



Response to Rebalancing our Cultural Capital Report

Arts Council investment outside London

Overview

Rebalancing our Cultural Capital is a welcome contribution to the debate around public funding for the arts across the country. This briefing sets out the Arts Council's approach to ensuring a vibrant cultural scene nationwide, and some facts and figures which support this.

1. It is a complex picture but the report rightly points to the need to continue to target lottery funds to places with less arts and culture investment.
2. Our strategy has been to build capacity and development through intelligent investment. Our National Lottery funding outside of London in 2012/13 was £174 million. If the figures remain buoyant, Arts Council investment over the next five years will equate to £870 million lottery funding outside of London.
3. Our forthcoming investment round will open in January 2014 and a priority will be to ensure a balance of our investment of Grant in Aid and Lottery across the country
4. Over the lifetime of Arts Council lottery spending funds have been awarded largely outside London in a 60/40 split.
5. Over the last three years more than 70% of our lottery investment has funded projects outside of London, or on projects which benefit the whole country.
6. We do not recognise the figure of £350 million of income from Arts Council National Lottery as suggested by the report. Our figures are based on figures from the government and are £260 million. If our Lottery income were to go up, our proportionate funding to the regions would do so as well.
7. It is not a question of London versus the rest of the country. National organisations have a role in artistic development, pioneering digital platforms and touring across England. They, along with great art and culture from the regions, also give us a leading role on the international stage.
8. It can be misleading to look at London's benefit per capita. Figures on Arts Council funding relate to where the organisation is administered from, not where its 'impact' is – so funding per-head for organisations and companies that are based in London but which tour or have a regional presence will not give an accurate representation.

The landscape of public arts funding

It is important to separate out the various sources of funding which go towards arts provision in England, of which the Arts Council is just one source.

- **Local Government** is by far the biggest single funder to arts and culture in England, injecting around £720million annually
- Approximately £450million of funding – to national museums, galleries and libraries – is **directly funded by DCMS**

- In 2012/13, around £440 million was distributed by the Arts Council from general taxation, or **Grant in Aid** (from DCMS and the Department for Education), with £162 million going to London.
- A further £317 million was also distributed¹ by the Arts Council using proceeds from the **National Lottery**, in addition to core funds.
- The amount of Lottery money available to spend fluctuates year-to-year, for example, in 2011/12 there was £162 million.

What we are doing

We recognise that there is work to be done – but it is also important to recognise what has been achieved since 1965 in building cultural provision outside of London.

Some of the most inspiring and challenging artistic work is made outside of the capital; Birmingham Royal Ballet and Birmingham Opera, the Sage in Gateshead, the Turner Contemporary in Margate, Nottingham Contemporary, the Hepworth in Wakefield Opera North in Leeds. Many of these have been established in the last 15 years and represent a small part of the Arts Council's major investment to build up capacity outside the capital.

These are challenging times for the sector and the Arts Council is alive to the need to invest strategically in increasing access and provision in the regions; this is part of our core strategy.

Aside from the 695 National Portfolio Organisations, we fund a number of programmes which have a high impact right across the country.

Some examples are:

Strategic touring - In addition to the core funding we give to companies that predominantly tour, we also run a £45 million 'Strategic touring programme' which encourages collaboration between organisations, so that more people across England experience and are inspired by the arts.

Capital programme - Over the period 2012-15, our £243.6 million Capital investment programme will support organisations all around the country to develop resilience by giving them the right buildings and equipment to deliver their work, and to become more sustainable and resilient businesses.

¹ There is an important distinction between Lottery income and expenditure, unlike Grant in Aid. Lottery income does not have to be spent in the same year it is received. For example, capital awards for building projects are best spread over several years.

Creative people and places – This £37 million fund focuses our investment in parts of the country where people's involvement in the arts is significantly below the national average, with the aim of increasing the participation

Creative employment programme – This is investing £15 million to provide match funding for 6500 apprenticeships and internships for people aged 16-24.

Music education hubs – We are investing £171 million in a network of music education hubs across the country, which will ensure that every child aged 5-18 has the opportunity to sing and learn a musical instrument

Major Partner Museums – Our 16 Major Partner Museums, of which only two are in London, receive over £20 million per year

A priority for us in the next investment round which opens in January 2014 will be to ensure a balance in our investment across the country.

The report's proposal

The report proposes a 'National Investment Programme' of £600 million over the life of a parliament (five years), or £120 million per year, specifically charged with investment in new cultural production outside London.

Using 2012/13 as a guide, when £174 million was spent outside London, the Arts Council would already invest around £870 million over five years. The assumption made in the report that National Lottery funding for Arts Council England will rise to £350 million per year is speculative and is not in any existing forecasts. The more realistic DCMS forecast is for £260m, leaving a £90m shortfall to the proposed allocation every year.

Making up this shortfall would require a drastic reduction in the amount of money that we were able to give up and coming artists in London. It would also leave little for existing investments beneficial outside London like Creative People and Places, Strategic Touring, and other schemes to develop talent. On subsidy per attendance, *our existing investment does not favour London unduly.*

We would also note that at page p39 the report suggests that 'Arts Lottery' spend per head is £86.40 in London. This is not correct. Arts lottery spending per capita in London was £17.26 in 2012/13.

How our investment benefits individuals across England

Leaving aside other funders, and using a more representative measure of subsidy per attendance, **London in fact has the lowest Arts Council subsidy per attendance at £4.09.**

This excludes the biggest four National Portfolio Organisations (NPOs) that we fund in the capital (Royal Opera House, Southbank Centre, National Theatre and English National Opera) – but even if these are included it is the second lowest at £6.15, with only the South West lower.

The Midlands (including the Royal Shakespeare Company) had the highest subsidy per attendance at £11.40.

In the current climate, we believe it is best to strengthen capacity outside London rather than weakening investment in the capital.

Arts Council England

The Hive
49 Lever Street
Manchester M1 1FN

Email: enquiries@artscouncil.org.uk

Phone: 0845 300 6200

Textphone: 020 7973 6564

www.artscouncil.org.uk

@ace_national

facebook.com/artscouncilofengland

Charity registration no 1036733

To download this publication, or for the full list of Arts Council England publications, see www.artscouncil.org.uk

ISBN: 978-0-7287-1535-6

© Arts Council England, October 2013

Written, edited and produced by Arts Council England.

We are committed to being open and accessible. We welcome all comments on our work. Please send these to, National Director, Advocacy & Communications, at the Arts Council England address above.