key-messages/>]

Our research and experience suggest that these and similar public benefits from the arts and culture flow most effectively and powerfully (sometimes only) when:

- they are deployed through targeted funding programmes developed for the long term for and with specific communities or specialisms, and in appropriate partnerships with other relevant agencies;
- they work with close reference to each other – even integrating policy and programmes – at appropriate local, regional and national levels;
- they are delivered by cultural organisations and artists with the requisite skills and experience and with similarly long-term commitments to place and/or specialism;
- there is recognition that active participation in the arts and culture can very often be the main route to the achievement of the benefit and that such opportunities – programmes, facilities and expertise – must be available locally.

There is widespread agreement (however tacit in some quarters) that these preconditions for successful delivery are barely met by Arts Council England's current funding policies, priorities and programmes. There is a very substantial disjuncture between the Arts Council's policy rhetoric (what it says) and where and to which organisations, programmes and intended outcomes it allocates the vast majority of its resources (what it does).

'What the Arts Council does' can also be seen to be at odds with its own restatement of the democratic mandate it has from Government:

'The Arts Council is sponsored by the Department for Culture, Media and 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.'

The approach to a new National Policy framework for the arts and culture could and should begin with a commitment to design a structure shaped for the delivery of the identified benefits rather than beginning from an inherited structure shaped by custom, practice and vested interest. It could take up the opportunity set out in the Treasury Green Book that states:

'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.'

3] Research to inform a new national policy for the arts and culture

We hope and believe that the evidence, analysis and conclusions we have contributed to the public debate in the past 15 months will help frame the terms of reference, the process and the discourse for a new national arts policy. Our work was intended both as a catalyst and a finite body of work on public record.

There are a number of issues that require more and better consideration than we have been able to give them, some from our own assessment of our work this far and others raised by colleagues from across the country. This list is clearly not exhaustive.

1] New models to sustain local cultural life – ‘Our Cultural Commons’

In late October of 2014, the two UK-wide organisations that specifically support and represent local creative cultural activity, Voluntary Arts and Arts Development UK, launched a research programme ‘Our Cultural Commons’ (at **Appendix B** and <http://ourculturalcommons.org/>) to collect evidence of existing innovative local collaborative structures to sustain and develop local cultural infrastructure and then promote best practice.

Its motivation lay in the argument that ‘our cultural life – first and last – is local’ and that the rapid pace of change surrounding all our local cultural spaces (changes to local government included) and the rapidly increasing digitisation of the wider cultural world means that previous models of local cultural planning no longer provide effective support. However, there are new and emerging models, building on local cultural assets and making links with education, healthcare, the voluntary and community sector, and local government. We commend engagement with this research programme.

2] The role of the artist

We had intended to complete an additional research project on the role of the Artist and of the small arts company/larger arts project. The work occasioned by the Select Committee’s Inquiry has precluded that. We have, however, received important input from artists and from organisations that work to represent them. In particular a-n, the Artists Information Company, provided much useful data and advice arising from their important and influential ‘Paying Artists’ campaign. This is an issue across most art forms, with recent research revealing how poorly paid are directors, writers and composers in very many places and, in some cases, by well-funded organisations. Likewise, issues about the barriers to the widest recruitment of young people into the arts have thrown a light onto the difficulties of getting the broadest and most diverse groups of creative young people into specialist colleges and conservatoires.

GPS Culture sought to respond positively by identifying a significant failure of current arrangements in the gap between a ‘once in every three years opportunity’ to bid for NPO status

and the one in two or one in three chance of success in bidding for Grants for the Arts even at advised much lower levels than has been the case in the past. We have shone a light on what we detect as a 'concealed policy' that led to 350 organisations previously in receipt of secure revenue funding of less than £100,000 losing that funding, and on the Arts Council's apparent willingness to breach its own guidelines – even to break its own rules – as and when it chooses to do so and less than transparently.

Meanwhile, evidence is accumulating of a new activism amongst artists – often though not exclusively younger ones – collaborating confidently 'under the radar' across creative disciplines and within social, economic and artistic/cultural contexts as portfolio workers and in flexible groupings, new organisational forms and found spaces. We believe that further investigation of this field of artistic and culturally complex activity should precede and inform substantive work on a new national arts policy.

3] Devolution – why and how weighted?

The principle of 'per capita distribution is precisely the policy basis applied to Scotland (population 5.3 million), Wales (3 million) and Northern Ireland (1.8 million) by the UK government.

A national strategy for the local will need to be implemented differentially 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 – at **Appendix C** – illustrates the range of difference in the cultural challenges to be addressed within regions as well as between regions.

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 can be complex and is 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. 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 (as above and based on the DCMS 'Active People' surveys);
- the levels of economic and social deprivation (Index of Multiple Deprivation).

To these should be added a fuller understanding of the patterns of purchase of Lottery products. This information is not made available by Camelot because of claimed commercial sensitivity. That is understood within the fine grain but should not be accepted broadly as between Scotland, Wales, Northern Ireland and the English Regions. It should surely be required as information necessary to inform public policy?

4] Planning for a second stage of rebalancing – London to do more for itself

As it prepared to make its 2015–18 funding decisions, Arts Council England identified what it perceived as the principal threat to the arts as being in local authority cuts outside London. That's wrong. This claim was demolished in 'Arts Professional' in November 2014 (see: <http://www.artsprofessional.co.uk/news/exclusive-london-authorities-fail-pull-their-weight>)

GPS Culture's own analysis shows that whereas local authorities outside London have provided funding to the Arts Council's National Portfolio at 32% of the total subsidy level provided by the Arts Council, the equivalent (like for like) figure for London is only 6%.

The 'problem' perhaps more realistically lies in the failure of Arts Council England and the DCMS to use the undoubted financial leverage that they have to engage the Mayor of London, the London Boroughs and the City of London Corporation, together with the cross-party representative body 'London Councils', in funding London's National Portfolio Organisations for their work in the capital. As an example:

- 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 whilst its arts organisations have received £408 million, an arts lottery surplus of £394 million over 20 years.
- At the same time, 26 major arts organisations located within the City of Westminster received over £91 million of annual grant-in-aid from taxpayers (derived from the whole country) in 2013/14. In the same year – 2013 – the City of Westminster cut its entire arts funding budget from 2014/15 onwards without any intervention or negotiation by either Arts Council England, the Minister for Culture, Communications and Creative Industries (the Arts Minister) or the DCMS.

Our research suggests that London – through both the public and private sectors – has abundant capacity to do more for itself and should certainly be asked to do so at a time of national austerity that impacts far more in the regions than in the capital itself. There is a new cultural compact to be negotiated between England and its capital city.

Such negotiations would need to examine how the Mayor and the 32 London local authorities can be fully engaged in funding London's National Portfolio Organisations for their work in the capital.

5] Getting tourism to work for England's arts and culture

Between them, 18 of the country's largest and 'national' performing arts companies, galleries and museums, plus the British Library, receive 64% of all of the funds made available from universal taxation to the arts and culture in England. £475 million out of that £742 million budget is distributed either directly by the DCMS, or indirectly by Arts Council England. All but three of these beneficiary organisations are based in London and operate

principally to the benefit of international tourists and residents of the capital and its immediate hinterland. We had assumed that basic information on audiences and attendance patterns at these heavily subsidised institutions would be publicly available. It is not. Nor, it seems, is it even routinely collected by the DCMS or the Arts Council as part of reporting for grant aid.

Information – estimated where necessary – such as the breakdown of audiences/visits between international visitors, visitors from the UK nations and English Regions, corporate ticket purchasers, repeat/regular audience members, should be sought and made publicly available. We can see no justification based on commercial sensitivity that would outweigh the relevant public interest.

From the information that is accessible, it is clear that a very high proportion of attendances at the National Galleries and Museums in London is international (possibly well over 50%). Whilst preserving (the hard won right of) free admission for UK residents, a modest charge for visitors to the country could surely be considered? This is the normal and expected pattern across Europe's major capitals and cultural cities, where, in addition, city authorities increasingly levy a small marginal daily hotel (or 'city') tax that helps to support cultural infrastructure. Given the existence of this practice in other countries (USA included), we cannot see why this should put London at any disadvantage to its competitors.

6] What does 'national' mean? What is the role of the national institutions?

We acknowledge that one function of our 'national' companies – perhaps originating from a time when scale and location were the only measures of international status and quality – is to maintain an international benchmark within the UK against which others can judge themselves. A corollary of this is to work closely with similar cultural institutions across the world to develop international scale projects and exchanges for the benefit of the whole of the UK.

We know, however, that it's not just the very largest 'national' companies that can legitimately and inspirationally achieve international standards and develop international collaborations. Aspirations to the highest international scales of work are, nevertheless, critically dependent on financial resources, which sadly few of even the largest non-London based cultural organisations can access.

Support and acknowledgement should, we believe, be available to companies of international status and proper national remit that are based across the country and are not part of the London cluster. Given the very small number of organisations funded at the highest levels, the notion of 'National Companies in the Regions' will continue to be a title that invites comparative judgement without providing the resources to make such comparisons valid or real. This is, we strongly believe, a consequence of funding policies and patterns. It is not based on the distribution of talent and ambition.

In the circumstances where our national museums, galleries, library and performing arts companies command 64% of available grant-in-aid (and attract such a high proportion of

the available private sector and philanthropic support), defining what a national role might be and entail is important. Understanding whether this role is UK wide or English will be equally important and timely.

In this context, our research revives the question as to whether the very largest 'national' performing arts companies ought in future to be funded directly by the DCMS alongside their 'peer group' equivalents in the national museums and galleries (as well as the British Library) and whether the Mayor of London and the GLA should reassume the primary funding responsibility for London's Southbank Centre, as was the case with both the former GLC and the LCC before it.

7] Two or more Londons

We are acutely aware that GPS's research has not attempted to look at the internal balances within London as between large and small, inner and outer, richer and poorer, better or less well served within the capital. This important task remains one for London's own arts and political communities to undertake.

A research question that also deserves attention from the capital's arts community is the fact that – the scale and quality of the arts available in the capital notwithstanding – the levels of engagement with them by the population of London is no higher than the average for the rest of the country – if that, even. This must mean that either the methodology employed in DCMS/Arts Council England's data purporting to show levels of engagement is significantly flawed or there are factors at work in the capital that are not being properly identified or understood.

8] Resistance ... resisted

At **Appendix D** we reproduce a reminder from the RoCC report of just how determined political will has to be to resist established and entrenched vested cultural interests if change is to be achieved.

Appendix A

GPS proposal for phased redistribution of Lottery funds based on forecast ACE National Lottery income for the next five years (2015–20) compared with ACE Lottery grants made during the past five years (2009–14)

Location	2009–2014 £ million	Average pa 2009–14 £ million	2009–14 %	2015–2020 £ million ¹	Average pa 2015–20 £ million	2015–20 %	+/- Av. pa £ million
London	262.0	52.4	33.4%	260.6	52.1	21.7%	(0.3)
Rest of England ²	522.2	104.4	66.6%	939.4	187.9	78.3%	83.5
Totals³	784.2	156.8	100%	1,200	240.0	100%	83.2

Forward projection of Arts Lottery grants distribution 2015–20 showing phased reduction to per capita levels of funding in London and the growth of new investment funds beyond the capital in each year

Funding	2009–14 £m	09–14 %	2015/16 £m	15/16 % ⁴	2016/17 £m	16/17 %	2017/18 £m	17/18 %	2018/19 £m	18/19 %	2019/20 £m	19/20 %	2015–20 total	15–20 %	2015–20 Av. pa £m
London	262.0	33.4%	72.0	30%	60.0	25%	48.0	20%	43.2	18%	37.4	15.6%	260.6	21.7%	52.1
Rest of England	522.2	66.6%	168.0	70%	180.0	75%	192.0	80%	196.8	82%	202.6	84.4%	939.4	78.3%	187.9
Totals	784.2		240.0		240.0		240.0		240.0		240.0		1,200.0		
Difference Increase and (decrease)⁵			2015/16 £m		2016/17 £m		2017/18 £m		2018/19 £m		2019/20 £m		2015/20 £m	% change over 09–14	2015–20 Av. pa £m
London			19.6		7.6		(4.4)		(9.2)		(15.0)		(1.4)	(0.5%)	(0.3)
Rest of England			63.6		75.6		87.6		92.4		98.1		417.2	79.9%	83.5
Totals			83.2		83.2		83.2		83.2		83.2		416.0	53.0%	83.2

¹ Planning figures for allocation to grants taken from Arts Council England investment plan 2015–2018 and extrapolated to 2019/20.

² The figure for the Rest of England in 2009–14 includes £37.9 million of grants not allocated to specific regions by Arts Council England during this period

³ Source. DCMS Website analysis of Lottery grants updated as at November 2014.

⁴ Although the figure for London is believed to be continuing at a higher rate than 30% in the current year, the Arts Council's target is accepted and used as a starting point in this indicative calculation.

⁵ Showing the differences between the indicated figures for the year and the previous 2009-14 averages. NOTE The table contains some small rounding errors.

Appendix B

Our Cultural Commons

In the next decades:

- most of us will be able to experience the arts and cultures of the world virtually;
- some of us will travel to experience the arts and culture regionally, nationally and internationally;
- but all of us will grow up and grow old experiencing and participating in the arts and culture, locally.

(Note: 'national' is used here to refer to policies applicable to each of the four nations within the UK and the Republic of Ireland; 'local' refers to an area such as one served by a group of General Practice surgeries or a cluster of secondary schools within a single local authority, while 'regional' – below – denotes a larger area, such as one comprising a group of local authority areas with some functional and cultural coherence)

Our cultural life – first and last – is local.

What can we do – as creative citizens – in our local communities and with our local authorities and supported regionally and nationally to make these 'cultural commons' the life-enhancing places we aspire to for ourselves, our grandparents, parents, children and grandchildren throughout our and their lives?

- What opportunities can we secure for all of us to explore and extend whatever gifts and talents in the arts we have been given and cultural interests we have developed as we grow?
- How can we ensure that exceptional creative talent born into whatever circumstance in our community can flourish to its full potential in the world while we support, enjoy and join in that journey?
- What places and programmes can we sustain and develop for our communities in all their diversity to:
 - congregate to enjoy and learn from each other's creativity and cultures (including experiencing culture in different languages, or in our language of choice);
 - be challenged and inspired by the new;
 - relax in nostalgia and the familiar and
 - discover and celebrate our heritages - natural and built and intangible?
- How can we make our cultural commons places where: joy and grief can be shared; wellbeing,

concern, caring, kinship and respect are promoted; happiness and laughter, wonder and curiosity and learning are everyday experiences?

- How do we ensure that our local programmes are designed 'upwards' from the assets we already know we have and can deploy rather than beginning with a deficit in what we have lost or never had?
- How do we ensure address to two of the largest problems confronting us: the personal, social and economic costs of an ageing population and the whole life consequence of skills deficits and structural unemployment for the young?

Schools, clubs, pubs, churches, chapels, mosques, temples, synagogues, shops, community centres, sports centres, arts centres, health centres, play centres, care homes, libraries, local radio, galleries, museums, heritage sites, gardens, parks, beaches and more are the infrastructure that underpins our ambition. Creative cultural activity of all kinds, woven through these institutions, empowers and energises their potential to realise that ambition.

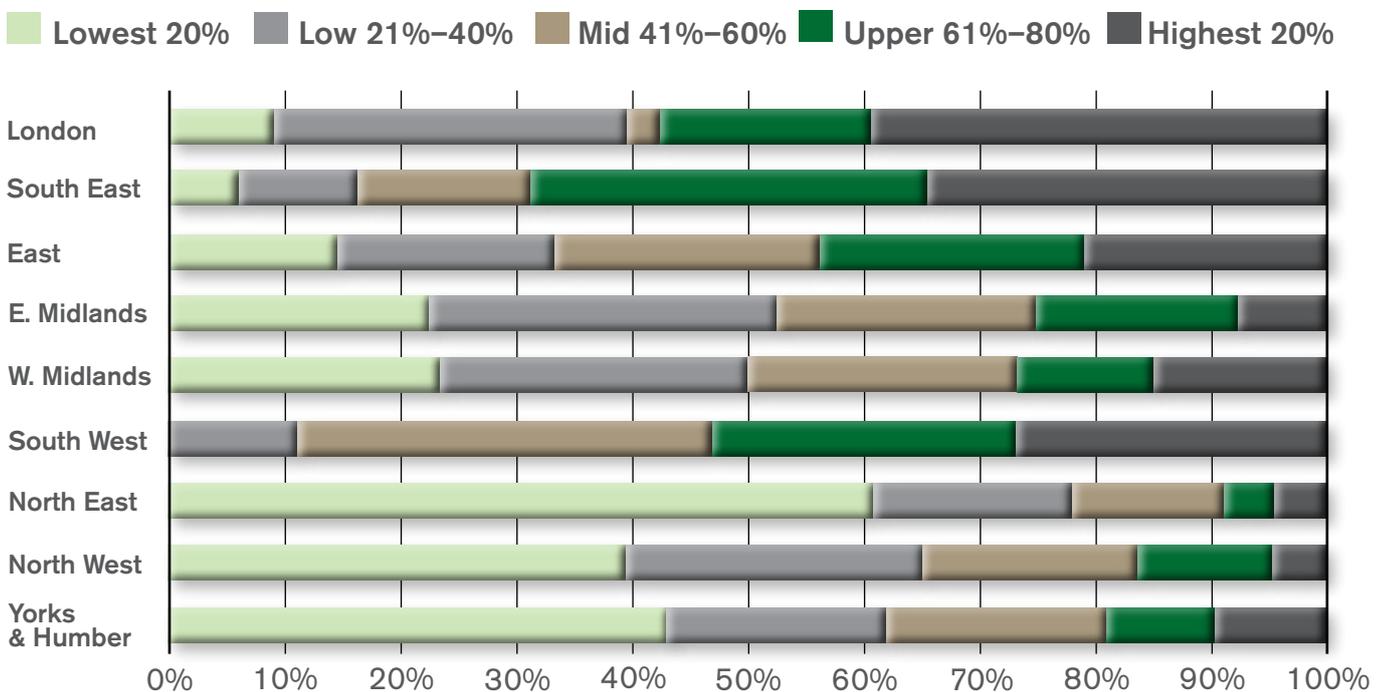
The rapid pace of change surrounding all our local cultural spaces, including changes to local government, and the rapidly increasing digitization of the wider cultural world, means that previous models of local cultural planning are no longer effectively providing support. However, there are new and emerging models, building on local cultural assets and making links with education, healthcare, the voluntary and community sector, and local government. What can be done to understand them better, support them and promote best practice?

Appendix C

Distribution of English local authorities grouped by their residents' degree of current engagement with the arts

A national strategy for the local will need to be implemented differentially 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.

% of LAs by region with lowest to highest levels of art engagement



Appendix D

The White Paper at 50.

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. Three 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.' (Paragraph 14)

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.' (Paragraph 10)

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.' (Paragraph 15)

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 handwritten note in the margins of this memo says to copy it (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 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.
