

Rebalancing Our Cultural Capital

**A contribution to the debate
on national policy for
the arts and culture in England**

Peter Stark
Christopher Gordon
David Powell

‘ *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.* ’

1965 WHITE PAPER

‘ *The other important rationale for government intervention is the achievement of equity objectives. Before acting, an assessment should be made of the extent of the inequality to be redressed, and the reasons it exists.* ’

TREASURY GREEN BOOK
(ANNEX 1.10), APRIL 2013

‘ *This country has been too London-centric for far too long.* ’

DAVID CAMERON,
2 OCTOBER 2013

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1. INTRODUCTION

The authors have prepared this report informed by the pioneering work of Jennie Lee and the national cultural policy framework she created through her White Paper of 1965, *A Policy for the Arts: The First Steps*. Despite this long history, we do not seek any return to earlier structures. The world is changed – and we have no expectation of any imminent increase in publicly provided resources for the arts and culture.

We are aware of the many other dimensions of debate that exist around public policy for the arts. We have engaged with those issues throughout our working lives. We acknowledge in particular:

- the critical roles of socio-economic status, class, disability and education in determining levels of engagement with the arts that are supported by funds derived from the whole of the national tax base
- the prerequisite of stable and empowered local government for any sustainable approach to arts programmes across the country and of the current instability in this field
- the dialogue – outside London – between the major urban centres, their immediate hinterlands and the rural areas that are ‘beyond’
- the dialogues – inside London – that recognise the great disparities within the city with over a quarter of London’s population living in areas that are among the most deprived in the UK¹
- that cultural competence is now devolved to the parliaments and assemblies of Scotland, Wales and Northern Ireland.

Our focus, here, is on England and on public funding. The geography and the spatial basis we use are the standard planning regions. The ‘London’ we refer to is therefore the area over which the Mayor of London and the London Assembly have jurisdiction, with a population of 8.2m.²

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

- We share a vision of a ‘polycentric’ and internationally networked Britain of many cultures with autonomously dispersed resources for artistic and cultural production supported by and celebrated in a capital city that ‘irrigates rather than drains’ in the arts as in other areas of national life.
- We view the excessive dominance of London in national cultural life as unhealthy for the capital itself and for the nation. We are saddened by the failure of stewardship by those in public service charged with the development and delivery of national cultural policy who have acquiesced in rather than addressed the growth of this imbalance.

This report sets out clearly the scale of that dominance. It makes recommendations for early action to address the distribution of resources for creative production to rebalance our cultural capital between London and the regions in the context of a wider agenda for future change.

In the next stage of our work together, we will address our third shared concern.

- We will argue that the presence of local facilities of real quality to allow widespread engagement with the arts, whether people are participants or audience members, is of ever greater importance for individual and communal wellbeing as digital connectivity becomes more ubiquitous, life expectancy grows and patterns of demography, work, learning and leisure transform.

We are not economists. We address the finance issues from our specialist perspective in cultural policy. Our financial calculations have been reviewed by the Director of Resources of a major independent cultural organisation, previously a Head of Finance within the arts funding system.

In discussing levels of funding in relation to and between each region, we have used the level of investment/grant aid/commitment per head of population (php) as a simple but effective indicator of 'benefit' or 'return' from that funding to that region and its population. This approach was first used in this field by the Policy Studies Institute in 1982 and, with acknowledgement of its imperfections, by every major report on the subject since.

We have no vested interest in the proposal we advance, either personally or organisationally. We have received no funding for our research. Nor is the proposal based on consultation with any interested parties.

Our recommendations flow firstly from our analysis of the status quo in the disposition of taxpayer and lottery player funds for the arts across the country and, secondly, our belief that change – in time profound change – is required in this pattern of investment if the arts in England are to realise their full potential not only in the lives of citizens and communities but also for our rapidly evolving national cultures, society and economy.

We offer this first submission on rebalancing resources for cultural production as evidence to inform and stimulate debate on the future direction and public sector support of arts and cultural policy in England that will be carried forward in England over the coming two years. We look forward to playing a part in that debate.

2. EXECUTIVE SUMMARY

Provenance and purpose

This report has been independently researched and published by its three authors, who have shared 45 years of professional work in the arts in England. It has not received funding from any external source.

We share a vision of a richer cultural and artistic life that could obtain throughout the country – in diverse communities, in centres of cultural production and in a growing range of international relationships. Achieving this vision will require public arts funding (from taxpayers and National Lottery players) to be more equitably and intelligently invested across England than is the case.

We celebrate that London must, and will, remain the nation's 'cultural capital' – one of the great creative centres of the world. It will continue to receive its 'unfair' share of public funding. We argue, however, that London and its major national cultural institutions must repay this investment by developing approaches that are designed to 'irrigate rather than drain'. We illustrate just how disproportionate London's share currently is. Some rebalancing of national resources is required.

The policy directions set in train in 1965 by Jennie Lee's *White Paper A Policy for the Arts: The First Steps* and the new resources made available for the arts since 1995 through the National Lottery have helped produce confident and qualified creative communities throughout the country. The infrastructure, maturity, community roots and international networks to respond to new resources for production now exist.

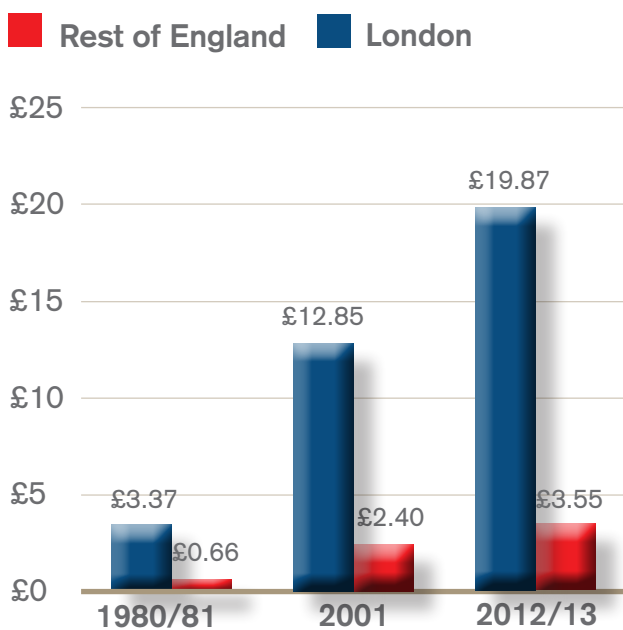
We acknowledge the positive impacts resulting from initiatives such as the 1982 House of Commons Report, the Arts Council's 1984 *Glory of the Garden* strategy and Regional Arts Lottery Programme (1999–2002), Chris Smith's securing of an additional £25 million for regional theatres (in 2000), Renaissance

in the Regions and the Arts Council England (ACE) Creative People and Places programme. Nevertheless, in terms of the overall national disposition of resources, the systemic drift of London bias has continued unabated.

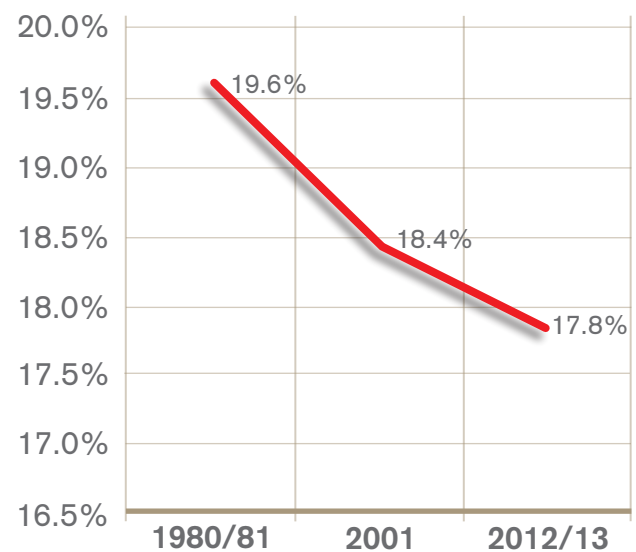
The critical role of the ‘centre’ and the consequences

Analysis shows that the ‘centre’ in England makes decisions on 75% of the public’s funds available for the arts – a far higher proportion than in comparator countries. The record of the Arts Council since 1946 reveals both a consistent pattern in London’s favour and a trend to increase that differential – contrary to stated policy between 1965 and 2010. The trend was first analysed in 1982 and has been studied ever since.

Trend of ACE Treasury expenditure £php



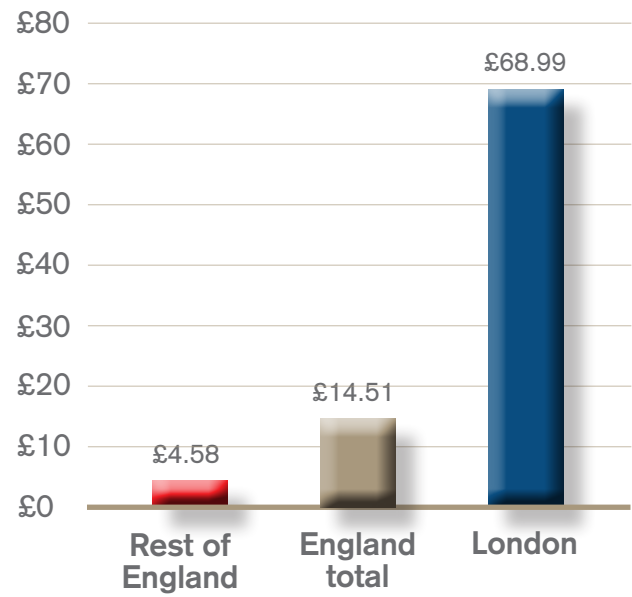
Trend of ACE spending outside London php as a % of total spend



The Department of Culture Media and Sport (DCMS) also funds 16 major ‘national’ cultural organisations directly. In 2012/13 we estimate that 90% of the £450m available was of direct benefit to London. Combining this direct DCMS expenditure with that of Arts Council England produces a benefit per head of population in the capital of £68.99 compared to £4.58 in the rest of England (6.6% of London levels).

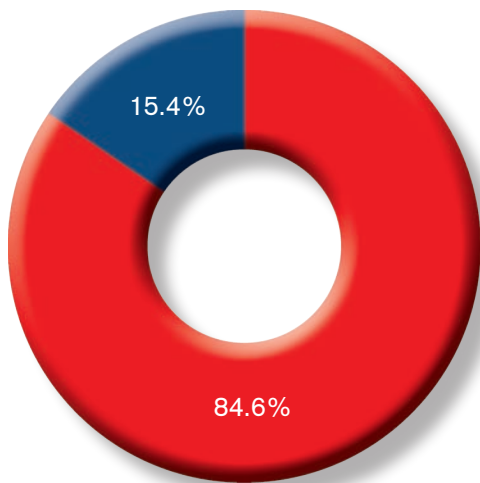
Throughout the period of growth in public sector arts investment since 1946, successive governments and Arts Councils have argued that substantial additional resources would be required to permit addressing the disparity in funding between the capital and the rest of the country.

DCMS & ACE combined Treasury funding php awarded 2012/13



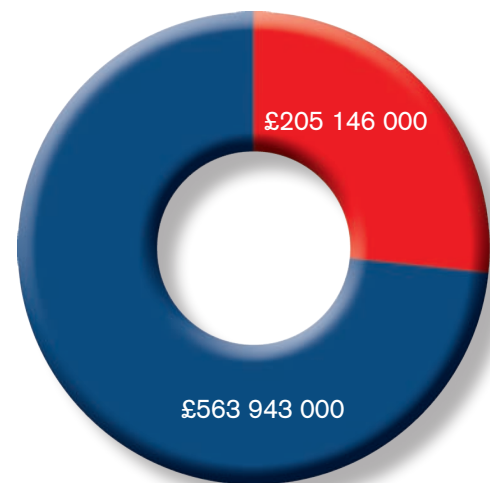
Population distribution in England

■ Rest of England ■ London



DCMS & ACE combined Treasury funding awarded 2012/13

■ Rest of England ■ London

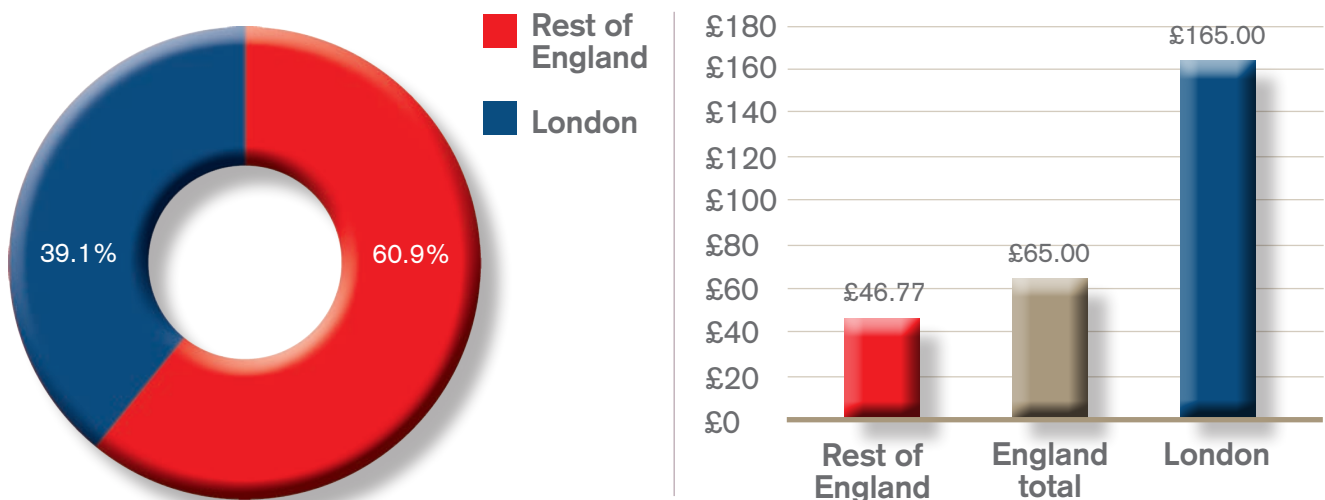


The National Lottery: a different ethical base for funding decisions

Since 1995, Arts Council England has had responsibility for distributing National Lottery funds in support of ‘good causes’ in the arts. The Lottery was established on the basis that its funding would clearly be ‘additional’ to whatever had previously come from Treasury sources deriving from universal taxation. By 2 September 2013, Arts Council England had distributed almost £3.5 billion of these new funds across England.

Arts lottery funds result from voluntary decisions of the general public to play. Research confirms that the poorer sections of society play the game more regularly than others, using a higher proportion of their income. This feeds our belief in the need for a different ethical base for allocating funds, requiring a different policy response to distribution – at very least, targeting broad equity in benefit to the country as a whole. Analysis shows this to be far from true in the arts.

Total Lottery spend since 1995: arts (see 7.5.1)



The overall context of the capital’s cultural assets

Other Lottery distributors’ award patterns also favour the capital, but Arts Council England is exceptional in providing London with an average grant size of double the level awarded in the rest of England and a quarter of the total number of grants it has made since 1995.

We have excluded the Lottery funding of £2.2 billion provided to the 2012 Olympic Games and the £600m awarded to the Millennium Dome from all calculations of benefit to the capital.

The bias towards London is also found in other public funding streams, such as those for specialist arts training. We note that only London still enjoys a regional tier of government, with a substantial cultural budget. Only London sustains a substantial commercial cultural sector.

We quote Arts and Business figures showing that 82% of private sector funding of the arts (£660m in 2011/12) was awarded to London-based organisations. We observe that new public sector support to encourage philanthropic giving could exacerbate rather than ameliorate the situation with £18.5m (61%) of the first £30.5m of arts endowment funding under the Catalyst Programme going to London.

The prevalence of international visitors in the profiles of major institutions is noted, as is the fact that two thirds of the population live beyond the cultural hinterland within which the productions and collections of the 'national' cultural organisations are – comparatively – readily accessible. The 'premium' paid by those beyond the capital's 'cultural hinterland' travel distance is quantified (£400 for a retired couple from Leeds attending an evening performance, and £750 for a family visiting national museums over a two-day period). DCMS evidence reveals that, while Londoners have a plethora of opportunities to engage with the arts, their response fails to exceed the national average.

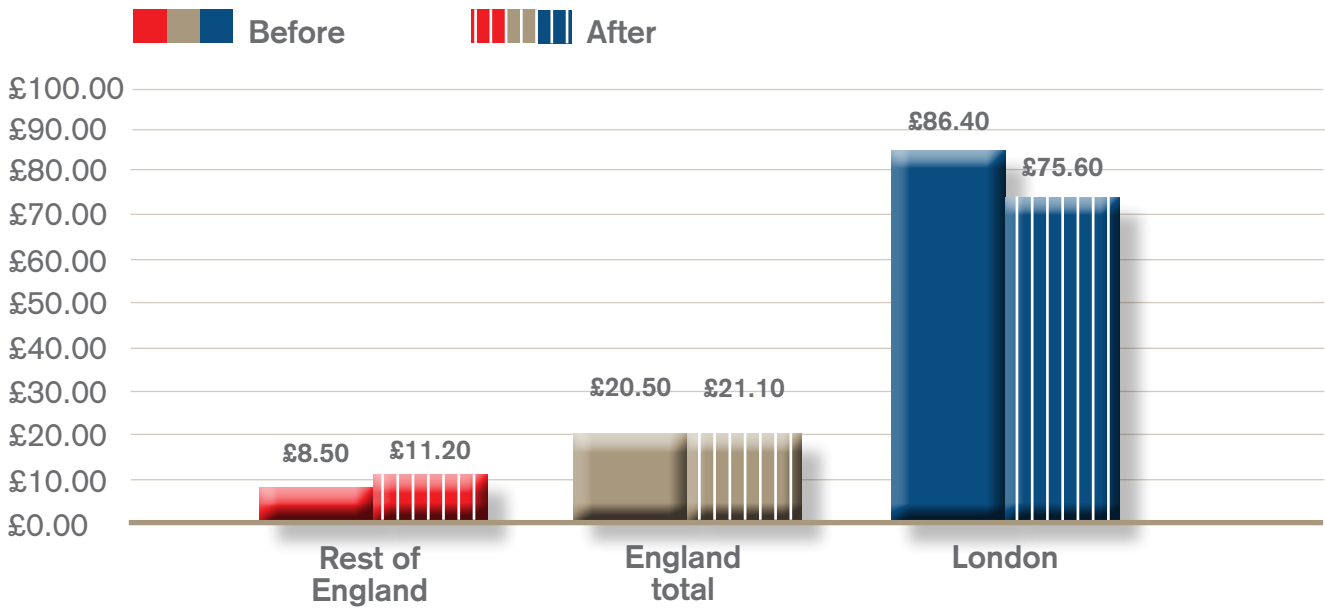
A proposition for change

One way to remedy this imbalance, this lack of easy and affordable access, is to invest substantially in cultural production in the regions. We advocate the creation of a new National Investment Programme of £600m over the five years of a parliament, specifically charged with investment in new cultural production outside London.

We suggest that these funds could be achieved (without affecting the current planned levels of Treasury grant aid to any DCMS directly funded institution or ACE National Portfolio Organisation) by limiting London's access to Arts Lottery funding for 'new and additional activity' to its proper per capita share (equal to that of the rest of England) over that period. London's overall share of public funds for the arts would reduce from 65% in 2012/13 to 55% – still seven times the level of funding per head of population in the rest of England.

We argue that such a change – a reduction of 12.5% – could be managed within the overall resources available to the capital.

Arts Lottery spend php – before and after proposition applied to 2012/13 base



3. Rebalancing our cultural capital for a more equitable England

3.1. A celebration and a challenge

We celebrate the anniversary of a White Paper ...

On 25 February 2015 – three months before the next General Election is due – we will celebrate the 50th anniversary of Jennie Lee's historic White Paper, A Policy for the Arts: The First Steps.

... that defined national debates on Policy for the Arts ...

The White Paper sought to reverse a pattern of arts funding established in the first 20 years of practice by the Arts Council of Great Britain. This pattern had turned its back on the regionalism, plans for partnerships with local government and the radicalism of the war years, focusing instead on London and a policy of 'few, but roses', which were, by then, allocated 66% of all the available funds.

... for over four decades ...

In the 45 years since 1965 (and particularly since the National Lottery came into operation in 1995) the need for a national strategy of arts investment outside London and the social, economic and cultural benefits that would flow from such a strategy have been investigated, debated and – seemingly – accepted by government and Arts Council England. The role of the arts, and now the cultural and creative industries across government and European Union policies, is widely acknowledged.

... until 2010

In 2010 Arts Council England's strategy Achieving Great Art for Everyone was – despite the obvious implications of its title – the first public policy statement on the arts since the White Paper to fail to acknowledge the scale of the imbalance in the distribution of resources and to take full account of the critical role of local government in achieving a national infrastructure of engagement.

Evaluation suggests that a very different 'national' policy has been in place 'in practice'

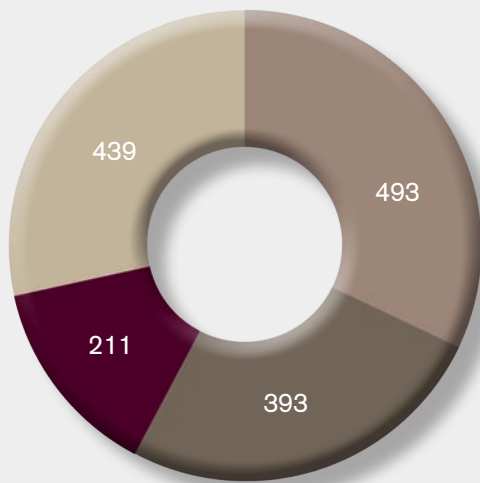
Perhaps the Arts Council's silence on this is the result of its embarrassment at the scale of its own failure and that of government throughout this period to deliver – in practice – the promise of its policy rhetoric for the arts outside London. Or perhaps it acknowledges their failure to act on the Treasury Green Book guidance, which is clear that an important 'rationale for government intervention is the achievement of equity objectives' and that 'before acting, an assessment should be made of the extent of the inequality to be redressed, and the reasons it exists'.

Decisions taken on the arts by the 'centre' in England are the ones that matter here. The 'centre' in England takes decisions on 75% of public funding of the arts (and that proportion is rising as

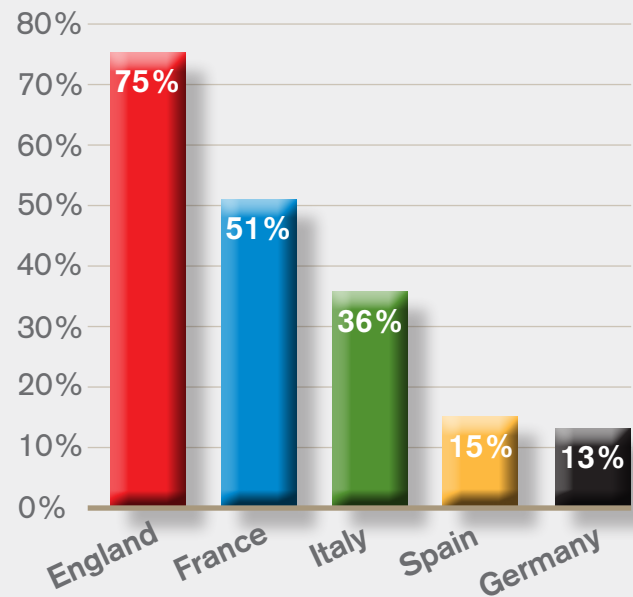
local government capacity is systematically reduced).³ Other countries – many, though not all, with different constitutional arrangements between the centre and the ‘regions’ – deliberately provide more balance. The equivalent figures are Germany 13%, Spain 15%, Italy 36% and France 51%.⁴

Total £m public sector support in England 2011/12 (see 7.1 and 7.2)

DCMS direct
 ACE Lottery
 ACE Treasury
 Local Government



Percentage of total national cultural resources determined at national levels



3.2. National public sector funding of the arts: the status quo

Government’s direct funding of museums, galleries and libraries in England

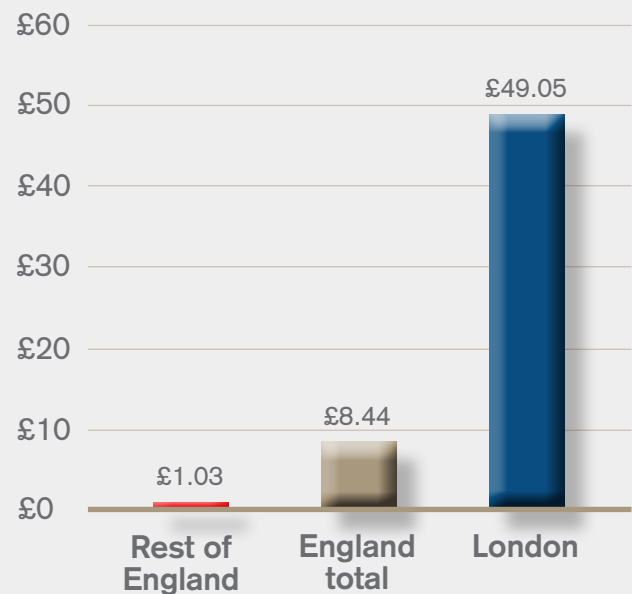
Government funding for the national trustee museums and galleries and the British Library grew in the 20th century, with ‘consolidation’ as a group in 1981/82 (until then the South Kensington museums had been funded through the Education Department). By 2012/13, the Department for Culture, Media & Sport (DCMS) directly funded 16 major cultural organisations across England with £447m. Of this, a maximum estimate of £46m was committed to organisations outside London, leaving £401m within the capital.

In 2012/13, therefore, taxpayers nationally provided benefit of £49.05 per head of population (php) in the capital via DCMS funding, compared to only £1.03 php in the rest of England (2% of the London benefit).

DCMS direct funding of major cultural organisations (see 7.2)



DCMS grant-in-aid for arm's length bodies 2012/13 php (see 7.2)



The pattern of the Arts Council's funding in England has more recent roots ...

The Arts Council's immediate focus in the 1950s and 1960s was to duplicate the pattern of London-based 'national' institutions in the performing arts. The bias towards London has continued throughout the years since the White Paper and despite the admonitions of House of Commons Select Committees, the advice of independent reports and the commitments of the Arts Council's own policy papers.

We acknowledge the positive impacts resulting from initiatives such as the 1982 House of Commons Report, the Arts Council's 1984 Glory of the Garden strategy and Regional Arts Lottery Programme (1999–2002), Chris Smith's securing of an additional £25 million for regional theatres (in 2000), Renaissance in the Regions and ACE's Creative People and Places programme. Nevertheless, in terms of the overall national disposition of resources, the systemic drift of London bias has continued unabated.

... but with similar outcomes

In 2012/13 Arts Council England made grants totalling £322m from funds provided by DCMS from Treasury sources. Of this, £163m (51%) was spent in London and the balance of £159m was allocated across the rest of England.

In 2012/13, therefore, taxpayers nationally provided benefit of £19.93 php in the capital via Arts Council England, compared to only £3.54 php in the rest of England (17.8% of the levels in London).

ACE grant-in-aid funding 2012/13 (see 7.3)



ACE grant-in-aid funding php 2012/13 (see 7.3)



3.3. Addressing a long-standing imbalance in Arts Council funding

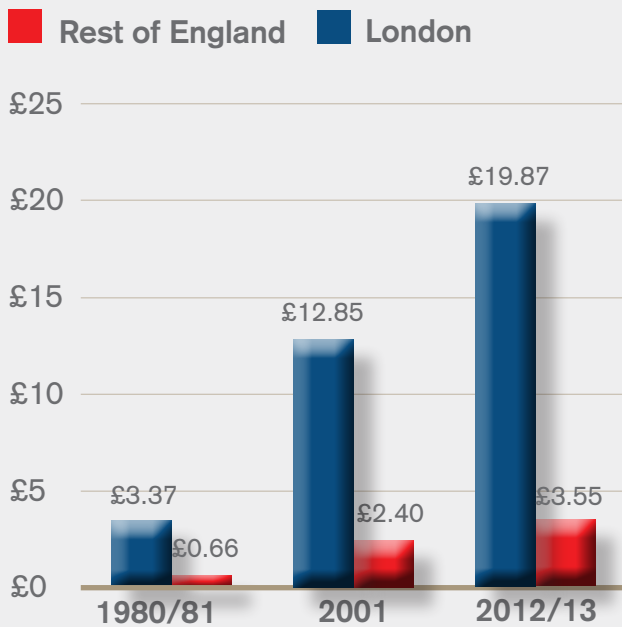
In 1982, in 1999 and in 2013

In 1982 an independent report (*A Hard Fact to Swallow*) found Arts Council expenditure in London in 1980/81 to be £3.37 php against £0.66 php (19.6% of the London figure) in the rest of England. That research fed directly into the conclusions of the House of Commons Select Committee of that time and informed the Arts Council's *The Glory of the Garden: A Strategy for a Decade* specifically designed to address these inequalities.⁵

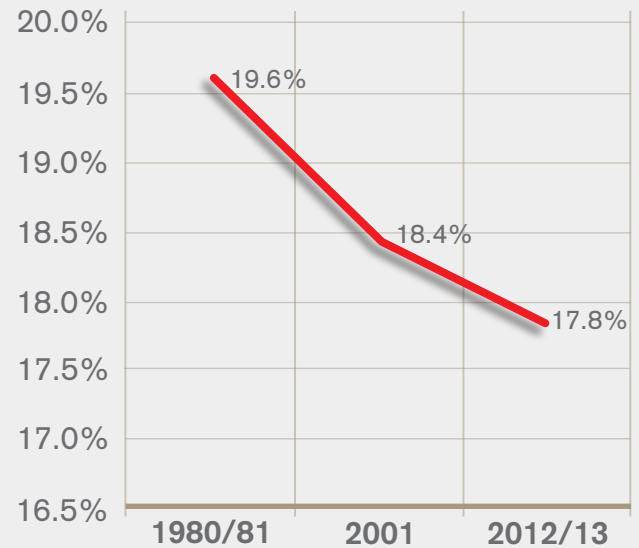
However, a 2001 Arts Council report recorded the failure of this strategy with London, by then, receiving £12.85 php from DCMS/Treasury sources in 1999 against the rest of England at £2.40 php (18.4% of the London figure).

Today's comparative figures for 2012/13 show London receiving £19.87 php, compared to only £3.55 php in the rest of England (17.8% of the levels in London).

Trend of ACE Treasury expenditure £php



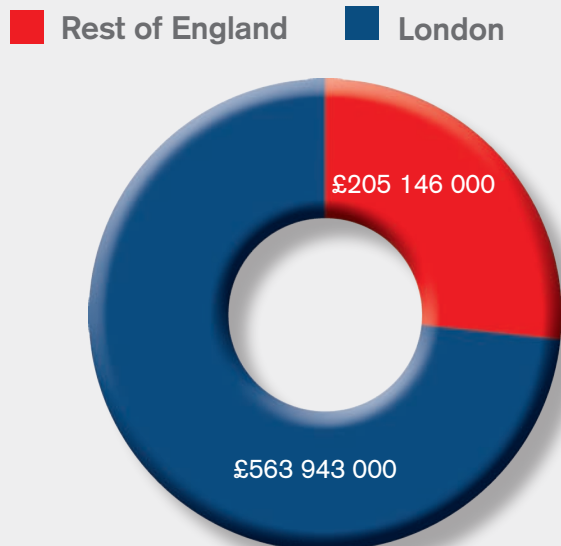
Trend of ACE spending outside London php as a % of total spend



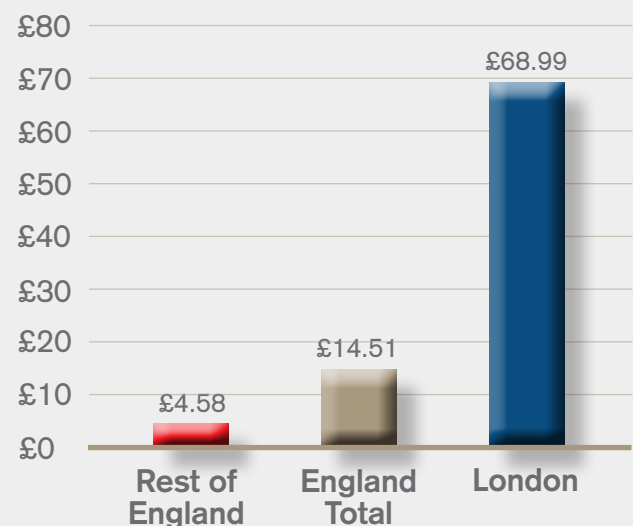
Arts Council England and DCMS spending together gives a fuller picture

In 2012/13 taxpayers nationally provided benefit of £68.99 php in the capital via the DCMS and ACE combined, compared to only £4.58 php in the rest of England (6.7% of the levels in London).

DCMS & ACE combined Treasury funding awarded 2012/13



DCMS & ACE combined Treasury funding php awarded 2012/13



What was to be done without new resources?

The response of government and successive Arts Councils to this gross and growing disparity has consistently been to argue that only when new resources could be made available would it be possible to address the needs and potential of the regions adequately, without damaging the arts in the capital.

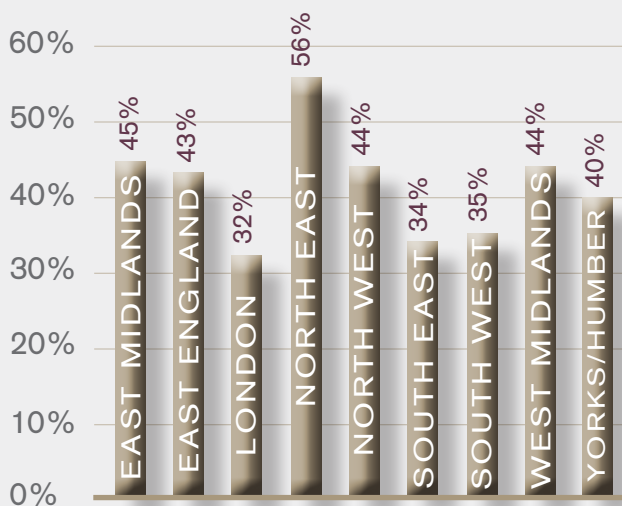
3.4. Stewardship of £3.5 billion of 'new and additional' funds for the arts

In 1995 Arts Council England began its work as the distributing body for the funds available from the new National Lottery to support 'good causes' in the arts. The National Lottery was established on the basis that its funding for 'good causes' would clearly be 'additional' to any funds previously provided from Treasury sources derived from universal taxation. By 2 September 2013, Arts Council England had distributed almost £3.5 billion (£3,444,859,295) of these new funds to arts organisations, projects and artists in England.⁶

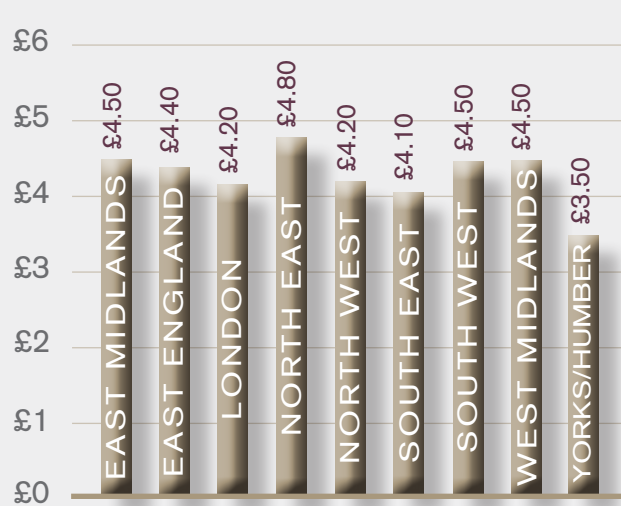
They derive from an ethically different source

The funds available through the Lottery come from voluntary decisions of the general public to play the game. Research confirms that the poorer sections of society play the game more regularly, using a higher proportion of their income, than others. It has been powerfully argued that this requires a different policy and programme response for distribution. The figures that we use are taken from the Government's Regional Trends publication of 2009 as the latest available since Camelot and the DCMS declined to provide a more up-to-date version on the grounds of 'commercial sensitivity'. For the purposes of this report, the figures are likely still to be sufficiently robust to give a fair overview.

Percentage of households playing National Lottery (see 7.4.1)



Average weekly expenditure per household on National Lottery (see 7.4.1)



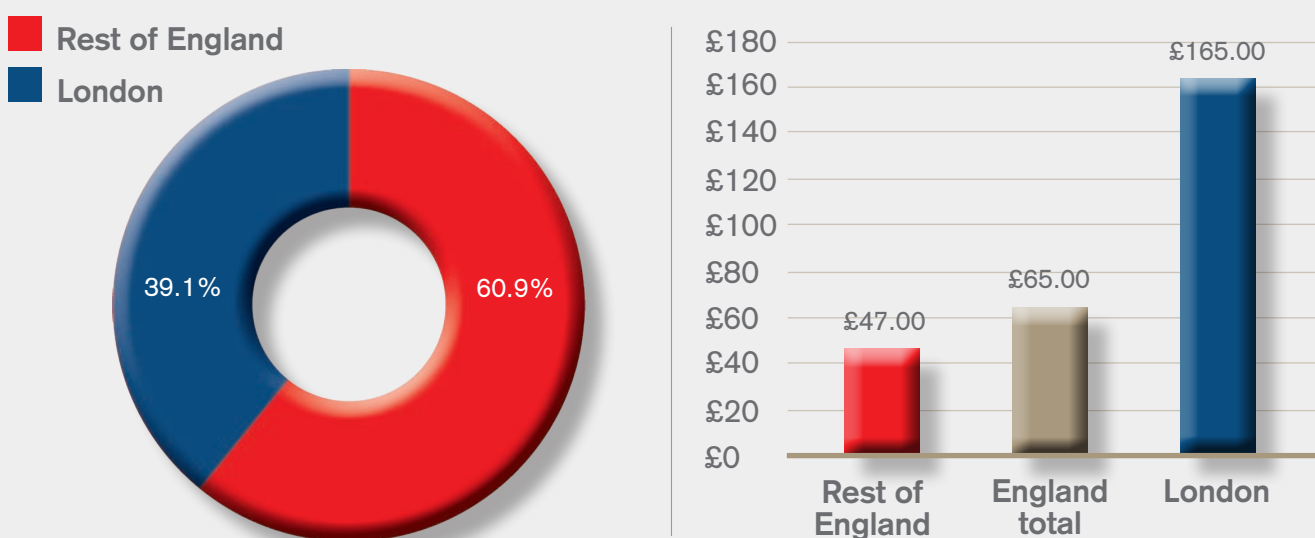
3.5. An opportunity disdained: a problem exacerbated

The extraordinary opportunity of the National Lottery has been disdained

Since 1995 Arts Council England has had stewardship responsibility for £3.5 billion of new and additional funding from the Lottery. Of this £1.35 billion (39%) has been committed in London, with the rest of England receiving £2.1 billion.

Lottery players nationally have therefore provided to date a benefit of £165 php in the capital via Arts Council England, compared to £47 php in the rest of England (28% of the levels in London). Average grant size in London has been double the average for the rest of the country.

Total Lottery spend since 1995: arts (see 7.5.1)



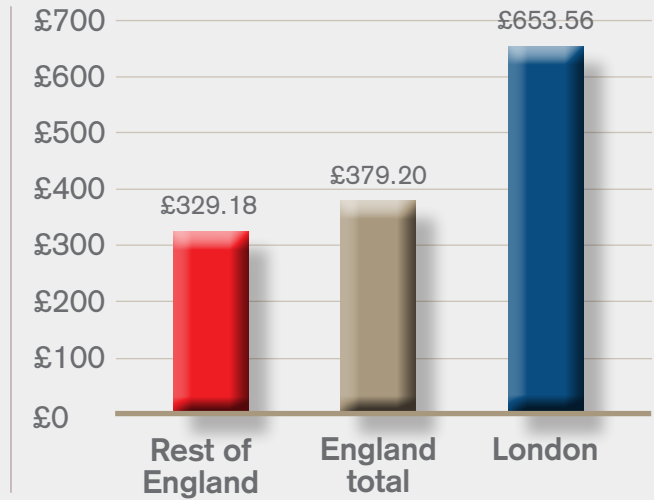
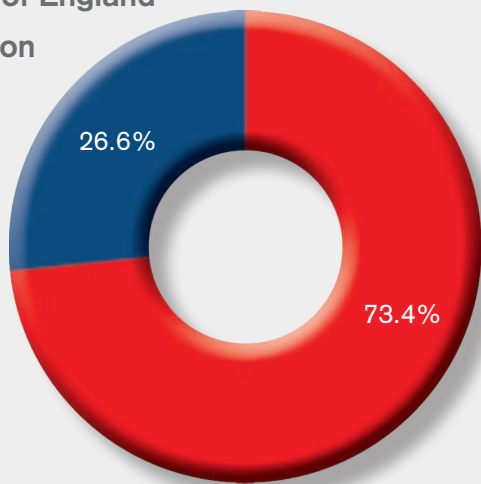
The Arts Council is not alone in this bias towards London

The pattern of bias towards London is a feature of the overall position on the Lottery spending as a whole of over £20 billion since 1995.

We have excluded from these figures the £600m award made by the Millennium Commission to fund the Millennium Dome, as well as the £2.2 billion contributed to the Olympic Games from Lottery funds overall. We have done so in recognition that both were examples of the capital city undertaking time-limited, international projects appropriate to its UK national role.

Total Lottery spend since 1995: all distributors (see 7.5.6)

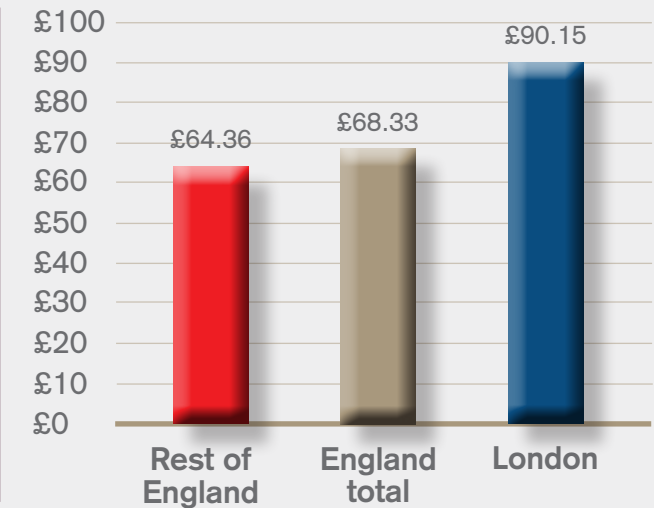
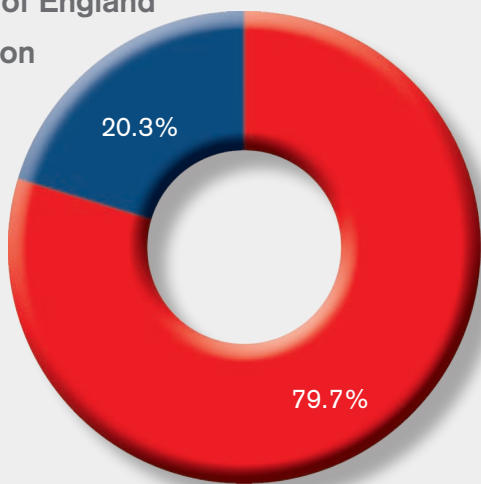
■ Rest of England
■ London



The bias towards London is common across all distributors, but most pronounced in the arts, as is shown below.

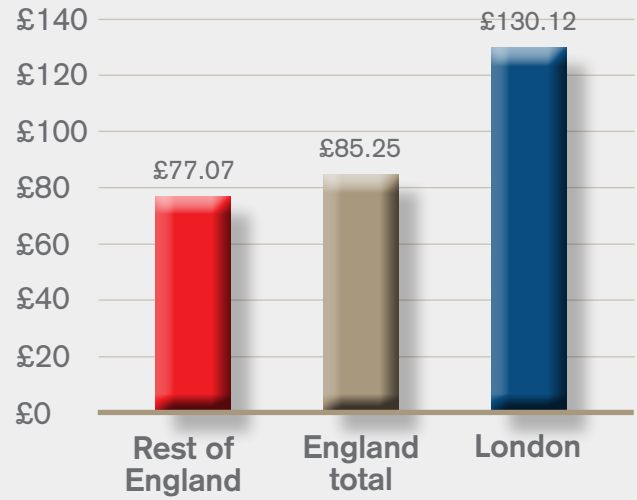
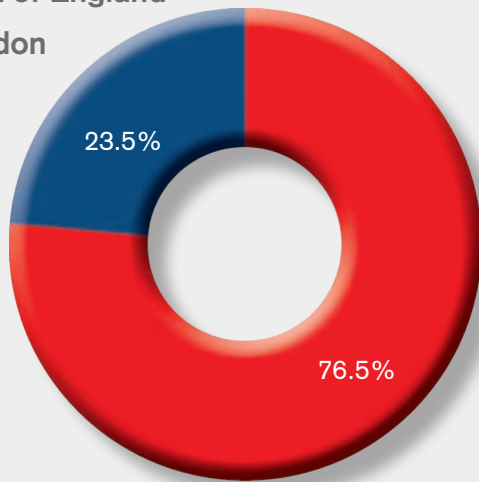
Total Lottery spend since 1995: sport (excluding Olympics) (see 7.5.5)

■ Rest of England
■ London



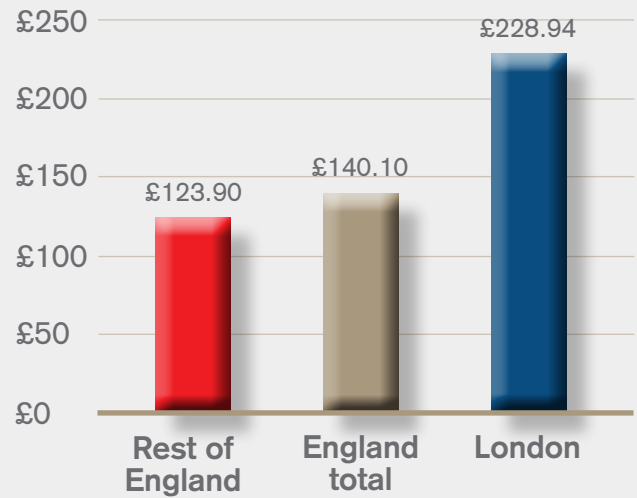
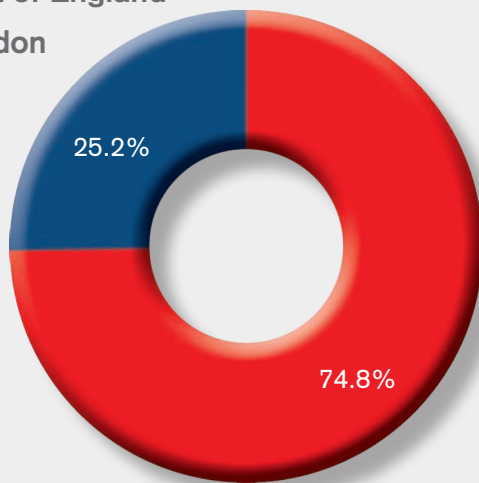
Total Lottery spend since 1995: Heritage Lottery Fund (see 7.5.3)

■ Rest of England
■ London

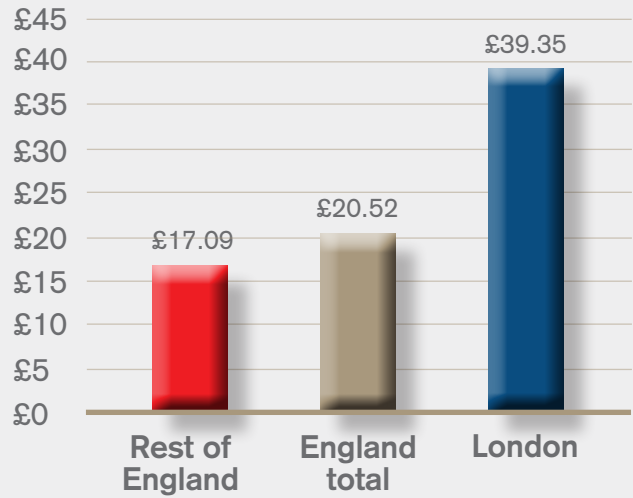
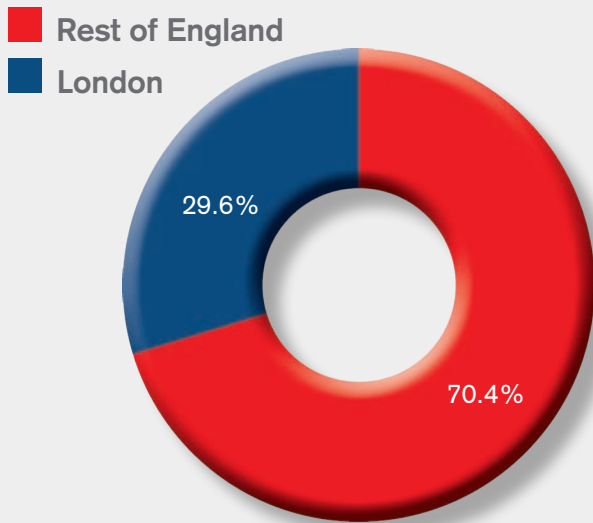


Total Lottery spend since 1995: Big Lottery Fund and its predecessors (see 7.5.2)

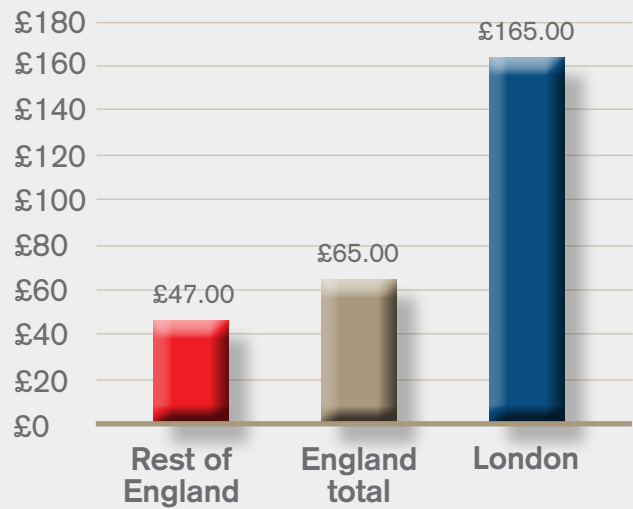
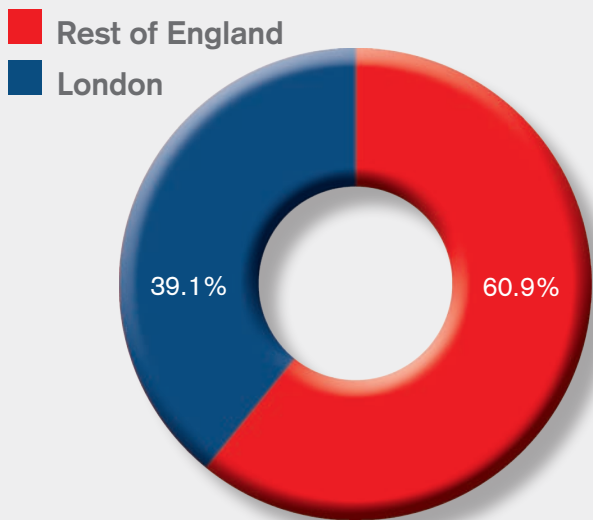
■ Rest of England
■ London



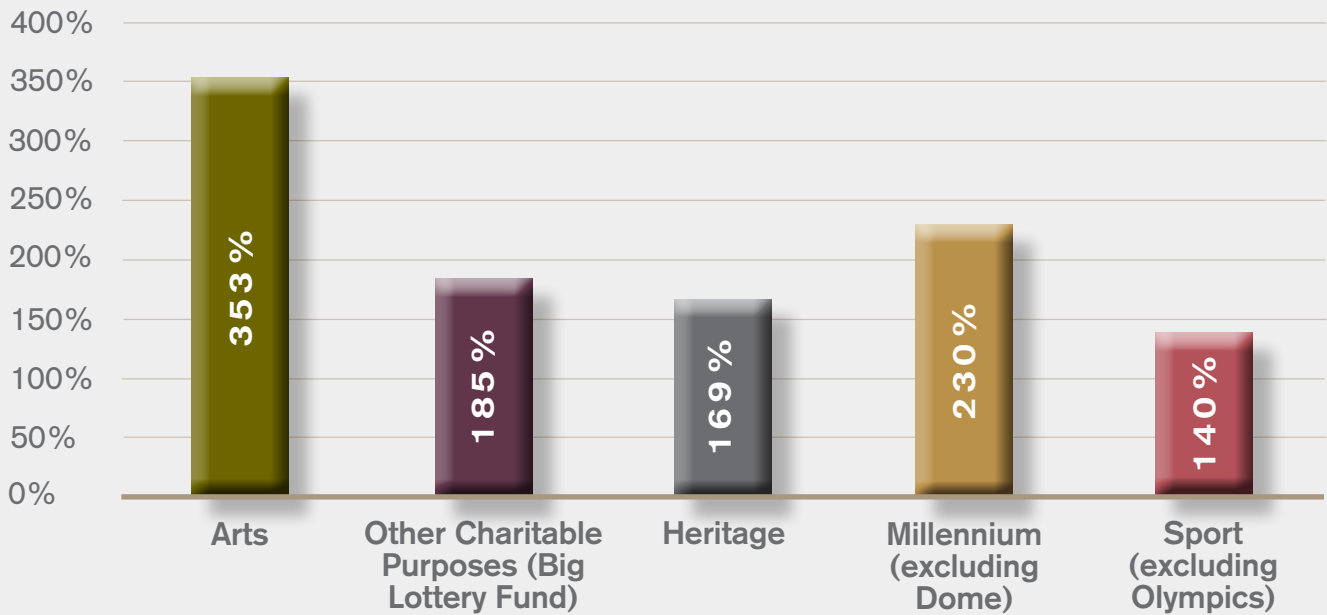
Total Lottery spend since 1995: Millennium Fund (excluding Dome) (see 7.5.4)



Total Lottery spend since 1995: arts (see 7.5.1)



Lottery spend since 1995: spend php in London as percentage of spend in rest of England



The extent of the additional bias in Arts Council allocations is seen most clearly when comparing the spend php in London with that of the rest of the country. The Arts Council favours London at twice the average of the other Lottery distributors. Our analysis, however, points to systemic trends in disbursement after 18 years of operation, rather than ascribing responsibility for those trends to the current managements of any Distributing Bodies for the National Lottery good causes.⁷

We have already noted that in general all distributing bodies had average grant levels in London of at least twice those in the rest of the country. The Arts Council is unique, however, in also making a significantly higher percentage of its awards in London than is the case with the other distributors. The percentage of Arts Council grants by number made to London is three times the level for the rest of the country (see 7.6.2).

These overall totals raise questions for government policy on the National Lottery as a whole but they also clearly highlight that Arts Council England has shown a consistently greater bias towards London than has any of the other distributors, individually or collectively.

The distribution of total arts Lottery funding since 1995 by region

AREA	TOTAL VALUE OF GRANTS AWARDED	% OF TOTAL	POPULATION PER 2011 CENSUS	FUNDING PHP
East Midlands	£156,488,539		4,533,222	£34.52
East of England	£163,605,768		5,846,965	£27.98
London	£1,348,670,318		8,173,941	£165.00
North East	£223,912,689		2,596,886	£86.22
North West	£349,227,784		7,052,177	£49.52
South East	£316,558,024		8,634,750	£36.66
South West	£233,398,354		5,288,935	£44.13
West Midlands	£393,164,413		5,601,847	£70.18
Yorkshire & Humber	£260,833,406		5,283,733	£49.37
TOTAL	£3,445,859,295		53,012,456	£65.00
Rest of England	£2,097,188,977	60.9%	44,838,515	£46.77
London	£1,348,670,318	39.1%	8,173,941	£165.00

Arts Lottery funding in 2012/13

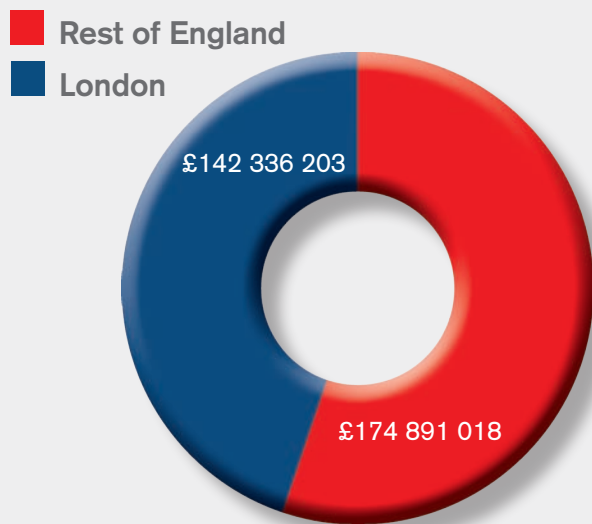
We have no data enabling us to analyse trends in Lottery funding between and within distributors across the 18 years of the Lottery, although that information must be available. What we are able to analyse is Arts Council Lottery spending in 2012/13. Although there is no table showing the regional distribution of Lottery funding published in the Annual Report data, a table was provided in response to an enquiry.

APPLICANT HOME REGION	GRANT COMMITMENTS MADE 2012/13
East Midlands	£10,518,018
East of England	£31,550,446
London	£142,336,203
North East	£11,688,694
North West	£20,611,055
South East	£33,600,899
South West	£20,570,211
West Midlands	£16,894,570
Yorkshire & Humber	£29,457,125
TOTAL	£317,227,221

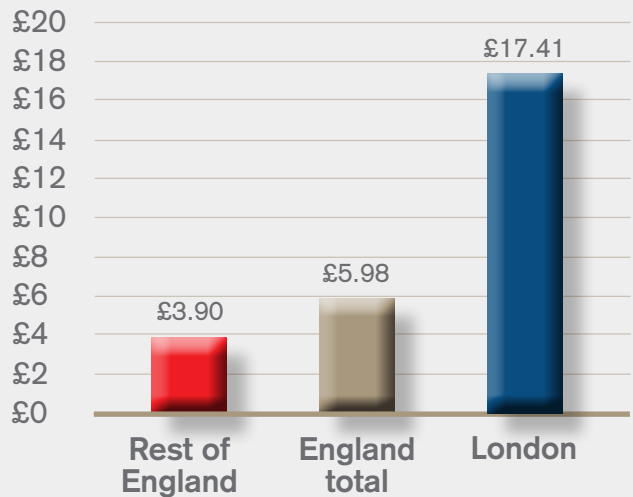
The pattern, therefore, continues

In 2012/13 ACE committed £317m Lottery funding. Of this, £142m (45%) was allocated to London, £175m across the rest of England. Last year, therefore, Lottery players nationally provided a benefit of £17.41 php in London, compared to £3.90 in the rest of England (23% of levels in London).

ACE Lottery grant funding 2012/13



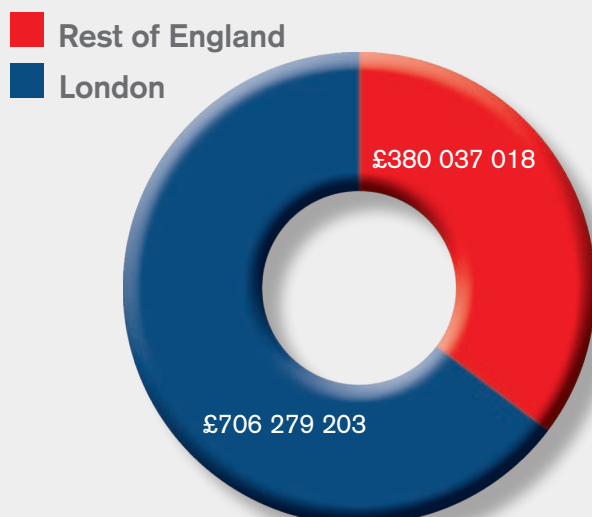
ACE Lottery grant funding php 2012/13



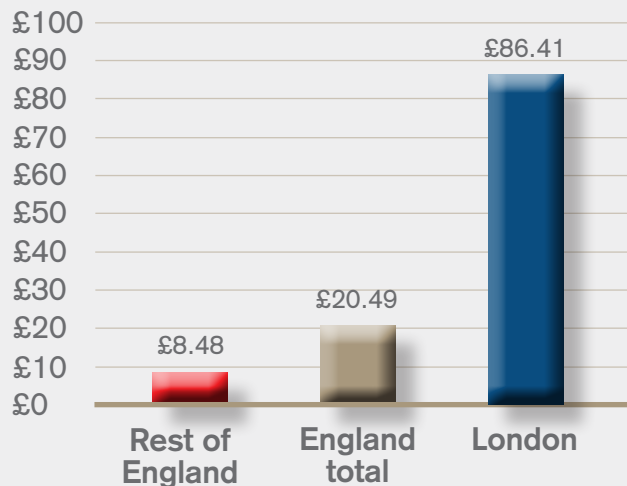
... and each area of national public funding reinforces the London bias of the others

For 2012/13, combining DCMS direct funding (£447m) with Arts Council Treasury-sourced (£322m) and National Lottery funding (£317m) shows total available funds of £1,086m. Of this £706m (65%) was allocated in London, with the balance of £380m allocated across the rest of England. Last year, therefore, taxpayers and Lottery players nationally have provided a benefit of £86.41 php in London, compared to £8.48 php in the rest of England (under 10% of London levels):

DCMS & ACE combined total funding awarded (Treasury & Lottery) 2012/13



DCMS & ACE combined total funding awarded php 2012/13



3.6. The 'centre' and the capital city

The centre's dominance is reinforced by London's regional government

London is unique in England in enjoying a tier of regional government with substantial devolved powers, income raising and budgetary capacity, and resources for advocacy. Beyond annual investment in the arts by the City of London and the boroughs of £69m, the Mayor's cultural and creative expenditure total just over £27 million. His cultural budget stands at £1.5m, plus £2.3m invested in a Creative Industries Strategy, £18m in 'key projects that improve culture facilities and boost tourism', and £5.6m in cultural projects to 'bring life to the high streets of the outer boroughs'.

... which is not a 'required partner' in arts funding

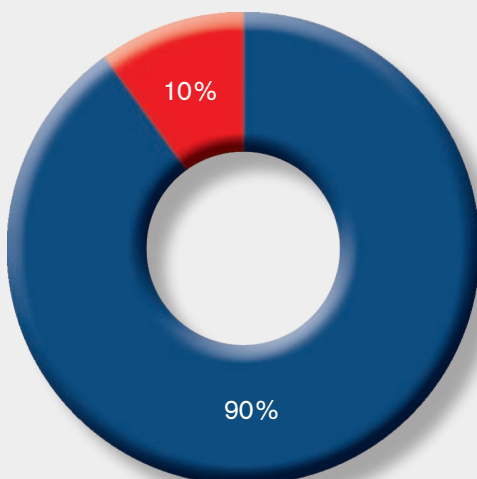
It is significant that, while major cultural organisations outside London (for example the regional orchestras and producing theatres) continue to be required by ACE to achieve substantial funding for their revenue support needs from local government, this has not generally been the case for many of London's arts organisations that are of wider than borough or sub-regional significance.

... and arts support in the private sector reflects and exacerbates the situation

In 2011/12, 90% of all private giving to the arts by individual philanthropists was to London-based organisations (2010/11 89%), 68% of all business sponsorship was in London (2010/11 66%), and 73% of support from trusts and foundations was given to London-based arts (2010/11 68%). Of a total of £660.5m of private giving overall in 2011/12, £540.2m (81.8%) went to London-based organisations.

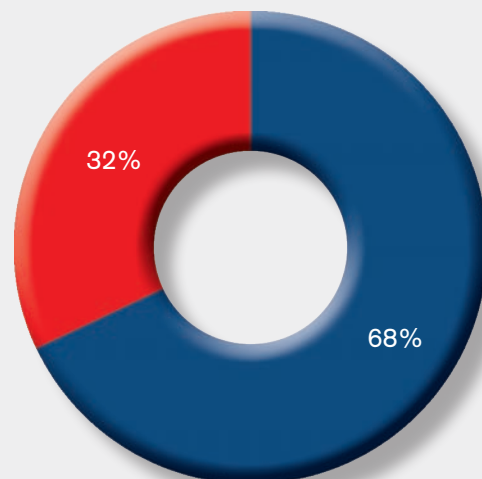
Private giving by individual philanthropists to the arts

■ Rest of England ■ London



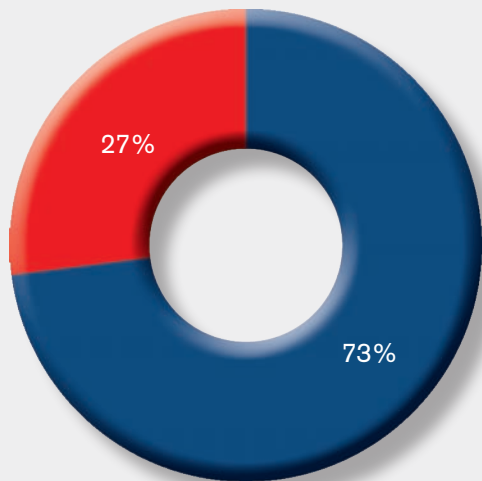
Business sponsorship of the arts

■ Rest of England ■ London



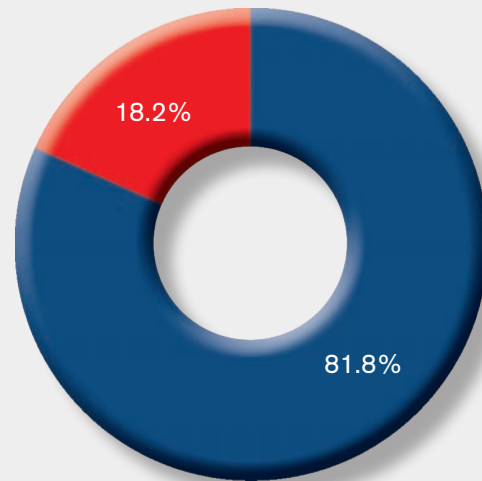
Support from trusts & foundations to the arts

■ Rest of England ■ London



Overall private sector support of the arts

■ Rest of England ■ London



Business and the Arts expresses real concern about the year-on-year increases in support going to London-based organisations in all three areas of private support. We observe that new public sector support to encourage philanthropic giving could – again – exacerbate rather than ameliorate the situation with £18.5m (61%) of the first £30.5m of arts endowment funding under the Catalyst Programme going to London, along with a similar result under the Heritage Scheme of £15.5m (61%) out of £25.5m.

The same pattern exists in other sectors

London is the only European city able to sustain a commercial arts sector of any scale, whether in its West End, in private galleries or in the plethora of music- and entertainment-based venues from arenas to the most intimate clubs.

Higher Education is a major provider of and contributor to the cultural life of cities. Of 153 Higher Education degree-awarding institutions in England, 42 are in London, as are more than 90% of the specialist institutions for professional art, music, dance, film and drama training (Department for Business, Innovation & Skills recognised UK degrees).

London, as the production base for arts journals and radio and television programmes and the perceived location of interested readers, listeners and viewers, also provides the home base and focus for the work of England's specialist critics and commentators in the arts. It can at times appear that the cultural life of the nation becomes synonymous in the national media with what is happening in 'central' London.

3.7. There is another way: a capital that ‘irrigates rather than drains’

The author and broadcaster Melvyn Bragg, talking about capital cities, made the telling observation that they should ‘irrigate rather than drain’. We observe – as would Melvyn Bragg – that what is at issue here is the need to strike a balance between the inevitable attractions for talent in all spheres of what a great global capital city can offer and its function as the capital for a whole nation. A wise and responsible capital city and region would not confuse the role of ‘irrigation’, feeding growth in places remote from the source, with ‘export’, where those distant places are merely addressed as markets and ‘seedbeds’ related to its own future growth.

In a country where commercial realities and a long history combine to produce such a dominant capital in the cultural sector, it would be reasonable to expect a national cultural policy targeted at rebalancing resources within the country. Judicious prioritisation of major centres and their hinterlands and rural areas outside the capital would be expected. That is what lay at the heart of Jennie Lee’s 1965 White Paper, and it has been the rhetoric of national policy ever since:

“ 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.”⁸

London’s Mayor appears to take a different view

These specific advantages already enjoyed by the capital (and the evidence in the balance of this report) might suggest an approach from the Mayor that recognised those advantages and reached out to the nation whose capital city he holds in stewardship. His tone is other.

“ We also know that by underfunding London, the government is harming people living in the outer boroughs in particular ... **We will therefore make the case to central government for a fairer share for the capital.** We need a funding level that enables us to maintain important national institutions in the centre, but also ensures high-quality, local facilities and cultural programmes for the majority of Londoners.”⁹

We observe that this ambition – that central government should indeed direct a fairer share of arts funding to the capital – lies at the heart of this report.

3.8. The capital's cultural assets and Londoners

'Taking Part' is a major, continuous survey of cultural and sporting participation in England, commissioned by the Department for Culture, Media & Sport in partnership with Arts Council England, Sport England and English Heritage. Each year it collects detailed information from adults (aged 16 and over) in England about their attendance at a wide variety of arts events, visits to museums, galleries, libraries and heritage sites, and about their participation in creative activities and sport during the previous 12 months. The survey has been conducted since July 2005.

In considering the brief for this research, we expected that some 'index of availability' would be factored into the methodology as, self evidently, patterns of consumption must depend to some significant degree upon the availability of the 'product' that is to be attended or participated in.

We were surprised to find that no such index was in use in the research and that the patterns of participation in the arts across the country were being reported as though the opportunities were evenly distributed nationally. Yet supply and demand considerations are fundamental to the planning of any provision of services. As will be clear from this report already, this is very far from the case.

Beyond that, and at the most compelling anecdotal level, anyone who has ever browsed the pages or websites on any 'What's On' for the London area, and who has knowledge of similar cultural publicity-based publications elsewhere in England, will have been overwhelmed by the range, variety and sheer number of opportunities to engage with the arts and culture in the capital that are readily accessible to the whole population of its cultural hinterland.

Therefore, when we turned back to the DCMS research, we expected that levels of engagement by Londoners with the arts and culture broadly would be very significantly higher than elsewhere in the country. It transpires, however, that this is not the case. In fact more Londoners reported that they did not engage with the arts at all (24%) than in England as a whole (22%) and engagement 'three or more times annually' only matched the national average (63%).¹⁰

At the next level of detail, engagement by Londoners is indeed higher than the national average in some art forms and in some boroughs although, perhaps, not by nearly as high a percentage as levels of investment and availability might suggest.

We are perplexed at the absence of debate about such conclusions from this evidence base and the consequent lack of evidence-based policy direction that might have followed.

3.9. The capital's cultural assets and its national visitors

The cost of accessing the capital's cultural assets is substantial and geographically determined

Over two thirds of the population of England incurs a heavy travel and accommodation premium to enjoy the same access to the same experiences in the capital as Londoners and their close neighbours. The scale of these premiums renders access unaffordable for a very high proportion of England's more distant populations.

- The cost for a retired couple from, for example, the Leeds area attending an evening performance in the capital at the National Theatre is around £300 more than the costs to be borne by a similar couple within daytrip reach of the capital (for example Cambridge) and £400 more than one located in London (see 7.7.).
- The cost for a family of four from the Leeds area to spend two full days in the capital's museums and galleries at South Kensington is around £600 more than the costs to be borne by a similar family within daytrip reach of the capital (for example Cambridge) and £750 more than one located in London (see 7.8.).

We accept, of course, that for some there are cheaper travel options than those cited here (Super Saver rail returns with rail cards) and that friends or family might sometimes be able to offer accommodation. Nevertheless we believe that the costing basis set out in Section 7 of this report, which is the average of three budget hotel chains, would generally be held to be reasonable – modest even (no allowance for museum shop purchases for children!). We have ascribed no 'cost' to travel time.

At the most basic level, a 'national arts and culture policy' might be expected to have at its foundations such basic considerations as these. Either London-centricity is mitigated by affordable entry, travel and accommodation, or else a substantial and permanent commitment should be made to the relocation of major cultural assets across the country.

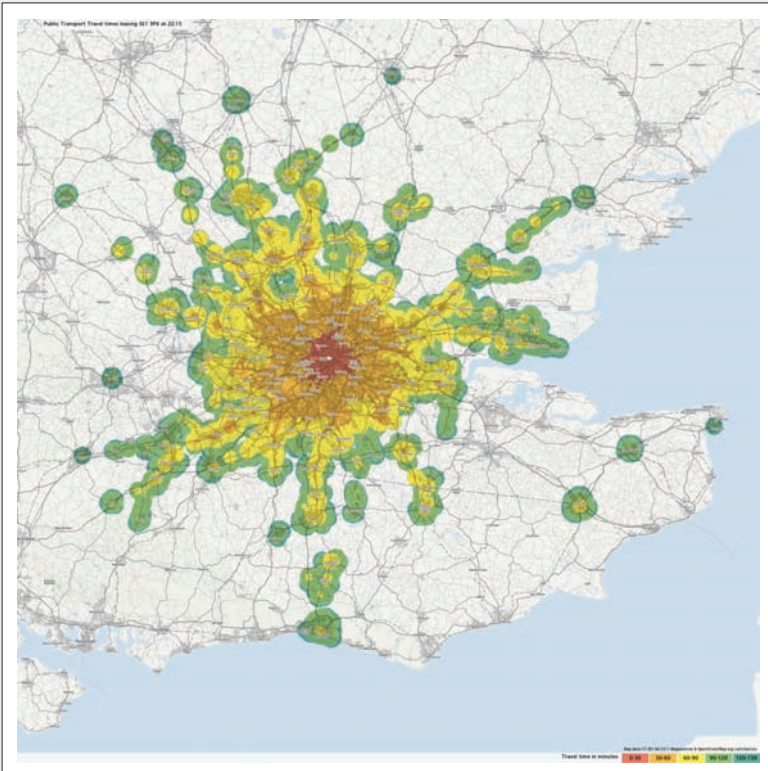
... and improved digital access – though greatly welcome – is not a substitute

We acknowledge the innovative work that is being undertaken to widen access to collections and performances through partnerships with the media, digitisation and live streaming. Access to the arts – in their digitised forms – is being transformed to the huge benefit of us all.

Digital access, however, is a two-way street and should be considered as such in national policy and investment decisions. If the Lindisfarne Gospels can be adequately accessed digitally from the North East (where they belong and where well over 95,000 people paid to see them 'on loan' during the summer of 2013), then such digital access to them from London – were they to be returned to the North East – would also be 'adequate' and the added value to these dispersed locations would be immense.

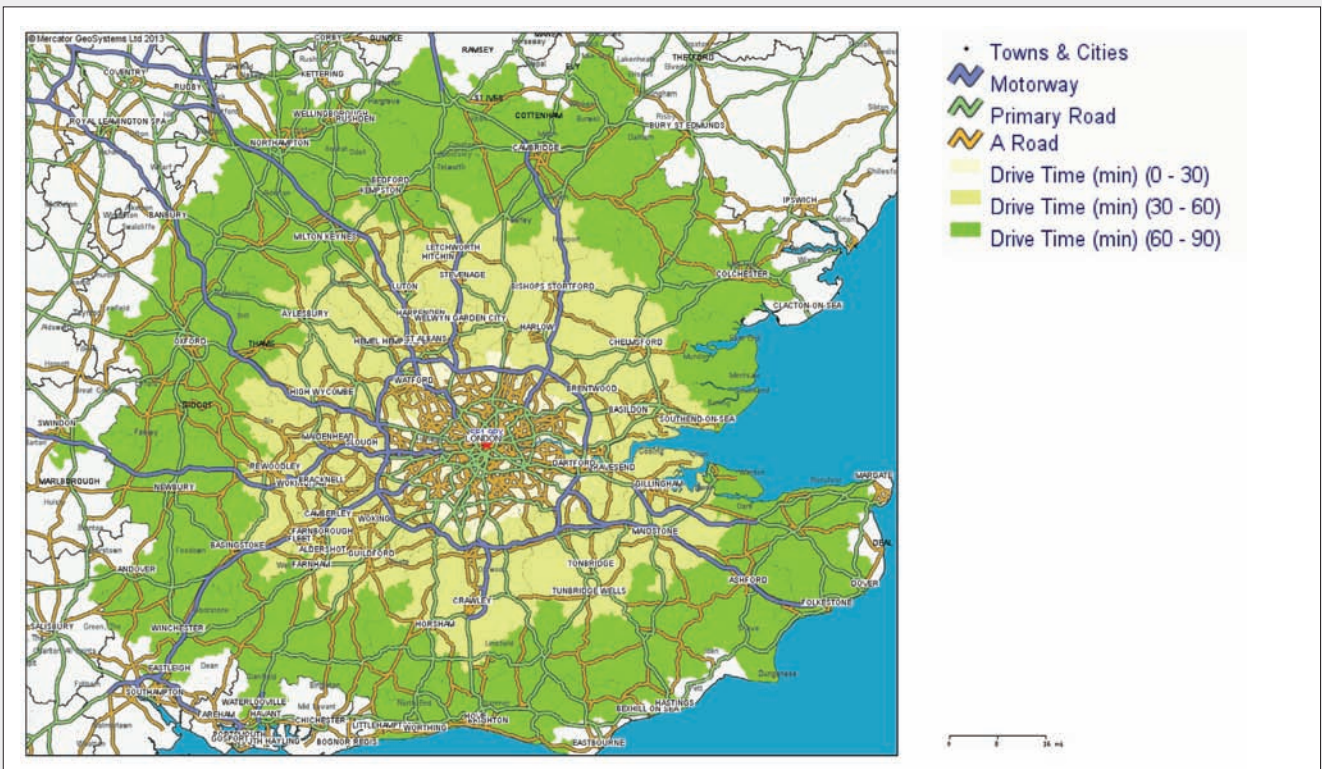
Getting home by public transport leaving the National Theatre at 22:15

Map courtesy of Mapumental by mySociety www.mysociety.org/projects/mapumental



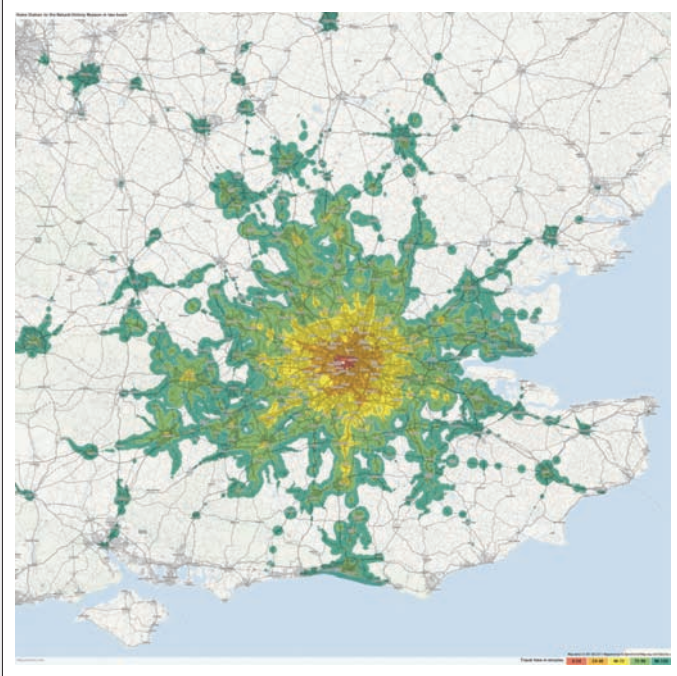
90-minute travel by private car to home base, leaving the National Theatre after 22:15

Map from Mercator GeoSystems Ltd www.drivetimemaps.co.uk



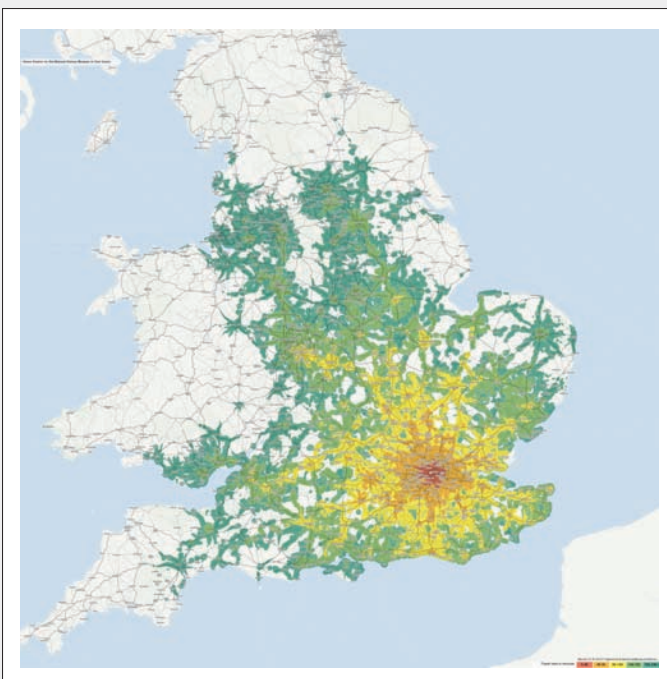
**Travelling to South Kensington to arrive at Natural History Museum by 14:00
leaving home railhead no later than 12:00 (maximum 2 hours' travel from there
by public transport)**

Map courtesy of Mapumental by mySociety www.mysociety.org/projects/mapumental



**Travelling to South Kensington to arrive at Natural History Museum by 14:00
leaving home railhead no later than 10:00 (maximum 4 hours' travel from
there by public transport)**

Map courtesy of Mapumental by mySociety www.mysociety.org/projects/mapumental



The capital's cultural assets and its international visitors

London as the UK tourist destination and its cultural assets as a key attractor

Britain has a very significantly weaker regional spread of international tourism outside its capital city than comparators (whether state capitals or not) internationally.

- 48% of visitors to UK spent time in London
- 14% of visitors to USA spent time in New York
- 12% of visitors to France spent time in Paris
- 10% of visitors to Germany spent time in Berlin

Source: Eurostat

The London economy benefits massively from tourism. In 2011¹¹ (2011 was chosen to avoid the Olympic effects), London accounted for 15.3m of England's 26.8m international 'staying visits' (57%) and £9.4 billion (60%) of total international visitor spend in England (£15.6 billion). The next most visited cities in the UK by such visitors are Edinburgh (1.3m visits and a spend of £609m) and Manchester (1.1m visitors and a spend of £435m).

VisitBritain and the current mayor claim the capital's cultural assets as a major reason for London's successes in this field. The recent Centre for Economics and Business Research (CEBR) report for Arts Council England estimates that culture plays a significant role in attracting at least £856m of tourist spending. Our own research earlier in this report indicated the extent to which the cost of these 'cultural resources', from which the capital's economy derives such benefit, are paid for by the taxpayers and lottery players of the whole nation.

Who are the audiences/visitors at our national cultural institutions (charging or not)?

Major cultural institutions and organisations funded by the DCMS directly or by Arts Council England (and the 11 largest were awarded £400m last year) do not appear to be required by their funders to give details of where their audiences or visitors come from as part of their formal reporting. However, a report by Audiences UK and Audiences London on gallery attendance in 2012 suggested that over 50% of gallery visitors in London are from overseas, with the balance evenly split between London and the rest of the UK, while outside London two thirds of visitors come from the galleries' home regions. The London figures are confirmed by reports from major institutions themselves:

- the National Gallery received 5.4m visitors in 2011/12, of whom 3.5m or 57% were from abroad
- the Natural History Museum received 5.8m visitors in the same year, of whom 3.5m or 60% were from abroad.

The principle of 'free admission' to museums and galleries and of subsidy to patrons of our

theatre, dance and opera companies and orchestras has been hard fought for. Both are applied on a universal basis, although we have already seen the premium that visitors to London from the farther English regions have to pay before that option can be exercised, and there are areas of our national heritage where payment is found to be acceptable (for example, the admission charge to Westminster Abbey is £18 for an adult and £44 for a family of four).

Similar questions can be asked of the make-up of the audiences for the subsidised performing arts in London. What proportion are overseas visitors? Of the rest, what is the pattern of attendance between regular domestic visitors (almost by definition able to return home after performance; see the earlier isochrones) and one-off or much less regular attendees? Of those, what proportions come from London and from the rest of England?

We acknowledge, again, that there are many other factors to be considered in any policy debate about public funding of the arts – not least those concerned with socio-economic status and class – but we restrict ourselves to the question of geography. We find the lack of publicly available information on the subject puzzling.

4. Proposition for new regional production

4.1. Foundations in place and the case for action

Despite the imbalances, much has been achieved

A key part of the argument of this paper is that the combined legacies of the 1965 White Paper, the long-term strategic partnerships with local government that it encouraged, and the advent of the Lottery have produced improvements in the 'cultural capital' of the nation outside London.

The built and institutional infrastructure is massively improved since the 1960s. The Arts Council has been a major partner in this achievement.

What the Arts Council has not done, however, is follow through on that achievement with levels of investment in cultural production that the new infrastructure could manifestly now deliver.

The foundations are in place for a new beginning ...

If partnerships between the arts and cultural agencies and local government can be sustained (even in modified forms), if broadband roll-out can be accelerated, and if the new funds for investment in new cultural production outside London proposed here are provided, then the

foundations exist across the country for the next stage of sustainable development in:

- the continued growth of clusters of internationally innovative and competitive cultural and creative production, contributing to sustainable regional economic growth
- the development of new models for the sustainable provision of high-quality facilities and programmes for participation in and enjoyment of the arts, contributing to wellbeing in individuals and communities.

Both of these contribute to new possibilities for artists and small creative companies to realise their potential for the country within the economy and society.

If nothing is done, the evidence of the past 65 years tells us the imbalance will increase. There is no defensible policy basis for the current position. And even less justification for its continuance.

Had Londoners won a comparably disproportionate number of the National Lottery's prizes compared to people in the rest of England, equivalent to anything like the quantity of Lottery funding awards made to the capital city, there would have been a national outcry and the swiftest action by government to stop this.

The conclusion of Jennie Lee's White Paper speaks to our situation:

“ 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. ”

... and other national cultural institutions would be aligned

The national agency Creative England has recognised that the metropolitan concentration that it inherited was not in the long-term interests of the country's creative or economic health and that – as digital communication improves – for many people at many stages of their working lives it is not necessary. Their policy to maintain and develop centres of production outside London explicitly acknowledges the problem of

“ ... damaging inequality of access to mentoring, infrastructure, business planning, finance, markets, new ideas and wider networks between London and the rest of the country. Talent is wasted, opportunities are lost. We believe London's world position should benefit the whole country. ”

The BBC illustrates in a different way how policy making and firm targets can effect change, and from a far more centralised starting point than is or was the case for the Arts Council. Departmental relocation can assist, but the key is the relocation of substantial production

resources and – over time – a critical mass of key directors, producers and performers. The BBC's 2012/13 Annual Report sets the tone:

“ The Trust will closely monitor the BBC's progress towards our target of making 50% of our network television by spend outside London by 2016.¹² In doing so, we will consider how the BBC is supporting production centres outside London so they are in a position to thrive.”

4.2. Committing to creative production outside London over five years

The position in 2012/13

SOURCE	NATIONAL £m	NATIONAL £php	LONDON £m	LONDON £php	REST OF ENGLAND £m	REST OF ENGLAND £php
DCMS Direct	447	8.44	401	49.05	46	1.03
ACE Treasury	322	6.07	163	19.93	159	3.54
Sub total	769	14.51	564	68.98	205	4.57
Add Lottery	317	5.98	142	17.41	175	3.90
Total	1,086	20.49	706	86.39	380	8.47
% OF TOTAL	100%		65%		35%	
			Rest of England as % php of London	9.80%		

What is to be done?

As we move towards the 20th anniversary of the Lottery's creation, the 50th anniversary of Jennie Lee's White Paper and the 2015 general election, and in the light of the doubling of the Lottery ticket price in October 2013 ...

... we advocate the creation of a new National Investment Programme over the five years of a parliament specifically charged with providing 'new and additional support' for the arts outside London.

What purposes should be targeted with this fund?

Stronger and more sustainable production resources for cultural production are required in the regions, across all forms of practice – music and the performing arts, museums, visual arts and crafts, media and digital, and literature – and from the earliest stages of ‘R & D’, through talent development and the testing and making of work to production, exhibition and touring beyond local and regional bases nationally (including into London) and internationally.

What wider purposes might this support?

Boosting the country’s productive capacity will allow arts and cultural businesses to consolidate the contribution they make to national economic recovery. Investing across the country will enable Local Economic Partnerships and other regional and sub-regional arrangements to experience substantial benefit from vibrant arts and cultural enterprise in their areas. With different parts of government more clearly understanding the benefit that arts and culture bring to the economy and society, a new National Investment Programme might offer a platform for cross-departmental investment, building on its core cultural subvention.

Which parts of England should be the principal beneficiaries?

We propose a particular focus on those regions without the ability to access London by public transport for either evening performances or an extended daytime museum or gallery visit without requiring either overnight accommodation or peak-time fares. Crudely, this equates to the Greater North, the Midlands and the South West, whilst acknowledging ‘border’ issues and the position of the margins of the south, south east and east of England.

Where might decisions on such funding be taken?

We suggest some principles that should be applied in developing answers to the proposition:

- Funds should be located in a close relationship to other arrangements for investment in the English regions designed to achieve their regeneration.
- Any such ‘close relationship’ must preserve and protect recognition of the critical differences that both inform decision making in areas of the arts and provide for informed specialist advice on creative potential and artistic quality, to sit alongside social and economic considerations on a case-by-case and/or programme-by-programme basis.
- The funds must be located regionally, not centrally, and designed to encourage collaboration between partners in the regions’ creative and cultural sector. This would enable more effective bridging to other sectors such as education, health, urban and rural regeneration.
- Such partnerships can also beneficially be with other regions and nations and with London **but** the authority to initiate proposals and the location of final decisions on funding is regionally, not centrally located.

4.3. Beginning to rebalance the capital and the rest of England

How much is required?

In our judgement, and bearing in mind the reductions in funding of recent years for production outside London, we believe an additional 33% of arts funding per annum over five years could be responsibly and creatively invested to stabilise and then empower regional cultural production. Such an increase (broadly £120m annually) would generate a five-year requirement for £600m.

Where might £600m be found?

If Arts Council England were to receive £350m in Lottery funding per annum for the next five years (after the increase in lottery ticket prices), then a 'fair share' for the country outside London would produce £296m per annum. This would be based on the equitable proposition that arts lottery funds would be distributed across the country on a broadly per capita basis.

For the regions outside London, this would represent an annual increase on current levels of allocation of about £120m, or £600m over the full life of a parliament.

What would the consequences of such a change be?

Treasury funding of £564m per annum (2012/13 levels) allocated for the core sustainable programmes of London's cultural infrastructure provided by the DCMS and Arts Council would not be affected, and an annual sum of £54m of National Lottery funding would still be available for 'new and additional work'.

The consequences of such a redistribution illustrated on the current base

SOURCE	NATIONAL £m	NATIONAL £php	LONDON £m	LONDON £php	REST OF ENGLAND £m	REST OF ENGLAND £php
DCMS Direct	447	8.44	401	49.05	46	1.03
ACE Treasury	322	6.07	163	19.93	159	3.54
Sub total	769	14.51	564	68.98	205	4.57
Add Lottery	350	5.98	54	6.60	296	6.60
Total	1,119	21.11	618	75.58	501	11.17
% OF TOTAL	100%		55%		45%	

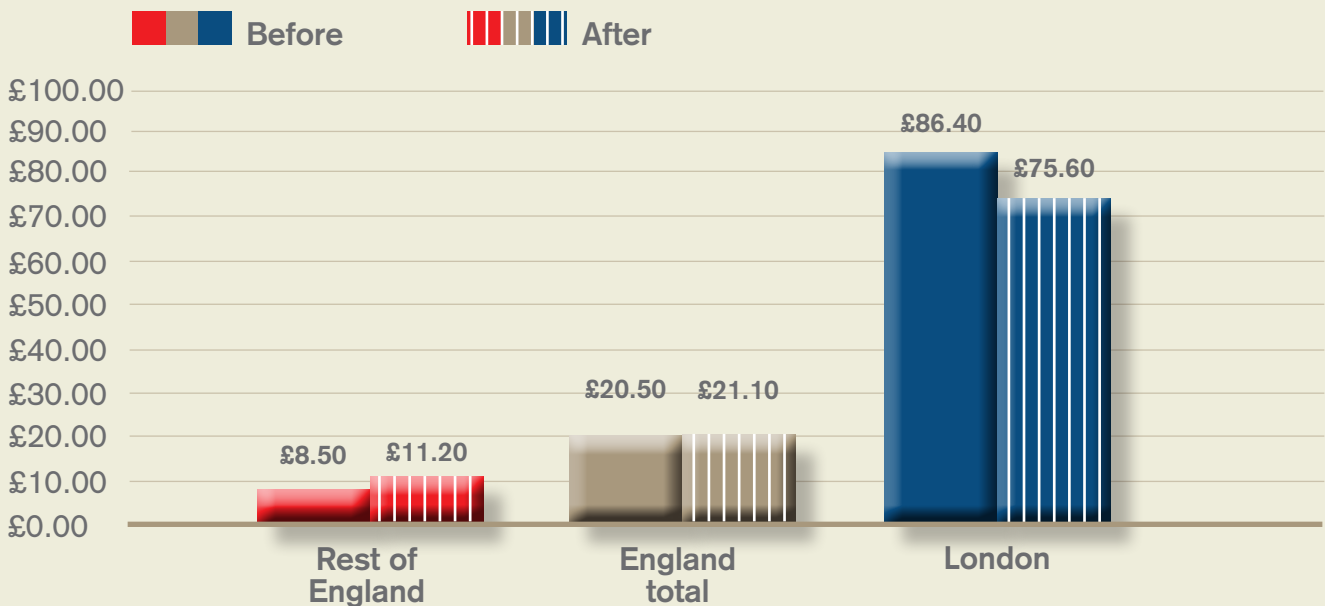
Rest of England
as % php of London

14.80%

How radical is this?

After such a change, the arts outside London would benefit over five years by an injection of £600m – almost exactly the amount of Lottery funding spent on the Millennium Dome. London would still receive £618m (55%) of all national arts funding. London's overall php benefit would remain at £75.58 (still almost seven times the level of £11.17 elsewhere in England). This would represent a decrease for London from £86.39 (ten times the level in the rest of the country). This is a reduction of 12.5%.

Arts Lottery php spend – before and after proposition applied to 2012/13 base



5. Some historical context for the White Paper's 50th anniversary

5.1. The incoming Government and the White Paper

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

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

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

Roots in postwar history of the Arts Council of Great Britain

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

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

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

“ ... a policy of consolidation in preference to further diffusion.
The Arts Council's job is to consolidate standards in London.”¹³

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

“ [The Arts Council] should turn its energies to making the Arts more accessible, being content at first, if necessary, with less ambitious standards, and your Committee therefore suggests that the provinces, where the Arts are not so readily available to the public, provide a more valuable field than the metropolitan area for the activities of the Council.”¹⁴

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

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

5.2. A radical ambition and resistance ... resisted

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

A wide cultural concern:

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

New local facilities:

“ Some of our new civic and arts centres already demonstrate that an agreeable environment and a jealous regard for the maintenance of high standards are not incompatible. Centres that provide a friendly meeting ground where both light entertainment and cultural projects can be enjoyed help also to break down the isolation from which both artist and potential audiences have suffered in the past.” (Paragraph 8)

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

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

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

5.3. Timeline of key influences on arts policy

- 1939** Council for the Encouragement of Music and the Arts (CEMA) created
- 1946** Arts Council of Great Britain (ACGB) established
- 1948** Local Government Act (Section 132 legitimises spend on arts and entertainment)
BBC Radio Third Programme starts
- 1956** ACGB completes closure of regional offices inherited from CEMA
In response, South West Arts Association created by local voluntary arts societies.
- 1958** Housing the Arts Enquiry set up (requested by Chancellor of the Exchequer, Harold Macmillan)
- 1959** Gulbenkian Foundation commission Help for the Arts (Bridges Report) notes the primary need for a policy focus addressing the needs of 'the provinces'
Housing the Arts in Great Britain (Part I 'London, Scotland & Wales')
- 1961** North East Association for the Arts founded by local authorities and partners.
Housing the Arts in Great Britain (Part II 'The Needs of the English Provinces')
- 1965** White Paper A Policy for the Arts: the First Steps
- 1968** New Activities Committee of the ACGB established
- 1972** Arc et Senans Declaration (Colloquium on the Future of Cultural Development).
Local Government Act establishes Metropolitan County Councils (Section 145 consolidates and increases general local authority powers to act in cultural provision)

1973

Manchester Hospitals Arts Project started (by Peter Senior)

First ACGB Community Arts initiative – led by Marina Vaizey

1974

First conference of arts centre directors and community arts groups (Beaford Declaration)

Arts Council's Community Arts working party (Baldry Report)

1975

The Quality of Life **experiment**

1976

Funding the Arts (**Redcliffe Maud Report, Gulbenkian Foundation**).

Creation of the Association for Business Sponsorship of the Arts (ABSA) in Bath

TUC Working Party Report The Arts

'Shape' Disability Arts network created (Gina Leveté, Gulbenkian assisted)

1978

The Arts Britain Ignores: the arts of the ethnic minorities in Britain (**Naseem Khan; Gulbenkian/CRE/ACGB**)

1982

House of Commons Select Committee Report Public and Private Funding of the Arts

A Hard Fact to Swallow (**Policy Studies Institute**)

1984

ACGB's The Glory of the Garden development strategy published

1985

Enquiry into Arts and Disabled People (**Attenborough Report, Carnegie UK Trust**)

1986

Abolition of GLC and Metropolitan County Councils

Museum charges imposed

1987

Expounding the Arts (**Douglas Mason, Adam Smith Institute**)

1988

Arts and the Changing City **symposium (British-American Arts Association)**

The Economic Importance of the Arts (**John Myerscough, Policy Studies Institute**)

1991	Conservative manifesto commitment to create a national lottery
1992	Department of National Heritage created National Lottery legislation initiated
1994	Scottish and Welsh arts councils established independently
1995	First distribution of Lottery funds
1999	Policy Action Team 10: Arts and Sport; a report to the Social Exclusion Unit (DCMS to the Cabinet Office) All Our Futures Creativity, Culture & Education Report to Secretaries of State for Culture and for Education & Employment (Ken Robinson; Gulbenkian Foundation)
2001	Arts Council England (ACE) ‘absorbs’ the independently constituted Regional Arts Boards
2008	Financial crisis
2010	ACE’s Achieving Great Art for Everyone

5.4. Long-term achievements

In the 45 years since the White Paper, its themes of

- regionalism
- excellence in production outside (as well as inside) London
- partnership with local government
- the importance of participation and local facilities
- the need to invest in artists and experiment

have dominated national discussion of arts policy whether by Government, DCMS and its predecessors, a succession of House of Commons Select Committees, supportive Foundations, or by the Arts Council itself.

The growth of resources for artists’ practice throughout the country has been in partnerships most often initially opened up by artists themselves with other agencies and sectors in society.

The authors of the White Paper would have been delighted by the real growth in public funding and support for the arts and culture linked to the growing recognition of the role that the arts and creativity can play in society through the application of artistic practice and innovation in areas such as:

Arts in schools	Arts in health, hospitals and hospices
Arts and science	Outreach programmes of cultural organisations
Arts in housing	Disability arts
Arts centres	Arts in prisons and youth justice
Community arts	Arts and transport
Voluntary arts	Local Government arts programmes
Library programmes	Public art and arts in the environment

5.5. ... and some changes that might not have been foreseen

A culturally diverse country

The authors would have been astonished at the transformation of English society by the arrival, growth and embedding of the diverse communities that have enriched British and English cultural life.

The digital revolution and industrial decline

They would probably not have been able to comprehend the scale of change that exploded from the 'electronic calculator' of the 1964 manifesto and from the demise of traditional industries in the Midlands and the North.

The recognition of the economic dimension of cultural policy

They would have shared excitement at the growing recognition of the 'Economic Importance of the Arts',¹⁵ the Cultural Industries,¹⁶ and the Creative Industries.¹⁷

Continued and growing centralisation of influence and funding

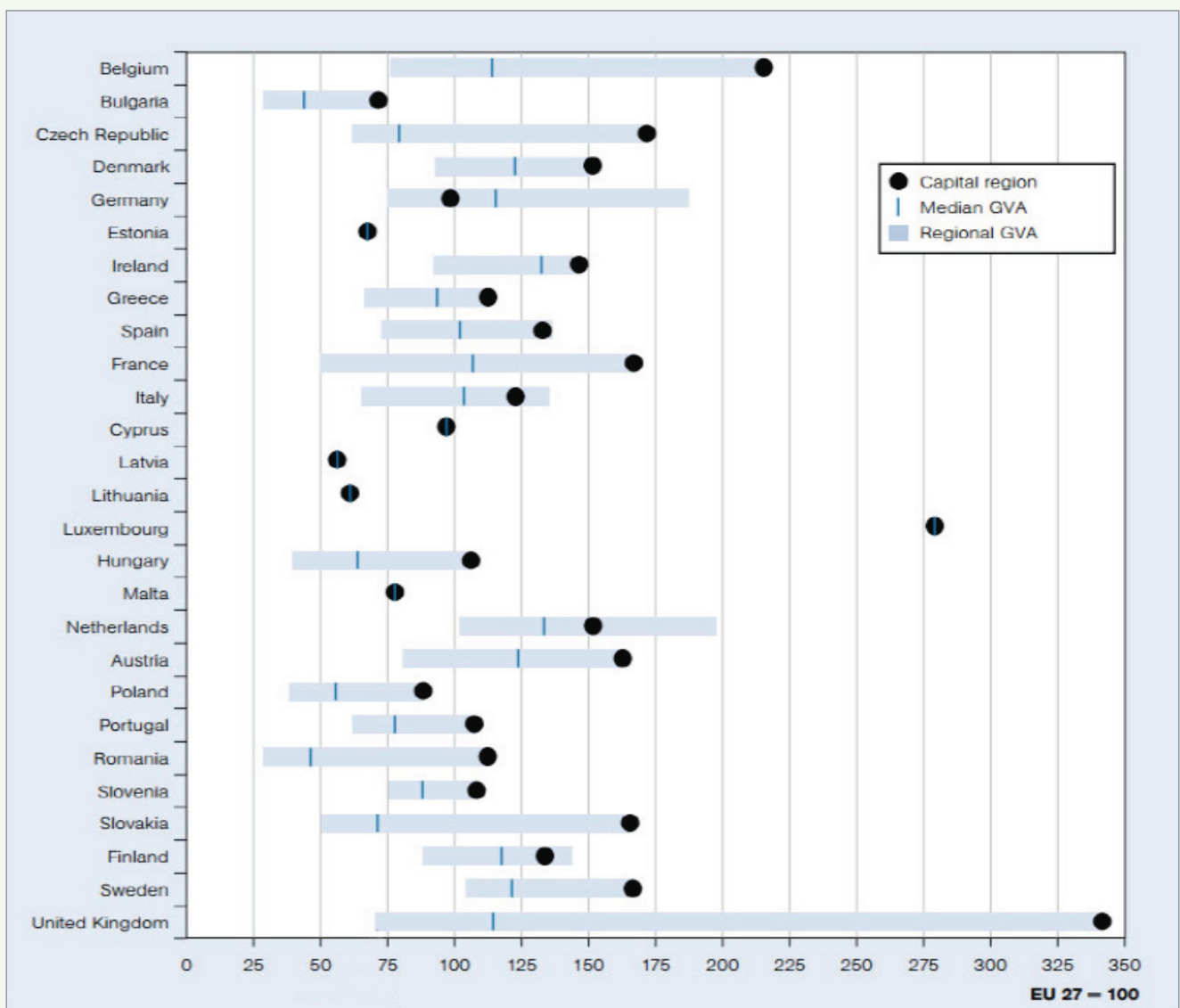
They would have been dismayed – though they might not have been totally surprised – by the patterns of influence and funding reported on here.

6. Coda

6.1 Spread of wealth

The New Economics Foundation has described the graph below as perhaps the most important in British politics. Taken from Eurostat research, it shows, for every country in the European Union, the spread of wealth between their poorest and richest region, in terms of output per head. It locates the region of the capital city along that range. For clarity, we acknowledge that we fully understand the scale of comparative deprivation of parts of London. Our argument is that to a significant extent London has access to the resources to address its own challenges.

Distribution of output within each EU member state



Source: ONS using Eurostat data

7. Financial appendices

7.1 Local government spending on the arts and culture 2011/12 (extracted from CIPFA schedules)

Summary table: net expenditure by service 2011/12 actuals

CULTURE & HERITAGE	LONDON BOROUGHES £m	METROPOLITAN DISTRICTS £m	ENGLISH UNITARIES £m	ENGLISH COUNTIES £m	NON- METROPOLITAN DISTRICTS £m	TOTAL ENGLAND £m
Museums and galleries	£14,801	£54,018	£55,619	£20,702	£41,316	£186,456
Theatres & public entertainment	£36,912	£36,084	£33,574	£791	£51,805	£159,166
Arts development & support	£14,958	£27,594	£24,628	£13,117	£13,666	£93,963
Heritage	£2,449	£11,130	£4,760	£9,862	£7,483	£35,684
TOTAL CULTURE & HERITAGE	£69,120	£128,826	£118,581	£44,472	£114,270	£475,269
Less Heritage	(2,449)	(11,130)	(4,760)	(9,862)	(7,483)	(35,684)
TOTAL ARTS AND CULTURE	£66,671	£117,696	£113,821	£34,610	£106,787	£439,585

7.2. Department for Culture, Media & Sport 2013/14 estimates

DCMS grant-in-aid funding of arm's length bodies 2010/11 through to 2013/14

ARM'S LENGTH BODIES IN RECEIPT OF DCMS GRANT-IN-AID	2011/2012			2012/2013		
	TOTAL £m	REST OF ENGLAND £m	LONDON £m	TOTAL £m	REST OF ENGLAND £m	LONDON £m
British Museum	56,051		56,051	45,378		45,378
Natural History Museum	46,480		46,480	45,760		45,760
Imperial War Museum	21,706	4,341	17,365	31,186	6,237	24,949
National Gallery	26,744		26,744	26,320		26,320
Royal Museums Greenwich	17,058		17,058	18,848		18,848
National Museums Liverpool	21,875	21,875		22,061	22,061	
National Portrait Gallery	7,398		7,398	7,277		7,277
Science Museum Group	37,588	9,397	28,191	43,660	10,915	32,745
Tate Gallery	35,305	5,296	30,009	34,912	5,237	29,675
Victoria & Albert Museum	41,355		41,355	48,205		48,205
The Wallace Collection	2,983		2,983	2,946		2,946
Museum of Science and Industry Manchester	3,998	3,998		0		
Sir John Soane's Museum	1,130		1,130	1,111		1,111
Horniman Museums and Gardens	4,275		4,275	4,199		4,119
Geffrye Museum	1,674		1,674	1,645		1,645
Royal Armouries	7,901	1,580	6,321	8,773	1,755	7,018
British Library	107,473		107,473	104,939		104,939
Museums, Libraries and Archives Council incl. 'Renaissance in the Regions' funding	52,093	52,093				
TOTAL	493,087	98,580	394,507	447,220	46,205	400,935

7.3. Extract from Table 4b in Arts Council England Annual Report 2012/13

GRANT FUNDING BY AREA OFFICE	RFOs £m	OTHER £m	2012/13 £m
East Midlands	£9,744	£834	£10,578
East of England	£11,984	£0	£11,984
London	£155,243	£7,685	£162,928
North East	£14,838	£434	£15,272
North West	£22,933	£765	£23,698
South East	£13,865	£0	£13,865
South West	£14,560	£350	£14,910
West Midlands	£40,790	£275	£ 41,065
Yorkshire & Humber	£26,414	£1,155	£ 27,569
ENGLAND TOTAL	£310,371	£11,498	£ 321,869

The following sums were excluded from the analysis:

National	£0.00	£113,175	£113,175
East & South East area	£0.00	£2,144	£2,144
Midlands & South West area	£0.00	£1,746	£1,746
Northern area	£0.00	£1,372	£1,372

In the table above (taken from the Arts Council's 2012/13 Annual Report) the acronym RFOs refers to an earlier Arts Council category of 'Regularly Funded Organisations', which by 2012/13 had been replaced by a new category of National Portfolio Organisations (NPOs). The references to 'Area Offices' rather than 'Regions' relates to the restructuring introduced by the Arts Council in July 2013, where the previous nine regions were combined into four, larger Areas – North, Midlands, South East, South West – and London.

A Freedom of Information request secured detail of the 'national' sum, which largely comprised funding for 'music hubs', the Catalyst Programme and 'Renaissance in the Regions'. A first analysis of this information and the smaller 'multi-region' sums indicated that there would be no significant change in the overall balances between London and the rest of the country were the sums that could be so allocated to be distributed regionally.

7.4. ONS Regional Trends 42

7.4.1 Lottery playing frequency and average weekly spend: household expenditure on the Lottery analysed by region

REGION	% OF HOUSEHOLDS PLAYING LOTTERY	AVERAGE WEEKLY LOTTERY SPEND
East Midlands	45%	£4.50
East of England	43%	£4.40
London	32%	£4.20
North East	56%	£4.80
North West	44%	£4.20
South East	34%	£4.10
South West	35%	£4.50
West Midlands	44%	£4.50
Yorkshire & Humber	40%	£3.50

7.5. Overall Lottery funding since 1995

7.5.1 Arts

REGION	TOTAL VALUE OF GRANTS AWARDED	% OF TOTAL	POPULATION PER 2011 CENSUS	FUNDING PHP
East Midlands	£156,488,539		4,533,222	£34.52
East of England	£163,605,768		5,846,965	£27.98
London	£1,348,670,318		8,173,941	£165.00
North East	£223,912,689		2,596,886	£86.22
North West	£349,227,784		7,052,177	£49.52
South East	£316,558,024		8,634,750	£36.66
South West	£233,398,354		5,288,935	£44.13
West Midlands	£393,164,413		5,601,847	£70.18
Yorkshire & Humber	£260,833,406		5,283,733	£49.37
TOTAL	£3,445,859,295		53,012,456	£65.00
Rest of England	£2,097,188,977	60.9%	44,838,515	£46.77
London	£1,348,670,318	39.1%	8,173,941	£165.00

7.5.2 Other Charitable Purposes (Big Lottery Fund)

REGION	TOTAL VALUE OF GRANTS AWARDED	% OF TOTAL	POPULATION PER 2011 CENSUS	FUNDING PHP
East Midlands	£538,159,851		4,533,222	£125.99
East of England	£571,151,235		5,846,965	£92.04
London	£1,871,353,358		8,173,941	£228.94
North East	£484,634,284		2,596,886	£186.62
North West	£1,053,947,354		7,052,177	£149.45
South East	£698,732,802		8,634,750	£80.92
South West	£680,435,599		5,288,935	£128.65
West Midlands	£784,540,751		5,601,847	£140.05
Yorkshire & Humber	£743,902,475		5,283,733	£140.79
TOTAL	£7,426,857,709		53,012,456	£140.10
Rest of England	£5,555,504,351	74.8%	44,838,515	£123.90
London	£1,871,353,358	25.2%	8,173,941	£228.94

7.5.3 Heritage

REGION	TOTAL VALUE OF GRANTS AWARDED	% OF TOTAL	POPULATION PER 2011 CENSUS	FUNDING PHP
East Midlands	£307,727,564		4,533,222	£67.88
East of England	£373,883,911		5,846,965	£63.94
London	£1,063,623,004		8,173,941	£130.12
North East	£269,076,202		2,596,886	£103.61
North West	£603,406,950		7,052,177	£85.56
South East	£576,869,765		8,634,750	£66.81
South West	£505,899,089		5,288,935	£95.65
West Midlands	£403,716,502		5,601,847	£72.07
Yorkshire & Humber	£414,989,802		5,283,733	£78.54
TOTAL	£4,519,192,789		53,012,456	£85.25
Rest of England	£3,455,569,785	76.5%	44,838,515	£77.07
London	£1,063,623,004	23.5%	8,173,941	£130.12

7.5.4 Millennium Fund (excluding Millennium Dome)

REGION	TOTAL VALUE OF GRANTS AWARDED	% OF TOTAL	POPULATION PER 2011 CENSUS	FUNDING PHP
East Midlands	£72,710,624		4,533,222	£16.04
East of England	£56,491,067		5,846,965	£9.66
London	£321,641,312		8,173,941	£39.35
North East	£70,118,847		2,596,886	£27.00
North West	£110,546,100		7,052,177	£15.68
South East	£97,112,407		8,634,750	£11.25
South West	£143,828,822		5,288,935	£27.19
West Midlands	£117,383,021		5,601,847	£20.95
Yorkshire & Humber	£97,971,024		5,283,733	£18.54
TOTAL	£1,087,803,224		53,012,456	£20.52
Rest of England	£766,161,912	70.4%	44,838,515	£17.09
London	£321,641,312	29.6%	8,173,941	£39.35

7.5.5 Sport (excluding Olympics)

REGION	TOTAL VALUE OF GRANTS AWARDED	% OF TOTAL	POPULATION PER 2011 CENSUS	FUNDING PHP
East Midlands	£457,849,350		4,533,222	£101.00
East of England	£253,313,782		5,846,965	£43.32
London	£736,842,833		8,173,941	£90.15
North East	£178,817,051		2,596,886	£68.86
North West	£527,316,056		7,052,177	£74.77
South East	£489,739,692		8,634,750	£56.72
South West	£289,650,288		5,288,935	£54.77
West Midlands	£376,951,501		5,601,847	£67.29
Yorkshire & Humber	£311,999,301		5,283,733	£59.05
TOTAL	£3,622,479,854		53,012,456	£68.33
Rest of England	£2,885,637,021	79.7%	44,838,515	£64.36
London	£736,842,833	20.3%	8,173,941	£90.15

7.5.6 Total Lottery grants awarded (all distributing bodies)

REGION	TOTAL VALUE OF GRANTS AWARDED	% OF TOTAL	POPULATION PER 2011 CENSUS	FUNDING PHP
East Midlands	£1,565,927,312		4,533,222	£345.43
East of England	£1,385,454,379		5,846,965	£236.95
London	£5,342,130,825		8,173,941	£653.56
North East	£1,226,559,073		2,596,886	£472.32
North West	£2,644,444,244		7,052,177	£374.98
South East	£2,179,012,690		8,634,750	£252.35
South West	£1,853,212,152		5,288,935	£350.39
West Midlands	£2,075,756,188		5,601,847	£370.55
Yorkshire & Humber	£1,829,696,008		5,283,733	£346.29
TOTAL	£20,102,192,871		53,012,456	£379.20
Rest of England	£14,760,062,046	73.4%	44,838,515	£329.18
London	£5,342,130,825	26.6%	8,173,941	£653.56

7.6. Lottery grants awarded

7.6.1 Average value of Lottery grants awarded (since 1995)

REGION	ARTS	OTHER CHARITABLE PURPOSES (BIG LOTTERY FUND)	HERITAGE	MILLENNIUM (EXCLUDING DOME)	SPORT
East Midlands	£39,647	£37,061	£152,643	£526,889	£152,769
East of England	£43,134	£33,136	£160,396	£324,661	£99,848
London	£103,672	£73,444	£434,132	£1,209,178	£267,166
North East	£55,438	£37,277	£211,871	£738,093	£110,723
North West	£51,845	£42,789	£242,722	£610,752	£147,956
South East	£42,157	£31,833	£225,340	£408,035	£147,157
South West	£40,740	£32,137	£204,735	£826,602	£93,105
West Midlands	£69,550	£38,613	£181,446	£762,227	£119,477
Yorkshire & Humber	£43,661	£39,858	£193,920	£632,071	£118,948
England average	£61,109	£41,991	£226,537	£690,669	£141,018
Rest of England average	£48,345	£36,697	£197,472	£585,303	£125,845
London average	£103,672	£73,444	£434,132	£1,209,178	£267,166
London average as % of Rest of England	214	200	220	207	212

7.6.2 Number of Lottery grants awarded (since 1995)

REGION	ARTS	OTHER CHARITABLE PURPOSES (BIG LOTTERY FUND)	HERITAGE	MILLENNIUM (EXCLUDING DOME)	SPORT
East Midlands	3,947	15,411	2,016	138	2,997
East of England	3,793	16,241	2,331	174	2,537
London	13,009	25,480	2,450	266	2,758
North East	4,039	13,001	1,270	95	1,615
North West	6,736	24,631	2,486	181	3,564
South East	7,509	21,950	2,560	238	3,328
South West	5,729	21,173	2,471	174	3,111
West Midlands	5,653	20,318	2,225	154	3,155
Yorkshire & Humber	5,974	18,664	2,140	155	2,623
ENGLAND TOTAL	56,389	176,869	19,949	1,575	25,688

7.7. London South Bank Centre evening performance regional premium

Cost breakdown

Two senior citizens from Leeds attending an evening performance at the National Theatre in London on 30 October 2013.

Travel parameters

Depart mid-morning train to avoid peak fares and arrive just after check-in time to hotel. Return the following morning after check-out time from hotel

Assume ownership of Senior railcards

Allow taxi fares to and from Leeds station (£15 each way)

Budget for 2 x 1 day Travelcards for public transport in Zones 1 and 2 in Central London

Accommodation

Two adults sharing a room in a budget hotel in central London (average of Premier Inn, Novotel and Travelodge at lowest cancellable rates with breakfast)

Subsistence

Allowing £40 for snacks while travelling and a (very) modest dinner

Two senior citizens travelling from Leeds

ITEM	UNIT COST	NUMBER	TOTAL IN £S
Taxi to and from station	£15	2	£30.00
BR Super Off-peak return	£81.35	2	£162.70
Taxis between station and hotel and hotel and theatre	£12	4	£48.00
Hotel room + breakfast (£10)	Average of three budget hotel prices	1 2	£166.00 £20.00
Snacks while travelling and modest dinner	£40	2	£80.00
Theatre tickets (concessions for good seats)	£30	2	£60.00
		TOTAL	£566.70

The same travelling from Cambridge

ITEM	UNIT COST	NUMBER	TOTAL IN £S
Taxi to and from station	£10	2	£20.00
BR Super Off-Peak day return Cambridge to London for 2 senior citizens including Travelcards	£49.80	2	£96.60
Taxis in London	£12	2	£24.00
Modest dinner (before)	£30	2	£60.00
Theatre tickets (concessions for good seats)	£30	2	£60.00
		TOTAL	£260.60

The same travelling from outer London (Zone 6)

ITEM	UNIT COST	NUMBER	TOTAL IN £S
Taxi to and from station	£10	2	£20.00
Public transport and taxis in town		2	30.00
Modest dinner (before)	£30	2	£60.00
Theatre tickets (concessions for good seats)	£30	2	£60.00
		TOTAL	£170.00

7.8. London South Kensington museums visit regional premium

Cost breakdown

Two adults and two children (aged 10 and 15) accessing London's free national museums for three days of visits between 29 and 31 October 2013 from Leeds during the October school half-term holiday.

Travel parameters

Depart (09:15 train) and return (18:00 train) outside peak fares but within sensible times for children

Allow for purchase of Family and Friends rail card

Allow taxi fares to and from Leeds station (£15 each way) or parking

Budget for 3 x 1 day Travelcards for public transport in Zones 1 and 2 in Central London (2 adults x 3 days @£7.40 and 2 children x 3 days @£3.40)

Accommodation

Two adults with two children in a budget hotel (average of Premier Inn, Novotel and Travelodge) in the general area of South Kensington at lowest cancellable rates for all four staying in one 'family' room with breakfast)

Subsistence

Allowing a £30 for a snack lunch for four and £60 for dinner for four

Two adults and two children travelling from Leeds

ITEM	UNIT COST	NUMBER	TOTAL IN £S
Taxi to and from station or parking	£15	2	£30.00
BR Super Off-Peak day return Leeds to London for 2 adults and 2 children	£261.80	1	£261.80
Family and Friends railcard	£30	1	£30.00
Travelcards in London for group for 3 days	£7.30 adult	2 for 3 days	£43.80
	£3.40 children	2 for 3 days	£20.40
Hotel: 1 x family room + breakfast	Average of three budget hotel prices in area	2 nights	£291.00
Three days' subsistence for family group of 4	£90	3	270.00
		TOTAL	£947.00

The same travelling from Cambridge

ITEM	UNIT COST	NUMBER	TOTAL IN £S
Taxi to and from station or parking	£10	6	£60.00
BR Super Off-Peak day return Cambridge to London for 2 adults and 2 children including Travelcards	£51	3	£153.00
Family and Friends Railcard	£30	1	£30.00
Three days' subsistence for family group of 4	£30	3	£90.00
TOTAL			£333.00

The same travelling from outer London (Zone 6)

ITEM	UNIT COST	NUMBER	TOTAL IN £S
Taxi to and from station or parking	£10	6	£60.00
Travelcards in London for group of four for 3 separate days off peak	£8.50 adult	3	£25.50
	£3.20 children		£9.60
Three days' subsistence for family group of 4	£30	3	£90.00
TOTAL			185.10

8. Endnotes and references

1 Taking account of housing costs, the poverty rate in London is 29%, compared to 21% in the rest of England. This gap has grown in the last decade. Over 26% of London falls within the most deprived 20% of England. More than one in four LSOAs (ward level index of deprivation) in London are among the 20% most deprived in England. Two thirds have levels of deprivation above the national average, the highest proportion of any English region.

www.london.gov.uk/sites/default/files/Briefing-2011-06-Indices-Deprivation-2010-London.pdf

2 2011 census data rounded to the nearest 100,000. Office for National Statistics http://www.ons.gov.uk/ons/dcp171778_320900.pdf The 'usually resident' population of London on Census Day 2011 (27 March) was recorded as 8.174 million. This compares to 7.17 million at Census 2001, an increase of 1,002,000 or 14% over the ten-year period – the highest growth rate of any English region. (The London Census population estimate is 105,000 higher than the ONS 2010-based sub-national population projection for 2011.)

data.london.gov.uk/datastorefiles/documents/2011-census-first-results.pdf

Of the 20 most 'crowded' local authorities in the country, 19 are London boroughs.

3 The Department of Communities and Local Government on 31 July 2013 published the budgeted expenditure for local authorities in 2013/14. The figures reveal that, while the overall spend by local authorities will actually increase slightly from 2012/13 to 2013/14 (from £98.4 billion to £102.2 billion), their spending on culture will fall. The cut of 4.2% (from £2.9 billion to £2.8 billion) is the largest percentage reduction to any sector at local government level.

www.gov.uk/government/uploads/system/uploads/attachment_data/file/225884/RA_Budget_2013-14_Statistical_Release_-_FINAL__2_.pdf

4 Sourced from The Compendium of Cultural Policies and Trends in Europe (Council of Europe/ERICarts, Bonn, 2013) www.culturalpolicies.net/web/index.php

As the United Kingdom Compendium entry is geared to the British Isles as a single political entity, we have been obliged to construct the strictly comparable 'England' data from existing sources. We judge that this is good enough for use in broad comparison.

5 House of Commons Eighth Report from the Education, Science and Arts Committee (Session 1981–82) Public and Private Funding of the Arts, published 18 October 1982. A Hard Fact to Swallow: the division of Arts Council expenditure between London and the English regions, a working paper by Robert Hutchison for the Policy Studies Institute, was released on 13 December 1982. The conclusion to the financial analysis states: 'It is reasonable to conclude that about half of the Arts Council's general expenditure on the arts in England subsidises activities in London.'

The Commons Select Committee expressed its concern about 'the considerable inequalities of provision across the country, especially with regard to the performing arts'.

6 DCMS website. Data (which is regularly updated) as accessed 3 September 2013): www.lottery.culture.gov.uk/Search.aspx and www.gov.uk/government/organisations/department-for-culture-media-sport

The agreed policy guidelines on National Lottery 'additionality' are important and worth recording. ACE's 2007 Annual Review provides the following clarification re-safeguards: 'The Arts Council and the organisations that distribute lottery funds on its behalf recognise and respect the additionality principles of lottery funding. Lottery funding enables us to extend the reach and increase the impact of the activity that we could undertake if only Exchequer funds were available. Together with the other lottery distributors who make up the Lottery Forum, we have agreed to share the following common definition of additionality:

Lottery funding is distinct from government funding and adds value. Although it does not substitute for Exchequer expenditure, where appropriate it complements government and other programmes, policies and funding: 'We and our delegates will have regard to the principles of additionality and this policy when we set the strategic objectives of our lottery-funded programmes and when we decide how each programme will operate. We have, and will continue to use, lottery funding to fund specific time-limited activity that would not take place without the support of the lottery. We have reviewed our activities and confirm that we have adhered to our policy on additionality.'

7 In June 2004, the Big Lottery Fund (BLF) took over responsibility for distribution of lottery funds to good causes that had previously been exercised by separate bodies for Charitable Purposes (National Lottery Charities Board/Community Fund) and then, from 1998, Health, Education, Environment – introduced as new good causes with the advent of New Opportunities Fund (NOF) in the 1998 Act – and Charitable Purposes (NLCB/Community Fund). The Big Lottery Fund also took over responsibility for the Millennium Commission's work from the latter's dissolution in 2006.

8 From the introduction to the White Paper A Policy for the Arts: The First Steps Cmnd.2601 (HMSO London, February 1965)

9 From Cultural Metropolis: The Mayor's Priorities for Culture 2009–2012 (Greater London Authority, 2008), pp. 36–7, ISBN 978 1 84781 208 7

10 'Taking Part' 2011/12: Findings for the London region www.gov.uk/taking-part-information-for-survey-users

11 International Passenger Survey of the ONS on Overseas Tourism in the UK, 2011

12 From BBC 2012/13 Annual Report (p. 29) downloads.bbc.co.uk/annualreport/pdf/2012-13/bbc-bbctrust-annualreport-review-and-assessment-2012-13.pdf

This also includes a clear report recording progress towards the targets set:

Network TV programming spend by region as a % of eligible spend 2012 (2011)

London	54.2% (59.0%)
Scotland	7.6% (9.0%)
Wales	6.8% (5.3%)
Northern Ireland	1.3% (2.0%)
Total nations	15.7% (16.3%)
Midlands	3.7% (3.7%)
North of England	16.7% (9.4%)
South of England	7.4% (11.1%)
Multi-region	2.3% (0.5%)
Total English regions	30.1% (24.7%)
Total nations and regions	45.8% (41.0%)
Grand total	100% (100%)

13 W.E. Williams in ACGB's Sixth Annual Report 1950/51 (p. 34). This commented on the success of the Festival of Britain, and concluded that 'few but roses' was a better policy aim than its predecessor, 'raise and spread'. Williams justifies the imbalance in the capital's favour by stating that ACGB hadn't established Covent Garden, Sadler's Wells, The Old Vic or the capital's orchestras. 'The Arts Council did not decide to give half its money to London; it resolved to act as patron to certain institutions already established, and of these the most meritorious and representative were situated in London. If any provincial city had assumed the responsibility for creating and maintaining, say, Sadler's Wells, the Arts Council would gladly have become its patron.' (Note that the 'other half' of ACGB's money at that time would have included the formulaically calculated [population basis] Scottish and Welsh allocations.) ACGB's Twelfth Annual Report 1956/1957 (p. 43) observes that following the closure of the regional offices: 'Not only is administration very much simpler because of centralisation in London, but the usefulness of the Arts Council's representatives has increased. England is a small country, and the whole area south of the Wash regards London as its art centre.' It can be argued that the Arts Council's unwritten 'policy of response' that operated by default until 1984, and which established and consolidated its major patterns of funding, evaded responsibility to their ultimate paymasters, Britain's taxpayers.

14 Nineteenth Report of the House of Commons Select Committee on Estimates, 1948–9

15 The Economic Importance of the Arts in Britain by John Myerscough (PSI Research Report 672; Policy Studies Institute, London, 1988; ISBN 0 85374 354 1) caught the zeitgeist. Three separate, contributory research reports were published at the same time with a local focus upon the economic importance of the arts in Glasgow, Ipswich and Merseyside. This published study exerted considerable influence in policy development nationally, particularly with local government throughout the UK and notwithstanding the reservations of a minority of cultural economists concerning the methodology applied in the study.

16 This term achieved wide currency nationally and internationally through the pioneering work of the Greater London Council (GLC) during the 1980s (see The London Industrial

Strategy, 1985). The term 'cultural industries' was first used extensively as a rhetorical device to emphasise (a) cultural activities that were not encompassed by the public funding system (and were often equated with mass (re)production and regarded as operating commercially as important generators of wealth and employment) and (b) promotion of a cultural-political point to draw attention to mass 'cultural consumption' that was completely disconnected from the public funding system. The GLC's cultural strategy, which was never fully developed, involved an 'alternative economic' line concerned both to promote and to democratise cultural production and distribution. The South Yorkshire Metropolitan County Council and the city of Sheffield also obtained a comparably high national profile. (The MCCs were Greater Manchester, Merseyside, South Yorkshire, Tyne and Wear, West Midlands and West Yorkshire.)

17 The change to the broader definition of professions in the 'creative industries' in the UK was strongly signalled in November 1998 by the Secretary of State, Chris Smith, in launching the DCMS's creative industries mapping document during a British EU Presidency conference in London (Department for Culture, Media & Sport, London, 1998). The publication rested on detailed work by the Creative Industries Task Force (established June 1997). The document states that the creative industries: '... occupy an increasingly important place within the national economy. However, their importance is not yet widely recognised. Nor has there traditionally been any formal coordination across Government of policies designed to promote them, which are the responsibility of several government departments.' The clear aim of the task force was to identify ways of maximising economic benefit. In parallel went the work for the Cabinet Office's Policy Action Team 10: arts and sport: a report to the Social Exclusion Unit (Department for Culture, Media & Sport, London, 1999).

The definition and understanding of the 'cultural' and 'creative industries' has been the subject of intense debate over recent years, especially within the framework of local, national and European policy development. See for example the European Commission's Green Paper Unlocking the potential of cultural and creative industries, Brussels, COM(2010) 183 ec.europa.eu/culture/our-policy-development/doc/GreenPaper_creative_industries_en.pdf and David Hesmondhalgh and Andy Pratt's 2005 article 'Cultural industries and cultural policy' in the International Journal of Cultural Policy 11(1): 1-14. ISSN 1028-6632.

9. The authors

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