Experimental Culture

A horizon scan commissioned by Arts Council England

Summary report and provocations

March 2018

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ARTS COUNCIL ENGLAND

About Arts Council England

Arts Council England champions, develops and invests in artistic and cultural experiences that enrich people's lives. We support a range of activities across the arts, museums and libraries – from theatre to digital art, reading to dance, music to literature, and crafts to collections.

Great art and culture inspires us, brings us together and teaches us about ourselves and the world around us. In short, it makes life better.

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This paper is a summary of a rapid horizon scan which Nesta undertook between December 2017 and February 2018, to support the development of Arts Council England's forthcoming ten-year strategy to 2030.

The aim was to produce a primer on existing knowledge of key trends, not to conduct a comprehensive review. Within the timeframe available for this exercise, we primarily focused on domain areas in which Nesta has previously conducted research or run grant programmes. Consequently, this paper emphasises the **impact of technology and opportunities for experimentation and innovation** in the coming decade. In addition to a review of relevant research we conducted a series of semi-structured interviews with experts and practitioners (see Appendix 1).

We invited several of those interviewees to respond to the report, with a short set of provocations about the changing context for the work of arts and cultural organisations over the coming decade.

For the supporting references and the accompanying research please see the full report, available on the Nesta website **www.nesta.org.uk**

Introduction

Even in stable times, predictions are a perilous business. It's inherently hard to distinguish between major disruptions and minor disturbances on the horizon. There is reason to be especially cautious in the case of arts and cultural organisations, where to date the overall picture has been characterised by continuity with the past, and the sector has seen nothing comparable to the digital revolutions that have played out in retail, travel or other parts of the creative industries.

In the main, business models have not been upended, and technologies have not led to a seismic change in the relationship with audiences. Many of today's major institutions were around decades ago, operate out of the same or similar buildings and with a recognisable mix of activities. Predictions that live performance would be displaced by digital and that millions would make a living thanks to the 'long tail', as platforms like YouTube made it possible for producers to find niche audiences, have not yet materialised.

Look closer, however, and this stability belies uncertainty and churn beneath the surface. Over the course of the coming decade, much of this change will flow from external drivers and technological progress – such as the UK's exit from the EU, population ageing, the impact of automation on work, the expansion in the capabilities of artificial intelligence and the growth of other emerging technologies such Virtual and Augmented Reality. The implications of these developments extend far beyond the arts and cultural sector of course, but they will help to define the contours of the wider landscape for arts and cultural organisations, their workforce and their audiences.

For arts and cultural organisations receiving public funding, among the most significant projections about the next decade is that of continued pressure on public spending in the UK. Rising health and social care costs, in conjunction with economic uncertainty over the coming years, will mean that public investment in arts and culture is likely to come under greater scrutiny (even in the event of a change in government such scrutiny is unlikely diminish). This could set many changes in motion. Firstly, in responding to the risk of declining public funding, many arts and cultural organisations may find themselves needing to rethink fundamental elements of their business models - or as one of our interviewees put it:

"I think we have to really, really get our act together as cultural organisations and take the notion of sustainability much, much more seriously than we have over really the last 100 years.'
Chris Michaels, National Gallery

Secondly, the sector may need to further sharpen its focus on demonstrating who benefits from arts and culture in receipt of taxpayer support. Currently, the UK's high levels of economic inequality and low social mobility are reflected in the polarisation of audiences for art and culture in the UK – meaning that the most privileged are often (although not always) more likely to access the benefits of public spending on the arts. Looking ahead, given indications of a decline in the cultural education offer in England's schools, the sector may find it even harder to maintain broad reach to young people – with implications for the tastes and appetites of future audiences.

However, this challenging context also presents a unique opportunity for arts and cultural organisations to reframe their role and renew their sense of purpose, moving beyond the limits of a reductive debate which pitches 'intrinsic' value against 'instrumental' impact. An integrated vision can confidently assert the complementarity between the goals of arts and culture organisations and broader social and economic objectives. As one of our interviewees, Professor Jonothan Neelands of the University of Warwick observed, there is now a growing acceptance that these aims can form part of a single, holistic agenda:

"I'm old enough to remember when issues around diversity and participation in the arts and society were seen as social justice objectives. But they are economic objectives now as well; we know that diversity is the social engine of creativity. We recognise that creativity, the creative industries are absolutely essential to our social and economic futures. So I think for the first time there is a congruence across economic, social, cultural, artistic, digital, creative agendas that we've never seen before."

Given the central role the arts have always played in human progress, linking artistic, economic and social goals in this way is far from revolutionary. It is an argument fit for the 21st century, when the contribution made by arts and cultural organisations to developing creative skills becomes ever more critical to our success in the age of artificial intelligence and automation. Meanwhile, at the level of local communities, the longstanding role played by arts and cultural organisation in building social capital will become even more indispensable as we start to accommodate the needs of an ageing population at higher risk of social isolation.

The purpose then, of this paper is not to predict the changes ahead but to highlight some of the key features of the context in which UK arts and cultural organisations will be operating. For those organisations in the sector able to successfully capitalise on opportunities to engage with new markets, audiences and channels, new possibilities will present themselves.

Given the vast diversity across the sector, there can be no single blueprint for responding to some of the changes and trends we discuss in this paper. We do, however, suggest some behaviours and practices likely to support organisations to respond proactively. This includes cultivating the capacity to be more **experimental** in harnessing new technologies and adopting new organisational practices, alongside leveraging the value of **data** in order to understand how best to engage audiences and test new business models. Central to extending their **reach** to a wider audience will be fostering a sophisticated array of **partnerships** – whether with universities, technology companies or with other institutions open to sharing resources and expertise.

In practice, it often takes time, resources (and sometimes scale) to explore the application of emerging technologies, connect with new audiences and broker local and international relationships. This is where public funding will serve an especially critical purpose over coming years, carving out the freedom for organisations to take risks and distributing the benefits throughout the ecosystem.

1

Audiences and participation

- The UK faces a range of structural economic, social and geographic inequalities, and a persistent lack of social mobility. Mirroring this, audiences for arts and cultural activity are also polarised along socio-economic, demographic and geographic lines. For example, data from the Department for Digital, Culture, Media and Sport (DCMS's) *Taking Part Survey* and the Warwick Commission on the *Future of Cultural Value* both suggest there has been no substantive progress towards closing the gap in audience participation between different socio-economic groups across English society.

- To date, the promise of digital technology to democratise access and participation in the arts and cultural sector has not been fulfilled, although digital has driven greater disruption in adjacent creative industries. Meanwhile, universal access to cultural education, which could act as a leveller in terms of introducing young people to arts and culture – both as audiences and participants – has been affected in England by a decline of 15 per cent in teaching time between 2010-2015.

- There are also several demographic changes that will impact on arts and cultural organisations over the coming decade. For example, the growth of an ageing population with disposable income, leisure time and an appetite for culture could constitute an opportunity for the arts sector. Millennials will represent an increasingly important cohort of consumers within the UK. As a fully 'digitally immersed' generation they are arguably more likely to expect novelty, choice and personalisation from cultural experiences.

- The growth in 'everyday creativity', and in particular voluntary participatory arts, digital activity amongst the young and the rediscovery of craft and making may create opportunities for arts and cultural organisations to meet audiences and participants on their own terms. Both within this context, and in terms of wider audience development, there remains a continued strong appetite from the public for live engagement, with technology providing complementary, not substitute, experiences.

1 Audiences and participation

Drivers
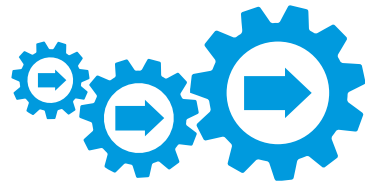
Socio-economic context:
Persistent inequality and low social mobility in the UK

Policy drivers:
A decline in cultural education in England

Explosion in digital consumption and production of culture:
18-24 year olds now spend 35 hours a week online, but the appetite for live events and collective experiences remains strong

Demographic shifts:
Millennials move into early middle age over the next decade and begin to inherit wealth from older generations
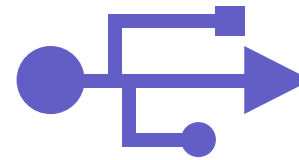
15% reduction in teaching hours for the arts in England between 2010-2015

The rise of the **ageing population** set to drive **51%** of consumption growth in Europe between **2015-2030**

Implications

Continued polarisation of audiences for the arts

17% gap in attendance between the highest and lowest socio-economic groups

Reach to young people weakened:
Through reduction in cultural education, with much cultural creation and consumption falling outside the boundaries of publicly-funded arts and culture
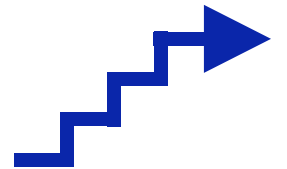
Increased competition
For the attention of audiences seeking novelty and personalised experiences

Increased importance of **capturing health, wellbeing and social benefits** of participation - especially for older people

Opportunities

The offer to audiences:
- Catering to appetites and needs of ageing audiences
- Novel programming which taps into the experience economy

The benefits to audiences:
Using evidence of impact to unlock new sources of finance from public service commissioners, philanthropists and social impact investors

Reaching new audiences:
Using digital platforms and aggregators to connect with geographically dispersed audiences

2

Workforce and skills

- The UK's arts and cultural sectors have experienced uneven employment growth over the period 2011-2016 with employment in music, visual and performing arts growing at 36.6 per cent, while employment in museums, galleries and libraries grew at the slower rate of 1.8 per cent. Meanwhile, employment in the broader creative industries has grown at 25.4 per cent, over three times faster than the UK workforce.

- The arts and cultural sector is characterised by a high proportion of freelancers. The ethnic diversity of the workforce varies across museums and cultural institutions, but is not reflective of the wider population; the gender balance is on average healthier, but there are persistent challenges in relation to diversity more generally in leadership roles.

- Skills shortages exist in relation to creative sectors like animation, visual effects and video games. A range of specialist conservation skills are in short supply in museums, and there are shortages related to specialist technical roles in theatres. Digital skills remain a systemic problem throughout the sector.

- Brexit presents additional uncertainties with regard to the supply of skills and talent. While the evidence is that arts and cultural organisations employ proportionately fewer EU migrants than firms in the whole economy, in specific areas such as freelance performers, or those with certain design, craft or digital skills their role is particularly important. Accessing these workers at short notice in future when there are domestic shortages may be particularly problematic.

- Automation will impact the whole labour force over the next decade. However, creative roles are particularly resistant to automation, with Nesta's research suggesting 87 per cent of creative occupations are at low risk of this happening.

- Looking at a broader set of technological, social and economic changes, our analysis points to cultural and media occupations growing in importance in the workforce. The research suggests that, more generally, roles combining high-end cognitive skills, such as originality, active learning and systems thinking, with strong social and communication skills - the hallmarks of creative work - will experience a rise in demand.

- Over the long term, further reductions in access to cultural education in England and factors impacting funding for creative subjects in Higher Education, could adversely affect the UK's competitive advantage with regards to availability of creative talent and the health of the creative industries more broadly.

2 Workforce and skills

Drivers
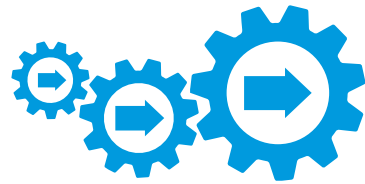
Automation

87% of jobs in UK creative occupations will be at low or no risk of future automation over the next ten or so years, compared with

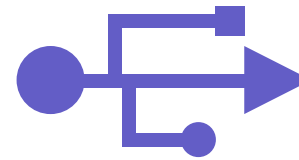**43%** in the workforce as a whole

Brexit

Risk of reduction in access to the EU workers needed to meet any domestic skills shortages in arts and cultural organisations

Some of the UK's best-known orchestras now have over

20% of musicians from other EU countries

Implications

Buoyant prospects for creative occupations:
Projected future growth over the next ten years for curators and archivists, entertainers and performers -amongst others
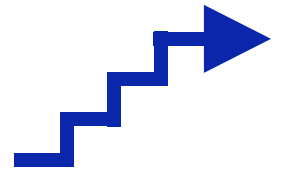
Persistent deficits in the digital skills of the sector

55% of organisations say they only hold basic skills in relation to digital business models

Pressures on the skills pipeline ahead?
De-prioritisation of funding for creative subjects in Higher Education combined with reduced access to cultural education in England

Opportunities

Diversification of the workforce in order to expand supply of talent in the future. Use of sophisticated data analytics to track diversity measures
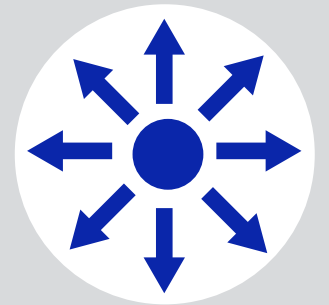
New approaches to supporting self-employed workers in a more precarious labour market:
For example creative hubs to strengthen access to networks

The proportion of the arts and cultural workforce which is freelance or self-employed is

47.6% compared to only

16.6% of the workforce as a whole

3

The changing funding environment and business models

- The market for arts and culture content is likely to become ever more global, expanding the potential audience for UK arts and cultural organisations. At the same time, increasing adoption of digital technologies will be a way for more organisations to reach this larger audience.

- However, the UK's arts and cultural sector is also likely to face more competition, both from other domestic leisure activities and from international organisations. There are also reasons to be cautious about the future public funding outlook at both central and local government levels, due the UK's ongoing fiscal indebtedness, Brexit-related economic uncertainties and forecasts of only slight rises in National Lottery expenditure.

- Many arts and cultural organisations will need to look for more ways of shifting their balance of funding towards other sources, such as private sponsorship and philanthropic giving. New routes to finance, such as impact investment and crowdfunding, which have emerged in recent years will become a much more significant part of the funding mix for some types of organisation. Micropayments and donation-based patronage enabled through online platforms are also likely to be of interest to some artists, performers and organisations.

- Digital distribution could also present commercial opportunities for arts and cultural organisations over the coming decade (for example licensing live-to-digital broadcasts, and the creation of virtual reality content).

- Data capture enabled by digital technologies could allow institutions to optimise their commercial model in other ways - for example, 'dynamic ticket pricing' where ticket prices can be varied over time according to the demand levels.

- However, there is a risk that some arts and cultural organisations (particularly smaller ones) may not have access to the technical, data and business skills that are needed to respond to the commercial opportunities of this environment.

3 The changing funding environment and business models

Drivers
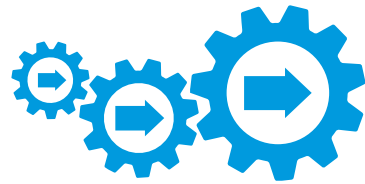
Increase in:
Global art and tourism markets. London based institutions and major brands benefitting

International demand for tourism forecast to grow by **6.1%** pa

Increased property prices:
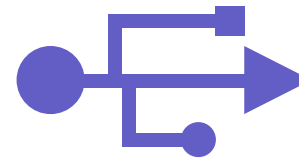with risk of creative activity being pushed out of urban centres

Reduction in:
Levels of public funding available to arts and cultural organisations

16.6% fall in English local authorities' spending on arts and culture between 2010-2015

Implications

Organisations can tap into an international market, but also **face greater global competition**

Financial pressure increases as organisations need to:

- Cultivate membership
- Enhance donor bases and increase the breadth of sponsorship opportunities
- Find new revenue streams
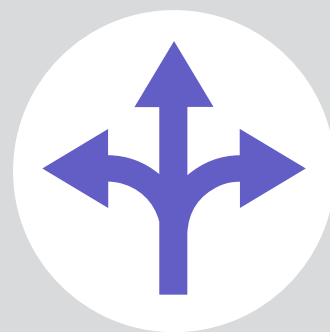
Risk of divergence due to a more competitive environment and varying skills, scale and profile of organisations. Some arts and cultural organisations are more likely to benefit from the opportunities than others

Opportunities
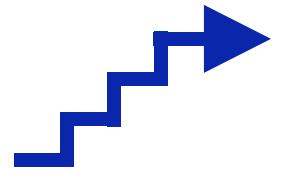
Innovations in funding models:
Eg. micropayments, crowdfunding and patronage platforms

Accessing risk capital to invest in new revenue streams

A market sizing survey for repayable finance indicates future demand of **£309** million from arts, culture and heritage organisations spread over the next five years

Leveraging data and digital:

- Dynamic ticket pricing
- Licensing live-to-digital broadcasts or creating virtual reality content

4

New technologies

- The last decade might have seen a new dawn for the integration of digital technologies into the work of arts and cultural organisations. Yet, in the main, such a revolution has yet to materialise, as many organisations encounter barriers to experimentation (such as lack of access to funding and constraints on staff time).

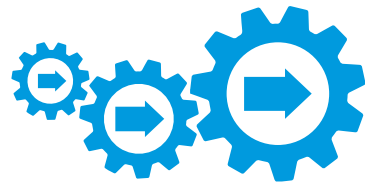- The digitisation of collections and artefacts has become standard practice for many cultural institutions, but the use cases for capitalising on these digital assets, has been limited to date.

- There have, however, been some significant technological developments in creative practice as interdisciplinary collaborations between musicians, artists, performers and technologists have generated artworks spanning multiple media and challenging conventional art form definitions.

- Looking ahead to the coming decade, there are set to be a number of technological advances with significant implications for the arts and cultural sector. In particular, Virtual Reality, Augmented Reality and so-called 'Mixed Reality' will see significant growth. Cultural and artistic content will be one of the drivers of these technologies becoming more widespread in society more generally. Virtual galleries and other immersive performances could be another means of engaging audiences across dispersed geographies and could open up new sources of revenue for organisations.

- Arts and cultural organisations could also seek to capitalise on acceleration in the fields of artificial intelligence (AI) and machine learning in order to deliver efficiencies, innovate and extract value from the vast stores of data they hold. AI is also becoming part of the creative toolkit, with more artists and performers now 'collaborating' with AIs.

- However, exploiting these technologies often means entering into new partnerships, particularly with technology companies bringing specialist knowledge and tools. Arts and cultural organisations will need to understand how these relationships can be structured to serve their needs over the long term, and maximise the wider public value they create. All organisations stand to benefit from sector-wide learning on 'what works' in the contexts of such partnerships and ongoing experimentation.

4 New technologies

Drivers

Digital technologies and new tech players in the field (e.g. Google Arts & Culture) have powered the **digitisation of collections** over the past decade

Public funding is increasingly backing experimentation with technology e.g. via Arts Council England, Digital Catapult, AHRC, Nesta and Innovate UK

Interdisciplinary collaborations between musicians, artists, performers and technologists are giving rise to:

- Multimedia artworks
- Participatory, multi-dimensional experiences for audiences
- Works which mix 'high art' with more popular forms and challenge conventional definitions
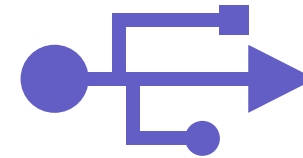
Only **6 %** of museums (or associated organisations) have not digitised any assets at all

Implications

Digital has not revolutionised the practice of arts and cultural organisations

Organisations creating standalone digital works has remained static at **23 %** since 2013

Organisations face challenges such as lack of funding to allocate to digital

62 % of organisations lack funding to allocate to digital

55 % have difficulties in accessing external funding for digital projects

Experimentation is often dependent on partnerships with technology companies:

Arts and cultural organisations will need support in structuring these relationships to serve their needs over the long term, and maximise the wider public value created

Opportunities
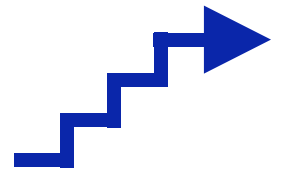
Exponential growth in the size of the **AR and VR market** from **€700** million in **2015** to **€15** billion in **2020**

Organisations can capitalise on this, via content partnerships, structured funding programmes, licensing arrangements and the development of in-house content creation

Acceleration in **AI and machine learning** creating opportunities for:

- Curators to classify and manage large data sets on collections
- Organisations to engage with visitors instantly via chatbots
- Pattern recognition to be used to identify trends in membership and fundraising, machine vision to be used in identifying forgeries
- Artists to create new work with AI and interact with digitised collections

Conclusion: Charting a course to 2030

In addition to engaging with overarching questions around inclusiveness and their role in creating public value, arts and cultural organisations will also have to contend with the ripple effects of a complex set of technological, demographic and socio-economic trends. If they are to prove robust in response to the uncertainties which flow from these trends, many will find it valuable to build capacity in the following areas:

1. Experimentation

- Arts and cultural organisations, and the individuals that work in and around them, are renowned for producing bold and often groundbreaking work. Yet, despite this, there remains a consistent sense that the sector is slower than more commercial sectors (like music and video games) to harness new technologies, exploit the assets they hold in a more joined-up manner (both physical and digital) and bring new methods and practices into their work from other fields.

- Cultivating a culture of experimentation within organisations - from opportunistic and small-scale testing to the larger and more structured experiments - should be a key priority. It will similarly be important to ensure that there is an infrastructure for shared learning in the arts and cultural sector, similar to that which exists in science and technology R&D.

2. Leveraging data

- Growing a more systematic and widespread culture of experimentation in the arts and culture sector will be partially dependent on a more systematic and rigorous approach to capturing and analysing data. More widespread data capabilities will help cultural institutions to optimise business processes, better understand their existing audience, reach new audiences and unlock the value of their cultural assets.

- Looking beyond the value of using data to inform decision-making in individual institutions, marshalling more robust evidence will also help to better capture the public value created by the sector as a whole.

- However, leveraging the value of data will require specialised skills and knowledge, and there is some way to go for the sector in terms of developing the necessary skills and capabilities.
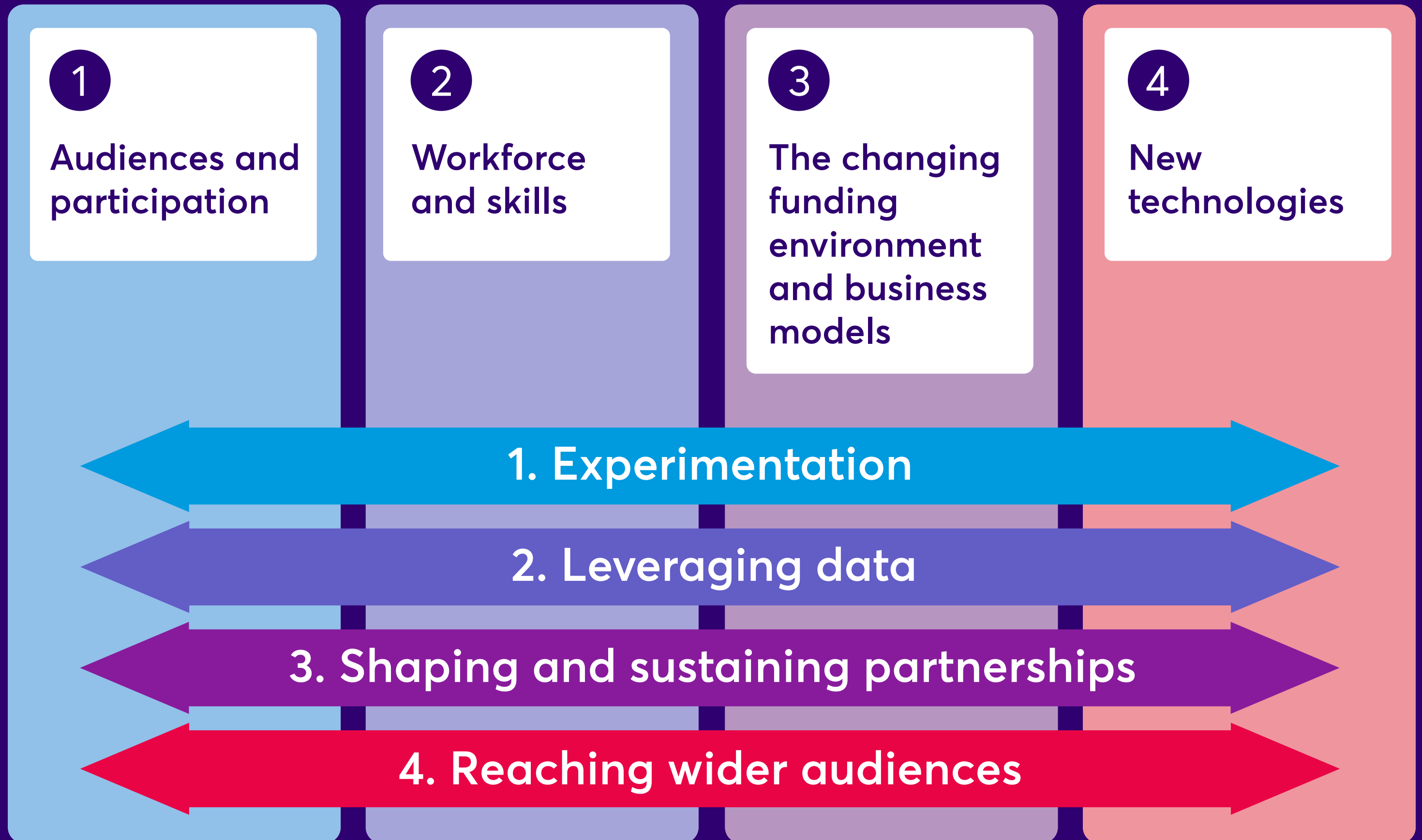
3. Shaping and sustaining partnerships

- Over the coming decade, arts and cultural organisations will be looking to grow partnerships which allow them to reach new audiences, access specialist skills, tap into new sources of revenue and experiment with technology. Partnerships that allow for more efficient operations through shared services, facilities and procurement are also likely to become more important.

- The emphasis on local partnerships is set to become even more pronounced in funding and policy, building on a longer-term trend towards place-based strategies in both arts and cultural policy and the wider creative industries.

4. Reaching wider audiences

- Concern about inequitable patterns in access to arts and cultural experiences reflecting (or even reinforcing) existing inequalities, means that work to broaden, diversify and deepen relationships with audiences will be critical in sustaining support for public spending on the arts in future.

- Organisations can extend reach in a variety of ways - some may look to foster deeper relationships with their local community, whereas others could use technologies to engage an audience distributed across different locations.

- Despite the uncertainty on the horizon, it should be noted that many arts and cultural organisations have already successfully weathered decades, in some cases centuries, of social and economic change by reimagining and renewing their relationship with audiences. This creativity will be vital in sustaining their relevance in future.

Conclusion: Charting a course to 2030

1 Audiences and participation

2 Workforce and skills

3 The changing funding environment and business models

4 New technologies

1. Experimentation

2. Leveraging data

3. Shaping and sustaining partnerships

4. Reaching wider audiences

Provocations

We asked a number of our expert interviewees to respond to the horizon scan report, and pose some pressing questions which they believe arts and cultural organisations will need to engage with over the coming decade.

Jonothan Neelands, Academic Director for Cultural Partnerships, University of Warwick and Professor of Creative Education, Warwick Business School

The arts thrive in interesting times. In response to a new age of uncertainty and conflict, digital revolution, globalised inequalities and the impact of migration and environmental collapse we turn to the arts for new ideas and voices, fresh ways of seeing and understanding the world. New ideas fuel the arts in seeking out new audiences, forms of expression and critical responses to the times we live in. But where are the new ideas about how best to fund, organise, prioritise, sustain and grow the work of artists and cultural organisations?

There are big challenges and opportunities to capture and address. In an uncertain world conventional ideas about what is and what isn't art are disrupted and the boundaries between popular and commercial, virtual and digital, restricted audiences and publicly invested arts blur. Tired distinctions between the public arts and culture and the other high-profit sectors of the creative industries obscure the necessity for public investment in R&D, and the free flow of talent, technologies and investment across a vibrant ecosystem. Local communities look to the arts for a wide range of purposes- for entertainment, for social cohesion and identity making, for health and education, as a driver for economic growth and tourism. Are these wider purposes a distraction from or a return to the 'core' mission to deliver high quality arts for all? Are they the

vital conduits towards new audiences, new aesthetics, new impact, new talent – providing a central role for artists and cultural organisations in their communities?

And the central challenges to the arts remain and are becoming more acute. A lack of diversity from the board room through to audiences strangles innovative models of leadership and unheard voices, new forms of expression and communication, new talent that thinks, behaves and organises differently. The shrinkage of educational opportunities in and out of school for our most disadvantaged young people, exacerbates the problem of diversity and denies all young people their entitlement to the full range of the arts including complex work that benefits from an educated appreciation and craft. Crucially, significant reductions in grant-in-aid to local government combine with an increasing demand on Arts Council England to stretch its finite resources across an increasingly broad range of arts, cultures, heritages, purposes and technologies.

What are we to do? At a place-based, rather than a national, level how do we organise ourselves to make the best joined-up use of our local resources of artists, communities, talent and economic resources? How do we use new partnerships with the private and third sectors to both enrich the local economy and enrich the lives of the most vulnerable and marginalised? How do

we use the key anchor institutions – local government, HE and FE, LEPs, NHS, business forums – to maximise the flow of information and opportunity, invigorate fundraising and proposals for funding, develop inclusive programming, reduce costs and free up spaces for making and sharing in the arts?

How do we combine social enterprise and innovation with charitable status? How do we build on a vibrant community arts and grassroots cultural life to scaffold access to employment and enjoyment in the arts? How can volunteering at all levels from strategy to delivery support limited resources? How can we make place-based diversity a strength rather than a challenge? How do we align the interests of local government and business and the universities with the manifold possibilities of place-based arts activities? How does our cultural offer become inclusive cultural activism at a local level? As the world changes how do we begin at the local level to adapt, grow and associate so that the arts continue to inform and improve our lives?

Seb Chan, Chief Experience Officer, Australian Centre for the Moving Image

Working with cultural heritage institutions for almost two decades, I remain struck by three key challenges that remain unresolved. The first of these relates to the continued lack of institutional understanding of how audiences choose to spend their leisure time. The second, is how this is intertwined with issues of equity both in terms of audience and staff diversity. The third, of course, is how digital media and other technologies have been poorly understood - not just in terms of affordances and opportunities, but also in terms of competitors for this time.

As economies tighten people now find their discretionary free time increasingly scarce. Multiple jobs, a gig economy, rising personal debt levels, scattered housing - as well as the ever increasing permeation of 'mobile ambient media' into our lives has changed how many people make choices about how to use their time. As several recent studies demonstrate - and internal research at the largest institutions likely confirms - time sensitivity is far more a barrier to engaging with arts institutions than price sensitivity. Of course, those with the greatest amount of discretionary free time are often those who are also the most economically secure. For institutions lacking a large proportion of tourists - the most time rich - the issue is even more pressing.

Related to this, our sector's many attempts to attract audiences and engage communities that are more representative of the societal mix around us, continues to be patchy at best. It is increasingly clear that if our sectors' workers aren't also reflective of our broader society then audience efforts will never go very far. The US peak body for museums, the American Alliance of Museums, recently published a provocative article on this issue and raised the challenge of 'internal salary equity based on effective income'. 'Effective income' equity might see younger staff receiving much higher take home pay in recognition of their considerably higher educational debts, their lack of a foothold in the property market,

their lack of 'spousal support' amongst many other factors. That's highly unlikely to happen - but if our sector is to address very pressing staff diversity issues, 'effective income equity' might be the conversation starter many organisations need to have with their funders and boards. It might start to address the huge talent pipeline challenge organisations are facing.

And so to 'digital'. The graphical web browser turns 24 this year. And looking back over those 24 years, many of the same ideas, issues, and opportunities that were dreamt of by our sectors in the late 1990s remain dreams. Arts institutions have been far too slow in transforming their operating models to integrate, and interrogate, 'digital' in its broadest, most networked sense. The inability to retain highly skilled technical staff within our sector is one of the root causes - along with a lack of investment in infrastructure - of the sector's inability to effectively 'compete' or sometimes even effectively 'collaborate' with media and technology industries.

Deborah Bull, Assistant Principal (London), King's College London

Towards Cultural Democracy (a report from King's College London) sets out a bold vision for a world in which opportunities to create are open to all, regardless of background, social circumstances, age or geography. We know that this is not, at present, the case: there are significant disparities to levels of engagement between different communities and geographic areas, with socio-economic background and educational attainment the biggest factors influencing participation. We also know (from the Warwick Commission) that there is a mismatch between the public's appetite to take part in culture and the publicly-funded offer. Across the UK and the Republic of Ireland there are around 63,000 voluntary arts groups, involving more than ten million people.

So what is the relationship of the publicly-funded arts organisations to this broader ecology of singers, dancers, makers and writers – these millions of everyday participants who make and create on a voluntary basis? If they are all part of a cultural ecology, how does one element relate to and interact with the other? What is the role of the funded organisations in promoting and encouraging the cultural capabilities of everyone – in enabling all parts of the ecology to flourish in ways that are more empowering, more equitable and, in the end, more creative?

Arts organisations have worked hard over recent years to develop imaginative ways to engage broader audiences with their work. But supporting everyday participation in arts and culture, encouraging the creativity and cultural capabilities of everyone, is not necessarily the same thing.

Chris Michaels, Digital Director, National Gallery

Too much of what the worlds of art and culture do is grounded in ideas that are old, breaking and desperate for renewal.

Make comparisons between 'our' world and how people now behave in the digital-driven real-world, and the gap is painful.

When 'we' want to make art, we run through funding rounds and proposals and commissions and juries and eventually we get 'Art'.

When a kid wants to make art they record a song on Garageband and put it on Soundcloud or make a video on their phone and put it on YouTube. The kid gets instant user data, qualitative feedback in comments, and their voice is shared across the world. 'We' get a review in *The Times* and hope we learn enough to do better next time.

When the kid wants to do a gig, they find a bar, or just an empty building and sell their own tickets on Eventbrite. They change the price when it's not selling fast enough and keep showing their audience on Snapchat how they're making more. When we sell tickets, we spend weeks wrangling ticketing models uncorrelated to demand into ticketing systems we wish we didn't have, go on sale and hope, and far too often, fail.

When the kid wants to build some income, they ask for backing on Patreon, and gets a group who care to give them a small amount of money every month. When we want to build an income we set up annual subscriptions, with Gift Aid slices on top and wish our databases were easier to understand, and that we had younger people as our members.

And when the kid wants inspiration, they pay their monthly Amazon Prime membership and get all the movies, TV and music they could ever want. When we want inspiration, or to inspire, we wish we'd digitised our collections and archives earlier, and managed our IP better.

The underlying challenge is the same, everywhere: we need to align our behaviours to the new digital world around us. We need to let that world simplify what we do and how we do it. And we need, critically, to listen to the data and audience voices that new world makes easy to hear. We have the chance to renew and to rebuild. We need to take it.

Mark Robinson, Founder, Thinking Practice

The vision of *The Taylor Review of Modern Working Practices* is that 'All work in the UK economy should be fair and decent with realistic scope for development and fulfillment.' The cultural sector is currently a way off. It needs to invest in conditions and training so that having an unbalanced, overstretched workforce does not undermine effectiveness and creativity, capacity to be adaptive and resilient, and – crucially - the ability to explore the full range of experiences and imaginations.

Essentially my challenge for the next ten years is this: 'What makes us think we can have sustainable culture by requiring artists and much of the workforce to subsidise activity?'

Cultural organisations must become, more consistently, great places to work for talent from far more diverse backgrounds, regardless of financial backing. Employers must make a step change in workforce development and in the structures within which people work. (For some this will

start with acknowledging their role as 'employers'.) Organisations should collaborate more, share workers more, and enable others to come together to develop long-term strategies.

As self-employment, already almost three times higher in cultural workers than the general workforce, becomes more common, organisations must think beyond PAYE employees to the artists, freelancers and micro-businesses they rely on, investing in skills and reducing the precarity of 'project life in a project world'.

Practically, what could NPOs do to share services with providers such as 'creative hubs' or universities? Could models of 'shared employment' across organisations be developed? Could place-based consortia or sector support organisations host HR or finance expertise, for instance? Could they support online platforms or networks, working with unions and other groups? Could larger organisations, including local authorities, create late payment or ill health guarantee schemes for artists and freelancers?

A first step would be every organisations abiding with industry standards and paying on time, of course.

Pauline Tambling, Former Chief Executive, Creative & Cultural Skills

Arts and cultural organisations need to think about workforce issues if they are to stay relevant. This is an obvious point. We focus on what's on stage or on the gallery walls but we think less about the people we employ, the skills and qualifications they need, and how to be good employers.

It's a paradox in the sector that labour market data says that more people are being employed year-on-year but young graduates can't find jobs. It's harder still for young people who haven't been to university. One reason for the labour market paradox is that growth is in freelancing, project work or startup companies. It's also that the available jobs are hidden: administration, backstage, customer services and technical roles.

Ours is an attractive sector. Sadly this has meant that employers don't have to try very hard to attract talent. Worse, some employers exploit young people's eagerness to join the industry by taking on unpaid interns rather than paying staff in entry-level jobs. Unless it's a genuine internship (as part of a formal programme of study) this is not legal: all workers are entitled to the National Minimum Wage. Many creative industries adopt lazy recruitment practices: they use qualifications to screen out candidates, rather than putting in place sensible job descriptions and seeking the talent they need. Not all arts jobs are graduate jobs, yet the sector hardly recruits under 23s, let alone younger people who are not graduates. This makes for a lack of diversity in the sector which is becoming even more – if that's possible - white and middle-class. As a result the sector doesn't reflect society as a whole. Who wants to attend an event when no one there is like them?

Other sectors work more closely with the education and training sector. They engage with apprenticeships, for example, and they use qualifications as a passport into specific employment areas. This makes

for better productivity. It's obvious, isn't it, that if employers are more precise about the job roles they have, then new recruits have a better chance of making a positive contribution. Often in the cultural sector it's a 'sink or swim' scenario with incoming staff expected to make up the job as best they can or turn their hand to things they've never had training in.

If we thought more precisely about our employment needs we'd be more open to young people coming in to employment through apprenticeships and technical courses. We know from work at Creative & Cultural Skills that we can attract candidates from a wider demographic this way. We also know that a lot of energy goes into cultural organisations' education programmes but without the crucial link between the participants and employment opportunities. It's as if we want more young people from different backgrounds to experience the arts but not to work in them.

We could increase our sector's relevance, improve its productivity and gain wider credibility with the public if we could start to improve our sector's approach to employment.

Tim Joss, Chief Executive and Founder, Aesop

Arts and cultural organisations must begin a concerted effort to forge new alliances over the coming decade.

There's this on the Arts Council England website: 'We believe that great art and culture … makes life better.' Others also make life better: the NHS, schoolteachers, local community volunteers and international aid charities. It's time for bridge-building which connects arts and culture with these other sectors. Arts and cultural organisations can take the lead - bringing their skills to the table and drawing on the growth of co-design and co-production and using new approaches to public engagement.

Arts and cultural experiences have a unique and powerful set of 'active ingredients' which can improve and transform people's and communities' lives. But first, we need honest appraisals of where we are now. Take health: a 2017 report concluded that 'the United Kingdom is still very far from realising more than a small modicum of the potential contribution of the arts to health and wellbeing.' Other sectors expect to and are able to provide more robust evidence. Public funding pressure, scrutiny and accountability means faith in the benefits of the arts is no longer enough.

To chart our impact and the value created, the arts and culture sector needs its own outcomes frameworks. In other sectors these are well developed. Artistic/cultural outcomes frameworks are essential for valuing culture, making sure artistic programmes are not just viewed through the lenses of other sectors.

For example, Aesop's programme Dance to Health addresses a major health challenge, opening up new opportunities for creative practice, increasing volunteering amongst older people and growing local cultural activity. A £2.3 million early-stage roll-out is under way. We have also developed an evaluation framework for arts in health programmes, but frameworks alone will not be sufficient. Training and capacity building will be essential in laying foundations for the growth of this agenda in coming years.

Appendix 1

We conducted 22 interviews between January and February 2018. This group of interviewees does not constitute a 'representative' sample on grounds of geography, artform or demographic indicators. They were selected on the basis that they could provide an informed perspective on audiences of the future, issues impacting the sector's workforce, emerging business models or experimentation with emerging technologies. We also wanted to hear from individuals who were well-positioned to reflect on their experiences of:

- Innovating, testing or experimenting with new tools, technologies or methods.

- Working in a range of organisational forms (from grassroots arts organisations to major institutions, technology companies and universities).

- Fostering international collaboration.

- Exploring big picture trends or working on a specific agenda for the sector over an extended period of time.

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