

Arts Council Response to DCMS Call for Evidence on Lotteries

- Q5. How far is it appropriate for the National Lottery to compete with, for example, commercial online gambling and bingo products, in order to maintain or improve returns to good causes? What are the implications for each?

It is imperative that the National Lottery is able to deliver the maximum amount possible for good causes. As changes in society and technology shape how consumers purchase lottery and competing products, particularly online, the National Lottery must be allowed to move with them.

- Q6. How far should the National Lottery be protected from, or enabled to meet, competition?
- Q7. Does the emergence of lottery-like betting products and betting on lotteries (in permitted circumstances) create risks or opportunities that need to be addressed?

The value of National Lottery funding to arts and culture

Since its inception, the Arts Council has awarded over £3.4bn of National Lottery funds to arts and culture projects. The Arts Council believes that there is a great value in ensuring a single National Lottery is able to take a large enough share of the market to ensure significant sums are available for good causes. Any legislative changes must be carefully designed to ensure overall returns for good causes are not diminished.

The net impact of any proposed changes to regulation in the lottery marketplace must be researched and quantified, to ensure that all sectors and parts of civil society continue to benefit. Careful consideration is needed to ensure there are no unintended negative consequences of deregulation.

The National Lottery has helped the whole arts sector to deal with the challenges of our time, and to make good use of the opportunities. We invest our funds, both Grant in Aid from Government and National Lottery so that they complement each other and work together to achieve the greatest possible impact across the whole of the country.

In the first sixteen years of the National Lottery the new investment transformed the arts and cultural offer in England, with £628 million spent on new buildings largely outside the capital like the Sage, The Lowry and Walsall's New Art Gallery. A further £362m helped rebuild existing crumbling infrastructure.

National Lottery investment is creating culture in places with insufficient provision, touring great art, creating new jobs for young people, providing the right buildings and equipment, and helping organisations develop new sources of income.

The importance of the National Lottery in the current fiscal climate

Our current challenge is the climate for public funding - at both national and local government levels. Despite these reductions in our core Grant in Aid funding, we remain committed to delivering the goals of our strategy, to bring great art and culture to everyone and to preserve our cultural infrastructure.

To do this, we will have to make best use of all our funds, including those from the National Lottery, and achieve the widest possible impact with reduced resources.

If the amount available to us from either the National Lottery or Grant in aid were to reduce, we have been clear that we would need to make savings from our Strategic Funds which address specific opportunities and challenges in arts and culture. Examples include:

- Creative People and Places, which is investing £37 million between 2012-15 in parts of the country where involvement in the arts is significantly below the national average, aiming to increase participation.
- Our £45 million Strategic Touring fund brings the best work to venues that have limited access to touring programmes.
- Our £100m Catalyst scheme, which is helping organisations diversify their income streams.
- Capital funding. In the first sixteen years of the Lottery £628 million was spent on new buildings largely outside the capital like the Sage, The Lowry and Walsall's New Art Gallery.
- Our £15 million Creative Employment Programme to support apprenticeships in the cultural sector
- Schools programmes like Artsmark and Arts Award; and our investment in Youth Music

The distinct nature of National Lottery funding

Many society lotteries focus on supporting areas such as healthcare which are already core activities for Government with protected status. National Lottery funding is distinct from government funding however and so adds a great deal of value. It also deliberately gives money to causes that might not always be the first call on government expenditure, and therefore need a realistic income stream to ensure they are able to add value to society as a whole.

One way we do this is through our Grants for the arts programme. Through Grants for the arts some £6 million of lottery funding is currently supporting 50 ambitious



partnerships between local libraries, artists and arts organisations, promoting the use of library spaces for creative adventures. Recipients included Calderdale Council, for We All Have a Story to Tell; North Yorkshire County Council for their Creative Residencies Programme, Leicester City Council for Imaginative Spaces and Peterborough Culture and Leisure, for graphic novel workshops.

From 2015 onwards we have increased our investment to £210 million for the next 3 years. This increase from £63 to £70 million per year helps us to continue to support the important work artists are doing in all art forms across the country.

How the National Lottery is making a difference for communities and individuals

The Arts Council's [Grants for the arts](#) programme uses National Lottery to support artists and small organisations, often for projects that reflect the experience of local communities.

Since the Lottery began, 28 per cent of the total value of grants awarded in England has been channelled into the 10 per cent most deprived local authority areas. £37m of lottery funding is being targeted at places with low engagement in the arts through [Creative People and Places](#)

From 2015 to 2018 we will extend our use of National Lottery funding in National portfolio organisations; this will allow us to support a larger national portfolio and a broader range of organisations across the country than would otherwise have been possible.

National portfolio organisations are a valued part of their local communities. Organisations like Cast in Doncaster, Theatre Royal Stratford, the Bluecoat in Liverpool, The ARC in Stockton on Tees or the Albany in Deptford are community arts organisations that work with local people on projects that contribute to social wellbeing and cohesion.

For Northern Ballet's Short ballets for small people we invested £385,000 of Lottery funds, which enabled the development and touring of three small-scale, 45-minute productions intended for children and families who might not usually attend a performance.

Many touring organisations that are based in London are funded with money from the National Lottery. Touring increases reach and widens access. There is evidence that around 50% of all national touring benefit local authority areas who are in the bottom third of arts engagement.



Currently over 70 per cent of the Arts Council's National Lottery investment is outside the capital, compared to 60 per cent over the Lottery's lifetime. We want to improve this trend over time.

Importance of transparency and trust

The Arts Council, in common with other distributors, is accountable to Parliament for the decisions we make, we run open and transparent processes to ensure open access for funding and we publicise and make available where National Lottery money goes.

In this way the National Lottery is a trusted model which is widely understood to deliver for good causes rather than profit. This must be protected. Any regulation changes which shifted public perception of Lotteries as purely profit-making vehicles, or blurred lines between Lotteries and other forms of gambling could have a deleterious effect on sales and the amount raised for good causes.

The Arts Council cautions against precipitous changes which might upset the ecology of the lottery market or undermine the uniqueness that makes the National Lottery so effective in supporting arts and culture.