

The PLACE Report

Policy for the Lottery, the Arts and Community in England

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WELCOME

Publication and provenance

The PLACE Report: Policy for the Lottery, the Arts and Community in England, published on Friday 25 April 2014, has been independently produced and self funded by Peter Stark, David Powell and Christopher Gordon, authors of *Rebalancing our Cultural Capital* (www.theroccreport.co.uk).

PLACE draws a clear distinction between the purposes of tax-derived funding (Arts Council England's grant-in-aid) and National Lottery revenue distributed by ACE (the Arts Lottery). It takes as read the critical importance of the Arts Council's role in maintaining the nation's core, high-quality cultural infrastructure through grant-in-aid, but questions fundamentally the Arts Council's stewardship of the National Lottery funds, which are provided for different purposes and for far wider public benefit than its Treasury grant.

CONTEXT

Arts Council England's overall remit from the DCMS is to:

'make the arts, and the wider culture of museums and libraries, an integral part of everyday public life, accessible to all, and understood as essential to the national economy and to the health and happiness of society.'

Policy Directions issued by the Secretary of State under the National Lottery etc Act 1993 to Arts Council England (and all other Lottery distributors) in November 2007 state inter alia that:

'Arts Council England shall take account of the following in distributing National Lottery Funds:

- the need to increase access and participation for those who do not currently benefit from the cultural opportunities available in England
- the need to foster local community initiatives which bring people together, enrich the public realm and strengthen community spirit

- the need to support volunteering and participation in the arts and community arts
- the need to involve the public and local communities in making policies, setting priorities and distributing money
- the desirability of ensuring equality of opportunity, of reducing economic and social deprivation and ensuring that all areas of England have access to the money distributed.'

HEADLINES

Contribution, distribution and equity

The Arts Lottery has disproportionately benefited the most prosperous and 'arts engaged' communities in England, which are often also those contributing least to the Lottery. Some of the least arts-engaged and poorest communities, meanwhile, who are contributing most heavily to the 'arts good cause', receive the least return.

- The 33 English local authorities where people are least engaged with the arts (10% of the total and with a combined population of 6 million) have received £288 million Arts Lottery funds since 1995 or £48 per head of population.
- The 33 areas (population 4.8 million) with the highest levels of arts usage have received £1.327 billion across the same period – over £1 billion more – and at £275 per head of population.
- The local authority area with the highest net return to its Lottery players is the City of Westminster, whose population has contributed £14.5 million to the Arts Lottery since 1995, while it has received £408 million – a surplus of £393.5 million.
- The local authority area with the poorest return is County Durham, where its Lottery players have contributed £34 million since 1995, while it has received £12 million – a net deficit (in effect a contribution to the surpluses of others) of £22 million.
- Taking into account differences in the playing frequency of households and the capital city's extended cultural catchment, London, the South East & East have a surplus from the Arts Lottery to date of £416 million funded by the net contributions of the North (£216 million), the Midlands (£140 million) and the South West (£60 million).

Which organisations benefit the most?

The largest recipients of grant-in-aid are now among the largest recipients of Arts Lottery funds. Many of these same organisations are also the largest beneficiaries of private philanthropy and sponsorship of the arts. Cultural organisations with very substantial public funding already in place and with

the greatest capacity to raise resources from paid attendances, sponsorship, philanthropy and commercial opportunities might, in a time of austerity, be expected to make a lower call on public funds.

Additionality

Lottery proceeds are increasingly being used to fund organisations and regular programmes of work that were previously funded through grant-in-aid.

Additionality, the guiding principle that Arts Lottery funds should be for 'new and additional' activity and not act as a substitute for grant-in-aid, has been eroded and could be lost under current plans.

Who benefits the most?

Affluent people who live within easy reach of major cultural institutions and can afford regular attendance derive by far the most benefit from funds sourced from taxpayers and, now, from Lottery players.

- Arts Lottery funding to the five largest London recipients (The Royal Opera House, Royal National Theatre, English National Opera, Sadler's Wells and the Southbank Centre) totals £315 million since the beginning of the National Lottery. This is in addition to the annual funding of over £80 million that between them they receive from taxpayers.
- These five organisations alone have therefore received more Arts Lottery funding since 1995 than the 33 local authority areas whose communities are least engaged with the arts.

What is at risk and why?

The Directions issued to Lottery distributors to prioritise disadvantaged communities have been followed by the Lottery distributors in England for Sport, Heritage, and voluntary and community action. At best, Arts Council England appears to have accorded the Directions no priority and at worst has ignored them, placing at serious risk of failure the local infrastructure of facilities, organisations and programmes that are the bedrock of our national cultural life.

An illustration of an alternative approach

To begin to correct these manifest imbalances, the PLACE Report makes a simple illustrative proposition of a tripartite framework for the Arts Lottery.

- Respecting the Directions, it would operate through three programmes focused differentially on the social priority of engagement with areas of disadvantage, the economic priority of dispersed cultural production, and the artistic priority of support for artists' practice across all disciplines.

- Decision making would be devolved to appropriate structures operating at regional or multi-authority level, with weighted allocations that recognised advantage and disadvantage in terms of geographical, economic and social factors.

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