

Digital, Culture, Media and Sport Committee

Oral evidence: Reimagining where we live: cultural placemaking and the levelling up agenda, HC 155

Tuesday 14 June 2022

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Members present: Julian Knight (Chair); Kevin Brennan; Clive Efford; Julie Elliott; Damian Green; Simon Jupp; Giles Watling.

Questions 125 - 249

Witnesses

I: Dr Darren Henley CBE, Chief Executive, Arts Council England; Tom Stickland, Theatres Adviser, Theatres Trust; Duncan Wilson OBE, Chief Executive, Historic England.

II: Lord Parkinson of Whitley Bay, Minister for Arts, Department for Digital, Culture, Media and Sport.



Examination of witnesses

Witnesses: Dr Darren Henley CBE, Tom Stickland, and Duncan Wilson OBE.

Q125 **Chair:** This is the Digital, Culture, Media and Sport Select Committee and this is our hearing into the levelling up of culture. We are joined in our first panel today by Dr Darren Henley CBE, Chief Executive of the Arts Council England, Tom Stickland, Theatres Adviser for The Theatres Trust and Duncan Wilson OBE, Chief Executive, Historic England. Darren, Tom and Duncan, thank you very much for joining us today.

Before we start with our first question, I am going to ask members if there are any declarations to make.

Giles Watling: I am the chair of the all-party parliamentary group for theatre.

Simon Jupp: I am the chair of the all-party parliamentary group for hospitality and tourism.

Q126 **Kevin Brennan:** Good morning, everybody. What does levelling up mean?

Duncan Wilson: Levelling up means attending to areas where culture and heritage is less strong because of economic deprivation and making sure that that is an important focus of our activity. We give everywhere a fair chance to enjoy benefit from its heritage, in our case, because we recognise that some areas, for different reasons, have been, relatively speaking, less well supported in the past.

Q127 **Kevin Brennan:** What does that mean that Historic England is doing in practice? Are you going to measure whether you have done it?

Duncan Wilson: In practice what we deal with is levelling up, although it was not always called levelling up, because we deal with areas where the market has failed to recognise the value of heritage and particularly its social value, so there is a need for some intervention to create a level playing field. We have been doing that for quite a long time. Most recently our High Streets Heritage Action Zones programme, which began life about four years ago as an idea and has been delivering for two years, has focused on 60 places where high streets are in need of help, and we believe heritage can deliver that help. Heritage is a strong catalyst for social engagement, community engagement and often there is an important heritage building in a high street that may have been derelict for a while that can be an icon for regeneration.

Q128 **Kevin Brennan:** Are you doing anything different now than you were before the Government invented this term levelling up?

Duncan Wilson: Our high streets programme was a significant investment by the Government, £96 million over four years, and that is different in scale from what we were doing before¹.

¹ Note by witness: Correct figure is £95 million.



Tom Stickland: In the broader sense for us levelling up means making the whole country a better place to live and work.

Kevin Brennan: For the record, remind us what organisation you are from.

Tom Stickland: I am from the Theatres Trust. We are the national advisory public body for theatres, and we work with theatre operators, owners, local authorities to support sustainable theatre operation.

For us levelling up is about making the whole country a better place to live and work. That means making sure that there is an appropriate cultural provision in places across the country and that everyone has opportunities to engage and consume theatre, that there is a great variety of provision, the demand from local people is met and that the buildings are flexible to be able to meet that, that the buildings are accessible, but operate inclusively and that they operate sustainably over a longer period.

For us, that will be achieved through making sure that the existing theatre infrastructure is properly maintained, that new theatre infrastructure or improvements are well designed with the local community's needs in mind and that the ongoing operation of those theatre venues are suitably funded.

Q129 **Kevin Brennan:** Have you changed your approach since the term levelling up was invented?

Tom Stickland: Our approach is constantly flexing, according to what the needs are of the sector and the needs of the sector have changed quite dramatically over the last few years.

Q130 **Kevin Brennan:** The needs of the sector rather than Government policy.

Tom Stickland: I would say that has been our approach. We have not received any specific levelling up guidance but to pursue in different ways we continue to operate with that view. We have always had a nationwide view and continue to. Theatre infrastructure has always been about improving places and improving communities. In a way, the levelling up agenda meshes well with our existing approach.

Dr Henley: I am from Arts Council England. Levelling up for us is about opportunity and fairness. We have done things differently. We now have 54 priority places. To give you some numbers, in the year 2019-20 before Covid we invested £48.6 million in those places. In the last financial year, we invested £83.1 million in those places. We have 54 priority places and have levelling up for culture places on top of that and we have a robust methodology to identify those. We are the Arts Council for the whole of England, and it is not about someone sitting behind a desk in London making decisions. It is about working with people across the country to enable them to be creative and to be participants in arts and culture but also to bring the best work to them on their doorsteps.



HOUSE OF COMMONS

Q131 **Kevin Brennan:** When the Secretary of State was recently in front of us, I asked her a couple of questions. One of them was about the accusation I have certainly heard apocryphally that arts organisations are now, in effect, acquiring fashionable or unfashionable postcodes to look as if they are meeting the levelling up agenda whereas in reality they are not genuinely based and rooted in the communities that the levelling up agenda is intended to impact. What is your take on that?

Dr Henley: I saw that session and it is interesting. We had not published the guidance for organisations who were moving outside of London at that time so they would not have known what was required of them. There will be meaningful assessments of them working and operating in a place and that will be part of the criteria we look at. They would not be able to game the system in that way.

Q132 **Kevin Brennan:** Is there any danger that people might relocate themselves rather than being the genuine grass-roots-led arts and cultural revival in those communities and you create a carapace of culture but you do not end up doing something that is deeply embedded and rooted in the community?

Dr Henley: I think it must be embedded and rooted, as you describe. We will see two things. We have our National Portfolio Organisations application process, which is literally under way now. The portal has closed, and we are in the assessment process and will be announcing those at the end of October. We will see organisations there that are rooted in their communities. As a development agency we have been working over the last few years to develop those organisations. There will also be some that move to different places, and we want to make sure that they will deliver in those places as well, so it cannot just be a post box.

Q133 **Kevin Brennan:** I did also ask the Secretary of State about reports in the trade press that Arts Council England was potentially subject to Jacob Rees-Mogg's public bodies cull, and she responded that she did not think that was the case. Do you have anything further you can tell us on that?

Dr Henley: All arm's length bodies are being reviewed and we are no different from that.

Q134 **Kevin Brennan:** Are you being reviewed in the same way as every other public body? The Secretary of State suggested that as far as she was concerned there was no possibility of Arts Council England being abolished in this process.

Dr Henley: It is above my paygrade to make that decision. We will be assessed in the second year of this with other DCMS arm's length bodies, so there are the ones that are being assessed this year and then we will be next year. We have had many reviews. In my time, in the seven years I have been here, we have had the Taylor review. We will make the best possible case for Arts Council England. You would expect me to say that, but we believe that by having an expert and experienced set of people—



HOUSE OF COMMONS

and we have nine offices around the country, 75% of our staff are based outside of London, so we are a properly devolved organisation already—we can work with people on the ground as a national organisation with a local footprint to enable that to happen and we will robustly make that case as part of that review.

Q135 **Chair:** Dr Henley, to stay with you for a few moments, you mentioned £83 million in priority places. Over what period and how would you define priority places?

Dr Henley: That is what we invested in priority places in the last financial year. That was an increase of £34 million. I went two years because of Covid, because it was so odd, and that was up 71%. We have 54 priority places, and we have a robust methodology, which we publish. It is not secret in any way, but it looks into things like multiple deprivation, levels of cultural engagement and the need and opportunity in those places. They are across the country. On top of that we have a set of levelling up places that we are working with to develop the new money that the Government have given us. If we can, we will prioritise those places for investment going forward.

Q136 **Chair:** How typically is this money invested in these areas? What is the means by which the money is transferred to them?

Dr Henley: It would be across a range of programmes so there will be a National Lottery Project Grant, which will be just small grants that people can make to individuals, and Developing your Creative Practice, which is aimed at individual creative practitioners. There will be a national portfolio. We are going into a new national portfolio, and I anticipate that will see change, but I cannot prejudge that process. We hope to see applicants from places where we have not had applicants before. That is a key objective for us.

Q137 **Chair:** To be very clear, do they apply to you for this funding, or do they apply to the National Lottery? You are saying “applicants”. When you talk about indices and how you define what the 54 priority places are, that is that they must apply first and then you decide if they are a priority place; is that correct?

Dr Henley: No, the priority places have been set. They are done, so it will be applicants within those places, within the individual organisations or creative practitioners.

Q138 **Chair:** Did you do the 54 priority places yourselves or did you rely on DCMS?

Dr Henley: We worked through that ourselves. There is a wider group that we work on with Government, which is levelling up the culture places, but one of the things we want to do with those initial 54 is to put Arts Council colleagues’ development time into those places, so we are trying to actively go out and develop on the ground cultural infrastructure.



HOUSE OF COMMONS

One of the things I think is important is co-curation. It is not about us saying, "This is what you ought to have." We have a lot of experience in this with our Creative People and Places programme where we have co-curated on the ground in places where there was traditionally very low engagement and poor provision. We have just announced 11 new ones, places such as Rochdale, Crawley, Tilbury, Cumbria, Wigan, New Forest, Staffordshire Moorlands. Again, we are working around the country to develop that.

Q139 **Chair:** Mr Wilson, in your role at Historic England are you aware of these 54 priority places? Is this something where there is a read across with other organisations from the Arts Council to yourselves?

Duncan Wilson: We are working very closely with the Arts Council and the Lottery Heritage Fund and other small organisations on prioritisation within that framework.

Q140 **Chair:** To clarify, when you are talking about your high street schemes and so on, is that within the scope of the 54 priority placements?

Duncan Wilson: No, the high streets have a different set of criteria. As I explained, the high streets scheme was set up earlier but it is based on the same sort of factors to do with relative deprivation, economic need.

Q141 **Chair:** Am I correct in thinking that across the piece we have different places being identified as needing help rather than a more focused central approach? Is that fair?

Duncan Wilson: There is a central focus because we liaise very closely about working together on projects.

Q142 **Chair:** Liaising is fine, Mr Wilson, but what I am trying to understand here is exactly the degree to which you are co-operating with each other. Liaising does not mean a great deal. Are you aware of all 54 names on Mr Henley's list, for instance, and is that making any impact on your decision-making? Is there a read across between your organisations?

Duncan Wilson: There is, because we try to combine forces. There are different schemes with different criteria, but many of the places are the same. Where the places are the same, we work together very closely.

Dr Henley: It is because of our area structures. For example, our area director in Yorkshire will work very closely with the National Lottery Heritage Fund and with Historic England and they have a regular meeting. They are working on the ground in those places with key partners. The key partners will be local authorities but also universities, businesses and cultural organisations. We try very hard. There will be slight differences because the criteria are different and focuses will be different. Some places will have heritage as a slightly higher focus and others will have culture. One of the things for us with our 10-year strategy, Let's Create, is that we also are slightly agnostic as to what organisation is the best organisation to deliver. It might be a museum in



HOUSE OF COMMONS

some place, and it could be a library service somewhere else, where we can make that investment and make a difference quickly on the ground.

Q143 **Chair:** Mr Stickland, I am aware that you are piggy in the middle there. Are you aware of these priority places and are you plugged into this in the theatre community or do you feel that you are slightly separate from this and that your approach is individually decided?

Tom Stickland: We are absolutely aware of the Arts Council priority places, and it is something that we look at. We are often advising organisations on fundraising strategies for their longer-term capital projects and these sorts of things, so it is important for them to gain this status in a priority place for those. We are aware of them, and it is something that we support them to make the most of. There are 12% of theatres in an Arts Council priority place in England.

Q144 **Chair:** Are they the ones that you are focusing on?

Tom Stickland: We do not specifically focus on any theatres. We respond and give advice to anybody who gets in touch. We get involved in theatres that have capital projects rather than necessarily all the theatres or targeting theatres who happen to be in priority places.

Q145 **Chair:** On capital projects, would you be able to supply to this Committee how many of those you have helped in the 12%? Would you know the number?

Tom Stickland: I would not know the number now. We are a statutory consultee in planning, so we have involvement in every capital project that takes place in theatre buildings. I am not able to tell you whether one was a small-scale thing or a larger scale thing across all those sites, but we advise around 150 organisations in a year and we achieve a good geographic spread in that. I expect a fair number of those are within the Arts Council.

Q146 **Chair:** Dr Henley, is Covent Garden one of your priority places?

Dr Henley: The physical place? No.

Q147 **Chair:** Why did you subsidise the Royal Opera House to the tune of £96 million over four years and you spent £83 million on 54 priority places across the country?

Dr Henley: Putting on opera is expensive as an art form.

Chair: It is indeed: £96 million over four years.

Dr Henley: The Royal Opera House employs something like 800 full-time employees in the cultural sector in the centre of London with much the same again as freelancers. There is something important there. For us, it is important that opera as an art form is supported, but we also very much want to make sure that we are supporting all the other art forms and across the music sector also we are putting more money into live



HOUSE OF COMMONS

music venues, for example. That is something that has been a growth area for us. You are right, it is a large amount of money.

Q148 Chair: Yes, it is just over £100,000 per job for your subsidies to the Royal Opera House. Do you think you could be taken seriously in levelling up if you are spending this sort of money on the Royal Opera House over that period? We visited it as a Committee and, frankly, it is like the starship Enterprise in there. I have never seen such largesse and luxury in a cultural venue. It is almost like another world compared to the experience many of the members of this Committee will have with their local theatres, institutions and libraries. Effectively, does the levelling up agenda mean that you need to accelerate your move out from investment in areas such as the Royal Opera House and, therefore, to put that money into the local areas, the 54 priority places?

Dr Henley: One of the things that we are doing for the next investment round for National Portfolio Organisations is moving £16 million out of London in each of the first two years and then a further £8 million in the third year of this funding round. That comes on top of a move of money outside of London in the last funding round. Yes, we are moving money and there will be a reduction in the amount of money we are investing in London, and that will all go to other parts of the country and all the uplift that the Government have given us will also go to outside of London.

Q149 Chair: Do you think it is an embarrassment, Dr Henley, that you spend so much on the Royal Opera House at the time when we scabble around for as much money as possible for our regional theatres and our regional cultural institutions? Is it not just entirely incongruous that that money goes to this highly privileged institution, whereas we are looking to level up culture in this country?

Dr Henley: I think there will always be a mix. We need a capital city that punches on the world stage but levelling up is about increasing everywhere else. Within quite straitened times we have more money from the Government, and we are investing it outside of London.

Q150 Chair: I note the fact that you have instituted a 3% cut year on year in your funding for the Royal Opera House. Presumably from that you recognise the fact that the funding that keeps going to the Royal Opera House is deeply incongruous when you look at the levelling up agenda. Are you going to commit to continue to put more money into the priority places?

Dr Henley: We currently have a National Portfolio Organisations application process open and the Royal Opera House, all of our National Portfolio Organisations, will be applying into that and we will make decisions on that basis, which we will announce in the autumn.

Q151 Damian Green: Good morning, everybody. I will continue on that for a time, Dr Henley. Thank you as ever for your support of Jasmin Vardimon dance, a huge cultural success in my constituency.



HOUSE OF COMMONS

You can cut statistics several ways and you have these 54 priority areas, but in the end the total value of grants in the north and south-west are significantly less than those in London and the south-east. Why is that? Is it just that the big national companies absorb some would argue a disproportionate amount of your budget? Is that why there is that geographical split?

Dr Henley: I think there is history with that, but also that is no excuse. Being funded in the past is no guarantee of being funded in the future. In taking Ashford as an example, we had a London-based company in Jasmin Vardimon and they moved there. To Mr Brennan's point, they had a meaningful relationship with the town and then we put a capital project in that will be opened in December and is an exciting home for contemporary dance in Ashford, which is a place that simply did not have that heritage beforehand. That is a very good example of where this can work.

I have been doing this job for seven years. Other than the Covid years, I spent 50% of my time travelling around the country and working from all our offices across the country. I think that is important. We need to level up. We want to have more for more people in more places. It is a direction of travel. I would like to go faster, but we are going as fast as we can.

Q152 **Damian Green:** Your written evidence says that you will continue to support cultural compacts and you want to set more of them up. Do you have the money to do that? Have the Government given you any promises that you will get the money to do that, if they are investigating your very existence in the future?

Dr Henley: We will do that from our existing budgets. The one area that we have not touched on, which is interesting and exciting new Government money that sometimes gets forgotten, is the cultural investment fund which was announced by the Chancellor. That is broken up into three areas. The first round of the cultural development fund put £20 million into Grimsby, Worcester, Plymouth, Thames Estuary and Wakefield. We have just announced the second £24 million tranche of that and that is going to Barnsley, Middlesbrough, Rochdale, Torbay, Stockport, Isle of Wight and Berwick-upon-Tweed. Again, these are places around the country where we can make a big difference.

On top of that, we have a libraries infrastructure fund that has put £5 million into 25 library services around the country to sort out some of the infrastructure challenges. Then there is the museum estate and development fund on top of that and that is another £19 million gone to 31 museums. There are further rounds of that. It is about £250 million over this period, and I think that will make a meaningful difference in those places.

Q153 **Damian Green:** Let us move on from geography to other aspects, because clearly the wider levelling up agenda means that the arts as



funded, not least through the Arts Council, need to reflect the full diversity in society. Under that general heading, can I ask about what seems a strange behaviour? The LGB Alliance was awarded by you a £9 million grant² to make a short film as part of the Jubilee celebrations. The film was interviews with gay men effectively celebrating the fact that their lives had got better over the 70 years of Her Majesty's reign. It was called "Queens" and the grant was made through the London Community Foundation. It was announced and then on the same day it was suspended by the LCF on the grounds that it said the LGB Alliance was "under investigation" by the Charity Commission for its charitable status, which is not true. Was that an LCF decision or an Arts Council decision?

Dr Henley: The grant was made by LCF, and that decision subsequently was made by the LCF as well.

Q154 **Damian Green:** Did you have any knowledge that it was going to do that? Did you put any pressure on it to do that?

Dr Henley: That went through its decision-making process.

Q155 **Damian Green:** The Arts Council in future would not have any problems with giving grants for appropriate projects from the LGB Alliance?

Dr Henley: If they are a constituted charity, they could make applications to us, and we look at the content of every grant application. They would currently qualify for that.

Q156 **Damian Green:** Do you need to be a charity to get an Arts Council grant?

Dr Henley: No, but it would need to be a constituted body. If it is a constituted body, it would qualify.

Q157 **Damian Green:** I ask this question because the wider context is that the LGB Alliance is one of the big victims of the cancel culture or attempted cancel culture from Stonewall and some allied organisations. You will be aware of the controversy of wider public bodies becoming part of the cancel culture, so I am hoping to have some reassurance that the Arts Council absolutely is not part of this cancel culture.

Dr Henley: For any legally constituted organisation that is entitled under our rules to make an application to us, that application will be considered absolutely fairly, and we will be looking at the artistic and creative content of that in the same way as we would any other application.

Q158 **Damian Green:** You do not operate any sort of blacklist?

Dr Henley: No.

Q159 **Damian Green:** I am aware that there will be members of your staff that are strong supporters of Stonewall and others who will take the other view. Can you guarantee that you operate artistic criteria and not any

² Correction: Grant awarded was £9,000.



HOUSE OF COMMONS

political campaigning criteria when you give grants to people?

Dr Henley: We are not allowed to fund political campaigns. We absolutely would be looking at cultural and creative criteria.

Q160 **Damian Green:** You may be aware that the National Lottery has at the same time directly funded the LGB Alliance. I take it that means that they are an entirely respectable organisation that you would have no qualms about if they came with an application that fitted your criteria.

Dr Henley: As I say, any organisation that is there and legally constituted and can trade, absolutely it can make application to us.

Q161 **Damian Green:** Do you feel under pressure from the cancel culture atmosphere? Do you look in that context at any bits?

Dr Henley: I think everybody who is a public funder is aware that there are issues in society that have polarised views, and everyone is aware of those all the time.

Q162 **Damian Green:** Do you try not to make them as the forefront of any decision?

Dr Henley: We should be looking at the quality of the creative work and what it will do for audiences and individuals as the beneficiaries of that. Coming as I do from a private sector background, having worked in commercial radio for many years beforehand, we start with the audience. That is the most important thing—the audiences, the participants, the people going to see it and benefit from it—and work back from that. That should be an important thing.

Q163 **Julie Elliott:** Good morning, everybody. Mr Wilson, how are you measuring the success of heritage action zones in High Streets Heritage Action Zones programmes? That is a mouthful.

Duncan Wilson: We have a comprehensive series of metrics and part of the setup of the programme was that we were required to demonstrate how we were going to evaluate it. It is, of course, quite early still. With high streets we are two years into a four-year programme so the results—

Q164 **Julie Elliott:** Without going into too much detail, could you tell us some of the ways you measure them? Is the measuring working?

Duncan Wilson: Local engagement, the extent to which we have forged local partnerships, delivery of the stated objectives. Each scheme has different objectives, but they could include restoration of a building, growth of a cultural activity in a high street. All of those are different for each scheme, but they are set out at the beginning and evaluated. Overall, our figures show that £37 million of capital funding in the first two years of our high streets programme has generated £11 million of investment by local authorities and £61 million of investment from commercial and private sector partners. The amount of investment we bring into a place is a key metric.



Q165 **Julie Elliott:** Do you feel your monitoring and measuring is working and doing the job it is set up to do?

Duncan Wilson: Yes. As I say it is early days, but we are pleased with the results.

Q166 **Julie Elliott:** Your evidence calls for additional resources for the heritage action zones and heritage schools programmes but not the high streets programme. Is this because the extent of the existing funding is enough or is it that it has not worked? What is the reason for that?

Duncan Wilson: Our high streets programme has two years yet to run, and I am sure we will be looking at successor programmes as it draws to a close. It is a bit early to ask for more resource because we are midway through delivery.

On the other programmes, our education programme is incredibly good value for money, but it is slightly beset by needing confirmation from the Department for Education every year that it has a future. We are into an evaluation and bidding phase now.

Q167 **Julie Elliott:** Would you like to see that extended over a few years?

Duncan Wilson: I would. Now we have a situation where we must put our staff on notice every year that the programme might end, which is clearly not satisfactory. It delivers amazing results. We reckon over 10 years we have reached 1.5 million school children with that programme because of the way it is delivered, which is by training teachers, not delivering the programmes directly to children ourselves, and the teachers will then go on and continue the programme for hopefully several years in their area. We have some good metrics about engagement of local children with the history and understanding of their area as a result.

Q168 **Julie Elliott:** You have also called for additional funding for local authorities to meet their statutory obligations for conservation. Why is that? Do you think that local authorities are taking this area of work seriously, or do you think they simply do not have the money that they need, as in fact is often the case in many other areas?

Duncan Wilson: It does vary from authority to authority. Overall, the number of conservation officers declined by about 40% over about six years until just before Covid³. That expertise is lacking in a lot of places. We try to support local authorities by advice and training so that all their staff, including the general planners, not the conservation specialists, have access to good advice about conservation, but it is a struggle.

Q169 **Julie Elliott:** What more do you think the Government could do to support that function of local authorities?

³ Note by witness: Conservation officer numbers dropped by nearly 40% between 2006 and 2019.



Duncan Wilson: The Levelling-up and Regeneration Bill does stress the importance of heritage protection.

Q170 **Julie Elliott:** Does it give any money to that?

Duncan Wilson: I think that is being worked through. Clearly, local authorities do need more money to fulfil those obligations and we try to help where we can by providing a level of central support.

Q171 **Giles Watling:** Thanks to the culture recovery fund that the Arts Council of England has been distributing to various places, I know that two theatres in my local area have done very well. Fundamentally if you do not produce plays, it does not cost anything, and they are now richer than they have been in a long time. It is an extraordinary thing. I want to ask Tom Stickland about this. Your ethos is to support theatres. You have a fund that you can help rebuild or help with infrastructure projects. Has this culture recovery funding affected it in any way? It has been distributed widely.

Tom Stickland: It is important to note that the culture recovery fund money was intended and designed as survival money. In some cases, it may have created some reserves where there were not before, but it is only limited reserves that are good practice operating reserves that have been amassed in these organisations. The key thing is if not for the culture recovery fund and the job retention scheme we were expecting to see massive closures across the country over the last two years. It has been a lifeline for the theatre ecosystem. It is important that lots of theatres exist because to support a show you need a full ecosystem, a full tour, so without those we would have been looking at a very bleak future of multiple closures.

Early in the pandemic we were saying that only 25% of theatre organisations were reporting more than three months of reserves, so that was the bleak reality that we faced, and the culture recovery fund has brought us back from the brink. It has not put most theatres in a position where they are now cash rich. It is coupled with the fact that the recovery is not over. The audiences are not back to pre-pandemic levels and particularly in smaller and mid-scale theatres that recovery is slower, and we anticipate that it will continue to be a challenging time for theatres to continue to operate in that space. I do not think it has changed the reality of the fragility of the theatre business model.

The other thing to add to the mix is the additional cost of energy, which will hit theatres and a lot of them are now devoting big chunks of any reserves they do have towards covering the volatility of energy prices over the coming year or two. There are very energy-intensive buildings and also there has been a challenge in recruitment with many people leaving the sector because they were either freelancers who needed to find other sources of income—

Q172 **Giles Watling:** I was going to come on to recruitment and the



freelancers who fell through the cracks. How do you support them?

Tom Stickland: Our remit is about theatre buildings, so we do not have a connection with freelancers, but it is important. We appreciate that there is no theatre industry without the people who make these shows and increasingly technical specialists who may have worked in theatre for a very long time are going to TV and film or leaving the sector entirely. All theatres are reporting challenges in the recruitment of technical staff and some in hospitality staff, because they cannot necessarily offer competitive salaries in the face of the cost of living.

Q173 **Giles Watling:** It strikes me that there is a disconnect because you are dealing with the structure, and the structures are useless without these specialist people, so therefore there must be some joined-up thinking. It is interesting that the Arts Council England spent some £892 million of the £1.57 billion that was allocated by the Chancellor so therefore there is a long way to go yet. Is that enough? I suppose I am asking this of Tom. Is that enough?

Tom Stickland: There is a capital deficit in theatre buildings that over a long period, if we do not do something, the infrastructure will crumble. We identify that over the next five to 10 years there could be £1 billion of capital deficit, and we do not know where it is coming from. Theatre buildings are decaying. It is absolutely true that without the people there are no theatres, but if these theatres go, they are unlikely to be replaced. They are in prime town centre sites and there is unlikely to be an economic case for buying that land at another value.

Q174 **Giles Watling:** Your lines of communication with the Arts Council England must be open at all times. Are you constantly working together?

Tom Stickland: Yes, we work closely together with the theatre team at the Arts Council England to discuss all these things and have discussed our research into the capital with their capital team. There is a lot of communication.

Q175 **Giles Watling:** There are projected squeezes in Arts Council England and local authority funding. How have theatres responded?

Tom Stickland: The challenge is that theatres now have to explore new business models and look at ways in which they can cross-subsidise their business differently. For many of the small or midscale theatres there is not a business model that works purely on ticket sales and food and drink alone. They need to look at other groups to hire the space out to, or colocation of council services so that they can maintain the levels of subsidy required to keep the building operational. It will be a challenge particularly because of the slower return of audiences for those smaller venues, but that is what is on the horizon for these smaller theatres.

Q176 **Giles Watling:** Are you emphasising that theatres are the centre of community?



HOUSE OF COMMONS

Tom Stickland: Absolutely. I was taking it as read that the theatres are important community hubs, and they can be a space for creation of identity of a place. A lot of people have nostalgic memories of their local theatre growing up, which influenced their feeling about a place, and what keeps people in a place and stops the brain drain or any of these other things that have led to this levelling up situation disparity of people leaving a place.

Q177 **Giles Watling:** I have a final question on this. Many theatres—I think 25%—are run by amateur groups. How do you ensure that they receive the funding?

Tom Stickland: This is an interesting area. Many of the amateur theatres' first taste of Government funding was the culture recovery fund. A lot of our advice over the pandemic was explaining to them how to go through those processes. There are vital opportunities for people to engage and in some smaller towns and villages that is your arts provision, the local am-dram, and they are extremely vibrant community hubs. Post the culture recovery fund they have begun to be alert to that there may be external funding available to them to do this thing, something that was not on their radar before. I think the community ownership fund is a very interesting option that has opened up because many of the theatres that are operated on that basis are owned by the local authority and the local authorities are in a position where they must consider if they can continue to pay the operating costs of a building. It is likely that smaller theatres are going to be at risk of loss if the local authorities can no longer support the capital works for them. A version of what currently exists in the community ownership fund could be very useful for that.

We have some concerns about it in its current form because of the value limits, meaning that they might not be able to afford the theatre buildings. You can only buy a building up to £500,000, and we would like to see more development for the groups so that they can gain the level of governance training and the sorts of things that will ensure that once these buildings are transferred they can sustainably and successfully operate them. It would be a disaster if there was a movement of shifting these buildings into the community, but then the community operators fail and the buildings are left to the open market. There needs to be some training to support that.

Q178 **Giles Watling:** Nobody can deny the value of am-dram in society and the centre of communities, but some might argue that being part of an amateur dramatic group is a hobby, like golf or bowls. Should we be funding it in the same way?

Tom Stickland: You fund recreational spaces for many of those things as well, so you are funding places where communities come together. That is the point. I am not saying they should be funded on a revenue basis for the creation of work. I am saying it is retaining an option for arts engagement. There are the people in am-dram and then there are the



HOUSE OF COMMONS

hundreds of thousands of people who go to see them and have a sense of something happening locally, which is created locally by and for the local people with their voice.

Giles Watling: A point well made. Thank you.

Q179 **Clive Efford:** Thanks for coming to give evidence to us today. I will start with Tom, but this is something that all of you could comment on. The funding that we are talking about for all the organisations that you deal with was set before the cost of living crisis came along and particularly the increase in utility costs. We are increasingly told that there is an impact on organisations of increasing overhead costs and this is coming at a time when organisations such as yours, Tom, would be looking to sell more tickets, but of course the customers have been hit by the cost of living and their capacity to put up prices and sell tickets is being limited there. What is the impact on organisations that you are working with of the cost of living crisis and particularly the utility costs going up?

Tom Stickland: How theatres are affected by utility costs very much depends on where they are in their energy contracts. Some theatres I have spoken to have said that they are locked in for the next couple of years and they are fine, but others have said they are seeing potentially a tripling of their energy bills. One large theatre I spoke to was expecting additional costs of £200,000, which would be a 150% increase on what they are currently paying. That is a massive impact.

Q180 **Clive Efford:** Do you have any idea of what proportion that would be of their running costs?

Tom Stickland: I would not want to say, but it is a significant impact on organisations that are not recovering.

Q181 **Clive Efford:** What sort of support are you able to give or look to give? For instance, what would you say to the Government about the situation?

Tom Stickland: Certainty and insurance is what is needed by these organisations. I am not sure what form that takes. We have no designed policy. We appreciate this is a thing that affects not just theatre. It is a national issue. We do not have a solution to the energy crisis, but an understanding that these costs are coming at a very difficult time for these organisations and support via local authorities where possible to help mitigate that impact. Whether that is supporting local authorities to not reduce subsidy levels, because that is the reality they are facing. It is a multipronged attack of potentially a theatre that has been operating with £150,000 or £200,000 subsidy saying that is going away. Your costs are going up by a similar amount and also you are having to do extra marketing work to bring in audiences who are potentially less able to return due to the cost of living.

Q182 **Clive Efford:** You mentioned local authorities. For instance, ukactive works with local authorities for leisure centres, particularly swimming pools, which are very high cost for energy. They fear the closure of



leisure centres, particularly those with swimming pools. Do you fear the same in your sector?

Tom Stickland: I do not think that we are at quite the situation we were with Covid and with closures. Theatres have been extremely resilient over the years, and they find ways, but there is a risk of closure if the costs remain untenable. Many more prudent theatres have started already putting money into reserve to cover the volatility in energy, but over time that is not sustainable. They are cutting into their reserves to pay this, so there is a risk of closure if high prices of operating continue.

Duncan Wilson: There is nothing we can do about the short-term crisis that is affecting everyone, but we are looking at longer-term issues in the heritage industry where we are trying to help people through problems with supply, construction materials—inflation of construction materials is very marked—skill shortages, which again have a financial impact. We are doing a lot of work on trying to remedy that with some private sector support from the Hamish Ogston Foundation and other training programmes.

With climate change we are doing a lot of work on adapting historic buildings to lower energy usage. These are not solutions that will manifest themselves to help with the current energy crisis, but they are longer-term things that we can do to help people financially.

Q183 **Clive Efford:** Have you had to revisit any of the grant allocations that you have made in the light of the cost of living?

Duncan Wilson: We do look at requests for uplift, but our budget is limited. Our budget is not going up for specific schemes such as the high streets scheme that I mentioned earlier, so we must work within those means.

Q184 **Clive Efford:** Do you fear that any of those schemes will not go ahead because of these increases?

Duncan Wilson: If we have to deliver something with slightly lower scope because prices have gone up, we will be open to that kind of negotiation. We are not aware of any schemes that are halting for that reason.

Dr Henley: It is a challenge, and it is not just in the theatre sector. It is anybody with a large building, so museums as well, facing exactly the same challenges. We find that most of the organisations we put core funding into are charities, and so they have boards, and those boards will be making quite tough decisions. It is, as Tom said, decisions to say, "We may not be able to put money into that capital fund in the short term, because we have increased bills" but they may have to scale some of the work in a different way. For us, with all the investment that has gone in from the culture recovery fund to save these organisations, which has made a massive difference and has been very valuable, we need to



HOUSE OF COMMONS

ensure that they continue to trade. That is a challenge when so many parts of what they pay for are going up.

I absolutely recognise some of the areas around staff costs as well in areas that you may not think are typical. I was talking to somebody who runs a museum and she said that her worry originally might have been losing a curator but now it is losing a sous chef. If they cannot have a chef, they cannot run their restaurant and their café, and therefore the revenue stream disappears.

I also recognise what Tom Stickland said about one of the brilliant things for our creative industries in this country is a lot of TV and film production coming here. A lot of those craft-based skills are taken from the theatre world as well, so there is a challenge there and that makes cultural education and cultural skills development crucial.

Q185 **Clive Efford:** Going forward, does it mean that we are going to get less for the money that you are able to allocate?

Dr Henley: Yes, that would be the economic case if the costs go up.

Q186 **Clive Efford:** Can I go back to an answer you gave the Chair earlier about the Royal Opera House? Sorry to bang on about this but it was £96 million for four years of funding, so £24 million per year. What proportion of the money that you spend in London is that?

Dr Henley: Rather than trying to make it up on the hoof, can I come back to you with the answer?

Clive Efford: As far as I can work out, you spend about £165 million in London. Would that be roughly right?

Dr Henley: That feels about right.

Clive Efford: So you spend 15% of the money you spend on London on the Royal Opera House?

Dr Henley: Yes.

Q187 **Clive Efford:** Wow, and London suffers because of that? That focus of funding—that big packet of money on the ENO and on the Royal Opera House—makes it look like London gets excessive funding and you are seen as a success taking £16 million away from London because of levelling up, so we are levelling down in London and levelling up elsewhere. Is that how we are approaching it?

Dr Henley: We have a finite amount of money and, under instruction from the Secretary of State, we have moved that money out of London. We have put all the new money we have received outside of London as well. Within London we still have an ecology, we still spend for our NPO budget around one-third of all the money we spend in the country will go to London.



Q188 **Clive Efford:** Will that be pro rata across the board? £16 million would roughly be 10% of the annual spend in London, so would that be 10% across the board? Would the Royal Opera House see a 10% reduction?

Dr Henley: We have not made that decision. All the applications have come in, so are being looked at now. Those decisions will be made over the summer and announced in October.

Q189 **Clive Efford:** Is it simply that success is measured by reducing spending in London? Is that seen as success?

Dr Henley: For me, success is having a vibrant cultural infrastructure in all parts of London and in all parts of England.

Q190 **Clive Efford:** Is it right that London should have money taken away from it because of levelling up? Were we spending too much in London? Is that what the problem is?

Dr Henley: London had a large proportion of the money that we had. I am not saying we spent too much, but with all the imperatives that we have for as large a number of opportunities across the country some rebalancing has happened.

Q191 **Chair:** Dr Henley, we have heard during this inquiry that there is, as in many sectors of the economy, a pressing shortage of skills in arts, culture and creative industries. You are nodding your head. Is this your experience from people who are applying for funding from you?

Dr Henley: Cultural education—and I have long written about this before I did this job—is absolutely crucial in every young person’s life. I met just last week with the specialist arts universities who provide a lot of that craft-based and skills-based training across the piece. It is important that we have those in the overall infrastructure in tertiary education. We think that absolutely we need to have craft-based skills, technical-based skills and these should be valued. I think that it is really important that cultural education subjects—music, dance, drama, art design—within schools is an important part of that, but also out of schools and 71% of our current national portfolio do work with schoolchildren and young people, and that is an important part. The sector is putting back as well.

When you talk to people who lead arts organisations or cultural organisations there is absolute agreement of the value of investing in the next generation. I think there is also a UK plc dividend in this. For a relatively small island we punch way above our weight in music, TV, film and literature and the visual arts. That is because of that long-term investment in that skills base, and it is important.

Q192 **Chair:** What are the biggest policy failings that you have identified as leading to this skills shortage?

Dr Henley: It is not for me to judge on policy failings, but where I have seen success is—



HOUSE OF COMMONS

Chair: With respect, Dr Henley, you noted before that you wrote about this extensively. You surely have an opinion.

Dr Henley: My opinion is that it is really valuable.

Q193 **Chair:** We can all agree on that, but why is it we are in the position that we are in with these failings? We are asking you as head of our Arts Council to give us an opinion.

Dr Henley: I went to a primary school in Bradford that is Ofsted outstanding, which is led by a head teacher who has no greater budget than any other head teacher, but he has chosen in that school to put music and art at the centre of the curriculum. The model I saw put in place there is quite interesting, and it is a tough socioeconomic background, so not people with loads of money. He has taken secondary-trained specialist teachers and hired them part-time, two days a week and brought them in, in the arts and music, and then they have taken that knowledge and shared it out with the rest of the teaching staff. It seems to have worked well, so I was very interested in that model, which I had not come across anywhere else. I think those are the sorts of things that I am interested in seeing grow.

Q194 **Chair:** That still does not answer the question. Why do you think we have failed? How have we reached the situation where we as a cultural superpower, or at least we like to think of ourselves as such, have these pressing national skills shortages? You are the head of the national Arts Council England. Why have we reached this place?

Dr Henley: One of the things we must do is to value the humanities and cultural subjects in society. That is a very important thing, and I am not sure they are always valued as much.

Q195 **Chair:** Basically, you think that we have undervalued our own culture. Do you think that has come from a governmental level? DCMS is the ministry for fun. It does not punch its weight in Whitehall. We have already said that many times in different reports.

Dr Henley: My experience of working with the DCMS is that the Ministers are incredibly supportive.

Q196 **Chair:** That is not the point though, is it? Ministers are supportive, we know that, and we know that the DCMS officials are very capable in many different areas. The point is whether DCMS is, frankly, taken seriously in Whitehall.

Dr Henley: I can only speak as I find, and for me it is, but I am not a Whitehall inhabitant. That is not my background. For the work I do with DCMS we have a lot of support, a lot of encouragement and a lot of direction and Ministers do go out and fight for that. We received an uplift from the Chancellor this time and that is a positive thing for investment and there is new money coming in. Sure, I would always argue for more money because we know the need is out there, but we also know that



these are straitened times and Government will have to make decisions about that.

Q197 **Kevin Brennan:** Aren't we just dancing around the obvious here? Anybody from the arts sector or cultural sector watching this session and watching you give evidence, Darren, would be shouting at the screen at this point, thinking that it is obvious that since 2010 the Government deliberately, as policy and educational policy, has devalued and disinvested in the arts and humanities subjects, in music and in art and so on and we are starting to see a skills issue because of active Government policy in the education sphere. Is that not the case and are you just understandably perhaps a little bit reticent to admit the bleeding obvious?

Dr Henley: I will always advocate for that investment, and I absolutely see the value of it. I do not work for DFE, although we have music education hubs that we created, and they are doing a brilliant job.

Kevin Brennan: I rest my case.

Chair: Duncan Wilson, Tom Stickland and Dr Darren Henley, thank you very much for your evidence today. That concludes our first panel.

Examination of witness

Witness: Lord Parkinson of Whitley Bay.

Chair: This is the Digital, Culture, Media and Sport Select Committee. This is our second panel today into the levelling up of culture and this is our panel with the Minister. We are joined by Lord Parkinson, Minister for Arts, Digital, Culture, Media and Sport. Good morning and thank you very much for joining us today. We will go to Clive Efford with the first questions.

Q198 **Clive Efford:** Welcome. I believe you heard my question to the previous panel about the increasing utility costs and its impact on sporting and cultural institutions. It has also impacted on their capacity to generate money through income because the people they are trying to raise money from are also impacted by the cost of living and utility costs.

You will be aware that ukactive, for instance, has written to the Government about its concern about leisure centres. We heard from our previous witnesses that they are concerned about the organisations they deal with and the impact the spike in utility costs is having on them. What are you able to do as a Minister to assist organisations at the grass roots—cultural and sporting institutions—with this crisis that has hit them that they have not been able to anticipate or budget for?

Lord Parkinson: As the previous witnesses noted, this is affecting households, businesses, organisations right across the economy, but it is coming across very clearly. I was on a theatre visit in Kent on Friday and



the people who run the organisation there mentioned it and talked about how they are monitoring and reducing their electricity costs. As your previous witnesses note, the sector is doing that anyway. For environmental and cost reasons there is a greater awareness of sustainability. It is not just electricity costs but there is inflation in materials for building set designs that the sector has been monitoring and addressing.

I get out and about, talking to people across the sector. We are talking directly to organisations and representative bodies to monitor it. You can see the measures that the Treasury and colleagues from across Government are taking to help businesses and organisations in general, but we are marshalling the evidence to make sure that specific sector needs are taken into account as well. This is something affecting businesses, organisations and households across the country.

Q199 Clive Efford: It is affecting everyone, but specifically here you heard they were concerned that ultimately there could be closures, and ukactive has indicated there could be closures in leisure centres, Marshalling the facts is all well and good but with a view to doing what?

Lord Parkinson: I hope you and the sector can see we did exactly the same in the face of the pandemic. We marshalled the facts, and we built the culture recovery fund, the largest ever investment in the arts that has given more than £1.5 billion to more than 5,000 organisations. Where we need to intervene to help, we have recently. The Chancellor has taken action to intervene to help household budgets and will continue to look at what needs to be done, while recognising this affects organisations right across the economy.

Q200 Clive Efford: Do we take it from that that you think some form of intervention may be needed? I am not asking you to commit to it today, but it is a possibility in the future.

Lord Parkinson: We monitor it. We do not know how long this will go on. It is affected by the situation in Russia and Ukraine, which is another factor. We do not know when those pressures will alleviate, but across Government colleagues are looking at the effect the rise in energy costs is having on households, businesses and organisations. In DCMS we are focusing on our sectors to make sure we are collecting that data and feeding them into the thought process across Government.

Q201 Simon Jupp: Good morning, Minister. Across the United Kingdom we have varying different levels of local government, and local government is key to delivering the levelling up agenda and making sure arts funding is delivered to the right places with the right priorities. Are you confident that local councils have the infrastructure, knowledge and strategy to deliver what you see as your vision for the arts in different regions?

Lord Parkinson: Yes. I have spent much of the last month visiting the four shortlisted places to be the UK city of culture. It was very clear that the places that did well in that competition were places where there was



a very strong chief executive of the local authority and strong leadership from councillors. We had the largest ever competition, 20 entrants from across the UK this time, and that experience and knowledge is percolating across local authorities.

I hope other local authorities that have not taken part can see the benefits that the places that have participated have had, not just those who have gone on to win. Sunderland is a good example of a local authority that did not win the title but is very proud of having taken part and has seen real benefits in the partnerships it builds between local authorities, local businesses, other agencies and just putting culture front and centre.

Through initiatives like that, which we support, we are helping to spread the best practice. We are also pleased to see the Local Government Association is doing its own inquiry into the importance of culture. Lord Mendoza, our Commissioner for Cultural Renewal and a former non-executive director at DCMS, is sitting on that LGA inquiry. I have had meetings with the LGA and metro mayors. We are always making the case and pointing to good examples to encourage others but, happily, the good examples are growing in number.

Q202 Simon Jupp: Do you see a big difference in the cultural strategies that local councils have? In my county of Devon, we have a two-tier authority with a county council and district council and two unitary authorities as well. It is quite a complex picture. Are you confident that all those councils can deliver if you gave them the opportunity to do something, to give them the cash or the opportunity to apply?

Lord Parkinson: They should be different. Local authorities are best placed to reflect the cultural scene.

Q203 Simon Jupp: Should it be their priority?

Lord Parkinson: Yes, I think it should be a priority for local authorities. The very first council leader I met in this job was Sir Richard Leese in Manchester. I think he has moved on now, but he made very powerfully and clearly the point—and he is a from a different political party to me—that during the pandemic he did not cut cultural funding because he knew that he would be topping that up in the education budget and health budget after the pandemic. It always pleases me to hear local authority leaders saying things like that, making that case to their colleagues across local government because their experience rings true.

Q204 Simon Jupp: Some chief executives and local leaders may not think of culture as a priority when they are struggling with falling budgets. Would you support, for example, a statutory duty for councils to support cultural infrastructure in their areas?

Lord Parkinson: I always prefer to see things happen organically rather than as a statutory duty. It is much better to see people getting it and that being reflected. One of our key jobs at DCMS is to make the case for



culture through what we do as a national Government but also in making the case to colleagues in local government and at every tier, to show how it can be really transformative and so quickly in regeneration.

Q205 Simon Jupp: You point to good practice in some local authorities but if it continues to be discretionary some local authorities will continue not to treat this as a priority, will continue to see it fall down the list as their list of woes continues to grow. Therefore, those areas might miss out, so levelling up will not be applicable to them in a cultural sphere.

Lord Parkinson: Generally there is a number of pots and opportunities where central government can directly fund initiatives. Usually those succeed where the local authority is involved and fully supportive, but if there is a brilliant organisation with a local authority that is not as engaged, it can still come directly to the Arts Council or DCMS for funding. Generally, we have seen it works better when everybody is engaged, not just the local authority but local businesses, the groups themselves, working across the sector. Examples like the city of culture competition help make that case and I hope make it to local authorities that are watching and saying, "We could do that".

Q206 Simon Jupp: Do you ever intervene with local councils to encourage them to think about a cultural strategy? There are councils up and down the country that have cultural landmarks that perhaps take it for granted, as we all have in the last.

Lord Parkinson: We speak to them. We encourage them to take part in the City of Culture competition, to bid for the cultural development fund through bodies working across the country. You have heard from Dr Henley about the Arts Council priority places, its creative people and places programme that is trying to build up the ecosystem in parts of the country where it needs to be built up. We are working proactively to try to foster that in places where historically, whether that is because of the local authority or for a variety of reasons, it is not as strong as it could be. We are making the case. It is encouraging rather than coercing.

Q207 Simon Jupp: You mentioned metro mayors in an earlier answer, and nine parts of England are currently looking at devolution deals of their own. Culture is never part of that devolution deal. It is like an added extra, it seems.

Lord Parkinson: The metro mayors I speak to certainly get it. Andy Street is hugely engaged with DCMS at the moment through Coventry city of culture, which has unlocked £500 million of regeneration working with the mayoral combined authority as well as the local government in Coventry itself. We have the Birmingham Commonwealth games and the cultural programme that sits alongside that. It is cross-party as well. Tracy Brabin comes from an arts background and is a great evangelist for it. I have seen the support she is giving to Leeds.

Q208 Simon Jupp: Would you like to see a greater emphasis on culture in those devolution deals? We have nine opportunities across England to



encourage local decision-making, giving local powers and more funding to more places, but culture is rarely featured. Do you think that should change?

Lord Parkinson: I would like to see culture built into local strategies, yes, absolutely. I see where there is good, strong leadership, be it from a metro mayor or a local authority, I can see that flourishing and taking off. The arts are mentioned in the second line of the levelling up White Paper and I am very pleased to see it deeply ingrained in thinking across Government.

Q209 **Damian Green:** Good morning. Let me return to the subject of money. You rightly draw attention to the culture recovery fund, that was essential, necessary. The Department did well to get it up and running. Looking longer term, particularly the phase we are now in, back to something like normal, it is clear that with all the discussion about local authorities and so on we know that local authority budgets have been massively squeezed over the past decade and more. Even if they are willing to play a full role in regeneration through culture, many of them are unable to do so. Are you worried that whatever you do at the national level, local authorities are not in a financial state to play the role they need to get cultural regeneration in their areas?

Lord Parkinson: Local authorities are still very important funders of arts and culture, hugely significant, giving more than £2 billion in the last financial year. I hope they can see, in initiatives like city of culture and schemes like the cultural development fund, the money and work they put in, the commitment they show, unlocks investment, whether that is from central government or private philanthropy, as Coventry is showing that the inward investment of being the city of culture has driven there. It is not just about the money they spend as a local authority. It is about the partnership working that is encouraged, the case they are making for investment in their communities, and the benefits that accrue.

Q210 **Damian Green:** One presumes that all those areas, including the private sector who can use it to lever in money from outside, will be under the same pressures. There is some basic stuff we were discussing earlier about heating costs and so on. Do you not fear that, from whatever source, we have had, weirdly, relatively fat years of the culture recovery fund and we are now going into the lean years?

Lord Parkinson: The reason we had the culture recovery fund is because the Government know the importance of arts and culture, not just for their own sake but for our well-being and social cohesion. Local authority leaders know that. I mentioned Richard Leese but many others would say the same thing. They know that investing in arts and culture is particularly important in challenging times because it saves money in the education and health budgets because you are helping to solve or avoid other social problems. We make that case directly to local authorities. We are pleased to see the LGA and others having the inquiry to make that case across local government as well.



HOUSE OF COMMONS

Q211 **Damian Green:** Looking at the macro picture, you are being asked to model staff cuts, as the whole of Whitehall is and arm's length bodies. Are you being asked by the Treasury to model spending cuts as well for the years ahead?

Lord Parkinson: I don't know. The Secretary of State will set the budget for the Department, but the funding round that is going on at the moment for arts funding to the national portfolio through the Arts Council is a larger pot. It is £43.5 million extra that we secured at the spending review, so it is an increase on the previous round.

Q212 **Damian Green:** You have not started looking forward to the next round?

Lord Parkinson: No.

Q213 **Damian Green:** One of the paradoxes is that the Treasury is institutionally philistine, even though many people who work at the Treasury are some of the most enthusiastic consumers of high culture, which is often expensively subsidised.

Lord Parkinson: I hope you see from the Chancellor and other Treasury Ministers, through the culture recovery fund, the commitment to arts and culture that the whole Government have demonstrated recently.

Q214 **Damian Green:** You think you have cured the Treasury.

Lord Parkinson: One of my predecessors, John Glen, is a Treasury Minister now and I am able to speak to him directly, both with his DCMS and Treasury experience.

Q215 **Damian Green:** It would be an interesting shift if this is made permanently. As the Chair mentioned earlier, there is a long-standing feeling that DCMS is a small Department, that in the end we all believe hugely in the value of the sector it oversees, but inside Whitehall it tends not to win big battles because health and education always win.

Lord Parkinson: We have six Bills in the Queen's speech, and I am aware of that as the Lords Minister who will take them all through the Upper House. It is London Tech Week and the Prime Minister has spoken to welcome delegates there. DCMS is taken seriously across Government. It is growing in its output. Officials are working phenomenally hard to deliver it all. When I was an adviser in Government, DCMS changed its name to add "digital" in an ugly way that mixes adjectives and nouns, but that reflects the growth in the work and output of the Department. It is doing more. We see that in the Bills in this session but also in the programmes we are running and the difference it is making on the ground.

Q216 **Damian Green:** You say your officials are working hard and everything you said I welcome. Are they still working from home?

Lord Parkinson: A mix, and I am very relaxed about it. As a Minister speaking to people in arts organisations, parliamentary demands mean my diary changes at the last moment. If someone is coming down to see



HOUSE OF COMMONS

me from Tyneside or Merseyside, I feel much less impolite having a digital meeting that they can do at their convenience from their desk than asking them to come physically to the Department in Whitehall. That applies also to the officials who work around the clock. Press a button and they appear on the screen. I think it is a very convenient way of working.

Damian Green: You do not agree that—

Lord Parkinson: The Secretary of State has responded to Jacob Rees-Mogg's calls. We have lots of people working in the Department, but during the Jubilee weekend just gone we had an awful lot of people working very hard, some in London and some from home, to deliver a fantastic weekend of celebrations across the UK.

Q217 **Damian Green:** One last question on another subject. I did not see when you came in, so I do not know if you heard my question to Darren Henley about cancel culture and all that. Can we have a reassurance that departmental Ministers do not want cancel culture to take over?

Lord Parkinson: I followed the specific case you raised with Dr Henley. It is complicated because it is two steps removed because of the London community fund that delivered it. I think it is important that we make the case for pluralism. The arts and culture are where we have important conversations. They are better when they are at their broadest and most diverse. On thorny questions like the trans debate, it is important that people who feel they have something to say, feel they have an experience to share and a story to tell, are able to do it and all those stories can be heard. The answer lies in addition, not subtraction.

Q218 **Julie Elliott:** Good morning, Minister. Bradford has recently been announced as city of culture 2025, and I am very keen on the city of culture. I am a big fan of it. However, it has been announced that Bradford will receive £275,000 as initial seed funding and when we compare that to the £18.5 million, £7 million from DCMS, that Coventry received directly, it seems not a lot of money. Is there a move to cut funding for city of culture? Will any future funding for Bradford aim at creating a sustainable legacy?

Lord Parkinson: No, in terms of cutting funding. The £275,000 of seed funding was directly in response to a recommendation from this Committee that people should enjoy the benefits of winning the title from day one. I went to Bradford the morning after the announcement had been made on "The One Show" and I could see the excitement there. The people from the bid team were telling me that the phone was ringing with hotels and restaurants who had shown their support now wanting to have concrete conversations about inward investment from the private sector too.

We wanted to make sure, in response to your sensible suggestion, that people could take advantage of it from day one as well as giving



HOUSE OF COMMONS

£125,000 to each of the runners-up so they could take forward some of the work and plans they had identified. In each of the previous winning cities, the £15 million to £18 million that they have had has come in stages throughout the lifetime of the programme, working with DCMS and the Treasury to look at the business case for specific parts of the project.

In none of the instances was it given as a one-off lump sum. It is project based and the cities need to have the opportunity to say, "This we can now fund from private investment so we have had interest expressed in this bit, but we would like to talk to you about this element of it." We have started those conversations with Bradford to talk about the specific plans in their bid, what they want to take forward and at what stage, but we have given them £275,000 as seed funding so they can get going on some things that are ready to go.

Q219 Julie Elliott: You have talked about the money being project based and moving through. Will any grants given prior to Bradford be counted in the city of culture funding negotiations as we move forward?

Lord Parkinson: We have given £4 million from DCMS to the regeneration of Bradford Live, the live music venue. I went to see how that is being spent with my hard hat on and saw the work being done. They had that separately from bidding for the city of culture but Bradford Live is part of their plan. We will talk to them about existing and previous investment, but we also want to talk to them about new investment for the plans, not just from Government. We want to make sure that they are learning the lessons of Coventry, Hull and previous winners to show how they can leverage that and get investment from private companies, business and other foundations. The wonderful story of the city of culture competition is that it has brought investment and new job opportunities from a variety of sources.

Q220 Julie Elliott: Can I push you slightly on that? You have mentioned £4 million to Bradford Live. Will that mean Bradford can expect perhaps £14 million as opposed to £18 million? Will it be counted or not?

Lord Parkinson: No, that is not how it works.

Q221 Julie Elliott: You also mentioned £125,000 to runner-up bidders, that I welcome, and I am sure the Committee welcomes. As a runner-up city you mentioned, Sunderland, we have carried on a lot of the things we were going to do without that money. What can you expect reasonably from runner-up cities for £125,000?

Lord Parkinson: I had a roundtable with all the bidding cities that were knocked out at a previous stage as well, and the team from Sunderland joined that call to encourage them to take forward their plans. Hull joined as a city that had bid initially, did not win and came back and bid again. Some might choose to take forward their bids and enter the competition for 2029. Some might choose to follow Sunderland's example and do their own thing.



HOUSE OF COMMONS

It depends very much on each of the areas, but I look forward to talking to them. As I went round, one reason I wanted to visit the shortlisted places was to see them before the judging panel made their decision to ask them what they would do if they do not win the title. They all pointed to individual parts of the projects they would take forward and they all pointed to the great benefits of that galvanising effect of the competition, because it had put them in touch with people in their own city that they had not worked with before. It has put culture in the mainstream and that is why we are so supportive of it as a programme.

Q222 **Kevin Brennan:** You mentioned you are a Minister in the House of Lords with six Bills coming down the line. What is your view of the Salisbury convention?

Lord Parkinson: The Salisbury-Addison convention. It is an important convention that—I have only been in the Lords a short time—has largely been upheld.

Q223 **Kevin Brennan:** Are you in favour of it continuing to be upheld?

Lord Parkinson: I am a Tory. I am in favour of operating by convention.

Q224 **Kevin Brennan:** In a nutshell, the central tenet of the Salisbury convention, that was developed, as you know, after the Second World War when Labour was in office but facing a built-in Conservative majority in the House of Lords, is that the House of Lords should not prevent a Second or Third Reading and should not prevent Government Bills from becoming law. There was one exception to that built into the Salisbury convention, was there not?

Lord Parkinson: You test my historical knowledge to remember what it was.

Kevin Brennan: The exception to that was where that Bill was not specifically outlined in that party manifesto before the previous general election. With your background in the Conservative research department and various think-tanks and Brexit campaigner and parliamentary wannabe and all the rest, you can probably guess what I am getting at. One of those Bills you have coming down the line, the forthcoming media Bill, contains the proposal to privatise Channel 4, which is a highly controversial proposal and was not included in the Conservative party manifesto.

Would your loyalty to the Salisbury convention include acknowledging that your fellow Members of the House of Lords would have every right to take a different view of that particular proposal than they might of the other Bills you might be steering through the House of Lords?

Lord Parkinson: The Salisbury convention is there to make sure things that are in a party's manifesto are not obstructed by the unelected House. I think that is important, but it has never, from the time of Salisbury and Addison, been the case that means it restricts



HOUSE OF COMMONS

Governments from reacting to things that happen during the life of Parliament—most notably in this Parliament, the pandemic—that was in nobody’s manifesto and could not be foreseen.

Q225 **Kevin Brennan:** Are you saying that the pandemic is the reason why the Government wants to privatise Channel 4?

Lord Parkinson: No, but I am making the point the Salisbury convention is not exclusive. The Government have been clear about their intentions to change the ownership of Channel 4. When the previous Secretary of State issued the consultation and the call for evidence he made clear that we were minded to do it. The Secretary of State has looked at the responses and taken that decision. The Bill will come forward. There will be a range of views in the Lords—as there should be—but whether or not it was in the manifesto. I think the unelected House should always be very mindful of the views of the elected House, which is accountable to the electorate.

Q226 **Kevin Brennan:** It is, and you are quite right, Governments can and do introduce measures as they respond to events during a Parliament, is the way you put it, but they are free to introduce measures. But is it not a central part of the Salisbury convention that where they have not included a proposal in their manifesto, and that proposal is not genuinely caused by an emergency like the Covid pandemic or anything of that kind, that the House of Lords has by convention—a convention you say you respect—felt freer to put up a greater resistance to measures of that kind particularly where those measures are highly controversial? In the public consultation I think eventually we got the Secretary of State to admit that, even when you strip out the clicktivism campaigning that goes on around these things, the privatisation was not a popular proposal with many people at all, except perhaps those who will enrich themselves from it.

Lord Parkinson: In my limited experience in the House of Lords, the Lordships have shown strong views about Government legislation, whether or not it was in the Government’s manifesto. I think we had in the last session the largest numbers of defeats for the Government, apart from the Callaghan Government of 1974 to 1976, but it is important that the unelected House does, in the end, give way to the elected House, which is accountable to people making their views known at the ballot box.

Q227 **Kevin Brennan:** Under the Parliament Act it does have to give way but only after the House of Commons has introduced the exact same measure with the exact same wording and a period of 12 months has elapsed. Would not the House of Lords, in this instance, under our constitution be perfectly entitled under the Salisbury convention, under our constitution, to do exactly that?

Lord Parkinson: I have been making the case to the House of Lords, as colleagues in the Commons have been making their case to you and your



HOUSE OF COMMONS

colleagues, that a change of ownership is the right thing for Channel 4 because it helps it to have the investment that it needs to compete against a thriving independent sector.

Channel 4 was set up before I was born to help stimulate commissioning from the independent sector. It has done that brilliantly, so well that we have a thriving independent production sector, but the cost of those independent productions is going up because there is appetite from the Netflixes, the Amazons and others. That is why we need to look at the next 40 years of Channel 4 and make sure that it has the investment, the access to the cash that it needs to continue to do that for the next generation. That is the case we will be making, and I hope it does not need the Parliament Act to have to—

Q228 Kevin Brennan: In a nutshell you are saying that Channel 4, as a publicly owned institution, is too successful so you want to privatise it. I suspect you would be sitting there, if it was unsuccessful, and making exactly the same argument.

Lord Parkinson: I am saying it has been very successful at what it was set up to do in 1982, but that was 40 years ago.

Kevin Brennan: It has been very successful about what it is going about now in 2022, as you know from the record figures last year. But I am not going to push it any further because I do not want to indulge your patience.

Chair: I thought we had just stepped into the Constitution Committee there.

Q229 Giles Watling: Thank you for coming today, Lord Parkinson. It has been said that the privatisation of Channel 4 would end Channel 4's business model of relying on smaller independent production companies to produce its programme. How do you answer that?

Lord Parkinson: No, the smaller independent production companies, that are privately owned, are in such demand from companies like Netflix, Amazon and global streaming companies that the costs that they can charge are going up. We need to make sure that our public service broadcasters have the means to be able to afford continuing to commission brilliant independent British productions from across the UK. As Mr Brennan says, Channel 4 is doing very well, that is why it is an attractive asset to any buyer, but we are looking not just at now but the years ahead to make sure that it continues to still have the means to be able to do that and compete in what is happening.

Q230 Giles Watling: As far as you are concerned that production model will continue in privatisation.

Lord Parkinson: Yes.

Q231 Giles Watling: It has also been said that it will have no legislative duty to nurture new talent or reflect diversity in the UK.



Lord Parkinson: When the particulars of the sale are set out, and colleagues in DCMS will set out precisely what the expectations of the broadcaster are under its new ownership—but on the point about independent commissioning, when Channel 5 was sold the proportion of independent production that it commissioned went up. The change of ownership does not mean a threat to commissioning from the independent sector.

Q232 **Giles Watling:** It has been said that the proceeds of selling Channel 4 will give it a chance to compete, as you said earlier, with Netflix and the likes, but how will it be reinvested into the levelling up of the creative sector?

Lord Parkinson: The Secretary of State and Julia Lopez have announced that some of the dividend of the sale will go to addressing the skills shortage, which you covered in the previous session as well. The creative economies are growing so quickly—by more than two and a half times as quickly as the rest of the economy before the pandemic—there are increasing opportunities for people to work in this fast-growing part of the economy. We need to get more people into them. I am seeing in my area how, as Dr Henley explained earlier, people are being tempted away from live theatre to go and do the backstage jobs, the costume design, the wigmakers, the lighting technicians, to do equivalent jobs in film and television, partly because it opened up a bit more quickly out of the pandemic and partly because of this rapid growth.

There is not a finite number of jobs. We want both of these bits of the sectors to grow, and we want to see more people, school leavers, university leavers, apprentices, coming into them and seizing those opportunities. Part of the dividend from the sale of Channel 4 will help fund the skills in film and TV.

Giles Watling: There might be a large move back into live theatre as well.

Lord Parkinson: Some people will move back because they have a love for live theatre. It is their first love. As you mentioned earlier, it is how so many people get into it, but I hope also new people will come into live theatre and we are looking at setting up a creative education plan. It is 10 years since Darren Henley led a review of cultural education. We want to make sure that schools, universities, apprenticeships, are encouraging people to pursue careers in the arts as well as the creative industries.

Q233 **Giles Watling:** How do you address concerns that privatisation will take the incentive away from commissioning in the four countries and out in the regions?

Lord Parkinson: It is one of the things that makes Channel 4 what it is. It is one of the things that makes an attractive asset. It has a cross-UK pan-regional appeal. It has a strong audience base. We think that makes it a strong asset for a potential buyer.



Q234 **Giles Watling:** Finally on a general point, you were talking to colleagues earlier about local strategies for the arts. As a national strategy nobody would deny that theatre, since the time of Shakespeare theatre, and the creative arts of this country are an incredible projection of soft power across the globe. Do you find as a Minister that you are swimming against the stream when dealing with this current Government?

Lord Parkinson: No. The culture recovery fund shows how seriously arts and culture were taken by the Treasurer, by No. 10, right across Government, in the face of the gravest threat to live performing arts in our times.

Q235 **Giles Watling:** When you are making the case for the arts you are pushing against an open door?

Lord Parkinson: Yes. We have strong supporters across Government, and I hope people see the culture recovery fund—the more than £1.5 billion that it has given to more than 5,000 organisations—as evidence.

Q236 **Chair:** To follow on Clive's point, you say you have people across Government looking to promote the cultural sectors. Obviously it is a huge part of the UK economy, as we know, but as you reflected in the first session we discussed the skills deficit and there was a relationship drawn between that and a change in curricula from 2010 onwards. How are you finding the relationship with the DFE in encouraging skills in schools that are necessary to push forward our cultural sectors, which are such a huge boon to our economy?

Lord Parkinson: It is good. From my background working as an adviser at the heart of Government, I know people across Government, I know how Whitehall works and I have a good relationship with particularly Robin Walker, who is my direct counterpart at DFE. We are working together on the cultural education plan, as we are on the national plan for music education, which we will be publishing this month. We are jointly working on how both DFE and DCMS can help advance these causes. My predecessor who was Lords Minister at DCMS is now the Lords Minister at the DFE. We share an office here in Parliament. We have a good close, working—

Q237 **Chair:** What about prior to Robin Walker's tenure? I have experienced it myself trying to promote, as the chair of the APPG on financial education for young people. We got it on the school curriculum but only 4% of schools do it. We found that prior to Robin Walker's tenure that anything that did not involve strictly the three Rs barely got any house room at the Department for Education.

Lord Parkinson: That pre-dates my time working closely with the DFE.

Chair: But you were in the heart of Government.

Lord Parkinson: But not working on education policy. Certainly in my time as Minister, I have good fruitful meetings with Robin.



Q238 **Chair:** You were at the very heart of Government but not in operation. I think you can pass comment on what it was like prior to Robin Walker's tenure. I found Mr Walker to be very open to an idea of expanding the remit of schools in this country. But during your time at No. 10 surely you noticed, as we all did, that anything that did not involve the three Rs was given very little house room at DFE.

Lord Parkinson: There has been a focus on core skills, which has driven up those core skills, which are essential—

Chair: To the detriment of skills that benefit the cultural—

Lord Parkinson: Literacy and numeracy are so important in whatever profession, whatever vocation people are drawn into, and it is absolutely right that we took action over the last 12 years to drive up what was a lamentable state of affairs when we came to office. But it is important that we see and people hear the value of cultural education as well. That is what we are trying to reflect in the cultural education plan and the national plan for music education.

Q239 **Chair:** The cultural education plan is effectively a recognition of failure before.

Lord Parkinson: No, it is a recognition that, as Darren Henley and others put it in your previous session, it relies very much on particular teachers getting it and making the case. They do not necessarily have to be teachers in—you do not have to teach art in art class or music in music classes. I am a historian by degree. When we talk about digital literacy and equipping people to be sceptical about what they read in newspapers, the media they consume, looking critically at art works is an important way of doing that. If you study art to GCSE, you can build that into English literature or into history.

We see in lots of schools enlightened teachers who are using the arts and culture as a way to demonstrate that in lots of other disciplines. What we want to do through the cultural education plan is show that best practice, encourage others to do it so that we can focus on increasing the core skills as well as equipping people with a cultural awareness that they will need, whether they choose to pursue a career in the arts or not.

Q240 **Chair:** Minister, you were here for the entire first session, which we are obviously very grateful for. It is very good. Probably being in the House of Lords, despite having six Bills, allows you the latitude to be able to sit in on sessions before but I think that is to be commended, that you were here listening to the previous panel. The witnesses—I think you would agree it is fair to say—were woolly about the joined-up nature of levelling up, exactly what sort of communications they were having with each other and precisely what sort of joined-up thinking there was in revolving around the 54 priority places across those organisations. Does that concern you? Do you think that there is room for improvement across these organisations in zeroing in on the areas that need to have joined-up thinking between, for example, Historic England, Arts Council and



different parts of our cultural space?

Lord Parkinson: I don't think they were woolly. I see them working closely together. Although Duncan Wilson in Historic England works on heritage—Nigel Huddleston is the Minister responsible—I see him very frequently when I am out visiting projects as Minister for Arts, not least in Coventry, the city of culture, where heritage and the built environment has been such an important part of the regeneration work there.

As they say at their own regional levels, the regional directors have good strong working—as well as listening into the session earlier, I looked at the evidence that you have heard already from local government leaders. You can see people like Abi Brown in Stoke who are calling meetings and asking them to come at the same time, which is a very sensible thing to do. There is strong partnership working and it makes sense for local authorities to be speaking to all of the arm's length bodies and to think about those partnerships. I see in competitions and programmes, like the city of culture competition, that it is that joined-up working that produces the real leveraged benefits for places.

The priority areas that the Arts Council identified, which pre-dates my time as Minister for Arts, is reflective of the Arts Council's commitment to nurturing the ecosystem in parts of the country where it is not as strong as it ought to be. We are building on that with our levelling up for culture places and building on the brilliant work that the Arts Council has been doing over previous rounds to try to make sure that, as Government, when we set them strategic directions we are asking them to do things that will benefit communities that stand to benefit from them.

Q241 **Chair:** I want you to expand a bit on that. I am interested to know specifically what you are doing as a Minister to ensure that these organisations copper-bottom the fact that they are not working in silos, that they are genuinely pushing forward with a united front to ensure that the finances that are assigned to them are finding their way to the correct parts of the country to bring about this levelling up.

Lord Parkinson: We bring the arm's length bodies together as a group frequently. We did it with very good effect through the culture recovery fund where it was the Arts Council, Historic England, the British Film Institute and others who—

Q242 **Chair:** How frequently? That was quite a long time ago.

Lord Parkinson: They were meeting frequently on the culture.

Q243 **Chair:** No, excuse me. You are saying there they were meeting frequently during the culture recovery fund and obviously dealing out the dosh then. But what have they been doing since when it comes to the levelling up agenda? How many meetings have they been having and what have you been doing to oversee those meetings?



Lord Parkinson: We work with them individually and together. We are looking at the moment at supporting the visitor economy and we are having what is called a policy sprint focusing on the north-east, which is bringing not just the Arts Council, Historic England and the Destination Management Organisation together—it is a slightly silly name, but it does at least show the urgency with which we are taking it—that will have lessons that have applications across Government.

When we are looking at specific areas of policy, not just in my brief but across DCMS, we do that working with all of our arm's length bodies because we know that all of them have a role to play.

Q244 **Chair:** I can detect from that that there seems to be no overarching push for levelling up across the Department in getting the organisations together with this remit in mind, putting them in a room and saying, "What are you doing, X, Y and Z?" You seem to be relying upon other means of doing that. For example, you talk about the visitor economy, almost piggybacking on other areas. What are you specifically doing there?

Lord Parkinson: I think you are focusing disproportionately on the Arts Council's priority places and the levelling up for culture priority places. They are a means to make sure that the Arts Council funding through the next national portfolio is spent more equitably around the country. That has a particular application to Arts Council England. Those priority areas are very deliberately focused on the Arts Council, but when we are talking about levelling up in tourism, the arts, all the areas that DCMS is responsible for, we engage all of our arm's length bodies. In the cultural education plan, when we are talking about levelling up opportunities in schools, we are involving Historic England, the Arts Council, the BFI and others, because we know that they all have a role to play in it and we want to make sure that they are plugged in.

We are doing that joined-up working but the levelling up for cultural priority places is very specific to the Arts Council.

Q245 **Chair:** It is a truism in Parliament that whenever we have the Arts Council England in front of the Committee, the Royal Opera House and other parts of the opera infrastructure are mentioned because of the staggering nature with which they swallow up the funds of Arts Council England. I think £165 million is the annual spend and I believe the spend over four years for the Royal Opera House and ENO is £145 million, so nearly a quarter of all the total spend in London goes on those two institutions alone. I think you would agree with me that perhaps two of the biggest ones, which is the National Theatre and the South Bank, probably bring in more to the UK economy and also to the London domestic economy than those two.

Do you think that, as Clive has noted and it is a solid point, when we have in some boroughs in London a 10-year life expectancy difference between some roads almost next to others—a genuine recognition among



most people who understand the capital that there is serious deprivation in many parts—that the overemphasis on these elitist institutions skews the figures entirely for the capital and makes it seem as if they are awash with cash, when they are not in areas such as Clive is focusing on? The problem with that is that when you decide to move money out of London to the regions you end up disproportionately damaging further those very communities in London that are suffering deprivation at least as bad if not worse than many of the areas you are focusing on.

Lord Parkinson: Levelling up is not about any particular institution or art form or any part of the country. As part of our discussions with ACE, and the strategic directions we have given them, we have also asked them to level up within London. There are no national portfolio organisations in Mr Efford’s constituency, nor are there any in Dr Huq’s, the other London member of this Committee. We want to make sure that Arts Council funding is equitably spread throughout all the capital.

The Arts Council has been doing that. Some of its existing priority places are outer London boroughs or London boroughs that have not historically had as much investment as others. But separately from that, London sees £21 per capita of investment through Arts Council England’s national portfolio compared to £6 per capita in the rest of the country, so we want to close that.

Q246 **Chair:** You are relying on a figure that is massively skewed by these two institutions in the centre of town, in the way that they are frequented. If you want to buy a ticket, particularly to the Royal Opera House, less the English National Opera, you are paying over £100. This Committee visited, and it is the most salubrious cultural organisation I think I have ever visited in my life. How is levelling up London justified when you think about £16 million being moved out from Arts Council England from London? How is that levelling up London by moving money out?

Lord Parkinson: We have asked the Arts Council to make sure that it is spread more fairly across London so that it is not just going to existing large organisations but that it is reflecting all of London’s 32 boroughs. But because of the egregious difference in per capita funding, which has been the case historically for many years, we want to make sure that taxpayer subsidy to the arts, which comes from taxpayers across the country, is seen and enjoyed more equitably around the country.

Dr Henley gave the example of a London-based organisation that has moved to Mr Green’s constituency. We are encouraging organisations for whom that is right to do that because they then can bring job opportunities. They can bring arts more directly to the doorstep of people who can enjoy them. We are encouraging that where it is right, but we also know London is our nation’s capital. There is a levelling up story for prominent and successful world-class institutions like the Royal Opera House, the Royal National Theatre and others, to encourage playwrights, actors and audiences from all over the country to come and perform on that national stage and to enjoy what is being performed.



I was pleased to see “The Pitmen Painters” by a north-east playwright on the stage of the National Theatre. It brought it to a larger audience. It then toured around the country. It was taken to cinemas through NT Live. So we are asking the large organisations to do more in their outreach. They already do a great deal of it but if you are a national organisation based in the nation’s capital then it is right that you are expected, not just by the Government but by the taxpayer, to show that through national working.

Q247 **Clive Efford:** I want to follow up on that. I have done some rough figures, and I may have misled the Chair. I think it was about 8% of London’s annual spend that goes to the ENO and the Royal Opera House alone, between 8% and 9%, but if you add in the South Bank and National Theatre, which you just accepted are national organisations, that goes up to nearly 20% of London’s fund. What is egregious is to add those into London spend because that is national spend, isn’t it? They should be separated out before you calculate a figure for London, when you are throwing a net around London to say South Bank, National Theatre, ENO, ROH are all in London, therefore that is the per capita spend for London, when that is not the case.

Lord Parkinson: That is why we have asked the Arts Council to make sure that London spending is spent fairly across the 32 boroughs. We are not singling out any particular organisation, but even taking some examples and accounting for them, London gets now and historically has more per capita than the rest of the country. We are closing that gap somewhat while reflecting the fact that London is our nation’s capital and will be the home to many national institutions and stages.

Q248 **Clive Efford:** With £16 million being taken away from London, surely the Government should be looking at those big organisations that I have named and their capacity to generate income whereas smaller organisations and local cultural organisations do not have that capacity. You must be looking at, for instance, the Royal Opera House, to be able to make more of its own money. I think the nearest comparison we would put to the Royal Opera House is probably the Albert Hall. It gets no public funding and runs its own operation very successfully and probably contributes as much to London’s culture as the Royal Opera House.

Lord Parkinson: The decision is obviously made by the Arts Council, and they are undergoing that process at the moment. They will decide which institutions get what based on the applications they make and the strengths of those applications through the national portfolio. But the general point you make about the cultural ecosystem of London, the access to philanthropy, the commercial opportunities, they are strong for lots of organisations, particularly organisations that are long-standing and successful. In general terms, yes, we are encouraging organisations that are able to do more in commercial income or private philanthropy, to do it so that we can make sure that the taxpayer subsidies through the national portfolio is benefiting organisations for whom that will make a great deal.



HOUSE OF COMMONS

A smaller amount of money will go a long way for a new NPO who may only be in the portfolio for one round or two rounds. If that then gives them a bit of prestige, a bit of opportunity to increase their wherewithal, the resources they can devote to commercial opportunities, to philanthropic fundraising, they are able to leverage the subsidy that they get from the taxpayer and benefit over the longer term.

Q249 Clive Efford: From that we can deduce that of the £16 million that is being taken out of London—that levelling down money—a greater proportion will be coming from those big organisations that have the capacity you have just spoken about?

Lord Parkinson: The decision will be taken by the Arts Council who have always taken these decisions.

Clive Efford: Levelling down is your decision; it is a political decision.

Lord Parkinson: It is not levelling down; it is addressing an egregious imbalance in per capita funding between London and the rest of the country, while also asking the Arts Council to make sure that the funding that goes to London is spread fairly among the 32 boroughs.

Chair: That concludes the session. Lord Parkinson, thank you very much.