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THE WARWICK COMMISSION

THE  
FUTURE  
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**CULTURAL  
VALUE**



## **HOW DO WE INVEST IN OUR CULTURAL LIFE?**

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## How do we invest in our cultural life?

The first theme of the Warwick Commission investigates England's investment in cultural activity. It aims to map out contemporary investment sources, understand how different levels of government funding combine with other forms of investment, and explore points of tensions in the funding infrastructure currently in place.

### Defining our terms

In order to describe and understand how cultural life is supported, we need a definition of culture to which we can anchor the data gathering, collection and analysis process. Culture is a notoriously slippery concept and one that potentially encompasses the entirety of a people's way of life and identity. Therefore, our definition is inevitably going to be a working definition, which does not pretend to cover and embrace the full complexity of the notion, but aspires to reflect it. Traditionally, a distinction has been made between a sociological and anthropological understanding of culture as 'a way of life', to refer to the customs, beliefs, values and norms that inform life in a locality, and a narrower understanding of culture. In this narrower sense, culture (often with a capital C) was taken to refer to the products of artistic creativity often associated with a refined taste, the canon and the 'high' arts. Over the past sixty years, fast and profound social, economic, technological and cultural changes have blunted such sharp distinctions, and have significantly broadened the range of what is perceived as 'legitimate culture' and is labelled as 'arts'. The commission works with this broader understanding of culture, and therefore embraces a view of culture that is not limited to (high) 'Culture' but does not quite embrace the full anthropological understanding of culture, which would extend the scope of its activities beyond what is feasible. However, the Commission is also keen to throw light on the connections and disconnections between broader English culture and identity and culture as creative activity in a range of forms, genres and contexts of production and consumption<sup>1</sup>.

In line with our adoption of a holistic 'cultural ecosystem' approach, we understand 'investment' as encompassing both financial and non-monetary support of the arts and culture from diverse sources: national government departments and arm's length bodies; lottery funding; local government; foundations, personal and business giving; consumer investment and volunteering, and the public's investment of time in culture through participation.

In spite of the delimitation of scope outlined above, this first strand of the Commission's work faces an unavoidable difficulty in the evidence-reviewing challenge: there are numerous players involved in the support of the arts and culture infrastructure, and whilst most of them produce and publish a substantial quantity of data, the data gathering methods are such that the datasets available are often not comparable. We have made considerable effort in checking and double-checking the compatibility and comparability of the statistical information that is provided below, but the picture is patchy. The latest large scale attempt to gather, compare and analyse a comprehensive set of cultural statistics remains the project resulting in the publication, in 2001, of *The UK Cultural Sector* edited by Sara Selwood.<sup>2</sup> Whilst the statistical data contained in the volume are obviously now dated, the problems of data comparability, availability and reliability that the book discusses remain unresolved, especially in relation to public spending. This, in itself, an issue of great relevance to the work of the Commission and might be worth of discussion and further investigation.

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<sup>1</sup> A fuller account of the definition of culture at the heart of the Commission can be found here: <http://www2.warwick.ac.uk/research/warwickcommission/futureculture/mission/whatisculture/>.

<sup>2</sup> Selwood, S. (2001) *The UK Cultural Sector: Profile and Policy Issues*, London: Policy Studies Institute.

## Executive Summary:

- The Department of Culture, Media and Sport invests an estimated £1.43bn in the UK's cultural life per year through non-departmental, arm's-length bodies. This is not the only central government department to invest public resources in culture, but it is difficult to produce an overall total of expenditure as often funding for cultural activities is subsumed within other areas spending (e.g. on education) and is therefore not visible.
- Financial investment in the arts and culture at local government level is decreasing across the country. However, there is no single, clear picture, and there is great variation from council to council in the response to national funding cuts.
- Philanthropic investment in the arts appears relatively stable, though once again there is great variability across the country. This investment prioritises traditional forms of art and heritage, and is greatly biased towards London.
- The investment of time by full-time volunteers in the cultural sector constitutes a major and crucial component that sustains the UK's cultural life, and the contribution casual volunteers make would equate to millions of pounds of paid work.
- In terms of the public's 'investment' of their own free time in the arts and culture, the trend is towards a modest but consistent growth in patterns of arts participation in UK society. However, audiences are extremely stratified socially, so that a professional job and the possession of a degree remain a very accurate predictor of cultural engagement. Participation data also reveals a negative correlation between the art forms preferred by audiences and those on which public investment is concentrated.

## Investment in Culture: the Data

### i. Financial Investment

Current financial investment in the arts and culture in England is described in three strands: national government (including lottery funding), local government, and private. It is also important to recognise that, in the mixed funding that is a distinguishing characteristic of the British arts sector, where 'earned income' is for many funded organisation still the largest area of revenue, a major means of individual, financial investment in the arts is ticket sales. This area of revenue will be the focus of one of the evidence givers on the Commissioner Day, and therefore we do not cover it here.

#### a. National Government

Responsibility for investment in culture in the UK is devolved to the national governments, where it takes place across different departments. The highest weight of investment comes from the Department of Culture, Media and Sport (DCMS), though the Departments for Education (DfE) and Business, Innovation and Skills (BIS) spend on culture through education and heritage.

DCMS invests resource and capital from tax-paid money in culture and the arts. The strategy that informs the department's cultural investment emerges from two of five 'coalition priorities':

**3. Create the conditions for growth:** facilitate sustainable growth in the tourism, media, leisure, creative, communications and cultural industries, including by reforming the media regulatory regime

**4. Boost the Big Society and strengthen cultural organisations:** encourage philanthropic giving, return the National Lottery to its founding principles and foster the development of a new breed of strong local media groups. Reform arm's length bodies, support a move towards more sustainable business models and support libraries into the next generation<sup>3</sup>

DCMS's indicative allocation of funds to the arts, museums and galleries, media, and heritage equates to approximately £1.43bn of investment, or 56% of its total departmental spend for the year. This is detailed in their 2012-13 business plan, the graphic of which is reproduced on the following page.<sup>4</sup> However, both total and percentage are skewed by the atypically high budget for the Olympic and Jubilee year, and in previous years investment in media and the arts was closer to 75%. For comparative context, the total Departmental Expenditure Limit (DEL) for 2011/12 was £1.61bn (restated in 2012/13 Annual report), and, following more recent cuts, in 2013/14 and 2014/15 it has been set at £1.2bn and £1.1bn respectively (estimated in the 2013 spending review).

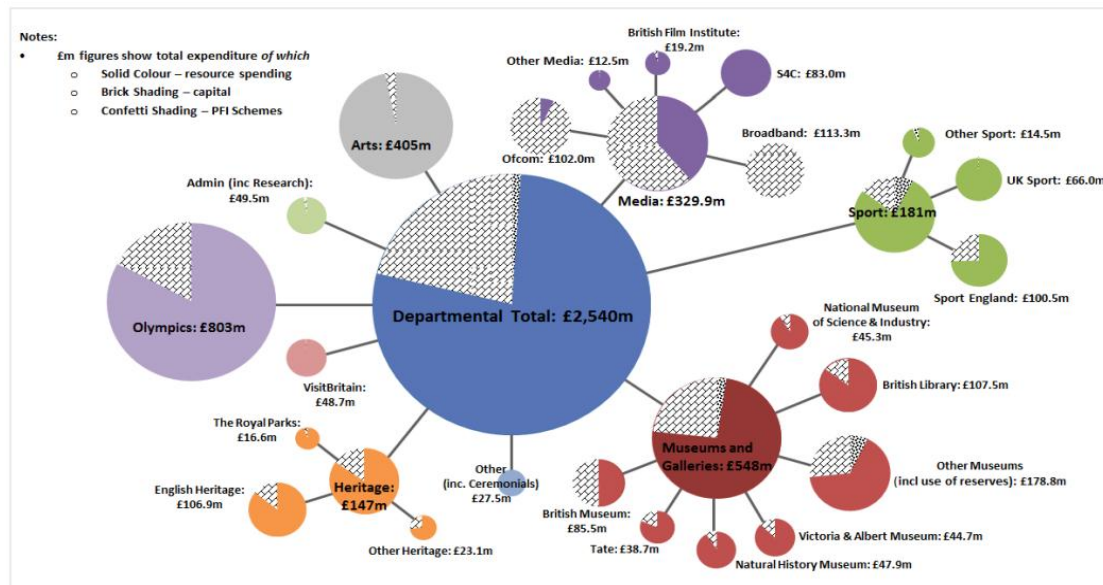
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<sup>3</sup> Department of Culture Media and Sport, (2012), 'Annual Report and Accounts 2012-2013', online: <[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/258651/DCMS\\_Annual\\_Report\\_and\\_Accounts\\_2012-13\\_for\\_GOV.UK.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/258651/DCMS_Annual_Report_and_Accounts_2012-13_for_GOV.UK.pdf)>, p. 2. This website, and all of those cited below, was accessed on 17 Jan 2014.

<sup>4</sup> The info-graphic is taken from Department of Culture Media and Sport, (2012), 'Business Plan 2012-2015', online: <[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/84124/DCMS\\_2012\\_BP.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/84124/DCMS_2012_BP.pdf)>, p. 13.

and Jubilee year, and in previous years investment in media and the arts was closer to 75%. For comparative context, the total Departmental Expenditure Limit (DEL) for 2011/12 was £1.61bn, and, following more recent cuts, in 2013/14 and 2014/15 it has been set at £1.2bn and £1.1bn respectively.



The majority of DCMS resource investment in culture is distributed through its Arm's-Length Bodies (ALBs). These are organisations which are charged with the distribution of public resources and the formulation of policies, but operate outside of direct governmental control. Several of the ALBs then directly allocate funds (or human resources) to cultural organisations or products; this includes Arts Council England, the British Film Institute, the British Library, English Heritage, as well as seventeen major galleries and museums.<sup>5</sup> The total resource/capital funding of these ALBs is projected (following budget cuts) to be £965,720,450 over 2013/14.<sup>6</sup> DCMS also lists Historic Palaces, the BBC, Channel Four and Sianel Pedwar Cymru (S4C) as ALBs, though each has slightly different relationships and thus different funding processes: the BBC is listed as being entirely independent and has an associated agreement with government; S4C is financially managed by the Welsh Fourth Channel Authority Group. Historic Royal Palaces and Channel Four are 'Public Corporations' which generate 50%+ of their own income.<sup>7</sup> DCMS also funds, in terms of capital and human resources, ALBs that do not necessarily invest directly in culture, but nonetheless affect our cultural life through commissioning (though many such boards were declassified when DCMS cut the number of QANGOs in 2010).<sup>8</sup> An example here is the National Lottery Commission.

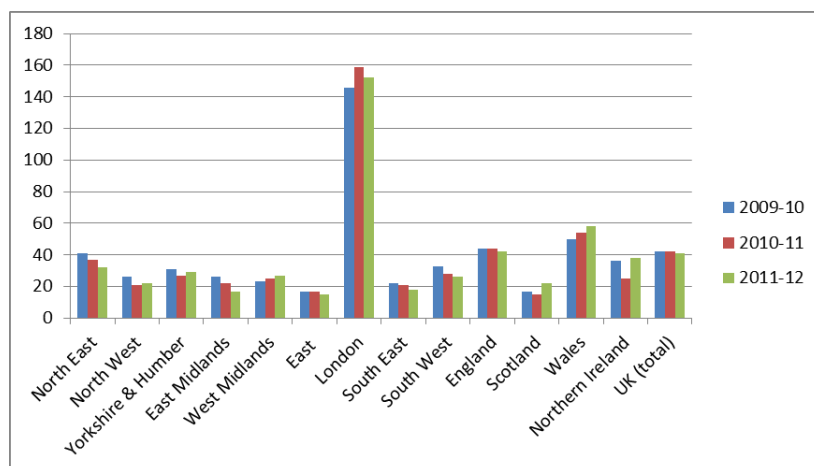
<sup>5</sup> This includes the following: The British Museum, Design Museum, Geffrye Museum, Horniman Museum and Gardens, Imperial War Museum, National Gallery, National Maritime Museum, National Museums Liverpool, National Portrait Gallery, Natural History Museum, People's History Museum, Royal Armouries Museum, Science Museum Group, Sir John Soane's Museum, Tate, Victoria and Albert Museum and the Wallace Collection.

<sup>6</sup> For DCMS's funding allocations to each ALB (detailed in correspondence), visit: <https://www.gov.uk/government/news/spending-round-201516-full-details-of-funding-for-dcms-bodies-published>.

<sup>7</sup> DCMS, 'Annual Report and Accounts 2012-2013', [online](#), pp. 165-66.

<sup>8</sup> Cf the press release, 'Improving efficiency and transparency: DCMS cuts quangos', on Gov.uk: <https://www.gov.uk/government/news/improving-efficiency-and-transparency-dcms-cuts-quangos--2>.

A major issue that has become increasingly central to the debate around arts and cultural funding is that of the distribution of resources between London and the rest of the country. The widely-discussed report entitled *Rebalancing Our Cultural Capital*, highlighted the notable London bias in centralised arts funding, which is compounded by, as we have seen, decreasing spending levels in local authorities outside London, leaving the regions dramatically under-resourced and underprovided for. The authors of the report call for bolder partnerships between local governments and arts organisations, and for the prioritization of the regions in distributing lottery ‘additional’ arts funding. The growing debate in this area has led to a Culture, Media and Sport Committee inquiry on Arts Council England, launched in January 2014, one of whose aims will be to ‘seek views on whether the geographical distribution of funding is fair and the justification for the current weighting of this towards London’.<sup>9</sup> The data on DCMS spending, £ per head, in recent years (though this is not specific to culture, and once again is skewed by the Olympics) illustrates the extent of this bias:<sup>10</sup>



The central and most important funding and development agency that allocates financial investment to cultural organisations is Arts Council England (as well as equivalents Creative Scotland, Arts Council Wales and Arts Council Northern Ireland, which are funded by their respective national governments). ACE recently updated their strategic principles, which guide their investment in cultural organisations. They identify their purpose as threefold – Advocacy and Partnership, Development and Investment – and identify five strategic goals for 2010-20:

1. Excellence is thriving and celebrated in the arts, museums and libraries
2. Everyone has the opportunity to experience and to be inspired by the arts, museums and libraries
3. The arts, museums and libraries are resilient and environmentally sustainable
4. The leadership and workforce in the arts, museums and libraries are diverse and appropriately skilled
5. Every child and young person has the opportunity to experience the richness of the arts, museums and libraries<sup>11</sup>

<sup>9</sup> Commons Select Committee on ‘Work of the Arts Council’, online: <http://www.parliament.uk/business/committees/committees-a-z/commons-select/culture-media-and-sport-committee/inquiries/parliament-2010/work-of-the-arts-council-england/>.

<sup>10</sup> DCMS, ‘Annual Report and Accounts 2012-2013’, [online](#), p. 186.

<sup>11</sup> Arts Council England, (2013), ‘Great Art and Culture for Everyone: Ten Year Strategic Framework, 2010-2020’, online: [http://www.artscouncil.org.uk/media/uploads/Great\\_art\\_and\\_culture\\_for\\_everyone.pdf](http://www.artscouncil.org.uk/media/uploads/Great_art_and_culture_for_everyone.pdf). For

In order to achieve these aims, ACE receives funding predominantly from DCMS and the National Lottery, which it then re-allocates in specific areas. From DCMS, Ace received £393,602,000 and £469,968,000 respectively in 2011/12 and 2012/13, and it is to be allocated £447,244,000 in 2013/14, and £436,303,000 over the following year as a response to funding cuts. During the same period (until 2013) ACE was allocated 16% of the National Lottery's 'good causes' funding, though last year DCMS announced this would be increased to 20%, in order to counteract the same funding cuts.<sup>12</sup> In the 2011/12 financial year, ACE received £115,069,000 from this source; in 2012/13 this figure was £169,795,000.

The Arts Council has historically invested in three main categories: National Portfolio Organisations (NPOs cultural organisations that constitute the main recipient of funding); Grants for the arts; Strategic development funding. ACE is also a distributor of Lottery funding, yet was required to follow the standard that lottery funding should only provide financial resource to activities that are 'additional' to those funded by the State (the 'additionality principle'). As such, this resource had only been put towards add-on grants and capital, and its contribution to the NPOs was deemed irregular. Nevertheless, in January 2014, ACE announced that in order to sustain a fair investment in its National Portfolio Organisations (NPOs), it was going to draw on a significant proportion of National Lottery funding in order to counteract decreasing investment from DCMS.<sup>13</sup> Though ACE has received criticism suggesting that this change is in breach of the additionality principle, the council has insisted otherwise, therefore pointing to a shifting funding landscape.

The funding towards heritage works in a slightly more structured way: as the illustration from DCMS's business plan illustrates, £106.9m of their total heritage investment goes to the ALB English Heritage, who work independently to distribute it.<sup>14</sup> The National Lottery Commission from DCMS allocate Lottery funding – again, 20%, recently increased from 16% – to the Heritage Lottery Fund, a separate independent body who invest in additional heritage funding.<sup>15</sup>

Financial investment in the UK's cultural life from other government departments typically is allocated to heritage or cultural education. For example, the majority of cultural investment from DfE and BIS is financial resource directed towards skills and talent development. The particular phrasing of their Business Plans and Annual Reports makes it difficult to disaggregate data relating to cultural funding, though. For instance, BIS aimed to invest £3.7bn in the Skills Funding Agency, which supports skills training across industries (and therefore is potentially available to the creative ones) and £3.1bn in the UK's research councils (of which around £100m in the Arts and Humanities Research Council); and DfE similarly sought to invest £854m in apprenticeships, that are potentially applicable to cultural organisations.<sup>16</sup> The precise level

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information on how ACE have worked towards these aims so far, see also Arts Council England, (2013), 'Annual Report and Accounts 2013', online:  
<[http://www.artscouncil.org.uk/media/uploads/pdf/ACE Annual Report 2012-13 Interactive.pdf](http://www.artscouncil.org.uk/media/uploads/pdf/ACE%20Annual%20Report%202012-13%20Interactive.pdf)>, pp. 16-29.

<sup>12</sup> DCMS, 'Annual Report and Accounts 2012-2013', [online](#), p. 12.

<sup>13</sup> Arts Council England, (2014), 'Our Investment: 2015-2018', online:  
<<http://www.artscouncil.org.uk/funding/our-investment-2015-18/>>.

<sup>14</sup> For further information, see English Heritage, (2011), 'Corporate Plan 2011-2015', online:  
<<http://www.english-heritage.org.uk/publications/corporate-plan-2011-2015/eh-corporate-plan-2011-2015.pdf>>.

<sup>15</sup> They are managed by the National Heritage Memorial Fund. Their website is at: <http://www.hlf.org.uk/>

<sup>16</sup> These statistics are reproduced from the business plans: Department of Business Innovation and Skills, (2012), 'Business Plan 2012-2015', online:  
<[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/31960/12-p58-bis-](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31960/12-p58-bis-)

of access to this money nevertheless remains unclear, and will be the focus on the Commission's third strand. The Ministry of Defence (MoD) also allocates around £15m to the National Museum of the Royal Navy, the National Army Museum and the Royal Air Force Museum.<sup>17</sup>

Finally, it is worth mentioning the BBC, a major source of nationally-funded culture whose investment comes from a very mixed economy. As far as government funding is concerned, the Foreign and Commonwealth Office plans to allocate £244m to the BBC World Service annually,<sup>18</sup> though of course the vast majority of the BBC's investment comes from the licence fee. According to the organisation's most recent report, the licence fee brought £3.65bn of investment (a year-on-year increase of £50m).<sup>19</sup>

## **b. Local Government**

Whilst often neglected in cultural policy debates, local government funding is key to injecting resources into the cultural ecosystem. Despite the fact that cultural provision is an area of discretionary spending (only libraries fall within statutory spending) local authorities throughout the country have made a substantial commitment to culture, and their investment has made them the second largest funder of the arts after DCMS. However, as a consequence of the financial crisis and the resulting financial pressures under which local authorities now operate, local spending on culture has become the object of intense interest, concern and debate, as many (though notably not all) local authorities have found themselves having to cut their arts budget to concentrate their resources on essential services.<sup>20</sup> Some local authorities have cut arts funding completely: e.g. Westminster, who have cut their annual £350,000 budget; Somerset, who in 2010 cut £160,000 of direct grants to arts organisations, and, to great public surprise, even Newcastle council, which had initially announced a 100% cut, though this decision was ultimately revoked and 50% of funding was retained and diverted to the Tyne and Wear Community Foundation, who promote better investment and alternative fundraising. Such significant cuts to local government spending are a source of concern on account of the fact that local authorities' investment often acts as leverage for 'match funding' from other public and private funders.

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[2012-business-plan.pdf](#)>, p. 23, and Department for Education, (2012), 'Business Plan 2012-2015', online: <[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/221754/department\\_20for\\_20education\\_20business\\_20plan\\_202012\\_202015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/221754/department_20for_20education_20business_20plan_202012_202015.pdf)>, p. 16. N.b., the third strand of the Commission will examine the function of state funding in cultural education at all levels. The data regarding the AHRC is taken from Arts and Humanities Research Council, (2012), Annual Reports and Accounts 2012-2013, online: <[http://www.ahrc.ac.uk/News-and-Events/News/Documents/AHRC\\_AR\\_2012-13\\_web.pdf](http://www.ahrc.ac.uk/News-and-Events/News/Documents/AHRC_AR_2012-13_web.pdf)>, p. 51 (on tax payers' equity).

<sup>17</sup> Cf Ministry of Defence, (2011), 'Non-Departmental Public Bodies 2010-2011', online: <[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/27082/nondeptpub\\_icbodies1011.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/27082/nondeptpub_icbodies1011.pdf)>.

<sup>18</sup> Foreign and Commonwealth Office, (2012), 'Business Plan 2012-2015', online: <[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/32853/business-plan-12.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32853/business-plan-12.pdf)>, p. 13.

<sup>19</sup> BBC, (2013), 'Full Financial Statements 2012-2013', online: <<http://downloads.bbc.co.uk/annualreport/pdf/2012-13/bbc-full-financial-statements-2012-13.pdf>>, p. 4.

<sup>20</sup> For more information, please see the survey from Arts Development:UK, (2013), 'AD:uk/Arts Council of Wales Local Authority Arts Investment & Partnership Survey 2013/14' online: <<http://artsdevelopmentuk.org/wp-content/uploads/2013/09/2013-Local-Authority-Arts-investment-report-final.pdf?f22064>>.



National, total spending figures on local government published by the Department of Communities and Local Government (DCLG) give a useful bigger picture. The Local Authority budgets quote the following net expenditure on 'Cultural and Related Services':<sup>21</sup>

Year	Net expenditure	% change	Year	Net expenditure	% change
2011-12	£3,059,069,000	-	2011-12	£500,723,000	-
2012-13	£2,912,904,000	-4.78%	2012-13	£471,279,000	-5.88%
2013-14	£2,789,209,000	-4.25%	2013-14	£439,163,000	-6.81%

'Culture and Related Services' – and the data to which many reports on cultural funding refer<sup>22</sup> – actually includes five categories: Archives, Culture and Heritage, Recreation and Sport, Open Spaces, Tourism and Library Services. If we focus only on culture and heritage (as per the right-hand table, above), the data in fact demonstrates that the cuts to 'Culture and Heritage' alone are much more significant than in the other areas.

The reality of the effects of this decrease in spending is difficult to pin down precisely because of the vast number of local governments. Though certain local governments have cut funding entirely, others have remained steady, and one or two have actually increased funding, despite the economic downturn.<sup>23</sup> For example, the majority of large cities, such as Glasgow, Liverpool, Manchester and Sheffield, appear to be cutting around 6-10% of arts funding over the next year; some, such as Leeds and Edinburgh, are sustaining unchanged year-on-year investments.<sup>24</sup> Local investment in the arts is universally location-specific, though one clear and unsurprising pattern is that of significant urban areas as major cultural centres where investment is concentrated. This appears to be the case in particular for cities such as Bristol and Liverpool whose mayors have been forceful and determined in fighting for the arts.

An additional difficulty relating to the measurement of arts investment at a local level is the fact that often local authorities fund arts projects and cultural organisations as part of the delivery of key services, so that, for instance, arts activities might be funded as part of the delivery of health, educational and social services, and, thus, this support for cultural activities would have to be extrapolated from health, social security, and other budgets. Community development or regeneration initiatives are key vehicles for local authorities cultural spending.

<sup>21</sup> The statistics here are taken from the 'Local Authority Revenue Expenditure and Financing, England' Statistical Releases from 2011-12, 2012-13 and 2013-14, online:

<[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7337/1933771.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7337/1933771.pdf)>, p. 16;

<[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7352/2178912.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7352/2178912.pdf)>, p. 17, and

<[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/225884/RA\\_Budget\\_2013-14\\_Statistical\\_Release\\_-\\_FINAL\\_2\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/225884/RA_Budget_2013-14_Statistical_Release_-_FINAL_2_.pdf)>, p. 15.

<sup>22</sup> For example, see Gordon, P., D. Powell & C. Stark, (2013), 'Rebalancing our Cultural Capital', online: <[http://www.theroccreport.co.uk/downloads/Rebalancing\\_FINAL\\_10mb.pdf](http://www.theroccreport.co.uk/downloads/Rebalancing_FINAL_10mb.pdf)>.

<sup>23</sup> This is certainly not by any means a significant number: the above mentioned Arts Development: UK 'Arts Investment and Partnership Survey' estimates that 3% of authorities project a funding increase; [online](#): p. 1. One significant example is Belfast (which would fall outside of the England and Wales remit of the AD:UK survey), which has reportedly increased its arts funding by 27%. Cf. Michael Quinn, (2013), 'Belfast City Council increases arts funding 27%', *The Stage*, 6 March, online: <<http://www.thestage.co.uk/news/2013/03/belfast-city-council-increases-arts-funding-27/>>.

<sup>24</sup> Cf Ian Youngs, 'Newcastle Council's 50 Arts Cuts Confirmed', *BBC News*, 7 March, online: <<http://www.bbc.co.uk/news/entertainment-arts-21668498>>.

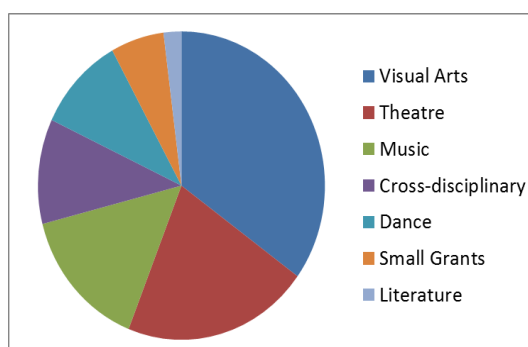
### c. Philanthropy

A large percentage of investment in the UK's cultural life comes from philanthropic financial donations, from individuals, foundations and businesses. The Coutts Institute has released some information about philanthropic investments over the past year. Though it focuses only on donations over £1m, it informs us that during the 2012 calendar year £95.4m was donated to the Arts, Culture and Humanities. This equates to 7.1% of all philanthropic donation given that year, again as per the criteria of the Coutts Institute (a total of £1.34bn). The survey also refers comparatively to the financial (not calendar) year of 2010-11, when £109m (and 8.8% of the total) was donated to the arts. This implies a slight decrease in investment from major philanthropists.<sup>25</sup>

Examining annual donations from specific trusts and foundations broadly coheres with this downturn, though this trend is not universal. For example, the Paul Hamlyn Foundation invested £4,957,086 in the arts in 2010/11, £5,961,024 in 2011/12, and £4,257,347 in 2012/13.<sup>26</sup> The Linbury Trust reports investing £1.2m in arts in 2011/12 and the same figure in 2012/13.<sup>27</sup> The Woodward Charitable Trust invested £47,875 in the arts during 2012/13, which is a notable increase on the £24,497 investment in 2012/13, and £26,100 in 2011/12.<sup>28</sup> Overall, research indicates that investment in the arts seems only to alter in proportion to the total invested by the philanthropic organisation, but not particularly in line with any external factors.

The majority of foundations (in particular those that form a part of the Sainsbury Family Charitable Trusts) do not record the individual art forms that receive financial investment. The Jerwood Foundation offers the following breakdown of its £1.1m investment in the arts during 2011:<sup>29</sup>

Cross-disciplinary	11%
Dance	10%
Literature	2%
Music	15%
Small Grants	6%
Theatre	21%
Visual Arts	35%



<sup>25</sup> The Coutts Institute, (2013), 'Million Dollar Donors Report 2013: United Kingdom', online:

<<http://philanthropy.coutts.com/united-kingdom/Findings#distribution>>.

<sup>26</sup> This data is taken from the Paul Hamlyn Foundation Yearbooks from 2010-11, 2011-12 and 2012-13, online: <[http://issuu.com/paulhamlynfoundation/docs/phf\\_yearbook\\_2010-11?e=1112503/2978869](http://issuu.com/paulhamlynfoundation/docs/phf_yearbook_2010-11?e=1112503/2978869)>, p. 19; <[http://issuu.com/paulhamlynfoundation/docs/phf\\_yearbook\\_2011-12](http://issuu.com/paulhamlynfoundation/docs/phf_yearbook_2011-12)>, p. 19; and <[http://issuu.com/paulhamlynfoundation/docs/paul\\_hamlyn\\_foundation\\_yearbook\\_2011?e=0](http://issuu.com/paulhamlynfoundation/docs/paul_hamlyn_foundation_yearbook_2011?e=0)>, p. 23.

They are available to download at: <http://www.phf.org.uk/page.asp?id=1976>.

<sup>27</sup> Cf The Linbury Trust (2013), 'Annual Report', online:

<<http://www.linburytrust.org.uk/pdfs/Linbury%20April%202013%20Final%20version.pdf>> p. 3.

<sup>28</sup> The Woodward Charitable Trust's 'Annual Reports' (2013), online:

<<http://www.woodwardcharitabletrust.org.uk/Woodward%20Annual%20report%20-%20April%202013%20FINAL.pdf>>, p. 6; (2012), online:

<<http://www.woodwardcharitabletrust.org.uk/Woodward%20Annual%20report%20-%20April%202012.pdf>>, p. 6; and (2011), online:

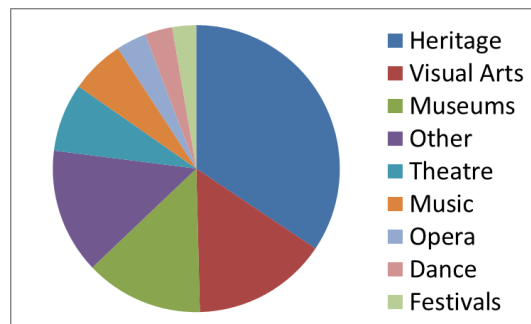
<<http://www.woodwardcharitabletrust.org.uk/Woodward%20Annual%20report%20-%20April%202011.pdf>>, p. 6.

<sup>29</sup> The Jerwood Charitable Foundation, (2011), 'Annual Reports 2011', online:

<<http://jerwoodcharitablefoundation.org/jerwood-annual-report-2011>> p. 22

Reports and data on business investment in the arts are sparse. Arts and Business, a charitable organisation that works to connect the two, has produced annual reports on private investment in the arts in previous years. The latest report puts the total of private investment in the arts at 21.9% of its income, or £660.5m (though the information emerges from a survey of 290 organisations and reports/accounts, which thus risks incompleteness).<sup>30</sup> This is broken down into £372.9m from individual giving, £173.8m from trusts and foundations, and £113.8m from business investment. The report also provides the following breakdown of investment per art form:

Heritage	34.4%
Visual Arts	15.2%
Museums	13.3%
Other	14.1%
Theatre	7.7%
Music	6.1%
Opera	3.4%
Dance	3.1%
Festivals	2.7%



The report includes a little more useful indication of trends: first, that business investment has increased year-on-year relatively little: the total percentage increase of private investment is put at 7.63% (or £46.8m), but business investment is reportedly up only £200,000, or 0.18%. Nevertheless, businesses investment in the arts appears less likely to match the London skew: unlike the 90% of individual giving which is centred on the capital, the percentage of business investment in London is at 67%.

As with the broader issue in national and local government investment, in the case of philanthropy too the complete map is difficult to trace out due to the difficulty of definition: aspects of life which enter into the broader cultural ecosystem are not necessarily classed as arts/culture on budget reports.

## **ii. Non-Financial Investment**

Non-financial investment here refers to the investment of time and effort by the population of the UK in its cultural life, in particular through participation and volunteering. Though this appears difficult to measure, recently ventures such as the 'Understanding Everyday Participation' research project, and the advocacy of the Voluntary Arts Association<sup>31</sup> are addressing this issue, and the increasing interest in documenting and understanding active cultural participation alongside audiences' more traditional forms of cultural consumption is likely to result in the growing volume of data and analysis in this area.

<sup>30</sup> Arts and Business, (2013), 'Where is Private Investment to the Arts going? Arts & Business Private Investment in Culture Survey 2011/12' online: <http://artsandbusiness.bitc.org.uk/sites/default/files/kcfinder/files/artsandbusiness/artsandbusiness-pics-2011-12.pdf> and <http://artsandbusiness.bitc.org.uk/sites/default/files/kcfinder/files/artsandbusiness/artsandbusiness-pics-graphics-201112.pdf>.

<sup>31</sup> The websites of these initiatives are: <http://www.everydayparticipation.org/> and <http://www.voluntaryarts.org/>

Volunteering and participation in the arts are key components of investment that allow creative and artistic organisations to continue running. According to the NCVO's 'UK Voluntary Sector Workforce Almanac 2011',<sup>32</sup> of the voluntary sector those working voluntarily in 'Libraries, archives, museums and other cultural activities' and 'Creative, arts and entertainment activities' equate respectively to the 9<sup>th</sup> and 10<sup>th</sup> largest industries, at 15,000 and 11,000 people (around 3.25% of the total full-time workforce). In a recent report on the contribution of the arts and culture to the national economy, commissioned by the Arts Council, the CEBR estimate 105,000 FTE employees in the arts and culture industry in 2011 (this is in fact down from 118,000 in 2008).<sup>33</sup> Overlapping this data, it is clear that the 25,000 voluntary employees equate to a large fraction, or 24% of the total (voluntary and salaried) work force.

This part of the NCVO report does not refer to casual or part-time volunteers. However, based on survey questions, the organisation estimates that across the UK some 12.7 million people volunteer formally at least once a month (across the sector).<sup>34</sup> In terms of specific roles, the report suggests that 40% of regular volunteers work in 'hobbies, recreation, arts and social clubs'. As such, part-time, regular voluntary work in cultural spheres equates to around five million people. To give this a very loose financial value, the NCVO quantify the total wages of regular monthly volunteers in England alone at £19.4bn; though all kinds of different factors would need to be taken into account to verify this statistic in the area of arts and culture alone, we could take 40% (£7.76bn) as an indicative starting point.

Statistics on participation in the arts and culture demonstrate the importance of the UK's cultural life through the time spent engaging with it, as well as offering more specific information on who is *not* participating and why. DCMS has run 'Taking Part', an annual, large scale survey of cultural and sport participation in England, since 2005. The most recent annual report (on 2011/12) offers useful insight on attendance and participation levels. A first, key finding of the report is that 'in 2011/12, 63.3 per cent of adults in England engaged with the arts three or more times, compared with 78.2 per cent of adults who engaged at least once'. This is a slight increase on previous years, where arts engagement for adults had hovered around 76%.<sup>35</sup> More recent statistics (DCMS releases quarterly updates) demonstrate that this increase has

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<sup>32</sup> The National Council for Voluntary Organisations, (2011), 'The UK Voluntary Sector Workforce Almanac 2011', online:

<[http://www.ncvo.org.uk/images/documents/policy\\_and\\_research/voluntary\\_sector\\_workforce/Workforce\\_Almanac\\_2011.pdf](http://www.ncvo.org.uk/images/documents/policy_and_research/voluntary_sector_workforce/Workforce_Almanac_2011.pdf)>, p.13.

<sup>33</sup> The Centre for Business and Economic Research, (2013), 'The Contribution of the Arts and Culture to the National Economy', online:

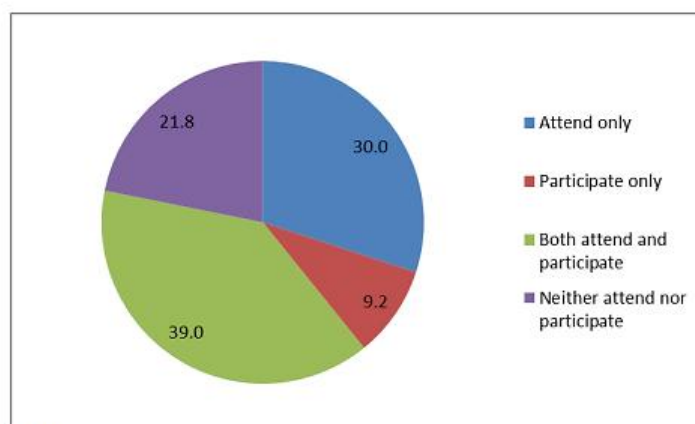
<[http://www.artscouncil.org.uk/media/uploads/pdf/CEBR\\_economic\\_report\\_web\\_version\\_0513.pdf](http://www.artscouncil.org.uk/media/uploads/pdf/CEBR_economic_report_web_version_0513.pdf)>, p. 19.

<sup>34</sup> NCVO, 'The UK Voluntary Sector Workforce Almanac 2011', [online](#), p. 21.

<sup>35</sup> Department of Culture, Media and Sport, 2012, 'Taking Part 2011/12 Adult and Child Report: Statistical Release', online:

<[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/77920/Taking\\_Part\\_2011\\_12\\_Annual\\_Report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/77920/Taking_Part_2011_12_Annual_Report.pdf)> p. 45. For a more detailed breakdown of categories of arts audiences, cf Arts Council England's (2011), 'Arts Audiences: Insight', online: <[http://www.artscouncil.org.uk/media/uploads/pdf/arts\\_audience\\_insight\\_2011.pdf](http://www.artscouncil.org.uk/media/uploads/pdf/arts_audience_insight_2011.pdf)>.

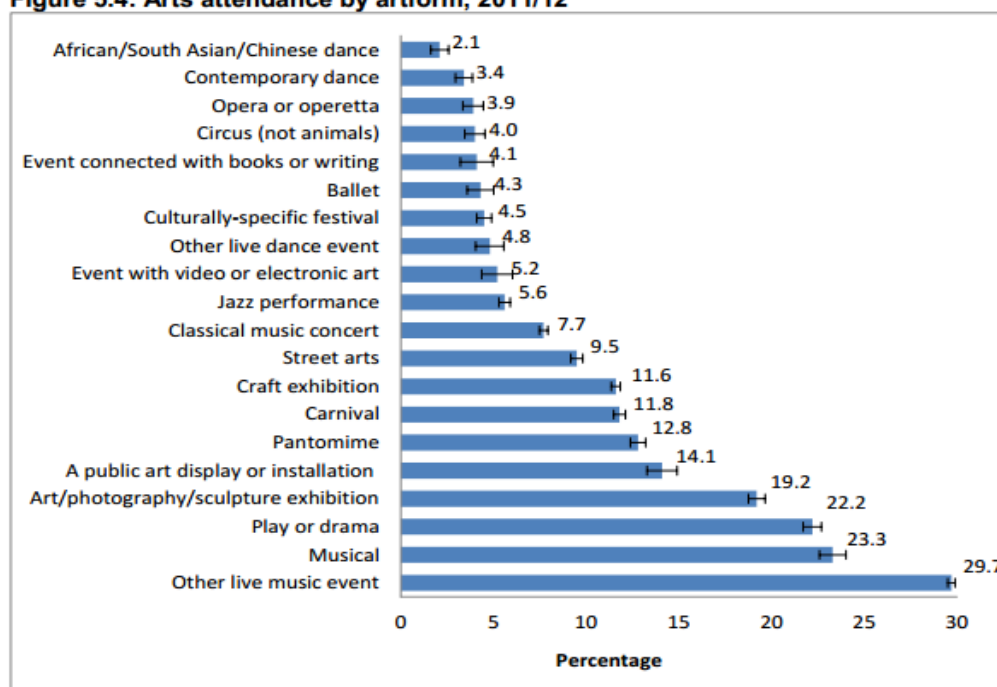
been sustained.<sup>36</sup> The data from the 2011/12 report then divides the adults who engaged with the arts in the last year into four categories:<sup>37</sup>



**Notes**  
(1) Confidence intervals range between +/-0.7 and +/- 1.2

The same data reveals that women are slightly more inclined to participate in the arts than men. It also offers revealing information about attendance in relation to specific art forms:<sup>38</sup>

**Figure 5.4: Arts attendance by artform, 2011/12**



**Notes**  
(1) Confidence intervals range between +/-0.2 and +/- 0.9

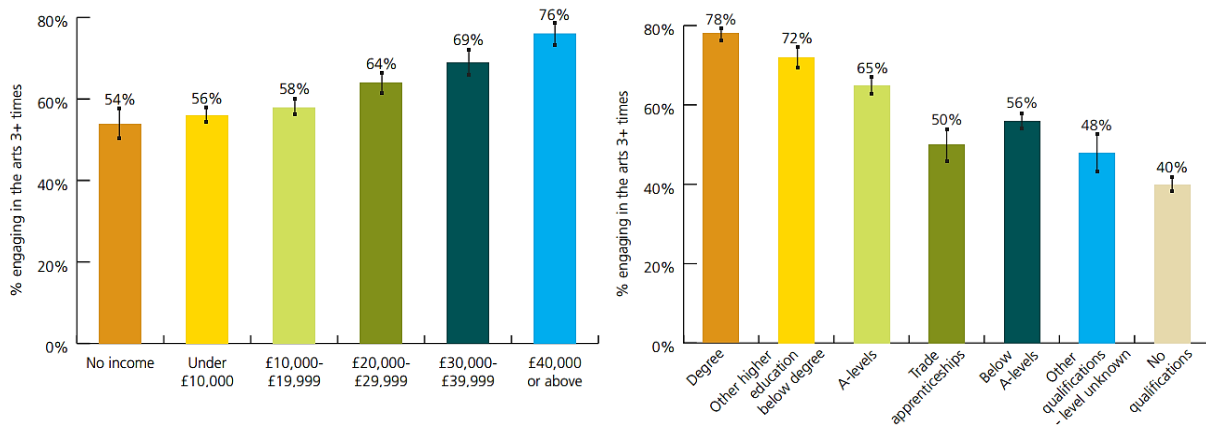
This reveals an inverse correlation of the kind of art forms that people participate in and attend with that which is invested in by national government and philanthropy (in particular 'high art' forms such as opera, ballet or dance).

<sup>36</sup> Department of Culture, Media and Sport, 2012, 'Taking Part 2013/14, Quarter 2: Statistical Release', online: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/265544/Annex\\_B\\_-\\_Taking\\_Part\\_2013\\_14\\_Quarter\\_2\\_Report\\_1\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/265544/Annex_B_-_Taking_Part_2013_14_Quarter_2_Report_1_.pdf), pp. 4-5.

<sup>37</sup> Chart taken from DCMS, 'Taking Part 2011/12', [online](#), p. 47.

<sup>38</sup> Charts taken from DCMS, 'Taking Part 2011/12', [online](#), p. 49. There is a similar trend of data for participation, as well as attendance, per art form at the same reference.

In 2010, the Arts Council released a particularly interesting report entitled 'Arts Engagement in England 2008/09' presenting a detailed analysis of 'Taking Part' data.<sup>39</sup> As well as offering more detailed breakdown of the correlation of gender, age, disability status and ethnicity in relation to participation in the arts, the report illustrates worrying trends relating to cultural involvement and socio-economic background. As the following charts illustrate,<sup>40</sup> is an unchallengeable correlation between level of income and education level with arts engagement:



Increasingly troubling data emerges from the results of the question 'the arts are not for people like me'. There was a trend for non-white ethnicities, able-bodied people and men rather than women to agree with this statement to a higher level. In terms of income and education level, there is a stark difference between wealthy and educated social backgrounds: 16% of those earning £40,000 per year or more agree with the statement, while 29% of those earning under £10,000 and 32% of unemployed people agree; 70% of interviewees who have a degree disagreed with the statement, while only 37% of people with no qualifications disagree.<sup>41</sup>

Interestingly, the data emerging from the 'Taking Part' survey tallies with the findings from a large-scale research project on *Cultural Capital and Social Exclusion* funded by the Economic and Social Research Council, and carried out by a team based at the Open University and the University of Manchester. The project included a large-scale survey in the form of a questionnaire administered to a national random sample of 1564 respondents and an ethnic boost sample of Indian, Pakistani and Afro-Caribbean respondents. The questionnaire gathered information on the respondents' cultural activities, tastes and preferences and considered them in relation to their class status, educational qualifications, ethnicity, gender, occupations, and so forth. Writing in 2005, Tony Bennett, one of the research leads on the project concluded, on the basis of the data collected that 'well-educated middle-class professionals and managers are the most likely to be heavily involved in those parts of the cultural sector that are dependent on public funding whereas less well educated unskilled and semi-skilled workers are more exclusively involved in the commercial cultural sector'.<sup>42</sup>

<sup>39</sup> Bunting, C., V. Martin & A. Oskala / Arts Council England, (2010), 'Arts Engagement in England 2008/09. Findings from the *Taking Part* Survey', online: [http://www.artscouncil.org.uk/media/uploads/arts\\_engagement\\_in\\_england\\_0809.pdf](http://www.artscouncil.org.uk/media/uploads/arts_engagement_in_england_0809.pdf).

<sup>40</sup> Charts taken Bunting, Martin & Oskala / ACE, 'Arts Engagement in England', online, p. 15 & p. 17.

<sup>41</sup> Bunting, Martin & Oskala / ACE, 'Arts Engagement in England', online, pp. 39-40.

<sup>42</sup> This is a quote from a paper given by Prof. Bennett at an IPPR workshop on *Arts, Heritage and Civic Renewal* entitled 'Cultural Participation and Social Division', March 2005, available online: <http://bit.ly/1j7tlBh>.

## Emerging Discussion Points

The data outlined above raises a number of trends and issues:

- The current data and statistics on cultural funding in the UK are numerous and relatively comprehensive, but they are also highly fragmented. In the absence of a central body that draws together evidence of this nature and updates it regularly, facilitating harmonisation in data collection, it is extremely difficult to have a clear and comprehensive picture of the financial investment in the arts that takes place in the UK.
- The fragmentation of data ultimately reflects the disconnections in policy across the board. Though cultural organisations and arts advocacy groups are increasingly calling for partnerships and collaboration, there appears to be little connection between central government departments, local governments, philanthropists and cultural professionals, at least at the level of statistical data collection and analysis.
- Nevertheless, the uneven geographical distribution of resources that have followed different responses to the cuts in arts and local government funding perhaps indicate that different areas of the UK are in need of different coping strategies. This might indicate the need for a set of policy solutions, rather than a single one.
- The access agenda in the arts remains a major concern, in particular with regard to social background. The data shows a grave disconnection between publicly funded culture and the everyday life of the majority of the population, and the persisting social stratification of cultural consumption and participation, despite seventy years of ACE's commitment to broadening access, also raises difficult yet crucial questions of fairness and social justice, especially in relation to the expenditure of public funds.
- The question also remains of the distribution of resources and cultural participation opportunities in the regions in relation to London, in light of the skew in funding distribution towards the capital, which appears to have been exacerbated by funding cuts.

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