



What Next?

www.whatnextculture.co.uk

Submission to Treasury: Spending Round and Autumn Statement

14/10/15

About What Next?	1
Headline position	2
Our headline recommendation to the Spending Round	3
What we will do with sustained investment at current levels.	3
Summary of recommendations	4
ANNEXE A: Rationale	7
1. <i>Local Authority investment</i>	7
2. <i>Cultural localism and place-making</i>	8
3. <i>Local social impact</i>	9
4. <i>Local Economic Partnerships</i>	10
5. <i>Investment in London</i>	11
6. <i>Creative industries and the economy</i>	11
7. <i>Microbusiness, freelancers and entrepreneurs</i>	13
8. <i>Access to work</i>	14
9. <i>Digital infrastructure and broadcasting</i>	15
10. <i>Young people, education and learning</i>	15
11. <i>The extension of STEM to STEAM</i>	17
12. <i>Apprenticeships and skills</i>	17
13. <i>A renewed focus on Early Years, Early Intervention and Families</i>	19
14. <i>Universities</i>	19
ANNEX B: The current funding picture	21
ANNEX C: Contributors to this paper	22

About What Next?

This submission is made on behalf of a number of the arts and cultural organisations and individuals that are a part of What Next?: a national movement which aims to articulate, champion and strengthen the role of the arts and culture in our society and to the growth of the national economy. It has been developed with and supported by the Cultural Learning Alliance.

We have detailed evidence, examples and arguments to support each of these recommendations and would welcome the opportunity to discuss them further.

Headline position

The investment outlined in this paper is essential to the sector's delivery of this government's vision as outlined in the 2015 Manifesto:

'Wherever you live in the country, we want you to be able to enjoy the best our culture and sports have to offer.'

The UK's investment in culture has a tangible impact on inward investment, regional regeneration, tourism, skills and exports and generates significant returns in revenues from associated VAT. It also has demonstrable social impacts across a range of measures from social mobility and education to mental health outcomes.

Public funding for the arts and culture represents less than 0.1% of overall government investment but sustains thousands of jobs in every area of the country and is the seed money for the recent explosive growth of the UK's creative economy and creative industries.

The Arts - Key to our Economy

#Arts4Britain



One in twenty people in the UK depend on the arts for their livelihood, through working as artists, directors and producers to technical support, media and the creative industries and associated trades in a largely British supply-chain. (Creative Industries Federation, June 2015)

WHAT NEXT?

Limited cuts, as well as innovative new tax credit schemes, have meant that the sector has been able to achieve significant artistic and commercial success since 2010. We have remained creative world leaders. But confidence to invest in our sector in the UK is fragile. The sector is remarkably efficient, both in terms of employment and financial resource: the vast majority of employees in our sector are freelancers or work in microbusinesses, with portfolio careers both in and out of the publicly funded creative sector. Further cuts will inhibit growth, particularly in the creative industries.

The arts and cultural sector needs sustained investment over the period of this Spending Round.

Our headline recommendation to the Spending Round

- **We recommend that Treasury sustains investment in arts and culture at current levels and in line with inflation across the whole country**

Many arts and cultural organisations, particularly outside London, receive substantial partnership investment from Local Authorities. This is equally critical to that from DCMS and is every bit as important to the sector. A double ‘crunch’ from both Grant in Aid and local government will have a particularly detrimental effect on the national cultural ecology.

Each of the further recommendations in this paper will make a welcome difference, but the implementation of this first recommendation for continued and sustained investment at current levels underpins and is essential to their success.

The Arts - Key to our Economy

#Arts4Britain

**£7.7
billion**

The industry adds over £7.7 billion to the UK economy. For every £1 the government spends on the arts, the arts returns £5 to Treasury.
(Arts Council/CEBR, June 15)

WHAT NEXT?

What we will do with sustained investment at current levels

Public sector funds underpin our ability to lever commercial, charitable and philanthropic investment for the benefit of our audiences and communities. They also enable us to grow and develop our businesses, markets and their local and social impact.

There is considerable momentum in our industry and this investment will allow us to harness and capitalise on it over the period of this Spending Round. As a sector we aim to:

- Take our place on **Local Economic Partnerships**, ensuring that the arts and cultural sector and creative industries are directly contributing to long-term local growth, jobs and talent development.
- **Support the many freelancers, microbusinesses and entrepreneurs** that make up the cultural sector to maximise their effectiveness and grow their productivity.
- **Work closely with Universities** to build on successful existing partnership models that support the resilience, research and development, risk taking, and community and social impact, and, to attract international students and their families to both the UK and its arts and culture market.
- Increase partnerships with local services, schools, parents and other arts and cultural partners to **ensure that every child and young person has access to high-quality cultural learning**. We will **actively embrace and promote STEAM** – the inclusion of the arts into the STEM agenda – and we will continue to **develop new models of Apprenticeship delivery that work for our sector and which help the government to reach its targets**.
- **Diversify our sector and make it fairer**: putting in place practical and tailored measures to ensure that we remove barriers to progression and ensure our organisations, the arts and culture we create, celebrate and share, and the artists we work with and enable, are fully representative of our communities.
- Be more resilient by **creating new co-commissioning models, further sharing our resources and functions, using technology even more effectively**, creating new national and international partnerships, developing innovative approaches to philanthropic giving, making our venues more accessible and inviting and our buildings greener and more sustainable.

We believe in the importance of the Arts Council, which is an experienced and valued independent body. It has skilfully managed the decrease in its Grant-in-Aid (GiA) income over the last five years.

Summary of recommendations

This paper provides an overview of policy and financial recommendations and concerns from the creative and cultural sector. We aim for it to influence the Spending Round and policy and funding decisions across government over the coming parliament.

We wish to draw the Treasury's particular attention to these first three proposals:

1. **We recommend that Treasury sustains investment in arts and culture at current levels and in line with inflation across the whole country**

2. **We believe that there are further tax measures that could be implemented to maximise these benefits. We recommend:**
 - **Gift Aid on philanthropy and membership**
 - **Gift Aid on entrance fees**
 - **Investigation into the development of an equivalent to the Brazilian Rouanet Law**
 - **A Visual Arts tax credit (similar to the successful Film Tax Relief and Theatre Tax Relief)**
 - **An Extension of Section 33a VAT Refund ruling beyond museums to include all galleries.**
 - **Consideration and evaluation of a three-year exemption from Capital Gains Tax (CGT) for creative businesses**
3. **We recommend that DfE investment in Arts Council England and other cultural programmes and organisations is sustained.**
4. **We recommend that government maintains investment in Local Authorities through DCLG at current levels and in line with inflation for the next five years**
5. **We recommend that government invests in a new, £50 million national capacity-building programme to support the growth of the national cultural ecology outside of London**
6. **We recommend that Treasury allocates additional Grant-in-Aid revenue investment for arts and cultural flagship capital projects**
7. **We call for a national industrial policy for the Cultural and Creative Industries**
8. **We call on the government to reform the way that microbusinesses in the creative sector are recorded by DCMS**
9. **We recommend that the government explores options to enable creative entrepreneurs and microbusiness to access and take up the products and support that would enable them to further thrive**
10. **A partner such as the proposed National College for the Creative and Cultural Industries could potentially widen its offer of skills development and signposting to existing sole traders and SMEs**
11. **We recommend that the Government removes the National Insurance requirement from Access to Work eligibility and that the personal cap and minimum earnings are urgently reviewed.**

- 12. We recommend that DfE investment in Arts Council England and other cultural programmes and organisations is sustained.**
- 13. It is essential that DfE investment in schools is maintained at current levels**
- 14. We recommend the creation of an Arts Premium for Schools, equivalent to that for PE and Sport**
- 15. We call for Government STEMnet funding to change to STEAMnet funding.**
- 16. We also call for the government to demonstrate this commitment to STEAM by offering bursaries and scholarships to students studying to be arts teachers, equivalent to those offered to STEM teacher trainees**
- 17. We recommend that Treasury maintain investment in the Creative Employment Programme**
- 18. The new plans for an Apprenticeship Levy will have substantial impact and we join Creative and Cultural Skills in calling for all funds raised from creative and cultural industries through the levy to be ring-fenced for use within our sector**
- 19. Funding for Widening Participation should be protected. It contributes to access by the broadest range of young people to creative development, entry to Higher Education and, ultimately, career progression in the cultural sector and the economy as a whole**
- 20. BIS maintains its existing level of funding via HEFCE for the arts and cultural specialist institutions, including the institution-specific funding that enables us to produce**

ANNEXE A: Rationale

1. Local Authority investment



Local Authorities are our core partners in arts and culture. Many significant and effective projects, people and organisations are delivered in partnership between arts organisations and Local Authorities.

Farnham Maltings has forged a relationship with Waverley Borough Council, underwritten by a 3-year Service Level Agreement, that recognises the universal value of culture for all its residents, resulting in arts activities combating loneliness, responding to the rise in dementia, work with the Ministry of Defence to resettle soldiers into the community and in support of independent craft makers as micro businesses.

Reductions to the DCLG budget result in a reduced local cultural spend. These are compounded by cuts to community infrastructure; to education, family provision and wellbeing programmes – all of which are core partners to a local arts and cultural offer.

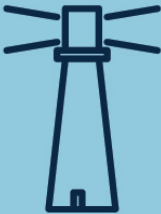
Art-Lift is a free service provided by Gloucestershire County Council and sponsored by Gloucestershire PCT. Through GP referrals NHS patients can work with professional painters, singers, artists and other crafts people, helping to improve health and emotional wellbeing. An initial service impact assessment indicates a 27% reduction in medical consultations, sustained beyond a period of six months

- **We recommend that government maintains investment in Local Authorities through DCLG at current levels and in line with inflation for the next five years.**

2. Cultural localism and place-making

Culture works at the heart of communities and is an engine for wellbeing and cohesion. It also powers economic growth. Innovators and entrepreneurs are attracted to creative, cultural, beautiful places where their workforce can thrive. This is why investment in The Factory as part of the creation of the Northern Powerhouse has been so important.

The Arts - Key to our Economy



WHAT NEXT?

#Arts4Britain

Arts are a major contributor to night-time economies and drive regional regeneration. Turner Contemporary alone contributed over £30 million to Margate's economy and a 30% increase in rail passengers to Margate station (Kent County Council 2014). Houses in an area of high cultural provision are worth around £26,000 more on average (CEBR, 2015).

'A mixed economy whereby the best of the private and some of the public elements can come together is as true in the arts as it is with the need for large-scale infrastructure projects. Particularly important are the performance spaces and galleries, such as ArtsAdmin, The Whitechapel Gallery and others that prioritise new work. This has a benefit both nationally and locally of course and helps with the daytime and indeed night-time economies.'

Alan Miller, Chairman, Night Time Industries Association

We want to make sure that each locality; from Core Cities to coastal communities, has the opportunity to build its productivity.

We want an infrastructure that allows every nation and region to celebrate and grow cultural and creative talent, and to support the creation of new creative clusters. We need investment in capacity building to strengthen local leadership and to learn from new models of collaboration and partnership – such as those exemplified by the Voluntary Arts Network's '[Our Cultural Commons](#)' project.

- **We recommend that government invest in a new, £50 million national capacity-building programme to support the growth of the national cultural ecology outside of London**

This initial investment will help create the conditions for communities to lead, to re-invigorate and maximise assets and to reimagine the structures that are right for them. It will accelerate economic growth and enable cultural organisations to become commercial contributors to their communities in the long-term. This money will act as a regional growth fund.

It is essential that there is a streamlined, effective and efficient delivery system for enabling devolved distribution of funding and of ideas. We believe that Arts Council England is best placed to ensure this.

This £50 million investment would mirror the Arts Council's welcome shift to refocus lottery funding in areas outside London.

HMT's capital investment in flagship cultural projects, such as the Factory in Manchester, has been a major boost to regional economies. We want to ensure that these projects are sustainable for the long term, and contribute effectively to the existing local creative ecology. Business plans for these ventures must be structured to lever in investment from a range of sources, without negatively effecting established funding for other organisations, and must also be underpinned by sufficient public funds.

- **We recommend that Treasury allocate additional Grant in Aid revenue investment for arts and cultural flagship capital projects.**

3. Local social impact

The arts and cultural sector make excellent, effective partners in the delivery of a wide-range of services, from health and wellbeing to education. Public investment underpins and enables our ability to build on proven, successful approaches to deliver outcomes to communities.

Summer Arts Colleges are intensive educational programmes designed to increase educational engagement and achievement amongst the highest risk young people in youth justice and thereby reduce offending. They have run from 2007 until 2015 with nearly 3000 participants across more than half of Youth Offending Teams in England and Wales. Evidence shows that they have add significant effects on literacy and numeracy, have substantially reduced offending and reconviction rates and have an average return on investment of £8.53 for every £1 invested.

Unitas, [Summer Arts Colleges programme](#):

The Arts - Key to our Society

#Arts4Britain



4 of the top 6 activities most conducive to human happiness and wellbeing are arts related.

(LSE, July 2015)

WHAT NEXT?

4. Local Economic Partnerships

As key drivers for growth, jobs and skills development the arts and creative industries are increasing their level of partnership with Local Enterprise Partnerships. As a sector we have particularly strong relationships with the South East, West of England and Northamptonshire LEPs, where the creative industries are central to their strategic plans.

With future investment in the arts we will:

- Strengthen our partnerships with LEPs based on local economic priorities
- Work with LEPs to maximise our contribution to growth, jobs and skills
- Offer LEPs our support and expertise in social inclusion as part of their new role and EU funding responsibilities

Nationally, the LEP Network has agreed to help us disseminate information across the Local Enterprise Partnerships, and facilitate introductions to build individual relationships with LEPs in local areas. We will further develop this relationship to include regular liaison with the CEOs of LEPs across the country.

‘Northamptonshire Enterprise Partnership (NEP) recognises the strong contribution that culture makes to our economy by providing a higher than average contribution per head than many other sectors. Culture is a very important part of the wider lifestyle offer helping to attract people to live, work and invest in Northamptonshire’.

Jo Lappin, Chief Executive, Northamptonshire Enterprise Partnership

5. Investment in London


Public investment has driven London's artistic and cultural achievement and international reputation. We now need to work to widen the reach of that investment and seek new ways to enhance its effectiveness. We want to ensure that creative solutions are developed to retain artists in the capital, that issues around closing music venues and the rising costs of artist workspaces are addressed, and that ways are found to increase public celebration and participation, such as making busking legal.

Greater London incorporates 33 local authorities, each reflecting very different community needs and levels of deprivation, and each offering very different levels of provision and investment into the arts and culture. The landscape in Bromley or Redbridge is not the same as that of Camden or Islington. It can therefore be problematic to talk in general terms about the public investment picture in London.

We believe that a reduction in investment in London would threaten the capital's cultural vibrancy and ability to sustain its importance as a global hub of creativity. This would have a knock-on effect on the national ecology. It would also draw vital and much-loved cultural resource away from hardworking people across the Capital's boroughs. We believe that it is essential that resources and partnerships are focused on addressing gaps and disparity across the whole of London, ensuring growth and building infrastructure and audiences in every part of the capital.

The Arts - Key to our Society

#Arts4Britain



77% of adults take part in the arts at least once a year and almost twice as many people visit the theatre every year in London as watch Premier League football.

(DCMS, December 2014 and National Theatre/SOLT, July 2014)

WHAT NEXT?

6. Creative industries and the economy

Our Creative Industries are thriving and are delivering sustainable jobs and considerable exports. As an industry, growth is projected to rise from 10% in 2014 to 20% in 2020.

Public investment in the arts and culture, coupled with an education and learning system that values arts and creativity, are critical to the success of these industries.

Excellent recent reforms to our tax system are offering real benefits to the creative industries and are offering us opportunities to use our funding effectively.

‘The impact of the recent tax breaks for Theatre has been remarkable. They have both generated and regenerated theatre production. A small amount of recognition and investment makes a great deal of difference to a sector like ours’

Charlotte Jones, Chief Executive, Independent Theatre Council.

- **We believe that that there are further tax measures that could be implemented to maximise these benefits.** We recommend:

a) Gift Aid on philanthropy and membership

The Autumn Statement outlined new measures to promote Gift Aid. In order to develop philanthropic giving and membership, it is essential that charities are able to appropriately thank and involve generous supporters. The current rules regarding donor benefits are complex and are interpreted differently by different professional advisers and even by different individuals within HMRC. We would welcome:

- Clear guidance, including a list of items that will not negate Gift Aid, to enable organisations to structure membership and giving schemes tax efficiently and to explain those structures to their supporters.
- Simplification of the scheme so that a maximum benefit, in percentage terms, is applied across all donations (in contrast with the current scheme, whereby there is a 25% cap on donations of £100 or less, but £25 for those of £101-£1,000 and 5% above £1,001)
- Alignment of the definition and valuation of benefits for Gift Aid with that for VAT, reducing administration and the costs associated with seeking specialist tax advice. This might require some special VAT concessions for charities

b) Gift Aid on entrance fees

Currently charities that screen plays by Shakespeare can claim Gift Aid on admission, but charities that present works by Shakespeare live on stage cannot. Gift Aid currently operates at 25%. A £40 transaction for entrance with an additional £4 donation would therefore mean the charity could claim £11. Such a move would significantly boost the sustainability the sector. It would also send a powerful message to audiences regarding the position of cultural organisations as charitable causes. This will have a major positive

impact; stimulating philanthropic giving to the arts, particularly outside London where the majority of theatres are run by charities.

c) Investigation into the development of an equivalent to the Brazilian Rouanet Law

We would support Government investigation as to the effectiveness of a tax break that allows business to contribute 4% of its taxable profits to cultural organisations – as corporate sponsorship rather than corporate philanthropy.

We join the Joint Visual Arts submission to Treasury in this Spending Round in calling for:

d) A Visual Arts tax credit (similar to the successful Film Tax Relief and Theatre Tax Relief)

To provide a per exhibition/ gallery re-display tax relief benefit giving a deduction for corporation tax purposes that can also be surrendered for a payable tax credit.

e) An Extension of Section 33a VAT Refund ruling beyond museums to include all galleries

Galleries often have two companies: a trading company, through which all VAT is recoverable, and a Trust Company, through which only a % is recoverable. Galleries therefore have to allocate a proportion of their budget to pay this non-recoverable VAT element, which can be substantial. If they had the same Section 33a Status as National Museums and Galleries, it could make a substantial saving to visual arts galleries, levelling the current competitive financial advantage national museums currently have.

f) Consideration and evaluation of a three-year exemption from Capital Gains Tax (CGT) for creative businesses, recognising that CGT accounts for only a very small proportion (c.1%) of tax collection. This is in line with the recommendation of the [Create UK: Creative Industries Strategy](#).

7. Microbusiness, freelancers and entrepreneurs

The creative and cultural sector has a strong start-up culture, and is dominated by micro, small and medium-sized businesses: 94% of businesses in the creative sector employ fewer than 10 staff.

Donna Wilson set up her company in 2003 after making knitted creatures for her final show at the Royal College of Art. In 2004 she was supported by a Crafts Council Development Award professional development programme and has since built her business designing and making a collection of textile based products and homewares that have gained her a cult following around the world. She moved from working on her own to now running a studio and

workshop in London using, where possible UK based manufacturers and suppliers, and exporting her products to 30 countries. In 2010 Donna won the 'Designer of the Year' at Elle Decoration's British Design Awards and is now working with John Lewis on a childrenswear line.

We agree with the Joint Visual Arts Submission to Treasury that

increased promotion of, and access to business, pension and other financial advice and support for micro creative, arts and crafts businesses is needed. The Crafts Council has highlighted that the GVA of micro-businesses in 2012 was £81m, although DCMS counts only the minority of these businesses and freelancers – those who earn over the VAT threshold. Micro-businesses are therefore effectively absent from the recorded economy and from the Government's understanding of their needs. Micros find it harder to access business support, training or apprenticeship schemes for which the bureaucracy is too great for a sole trader to take on.

We believe that an industrial policy for the creative industries could help to directly address these issues and could help organisations, businesses and local government to create a better enabling environment for cultural entrepreneurs.

- **We call for a national industrial policy for the Creative Industries**
- **We call on the government to reform the way that microbusinesses in the creative sector are recorded by DCMS**
- **We recommend that the government explore options to enable creative entrepreneurs and microbusiness to access and take up the products and support that would enable them to further thrive**
- **A partner such as the proposed National College for the Creative and Cultural Industries could potentially widen its offer of skills development and signposting to existing sole traders and SMEs**

8. Access to work

The talent and vision of Deaf and Disabled artists is vital to the success of our arts and cultural ecology. We are world leaders in this field and need to build on and protect our international reputation.

The Department of Work and Pension's Access to Work scheme has provided artists with the support and resources they need to make artistic work and to access roles in creative and cultural workplaces. It funds interpreters, equipment, fares to work and support workers. When Deaf and Disabled artists are able to work they are also able to pay taxes. They receive fewer benefits and generate jobs for sign language interpreters and personal assistants who, in turn, pay their own taxes. The DWP estimates that for every £1 that is spent on Access to Work, £1.18 comes back to the

Exchequer. This figure may be even higher: the Government's 2011 SAYCE report found it to be nearer £1.48. When the social return on investment is taken into account this can be increased to £1.88.

Some of the recently announced changes to Access to Work are welcomed, but other restrictions on the scheme will severely limit the ability of Deaf and Disabled colleagues to work in the sector:

- The personal budget limit of £40,800 per individual is set too low and will not cover the costs of the support needed to ensure that Deaf and Disabled artists can take their place as leaders in the workforce.
- The new rules for eligibility for the Access to Work scheme do not work for the creative and cultural sector. After the first year, individuals need to prove that they are paying National Insurance. To pay NI they must earn over £8,000 per year. More than half of Deaf and Disabled theatre directors and performers do not earn this amount from their artistic endeavours, but the creative contribution they, and artists from other disciplines make to our arts and cultural ecology and output is incalculable. There is also a cap of £5,965 on minimum earnings which will similarly exclude more than half of this workforce.
- **We recommend that the Government remove the National Insurance requirement from Access to Work eligibility and that the personal cap and minimum earnings are urgently reviewed.**

9. Digital infrastructure and broadcasting

For the cultural and creative industries to continue to thrive we need an excellent digital infrastructure and strong national publically funded broadcasting partners. Continued superfast broadband roll out in rural areas will enable smaller creative businesses to grow. Public service broadcasters provide a platform for excellence; showcasing both the cultural and creative work of everyday artists and participants working in their own homes and communities, and the best of our funded national offer. Broadcasters have an important role in working in partnership with the sector and in amplifying the impact of public investment in culture.

10. Young people, education and learning

We need the next generation of creative young people to be engaged citizens, to imagine solutions to our problems and to be the flexible, innovative workforce that both creative, digital and wider businesses need. We know access to the arts and culture builds much needed cultural capital and that early family exposure and engagement with the arts gives young people the best possible life chances and the best chance of social mobility.

The Arts - Key to our Society

#Arts4Britain



Students from low income families that take part in arts activities are 3 times more likely to gain a degree. (Catterall, 2009)

WHAT NEXT?

The Department for Education currently funds a number of important strategic initiatives via Arts Council England and directly to others, including strategic funding for the network of Music Hubs and for Museums and Schools Partnerships. These programmes have national significance and it is critical that they be maintained and confirmed.

- **We recommend that DfE investment in Arts Council England and other cultural programmes and organisations is sustained**

Schools and teachers are our essential partners in the delivery of cultural learning and are a critical part of the national cultural ecology; often providing the only route to culture to young people who do not have this access at home.

Schools and education settings are also key employers. Many individual artists and cultural organisations derive a significant proportion of their income from their work with schools, delivering both the essentials of the curriculum and after-school and community activities.

- **It is essential that DfE investment in schools is maintained at current levels to preserve this ecology**

It is also essential that arts and culture are embedded and incentivised within schools. We recommend two measures that would support this:

- **We recommend the creation of an Arts Premium for Schools, equivalent to that for PE and Sport**

The Government should mirror the current [Premium for PE and Sport](#) (where every school with primary age pupils gets ring-fenced funds for the promotion of PE and Sport). It should create an equivalent for the arts.

A Premium for Arts and Culture would allow schools to personalise their offer to the needs of their pupils, to the local community and to arts provision, both through extending horizons and offering access to things children already love.

Ofsted currently reports on the use a school makes of the PE and Sport Premium, and it is therefore an essential lever for ensuring discussion of policy and provision at Senior Management and Governor level.

The PE and Sport Premium is an existing scheme with administrative and evaluative mechanisms already in place; therefore roll-out of an arts equivalent could be relatively simple.

For maximum effect, the Premium should be extended from Primary schools to early years settings.

The Arts Premium should be funded at the same level as Sport: £150 million per year (roughly £8,000 per school with Primary age pupils).

11. The extension of STEM to STEAM

There is a current government and educational focus on young people learning the STEM subjects in school: Science, Technology, Engineering and Maths. This focus must be expanded. There is a great deal of evidence which demonstrates that adding the Arts subjects to these priority disciplines – creating a new focus on STEAM, or Fusion learning, is essential to young people’s success. STEAM subjects will help to develop job-ready, creative, analytical and inventive problem-solvers.

The government must extend STEM funding, support structures and its own STEM narrative to recognise the central importance of the arts in this landscape.

- **We call for Government STEMnet funding to change to STEAMnet funding.**

The government’s STEM focus has had a wide-ranging impact on the way that funding and policy in education is focussed: it affects schools and colleges, professional development, universities, teacher training and research initiatives, and as such it is difficult to definitively quantify. A high-profile and visible widening of STEMnet to STEAMnet would be an effective first step to implementing STEAM.

- **We also call for the government to demonstrate this commitment to STEAM by offering bursaries and scholarships to students studying to be arts teachers, equivalent to those offered to STEM teacher trainees**

12. Apprenticeships and skills

It is essential that more Creative Apprenticeships are supported and enabled, and **we support the measures laid out in the last budget** to grow the number of young people benefitting from this progression route.

The Arts - Key to our Economy

#Arts4Britain



Apprenticeships in the creative sector have seen the fastest growth in uptake over the last 5 years; four times faster than any sector.

(Creative SkillSet, 2015)

WHAT NEXT?

The Creative and Cultural sector has the potential to be a flagship for the apprenticeships agenda: creating quality opportunities for the most disadvantaged young people to contribute economically and creatively to their communities. Over the last two years alone Creative and Cultural Skills has worked with over 900 employers to create 1,400 internships for unemployed people and 1,400 apprenticeships. Notions of supply chains and progression are very different in our sector to those of more traditional professions such as construction, so to offer these opportunities we have had to create approaches that work for small and microbusiness – learning that will benefit other employers in different sectors.

As a sector we will look to build on and develop consortia models, where a number of small businesses cluster together to support a cohort of learners, and we will look to explore collaborative approaches to issues such as effective delivery of pastoral support to disadvantaged learners. To do this, we need the seed-funding investment of the Creative Employment Programme of £15million to be maintained.

- **We recommend that Treasury maintains investment in the Creative Employment Programme**
- **The new plans for an Apprenticeship Levy will have substantial impact and we join Creative and Cultural Skills in calling for all funds raised from creative and cultural industries through the levy to be ring-fenced for use within our sector**

We are also interested to learn more of the new [Careers and Enterprise Company](#), which will need to ensure that young people get appropriate, face-to-face, advice on engaging in a career in the arts, culture and creative industries. For this advice to be effective it must take into account the fractured, diffuse and multi-various nature of the sector and the 'one-stop shop' approach must incorporate the expertise and offer of sector specialists such as Creative and Cultural Skills and Creative Skillset.

Initiatives such as the proposed National College for Creative and Cultural are particularly important given the rapidly changing Further Education infrastructure.

College and course closures are having significant impact on the arts and cultural sector supply chain, particularly for the visual arts as Higher Education institution admissions tend to require a Foundation course.

13. A renewed focus on Early Years, Early Intervention and Families

Policy and provision for early years and families – both targeted to those most in need and universally offered to all – is essential to local wellbeing, community and successful social care.

The Government should consider developing training for Early Years Professionals so that they are confident and comfortable in using the arts in their practice. It should use existing structures (such as the Health Visitor network – accessed by every new parent) to signpost families to the local arts and cultural offer, as it does with Bookstart, and to promote and support cultural learning in the home.

Early years Ofsted inspectors should also be trained to recognise and assess the development of creativity in young children as well as creative teaching.

14. Universities

There is a strong mutual relationship between the cultural sector and HE partners. Universities generate new knowledge that adds value to the arts and cultural sector; often act as major cultural providers; are hubs which support the growth of creative apprenticeships among micro and SME creative businesses; and contribute to place-making, supporting the cultural infrastructure of our towns and cities.

It is particularly important that arts and cultural organisations and universities work together to attract international students to our institutions. Such partnerships can help to expand the market for contemporary art and culture by raising the profile and knowledge of British cultural products with international students and their families, ensuring substantial inward investment as well as direct financial benefit to the university.

The University of Derby sees the arts organisations and buildings in the city as the 'cultural campus' for the whole of the university. In reality this manifests in learning and direct work experience outside of the classroom in real creative environments, increasing recruitment opportunities, broadening research opportunities and improving the overall student experience.

The Arts - Key to our Society

#Arts4Britain

**No.1 in the
WORLD**

Our success in the arts is the major contributing factor to our consistent position as the number one in soft power in the world.

(ComRes/Facebook, July 2015)

WHAT NEXT?

We recommend that:

- **Funding for Widening Participation should be protected. It contributes to access by the broadest range of young people to creative development, entry to Higher Education and, ultimately, career progression in the cultural sector and the economy as a whole**
- **BIS maintains its existing level of funding via HEFCE for the arts and cultural specialist institutions, including the institution-specific funding that enables us to produce actors and theatre practice graduates trained to the highest levels**

ANNEX B: The current funding picture

The arts and cultural sector is supported by a complex funding ecology including: national public subsidy (chiefly Grant-in-Aid via the Arts Council and direct funding from the Treasury); funding from local authorities; National Lottery money; philanthropy; and earned income from commercial endeavour. Each essential funding source serves to attract, leverage and enable the others, but public investment underpins all, giving organisations the stability to take risks.

Despite a welcome recent increase to the share of National Lottery funding allocated to the arts and culture, the sector has faced significant overall financial cuts over the last few years. Grant-in-Aid for the arts distributed through Arts Council England fell by £106 million in cash terms from 2009/10 to 2013/14. In real terms this equates to more than a third of core national arts funding being lost.

Lottery funding must remain additional to core government spend. It cannot replace it – and it doesn't. The two sources of funding serve very different purposes – with Grant-in-Aid providing the back-bone of the sector and Lottery filling the gaps, such as supporting capital, training and projects.

During the same time period, Local Authorities in England cut funding to arts and museums by £57 million in cash terms. In real terms this equates to a removal of almost a quarter of local funding for arts and museums.

For a number of historic reasons, local authorities provide a higher proportion of overall funding for the arts outside London. Over the past five years, on average, Local Authority cuts to arts and museums have been disproportionate. It seems highly likely that – if LAs have to find further savings – the arts will continue to suffer disproportionately which will have an even greater impact on provision in the English regions.

ANNEX C: Contributors to this paper

This paper was drafted by colleagues from across the What Next? movement, which involves hundreds of UK arts and cultural professionals and organisations.

It was developed in partnership with the Cultural Learning Alliance, a collective voice of over 10,000 members working to ensure that all children and young people have meaningful access to culture.

It is submitted by:

David Lan,
Artistic Director, Young Vic
Chair, What Next? National Movement and What Next? Young Vic

Paul Russ, Artistic Director, Dance 4,
Chair, What Next? Nottingham

Roddy Gauld, Chief Executive, Octagon Theatre Bolton and Fiona Gasper, Executive
Director, Royal Exchange Theatre
Chairs, What Next? North West

Max Cunningham, The Bare Project
Chair, What Next? Sheffield

Andrew Nairne, Director, Kettles Yard and Daniel Brine, Director Cambridge Junction
Chairs, What Next? Cambridge

Jessica Denning, ArtsAdmin
Chair, What Next? East London

Al Dix, Independent and Chair of Hull Truck
Chair, What Next? Yorkshire

Mary Swann, Artistic Director and Chief Executive, Proteus Theatre
Chair, What Next? Basingstoke

Chris Gribble, Chief Executive, Writers' Centre Norwich, William Galinsky, Artistic
Director, Norfolk and Norwich Festival
What Next?

Dominic Haddock, Executive Producer, OperaUpClose
Chair, What Next? Islington

Andrew Comben, Chief Executive, Brighton Dome and Brighton Festival
Chair, What Next? Brighton

Yvonne Murphy, Director and Founder, Omidaze Productions
Chair, What Next? Cardiff

Grace Davies, Director, Visual Arts South West
Chair, What Next? South West

Daniel Harrison, Young Vic
Chair, What Next? Generation

Morag Ballantyne, Independent and Chair of Corby Cube Theatre Trust
Chair, What Next? Northampton

Sarah Bringham, Artistic Director, Derby Theatre
Chair, What Next? Derby

Dave Windass, Producer, Heads Up Festival
Chair, What Next? Hull

Deborah Mason, Independent
Co-ordinator, What Next? Southwark

Lizzie Crump and Samantha Cairns, Co-Directors
Cultural Learning Alliance

For further information about this submission please contact
Lizzie Crump: lizzie@culturallearningalliance.org.uk
07971 882 645

www.whatnextculture.org.uk
www.culturallearningalliance.org.uk