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Culture - and local authority investment in it - has a vital role to play in the actions we now need to take to build bridges to Brexit.

Never has it been more vital for us to join together at this moment and be absolutely ready to present the strongest, clearest case for the role of culture, the arts and creative industries to our government - and whoever may find themselves leading.

Undoubtedly, local authorities are likely to be under more pressure than ever before to reassess their budgets - and spending on culture is all too often an obvious target.

Yet the fact is that a strategic approach to investment in culture goes to the very heart of the issues that the referendum result demands that we examine.

We need to re-unite divided communities, rebuild our economy and rethink our approach. Chief amongst these is the need to unite communities in a very divided Britain.

This must happen - and quickly - on a local, regional and national level cultural organisations and cultural leaders must play a massive role in achieving this aim.

We need to be more mindful than ever before of some of the sensitivities exposed throughout the referendum campaigns and underscored by the result.

The result tells us we have been papering over the cracks of a divided Britain. In the case of arts and culture, we must be mindful of accusations of papering them over with very flowery, very decorative, artsy wallpaper that may look pretty to some, but runs the risk of further dividing opinions.

For every person who absolutely sees and feels the benefits of investing in the local cultural offer, it goes without saying there is another who will say that money would be better spent elsewhere.

The arguments have long been made for the role of culture in **place-making**, in the **visitor economy**, in **education and skills development**, in **devolution**, in **innovation**, in **economic regeneration and regrowth** and in the **health and well-being** of our communities.

We cannot make the case for culture as a vertical silo in our planning and delivery. It is a horizontal that cuts across so many different departments and objectives.

The Federation's response to Countries of Culture highlighted the vital role of cultural officers in the coordinating activity and in amplifying the benefit of publicly-funded culture.

The impact can be multiplied if there is someone to make links between arts organisations and other local bodies, such as schools, care agencies and the NHS.

We highlighted how funding cuts have caused a damaging loss of personnel, and CLOA's evidence that an estimated 6000 jobs in development posts for the arts, museums and sport had been lost as of June 2015.

We highlighted innovative initiatives such as those of our members in the London borough of Southwark, who made sure that culture was part of regeneration plans, or Kent County Council where the culture team has collaborated with the refuse department in using artists for environmental messaging.

This may mean small amounts of money can have more than one benefit - for example, the employment of arts professionals and arts facilities in caregiving activities, preventative approaches to healthcare and individual and community well-being.

This in turn helps the arts organisations to become increasingly resilient and also ensures that a wider section of society benefits from their work and expertise.

The role of culture and the creative industries in economic development and growth has been acknowledged at the highest level of Government in statements by the Chancellor, both at the launch of the Creative Industries Federation in November 2014 and our First Anniversary Celebration in January 2016 as well as the Autumn Statement of 2015.

George Osborne has given his support, stating: *"One of the best investments we can make as a nation is in our extraordinary arts, museums, heritage, media and sport. £1bn a year in grants adds a quarter of a trillion pounds to our economy – not a bad return. So deep cuts in the small budget of the Department for Culture, Media and Sport are a false economy."*

The Federation represents businesses alongside public arts organisations and creative education and argues that the public sector contributes to the strength of the wider creative economy, not least in the development of talent and the exchange of ideas.

We represent the business case for culture, alongside its social and education importance. Reduced funding hits not only the arts, but growth in the creative industries.

Here in the UK, we have benefited disproportionately from EU funds. In 2012, Guardian reported 46% successful applications for Creative Europe funding from UK companies - higher than average 24%.

UK receives 14.9% of Horizon 2020 annual budget of €11bn, despite only accounting for 12.5%

- 13% of EU population. (Only Germany receives a larger sum).

We must consider those communities - like those in Cornwall and Wales - who have been significant beneficiaries of EU structural funds designed specifically to address the very divide that led to the referendum result.

Many rely on ERDF and ESF funding to unlock and augment their own budgets and leverage match from the private sector.

Further, the seven year lifecycle of these structural funds allowed them to develop coherent strategic plans to support meaningful regeneration projects and initiatives and address the hand-to-mouth existence of some cultural providers.

What will replace this?

What benefits might be unlocked once Britain is freed from European State Aid regulations? Perhaps the barriers have now been lifted to extending tax breaks and the VAT refund scheme for museums and galleries, for example - as outlined in the Culture White Paper.

Looking to employment, in 2014, around one in 11 jobs - that's almost 9% of all employment - were in the creative economy.

And this is not only in London, as some would have us believe - but across the whole of the UK.

There are also important implications to diversity and 'life chances'.

Creative jobs and pathways appeal to many who might struggle in more traditionally academic subjects – some of whom may have special education needs.

24% of students at University of Arts London, which has a strong record in producing graduates who go on to be employed in major creative companies, have some form of special educational need compared to 4.8% of Cambridge undergraduates.

Investing in culture and our arts and creative businesses also means an investment in innovation.

In our response to Countries of Culture and recent dealings with DCLG, we point to the work currently being done by Federation members, Google, in their Cultural Institute, which aims to help cultural institutions make the most of digital opportunities to reach new audiences, helps to preserve diverse heritage with state of the art technology and aims to enhance the ways in which people experience culture by making museums' collections more accessible and promoting innovation in the cultural sector.

Other projects currently in process by Federation members include the One Click Culture work by the Rothschild Foundation, as well as work by Arts Council England, the National Theatre and Royal Opera House's programme of live broadcasts (which reached an audience of 1.2 million people).

We see potential in particular in the private and public sectors working together for mutual benefit on these projects.

The Federation is also a strong advocate of putting heritage back in the picture.

In many communities, the closest cultural space is in heritage rather than the arts, including spaces run by the National Trust, National Trust Scotland, Historic Houses Association, English Heritage and Historic Scotland, among others.

For these communities, their most important cultural spaces may not be supported by arts councils at all.

A proper mapping of UK culture should include these spaces alongside those funded by local authorities and arts councils.

Federation member, Nesta, is currently mapping creative industries businesses across the country.

It would be of great value for local authorities, national policy-makers, and business leaders if this evidence were presented in a way that also showed where there had been public funding of arts so we can see where public investment in culture may be underpinning the wider creative economy.

The Local Government Settlement marked a point of radical change in terms of the funding model for local authorities, and - given the scale of the “devolution revolution” changes and their potential impact - we believe that central Government has a responsibility to provide information and advice to local authorities on how to benefit most from the new system.

This could and should include information on how the arts and creative industries can catalyse local growth but how growth requires local authorities to protect their cultural spending.

The Federation has raised these issues with the Rt Hon Greg Clark MP, arguing that DCLG, in particular, could and should adopt this leadership role.

The danger is that shortsighted decisions on cutting arts funding and other infrastructure investment risk damaging job creation and economic success in a sector with enormous potential for expansion.

And what of the “devolution revolution”? There are immediate and obvious impacts - it's safe to say that those bids for European City of Culture in 2023 will need to be re-assessed.

We have work to do.

Given the Chancellor's message that taxes will rise and spending will be cut, the challenges will only increase.



As with any time of great change, there is also great opportunity. It is essential we maintain our absolute sense of purpose and do not waver from the task at hand.

Now is the time for us to pull together - more strongly and unanimously than ever before.

Now is the time for us to beat the drum for culture, the arts and creative industries more loudly than ever before.

We have a crucial role to play.

For the Creative Industries Federation, the work has already begun - full steam ahead and all cylinders firing.

The Creative Industries Federation is continuing to prioritise development of engagement in the nations and regions – it is an absolutely priority for me as Head of Development, through our own events programme and working groups and our regular schedule of visits and meetings and appearances across the country – most recently at Yorkshire Festival and IFB in Liverpool.

We will very soon be announcing a new senior Policy and Communications Manager with a specific focus on developing engagement in the nations and regions, who will be keen to engage with you all.

We urge you to join us in our aims - either as a partner, working with our policy team, or as an active member, joining your voice with those 1,000+ other members from across the sector and across the UK in the strongest possible way.

Our report, “How public investment in the arts creates growth in the creative industries” helped make this case and secure a better-than -expected deal at the last spending review. We need to do the same again - even more vociferously - as the chancellor prepares the post-referendum budget.

Right now, today, we are here very much to listen - we would like to hear your questions, your concerns, your thoughts and ideas. This is very much a two-way dialogue.

What issues do you face in investing in culture at local level?

How are you addressing this?

What issues and impact do you think Brexit will bring in your communities?