

Culture, Media and Sport Committee

Oral evidence: Review of Arts Council England, HC 1764

Tuesday 21 April 2026

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Members present: Dame Caroline Dinenage (Chair); Mr Bayo Alaba; Vicky Foxcroft; Damian Hinds; Dr Rupa Huq; Natasha Irons; Jo Platt; Jeff Smith.

Questions 43 - 120

Witnesses

I: Darren Henley CBE, Chief Executive, Arts Council England; and Sir Nicholas Serota, Chair, Arts Council England.



Examination of witnesses

Witnesses: Darren Henley and Sir Nicholas Serota.

Q43 **Chair:** Welcome to this meeting of the Culture, Media and Sport Committee. Today we are taking further evidence on Baroness Hodge's review of the Arts Council England. Having heard before Easter from Baroness Hodge herself, we now turn our attention to how the Arts Council responded. Joining us today are Darren Henley CBE, the chief executive of Arts Council England, and Sir Nicholas Serota, the chair of Arts Council England. A huge welcome to both of you. Thank you very much for joining us. Before we begin, do any Members have interests that they need to declare? No, I did not think so.

I will start off the questioning, gentlemen. The Arts Council has accepted all the recommendations of the Hodge review. How challenging will it be for you to deliver what is being asked of you by the review and the Government response to it, Darren?

Darren Henley: We are really grateful to Baroness Hodge for the work that she put into the review, and to all the people across the country, whether they be individual artists, arts organisations, museums or libraries, who contributed to it.

We wanted to listen and learn and, as you can see, our response has a very detailed timetable of what we are going to do early on. I am not saying it will be easy, but we are absolutely determined to make those changes. We want to make sure that we are an organisation that is easy to work with and apply to, where you will see a real difference. That is why we set out in the review, year one, those five areas: a new strategic framework, a new national portfolio process, a new service for individuals, a new online platform and a renewed focus on growing more money into the sector. Those are the five things, and we have a detailed plan for each of those. I am not saying it will be easy but we are absolutely determined; I am really determined for the whole organisation that we are going to do that, in the service of the sector that we work with.

Q44 **Chair:** Did you have to accept all the recommendations, on the basis that the Government had?

Darren Henley: No. We looked very hard at them. Baroness Hodge made the recommendations because she talked to the sector. In many cases, they were things we were keen to see. For example, she recommended having a trading arm, and things like that, and we are really keen to do them. I think anybody leading a public sector organisation in public service has to look at our customers—the people we serve. It is important that they have a voice and I really welcome that. As I say, it will not be easy, and it will mean change, but I am really determined that we will deliver this. If you invite me back in a year's time, I want to be able to show you all the things that we have done and the changes we have made.



Q45 **Chair:** Okay. Sir Nicholas?

Sir Nicholas Serota: Can I just add a couple of points, Dame Caroline? First, the national council really welcomes the report. Darren has spoken, in a way, for the national council, but also for the executive. I just want to make it quite clear that there was no resistance to the recommendations from the point of view of the national council. There are recommendations in which Baroness Hodge suggested we should do further exploration, research or consultation, for instance on the museum strategy. We will undertake that, but they will come after the priority items that Darren named.

Q46 **Chair:** Were there parts of the review that were particularly difficult to hear, uncomfortable to accept, or that particularly surprised you?

Sir Nicholas Serota: I think there was universal support for the idea of an Arts Council. That was very positive, and it was not a foregone conclusion by any means. Of course, it was painful for us to hear that some parts of the sector felt less confidence in the Arts Council than they would have wished—that they trusted us a little less. We know those parts. In circumstances where funding has been at a standstill for 15 years or more and there are enormous cost pressures within the sector, it is not surprising that people feel the strain and would like us to help to resolve it. We cannot always do so, because we do not necessarily have the funds, as Baroness Hodge points out.

Q47 **Chair:** Darren, was there anything in Baroness Hodge's report that particularly surprised you?

Darren Henley: I think we spend a lot of our time talking to the sector. One thing I reflect on, doing this job, is that I deal with a lot of people who are very passionate about individual passions. It might be a particular art form or, within a particular art form, a genre. It could be a certain company, let alone all the other companies, or a certain place or geography. When you look at the Arts Council in its totality, all those people will have a view. We have to balance that. I am very keen to make sure I respect all their passions equally and that we do not have a hierarchy of people, places or art forms within the Arts Council. That can sometimes mean we have difficult conversations with people, and I suppose sometimes they will reflect back on that. It does not surprise me, but I think there is some granularity in there, which is really useful. That is what we are trying to respond to at the moment.

Q48 **Chair:** Baroness Hodge didn't pull her punches, did she? She told us that there had been a loss of confidence in Arts Council England. She described you as bureaucratic and slow. Darren, are you bureaucratic and slow?

Darren Henley: I think what we heard was that the central part of what we do was valued by people. One thing that we heard very clearly was around how we ask people to fill in forms—how they apply to us, and the monitoring that we do. We have really taken that on board, so already we are seeing differences. If you are one of our national portfolio



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organisations under £1 million, for example, the monitoring for the current financial year has now changed. There will be a lot less. I know it is an easy line, but we really are focused on less paperwork and more cultural and art work. That is important.

Q49 **Chair:** Do you think that if we were to do this again in a year's time we would see a visible difference?

Darren Henley: Absolutely.

Chair: Interesting. Thank you.

Q50 **Natasha Irons:** Thanks for coming. Beyond reaffirming the arm's length principle, what concrete safeguards now exist to prevent political direction from influencing decisions?

Sir Nicholas Serota: The principal safeguard is commitment on the part of both Government and the national council to have a national council with expertise, geographic representation and an understanding of the sector, and that is prepared to voice and bring forward, as a result of that knowledge, a position that may or may not line up precisely with that of Government. I think, in my observation over many years, the arts sector flourishes when we can get an alignment between the objectives of the sector and of the Government.

Baroness Hodge's report helps us to define how those two roles—the role of Government and that of the Arts Council—can work together. We have seen it, I think, in the recent announcement following the spending review, where the Government were able to find, for the first time in many years, a really substantial capital commitment. It was originally intended to be for one year, but it is now extended to three years. We are seeing a positive and constructive response from the sector, which I think will result in a significant improvement in the capital stock in this country.

Darren Henley: I would just say that for me, personally, and for us as an organisation, artists' ability to create work free from any political intervention—as long as the work is legal and not breaking the laws of the land—is really important. We will always defend that right. Artists and creative people have had the ability to ask questions that are difficult. Sometimes, if you go through the history of art, you can find moments where they said things that were unacceptable at one time, but that became quite commonplace decades later. It is really important that they do that. We are very strong on that.

Q51 **Natasha Irons:** Just to tease that out a little bit, what does that mean, practically? I appreciate the aspiration, and of course you are absolutely right. Artists are our moral compass sometimes, and push us in ways that we would not necessarily think, in places like this. In what concrete things in your processes or how you work do you have that safeguard?

Darren Henley: There will be a set of terms and conditions when we make funding agreements. One thing we are clear on is that we will not stop people doing work. I see us, as an organisation, as an enabler. We



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are not telling people what to make. At no point, whether you are an individual artist or the artistic director of a theatre, do we tell you what to put on the stage. They are the people who do that. We create the funding environment for them to be able to work on it. I should say that, in the time I have been doing this job, working for two different Governments, at no time did any Minister ever instruct us to fund or unfund an organisation. That is absolutely clear: there has not been any political intervention in that, and we would absolutely not countenance it. That is part of the importance of the creative process. I talk to organisations like ours around the world, and they really see that as something very special here.

Q52 **Natasha Irons:** How would those safeguards, then, have altered the handling of the ENO case?

Darren Henley: With English National Opera, it was not an instruction to defund, unfund or change one particular organisation. We were instructed by the then Secretary of State, as Secretaries of State from all parties can do, to set the general policy direction. We had a policy direction, then, to move money outside London. When you looked at the maths of what we invested in London, it meant that one of our larger organisations would almost certainly have to move. In the letter from the then Secretary of State published on our website in February 2022, there were six pages of instructions making it very clear what we had to do. In London, she also asked us to change the diversity of what we were funding, and geographical spread. When we looked at the maths we needed to move an organisation outside London.

English National Opera is still funded by us, with £12.8 million a year. It is doing some really brilliant work in Manchester. I saw "Albert Herring" in Salford and "Così Fan Tutte" in Bridgewater Hall, and it has an amazing new opera, "Angel's Bone", coming up in Aviva Studios. It is doing some really good work, there, but it is also here in London and we have just announced £1.6 million for English National Opera for the Coliseum, as part of capital investment. It is an important thing. What did not happen was anyone saying, "You need to have these organisations, X, Y or Z, that you should or should not fund."

Sir Nicholas Serota: I just repeat, in a way, that while there was an overall strategic instruction, there was no interference and no involvement on the part of Government or political figures in relation to the specific grants that were being made.

Q53 **Natasha Irons:** An *Arts Professional* report by journalist Neil Puffett suggested that ministerial involvement influenced the timing of the national portfolio extension. Do you accept the concerns that this decision raised about the Arts Council's independence?

Darren Henley: We spend public money. We are an arm's length body of the Department for Culture, Media and Sport. All our budgets come through from the Department, whether they are grants in aid or the national lottery. There are always conversations about timings. In the



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current round we were, obviously, undergoing a review, so there was a delay. I think it was sensible for us to see the ending of that review before future decisions were made. That happened, and we are now in a position where, very quickly in this current financial year, we will be able to announce a new NPO.

Sir Nicholas Serota: I think within the sector there is generally a belief that a five-year rather than a three-year period of commitment will be beneficial from the point of view of planning. When we looked at the position in relation to the current year, it seemed to us sensible, especially, as Darren has said, in relation to getting the outcome of the Hodge review, to delay for a year. I think our view was very similar to that of Government.

Q54 **Chair:** You have come under fire a number of times in recent years, and in particular with the ENO and the Nadine Dorries period of leadership, over how the Arts Council was effectively the DCMS whipping boy, in some senses. Do you ever feel that too much pressure is placed on you by the Government Department?

Sir Nicholas Serota: I can honestly say I have not encountered any specific pressure in the time I have been chair of the Arts Council. There are obviously times when there are differences of perspective, but most of the difficulties have arisen in relation to shortage of funds rather than policy issues. As Baroness Hodge points out, the UK spends a smaller proportion of its GDP on supporting the arts than any European country other than Greece. Over the last 15 years and more—really since the financial crisis, and then through the pandemic, although there was an exceptional move on the Government's part during the pandemic, obviously—funding has not increased. That has meant enormous strain, at a time when actually the arts are thriving in this country. One of the pressures on us is the fact that there are more and more organisations that we would like to support, in parts of the country where we have not previously been able to place money because there were no organisations there. Now there are organisations there that we would want to support.

Q55 **Chair:** In that case, let me ask the question a different way. You support organisations in virtually every corner of the country, so you will have Members of Parliament representing projects that you support in virtually every constituency in England. Why, then, have you struggled to make the case to maintain your funding? If you are sufficiently making the case to all these constituency MPs for the value of what you do, and its importance to their areas, surely however-many hundreds of voices should be speaking up on your behalf to secure funding. Where do you think the failure is, then, to maintain funding and make the case for it?

Darren Henley: You are right. Many parliamentarians in this room constantly and rightly make the case for investment in their constituencies. We make the case to Government constantly. I would describe myself as being greedy for money to come into our sector. As Nick says, the reason for that is clear. More than at any time I have been doing this, we have more fundable propositions—more excellent work, in



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more places, that we could fund. We simply do not have the money to do it. That is heartbreaking for us, because the people who work for the Arts Council care passionately about the sectors we serve. We want to make more brilliant stuff happen.

We are doing it in the service of the sector, because it is important, but in the end it is about your constituents. It is about the people out there who can benefit from great art and culture in their lives. It is something that we do, but it is a relatively small part of Government spending. With those people who sit at the heart of making those decisions in government, given all the challenges that they have in how they spend from the public purse, it feels like sometimes arts and culture fall off the bottom. That is not something new or sudden. It has always been there. We have moments, and we had a really good moment in terms of capital a few weeks ago, which we were able to announce around the country, but we know that the capital needs of our sector are enormous, and we are scratching the surface.

Q56 **Damian Hinds:** I want to follow on from Natasha's line of questions, on the arm's length principle. I just wonder whether you think the greater danger of the arts being directed in a particular direction comes from Government or from what you might call a dominant ideology.

Darren Henley: When we step back and think about it, I think all art is in some ways political. Artists have stories to tell, and it is important that we see a breadth of stories. I am not particularly aware of a dominant ideology. I think in different art forms in different places we tell different stories in different ways.

Q57 **Damian Hinds:** Sometimes we call it culture—the dominant ideology. There are definitely themes that run through society, aren't there? You yourself, Darren, used the phrase earlier: you said there are some things that it is not acceptable to say today which may be acceptable tomorrow. That is a dominant ideology.

Darren Henley: I understand—sorry. I think artists do not live separately from society. They are part of it, so I think art is always going to reflect that. We encourage artists to be seen who are from different backgrounds, of different scale, in different communities, and serving different audiences.

To give an example from the music world—not an ideological example but just a structural one—I think it is really important that we have the Royal Opera House in the centre of our capital city, which is world-beating and able to compete. I also think it is important that we have a network of live grassroots music venues in small towns across the country. I do not see a hierarchy between the two. They both employ musicians, they both serve audiences and they both gain public funding. That is important. I hear what you are saying, but I would hope that, across the breadth of what we do, you will see everything served. That would certainly be our intention.

Q58 **Damian Hinds:** In a time when we sometimes worry about so-called



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cancel culture, do you see a responsibility for the Arts Council to make sure that a whole range of voices is heard? For things that, to use your phrase, may not be acceptable to say today but may become so—frankly, even things that do not become so, they are still somebody's view—where does the principle of freedom of expression fit into your mission?

Darren Henley: It has to be at the heart of it. It has to be totally there, because if it is not there you become censors. We are not there to be censors. The only breach would be illegality. We are not going to—

Q59 **Damian Hinds:** Hang on; you say if it is not there then we are censors. There are negative freedoms and positive freedoms, aren't there? You do not necessarily have to actually censor something to not nurture it, or to make it not possible. Sir Nicholas, I think you were going to speak.

Sir Nicholas Serota: I was just going to say that freedom of expression is absolutely fundamental. Individual companies and the boards take responsibility for what they put on stage or perform, or include in a show. The Arts Council does not seek to intervene. It seeks to ensure that a wide variety of views, and a full range of art and artists, is present in the culture.

Q60 **Damian Hinds:** Is that one of your published principles—your stated principles in your standard terms, for example?

Sir Nicholas Serota: Yes. It is absolutely standard in relation to our terms, but it is actually in the DNA of the organisation, and in its relationships with individual companies and individual artists.

Q61 **Damian Hinds:** Baroness Hodge, in her report, draws a distinction between excellence and access to excellence. Obviously the two things are related, but the strong suggestion in her work, and from her discussion with others, is that excellence itself has been downgraded over time in what the Arts Council seeks to support. Why do you think that has happened—or do you take issue with that finding?

Sir Nicholas Serota: First, I take issue. Secondly, more fundamentally, the Arts Council has always been about both access and excellence. It was founded in 1946 by John Maynard Keynes, precisely to bring great productions to people across the country and to support the growth of organisations across the country that brought the arts into towns, villages and cities, where people actually live. The two are not fighting one another. We want access to the best everywhere.

Q62 **Damian Hinds:** I do not think it is something that Baroness Hodge made up. She reports having heard from a lot of people through the arts world that it is the case. Why do you think, if it is in your DNA, and it is something that John Maynard Keynes wanted to do from the start, that these conclusions were reached?

Darren Henley: Excellence does not have one definition. It can be looked at from the point of the view of the audience, and what is available to people in different parts of the country. I do not think it is any one art form. I really do not see a hierarchy of excellence. The



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gateway for our funding should be that work should be excellent. That should be a given. For me, what the Arts Council does is to invest in excellent work at all scales, in all geographies, across all art forms. It does it for everybody and everywhere. I think that excellence for everybody everywhere is very much at the heart of what we do.

The interesting thing is that, if you look at what we talk about, we maybe did not use the word “excellence”. We used “high-quality work” and “ambition”. It is really interesting how words can be talked about. I have learned a lot in the last few years about labels, which can be either bridges or barriers. We are certainly not in any way trying to dial down the excellence. It absolutely has to be there, but different people will want different art forms, and, even within those art forms, they will want a different version of it. One of the members of our London area council talks about excellence from the point of view of the audience member. I think that is an interesting thing for us all to hold on to.

Q63 **Damian Hinds:** You have a new strategy, or framework, I think, due in the next month or so. We understand it is going to be simpler and less prescriptive, with less bureaucracy and so on. In terms of supporting freedom of expression and the pursuit of excellence—the two things I have just been asking about—will that new framework be any different from what has existed?

Darren Henley: Yes, it will be a lot shorter and a lot clearer, and I can assure you that both excellence and freedom of expression will still be clearly in there.

Q64 **Chair:** Thank you very much. I want to carry on talking about the new process, which you said will be much simpler. How will that look? What will the noticeable difference be in that process?

Darren Henley: The first thing at the front end will be that we will design it with the sector. With everything we do, we want to make sure we work with people on the design.

There will be far less paperwork. We want to move to a position where we use technology as much as we can to ensure that people do not spend as much time doing things. We will ask them for less. We heard very clearly that people wanted to be able to tell us how their work was unique and different, and to tell us that story. We hear that. We will also ask them to fill in far fewer boxes and do far fewer things. We are designing that now, literally. Obviously, we saw Baroness Hodge’s report only at the end of last year, but we will be coming out with the plans for that in June. We will open the guidance for that in September and people will be able to apply at the back end of the year. Announcements will be made in summer next year. Money will be going into people’s bank accounts in April 2028.

Sir Nicholas Serota: I just add that, in previous rounds, we asked organisations to give us detailed activity plans for the next three years. We are not going to do that this time. We will invite them to tell us their ambitions and intentions, in general, but not in specific terms of



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productions that will be available. Once we have decided that we will fund an organisation for a three or five-year period, we will ask then for a more detailed activity plan, so that they produce that in the knowledge that they will receive funding, rather than speculatively.

Q65 Chair: Okay. You spoke, earlier, Darren, about the capital funding that was announced in April. Part of that is the Creative Foundations Fund. We have heard that about 90% of that money went to organisations already funded by the Arts Council. Do you think that the Arts Council struggles to reach beyond its existing funding relationships? Is that a problem?

Darren Henley: I think it is something we strive to do all the time. One of our learnings after the Culture Recovery Fund was the number of people who came in post covid who we had not had a funding relationship with before. Many of those are now in our portfolio. In talking about funding decisions, it is easy to forget that we brought 275 new organisations into the last portfolio. I know there is a lot of noise about one particular company in London, but those were 275 organisations across the country, with very different backgrounds and profiles of leadership. We are absolutely keen to reach out in that way.

With this current fund, there were no funding criteria that meant that if you were an existing national portfolio organisation you would gain funding. It was incredibly heavily fought and we could have funded many times over. The good news is that the Government have now given us four years of funding, so there will be new rounds, and we are really keen to work with people. One thing we are doing with the new rounds is to have a greater level of advice. Now we know it is there, we will have an advice service for people to make sure that they can put the best possible applications in. Hopefully, that will help some people who are currently outside our existing funding relationships.

Q66 Chair: Do you think that enough organisations outside your existing relationships know that the money is there? Is there work ongoing to ensure that you can genuinely open up access to organisations that are outside your portfolio because they know it is happening? During the pandemic when I was Culture Minister and we were dishing out the Culture Recovery Fund, a Member of Parliament stood up in the Chamber and complained that there had been no Culture Recovery Fund money in his constituency. I got the team to look at how many applications we had had from his constituency, and we had not had any. People can get money only if they are aware that something is ongoing, and they apply for it. How are you going to tackle that?

Darren Henley: As a development agency we have teams across the country. In many constituencies we are now for the first time funding people whom maybe, five or 10 years ago, we were not. That is part of that role. Working in partnership is really important. We have limited resources and a limited number of people, but we can amplify what we do by working in those partnerships. We are keen always to talk to new people. We have something coming up in Southend where Members of Parliament invite us along and do constituency funding events, where we



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can talk to people. That is a brilliant way. We are really keen to work with local authorities and partners on the ground to do that.

I should say the money is finite and, of course, new people are coming in. We do not have more money, but that is not a reason not to do it. We felt very strongly about that with the last national portfolio round. It was important to bring in those 275 new organisations. We had a choice: we could have stayed there and said, "Let's keep going with the status quo." That is not in any way to disrespect or undervalue the people we already fund, but we have to make sure we are doing our best to take public money—taxpayers and national lottery players' money—and invest it for everybody wherever they are and whoever they are across the country. For us not to have tried to do that to a greater extent would have been inexcusable.

Q67 Chair: When new ones come in, inevitably some others will have to be removed from the process. When you had the 275 new ones, do you know how many then exited the national portfolio process?

Darren Henley: I can get you that number. You are absolutely right; there are people who will leave.

Sir Nicholas Serota: I think something like 80 organisations left the portfolio at that particular moment, for a variety of reasons. Some simply did not put in an application because they decided they were not going to continue in business or did not wish to have Arts Council funding for one reason or another. The number is about 80.

Q68 Chair: One thing Baroness Hodge highlighted in her report was the harm caused if an organisation was cut without enough warning. Do you recognise that? Is there something you can do to avoid repeating that?

Sir Nicholas Serota: There is a moment when you have to inform an organisation that it will not receive funding. We are necessarily in a position where we cannot share that with them ahead of all the other announcements, but on those occasions when money has been withdrawn, or not continued, we have given notice. I think that last time we gave nine months' notice. We will always construct matters in a way that gives people nine months' or, ideally, 12 months' notice.

Darren Henley: In fact, we made the cash up to 12 months last time. This is a really interesting thing. I absolutely understand why you ask the question because it is really tough for those organisations. At the same time, if I went to a different Committee here, say, the Public Accounts Committee, and said, "We're just going to give a series of blank cheques," I would be fairly criticised as a custodian of public money, so we have to balance that. We are absolutely on the side of our sector and audiences, but we are custodians of public money and it is that balance. As to how long, we have got to the stage where everybody will get 12 months' money and we feel that is fair. I understand and respect that everybody who applies to us believes passionately in what they do and that they should be funded. It is really hard. We are always going to make those decisions. That is what we are paid to do and what we are



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here for, but we do it with a series of very clearly published criteria and make it as fair as we possibly can. It is about making sure that process is as transparent and easy to understand as possible. It is worth saying that every decision we make is potentially judicially reviewable. There were no judicial reviews after our last funding round. People may not have agreed with everything, but the process was fair and well run.

Q69 Jeff Smith: I have a couple of further questions on funding. Baroness Hodge proposed that commercially successful work supported by public subsidy could contribute by being recycled back into the system. I think you accepted that in principle. Some of the sector bodies, particularly in theatre, have warned that that can deter risk taking and innovation. I wonder how you respond to those worries.

Darren Henley: It is important that we think of new ways of doing things. One question we have, given limited public funding, is how we take the money we have and invest it in a way that can be self-perpetuating. We are interested in where we can do that. It needs to be additive, if you like, and not take away. I hear what the sector bodies are saying—as you would imagine, they have said it very loudly to us—and we need to work through the detail. Rather than imposing things on people, we want to work with them to think about how it might work. There may be different variations of that. I think the principle of our being able to invest like a theatre producer and have some money back, not for the Arts Council but then we can recycle that money back into the sector, is a positive one. We have talked about creative risk and creativity. Some of the things we might be able to invest in might not be quite so commercial at the start but end up being commercial, and it is really interesting if we can help those grow.

Q70 Jeff Smith: You are looking at how it might work in practice. What can you tell us about how that principle might be workable in practice, and what conditions you might put on a grant?

Darren Henley: One thing we have with our new touring model, Incentivising Touring, which we developed with the sector, is to take some of those mid-scale productions around the country. If you watch “Barnum” or “Operation Mincemeat”, which are touring at the moment, they are things in which we have invested. Those are essentially repayable grants. It is not something that is guaranteed. Often, organisations are getting grants for something else. To help these tours happen and de-risk them, and to make sure they can happen, we have that, too. Those sorts of things are there. We are interested in different financial models. One thing Baroness Hodge recommended, which we really welcome, is for us to be able to set up a trading company. Under our current royal charter we cannot do that. We need to make that change. How we can do things differently could be quite exciting, but we will work with those in the sector. We are not here to make it more difficult for them; we are not here to punish them. This is about helping them to do more, so we will keep talking to them.

Q71 Jeff Smith: I think you have this report on strategy coming out in May.



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Will you be far enough advanced in your thinking by then to have some detail in that?

Darren Henley: With the touring service and those financial instruments, we will be working over the next calendar year to do that. I would expect that by the start of the next financial year we will have some things in place to do that. That would be our intention.

Q72 Jeff Smith: Baroness Hodge talked about philanthropy and increasing funding through that means. As you place greater emphasis on that, how will you prevent it from benefiting just the big-ticket, famous and well-connected organisations?

Sir Nicholas Serota: We are committed to seeing philanthropy increase not just in London but across the country. Many of the organisations we support have had quite considerable success locally in building members' groups and incentivising people to support organisations, and we need to find ways of encouraging that further. Baroness Hodge makes a proposal about gift aid. That is something we will want to discuss with Treasury and see whether there are ways in which there might be some regional bias brought in in relation to gift aid. That is a proposal she made. We are considering it and will discuss it with Treasury.

Q73 Vicky Foxcroft: The review places significant weight on touring as a core way of delivering access to excellence. How confident are you that ACE's current and planned support for touring is sufficient, given rising costs and shrinking touring capacity?

Darren Henley: That is absolutely right. The challenge on touring is great—we should not underestimate it—in terms of transport costs and building things. We are very aware of how the costs for actors and performers in terms of their digs and things like that around the country have risen. We are really aware of that. We need to work out how we can increase the usefulness of the money we can invest in this. I am interested in whether there are further tax breaks we can talk to Treasury about. These have been extremely successful. We are interested to make sure that they are structured in a better way. It may not even be more money, but, for example, just the time it takes for HMRC to give money back in terms of cash flow to organisations and things like that. These are things we hear and we advocate to Government for. I am always really interested in those ideas. Again, we work with people.

You are absolutely right: it is a big challenge because of the duality of taking excellent work and bringing it to people close to where they live, but also making that work in the places where they live. We want to make those two things happen. They are both really important to us.

Sir Nicholas Serota: You will be aware that we published a report two weeks ago on touring and our concerns about that area. As a result of that, we will prioritise innovation. We want to see new writing and new work appearing on the touring circuit as well as, as it were, established standards. We want to encourage organisations to look for ways in which having a success can then tour. We saw that, for example, with "The



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Crucible” production that came to London and is now going elsewhere into the West End. We want to try to ensure that a pipeline of talent is grown outside London that can feed into touring productions.

Q74 Vicky Foxcroft: We heard that touring tax relief would have the most immediate impact. You referred to speaking to the Treasury about other different kinds of tax breaks or incentives. What role do you see ACE playing in shaping the case for that tax relief?

Darren Henley: We have a team that works very closely with DCMS and Treasury all the time on creating business cases and working through scenarios. We do that fairly constantly. To give you an example, I believe quite passionately that tax relief on investment in children, young people and skills would be really beneficial across the piece. That would benefit all our organisations. Again, we work to structure some of those ideas. As you know, it is not in our gift, but we will continue to advocate for them. We also do a lot of work to make sure that our organisations know about this and are fully claiming back the money they can. We give a lot of advice to smaller organisations. Every one of those organisations in our portfolio will have a relationship manager who is working with them to do that, but we also offer that advice to other people.

Q75 Vicky Foxcroft: Why is the new touring service not beginning until 2027 with all the challenges we currently have?

Darren Henley: We cannot do everything instantaneously, but already Incentivising Touring is happening and it will be phased in. We are doing more and more work there. We want to build and design something with people. The response to Incentivising Touring has been very strong. We did that with the sector, with input from people we fund but also parts of the commercial sector. You will see a difference, but we also do not want to over-promise and put in something in too short a timeframe. To reassure you, it is not that nothing will happen; we will be ramping it up at that point.

Sir Nicholas Serota: The third round of Incentivising Touring comes in this June, which is a further £2 million investment. It is not a lot, but certainly significant. The Incentivising Touring fund, which we established with an overall figure of £5 million—£3 million of which is committed and £2 million to come—as Darren said, was devised with the sector and has been welcomed by it. It represents a way forward rather than obviously the completion of a task.

Q76 Chair: If the Government do not agree that tax relief is an important part of this equation, how can they say they have accepted all the recommendations of the Hodge report?

Darren Henley: It will be for Government to work out the detail of that. Certainly in our conversations, Ministers within DCMS are very supportive of tax reliefs. We have had conversations with them. I cannot speak for them, clearly, but certainly there has not been ministerial pushback on this.



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Q77 **Chair:** It is supported by DCMS, but not necessarily by the Government—I mean by No. 10.

Darren Henley: I have not had those conversations. That is above my pay grade, so I would talk to DCMS.

Q78 **Chair:** Who will champion this, and whose responsibility is it? Is it your responsibility to champion this?

Darren Henley: We will champion it, but we would hope that within the normal spending processes the ministerial teams will then work on that.

Sir Nicholas Serota: We will both champion and support it by providing information, argument and making the case ourselves directly to Treasury where we have the opportunity.

Q79 **Damian Hinds:** More on tax: obviously you are an important cultural organisation and have an important role in promoting access to culture. In discussions with your sponsoring Department, do you talk about your role in economic growth, employment and export earnings?

Darren Henley: Yes, definitely. It is really important. I think a lot about the dividends of taking that initial public investment. In no way does this degrade the fact that we are about art and creativity, but there are all sorts of benefits. There are economic benefits. We know that in places we are a big employer. I mentioned earlier the Royal Opera House. It is a creative industry employer in the centre of London with 1,000 staff on the books all the time and 1,250 freelancers who come in and out across a year. Within small towns around the country, we are now starting to see artists clustering.

There are some really interesting things where artistic communities come together. They can change a place. They can have a good economic benefit on that place by changing how it looks and feels. You will know that we have always been absolutely dead set on every young person having a rich cultural life in terms of education and the ability for people to study creative subjects to go through and work not just in our industries but right across the piece in all sorts of things. That is a really important part of being educators of human beings. We make those cases all the time.

On the international stage, as you rightly say, we probably punch above our weight across many different sectors, whether that be literature, film and television, theatre and certainly music. We make that case all the time. We have a very vibrant international art sector. All these things are part of that case and we build that all the time. We also want to make sure we collect the data that shows that. I spend a lot of time thinking about how we can do things that are Treasury Green Book compliant. I am very interested in subjective wellbeing; it sits there in the Green Book and is a reason for Governments to invest. I believe very strongly that arts and culture as an activity, but also as an audience member, is a really strong driver for our collective wellbeing and happiness. There is a



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good reason around that. There is an economic reason as well as a moral one.

Q80 **Damian Hinds:** I was going to ask more about tax. I want to come on to the so-called visitor levy or bed tax. This might also fall into the bracket of something that was in the Hodge report. Notwithstanding that you said you agree with all the recommendations of that report, I am not sure you have explicitly endorsed the idea of a bed tax. Do you acknowledge the risk that we might end up with the worst of both worlds? A tax comes in, whether it be on domestic or international stays, but it makes the UK less competitive. If you stack up total visa costs, tax costs and so on, the UK is already very expensive compared with most other places. If you get a bed tax, it makes the country less competitive for international visitors, but you end up getting no more money.

Darren Henley: This is particularly interesting in certain places where it has been championed. Certainly, when we talk to many of our organisations, they believe this will be a very positive thing.

Q81 **Damian Hinds:** That is because they think they are all going to get some of the financial benefits.

Darren Henley: Yes.

Q82 **Damian Hinds:** I am sorry; I should not interrupt.

Darren Henley: Not at all. I think they do. Let us take London as an example, because we know it well. One of the principal reasons people come to London is its rich cultural heritage. We talked a lot about performance arts here, but we also look after museums and libraries. Our museums sector is an important part of that. I think you could make the case for the value. This is about long-term investment in those organisations. Just as we were talking about recycling some of that with touring, I think there is a case to be made for that. It would have to be looked at carefully, but I believe very passionately that, taking the London example again, our organisations here make a massive difference and they are what makes Britain great.

Q83 **Chair:** Another thing mentioned in the report is charging international visitors to enter museums. What is your view of those proposals?

Sir Nicholas Serota: That was a proposal Baroness Hodge put in as something to consider in the long term. It would in some sense work against the principle of possibly also introducing a hotel levy. I am not sure you could do both. Her proposal was that it should be attached to the national museums. Obviously, the Arts Council does not have responsibility for the national museums; the trustees as individual bodies would make that determination, but in so far as we can assist in providing information on likely outcomes and so on, we will be very happy to do that.

Q84 **Chair:** These big national museums started out with the foundation principle that they were free to everybody. How does it make you feel that they could potentially be undermining that principle of free access?



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Sir Nicholas Serota: I do not think the Arts Council has a position on that. For many years I was director of an institution that maintained that principle and fought hard to retain it in the late 1980s when others had decided to introduce charges. It was a Labour Government that made funding available so that certain national museums that had introduced charges were able to remove them. My personal position is unchanged in respect of free admission to national museums.

Chair: That is very helpful.

Q85 **Dr Huq:** It is good to see you chaps, and thank you for the national portfolio funding for Gunnersbury Park Museum. I know that Pitzhanger Manor, a stately home and art gallery, will be putting in for that later this year. I hope you can look kindly on that, too, but I think this is part of the problem.

Sir Nicholas Serota: Given that plea, perhaps I should declare that in the autumn I was speaking at Pitzhanger Museum about a particular exhibition. I do not want anyone to assume that, because I did that and you made a plea today, there is a special grant available to Pitzhanger. It is a fabulous institution.

Q86 **Dr Huq:** I want to ask you about the giving of money to buildings, not people. The Hodge review concluded that Arts Council England's systems are designed around organisations, not people. I think that is something that you and the Government have both accepted. Why has this mismatch been allowed to persist for so long?

Darren Henley: Historically, we have been more of an organisation-focused body, and that changed a lot when covid came along. We are, quite rightly, a sector that has an awful lot of freelancers in it and that is what we rely on. They are the creative people who have the ideas that make the work. We are keen to lean into ways of making sure we support them, so your challenge is absolutely right. One of our five priorities this year is to develop a new individual service. What we do not have at the moment is more money. How can we take the money we do invest and make sure it works for the maximum number of people, and how can we then also provide a sort of wrap-around service to work with them? Rather than us sitting around a desk telling them what they ought to have, we are really working with freelancers to develop this. When the Government appoint the new freelance champion we will work very closely with them. We want to make sure that freelancers have as much investment as we possibly can give to them, but ease of access to us and ease of conversation with us is really important, too.

Q87 **Dr Huq:** The figures we have here show that the sector generates £124 billion a year. About a third are freelancers in the official figures, but it may be more because some people are not captured in the data. We heard that during covid, with 3.8 million taxpayers, there were suicides, people were sleeping in their cars, and it was heartbreaking. Realistically, how should the experience of a freelance artist change by the end of this year?



Sir Nicholas Serota: The principal change will be the fact that we have a portal, and a way of making applications that is more straightforward, less demanding and easier to use. As Darren said, within the current year we will not have more money. We are currently committing something like £14.4 million a year in grants to individuals to develop creative practice. We will look at that scheme. During the pandemic, we were able to find rather larger sums, something like three times that. That was a recognition of the fact that there were fewer organisations putting on productions and that individuals, including freelancers, needed support. We are currently in a position where about 20% of the applications are successful and 80% are not.

Q88 **Dr Huq:** Because they do not have an HR department, or a grant-writing person, which a bigger organisation does.

Sir Nicholas Serota: No, no, no. If I may say so, it is not to do with them not having an HR department; it is to do with the fact that we do not have enough money. We will strive to find ways to bring more money to individuals.

Darren Henley: We have not talked today about the national lottery. One of my hopes is that under the new national lottery provider we will see a growth in national lottery revenue. If that happens, these are the sorts of areas where we can take more money and invest it. That would be really important. That money, in terms of national lottery funds, is part of how we service and look after investment in individuals, but you are right to challenge us. We want to do more. It is not us saying we do not want to do more. It is another of those areas where we are seeing a large number of high-quality applications, but we just do not have the cash to fund them.

Q89 **Dr Huq:** There is a new APPG called BEAU concerned with broadcasting, entertainment and arts. Equity, the NUJ, the Writers' Guild and Bectu are all involved in it. It just seems that there is a running sore with this freelance issue—and AI, which is talked about in every session. You mentioned the freelance champion. How is Arts Council England feeding into that role and what the progress is there?

Darren Henley: That is a DCMS role, so we will wait to hear, but once that person is appointed we will work with them. We will look for a week-one meeting with them because they are crucial. They will be a route for us to work with them in Government and hopefully across Departments as well.

Q90 **Dr Huq:** Like the touring tax breaks you mentioned, would you be up for cultural tax reliefs of some kind and more business relief?

Darren Henley: I am always really interested. One of my hobbies as I go around the country on the train is to try to think of what tax breaks we can talk to Government about. How can we make people's lives better? That is because these are not just free passes; they are investments that the country makes in individuals and creative work that



is happening. It is a way of unlocking things. That is what is really interesting about tax breaks.

Q91 **Mr Alaba:** Good morning, gentlemen. On the back of Rupa's question on freelancers, I have employed and worked with tens and hundreds of freelancers over the years. Sir Nicholas, access is something you mentioned. Darren, you were speaking about artistic clusters. My question is around geography and resource. How do we support these clusters of freelancers? We know that is when they grow best. We know that those are one of the best ways for the creative cultures in various communities to grow. I suppose my question is: how do we support the local ecosystems of these creatives if access is a problem?

Darren Henley: There are two or three ways. One is that we have a convening power and we work with people. Local authorities remain very important partners for us across the country. Those local authorities continue to invest in cultural services, teams and people on the ground. They are really important and should be valued. I know how hard it is to make that decision with some of the challenges around local authority finance.

There are various things we can do. One of our programmes is about place partnerships, where we make an investment into a place that brings a group of organisations together. In some places that, frankly, should have had more and have not had it over a period of time, there is not necessarily always the infrastructure. Our Creative People and Places programme is a really good example of where we invest in the infrastructure. The important thing is that we are not putting something in to do it to the people there. You have to find a way of investing that allows the people in that place to unlock it. The beauty of when it works—is that you see individual creative practice.

When I go to places, I always say, "What do you want to be famous for? Help us as an investor in your place to understand what you want to be famous for, and we can then make that investment." In those places, one measure we can use in looking at it is to make the initial investment and then we can see how many national lottery project grants there are, and individual artists and small organisations over time making applications to us. As we start to cluster, as you rightly say, we see growth in the number of applications, and then they start to feed in and work together.

One thing about the new national portfolio is that, once we make those initial funding announcements, everybody then has a period of time when they all know what is happening in their place. How can they work together with the same amount of money? There might be some really interesting things where they can build on each other. Up until now, we have not had that. You just made your application and that was what we funded. We will work with them. We will announce the applications in June 2027. They will not start to be funded until April 2028, so in that interim period we will be able to work and bring people together. That is the sort of thing we will be encouraging them to do.



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Sir Nicholas Serota: I just add that there are local authorities across the country that have redundant property, and we have been talking with a number of them about the idea of providing workspace for artists. I vividly remember being in Brighton, meeting a young artist who said, "I don't want a grant from the Arts Council, but I do need help to have a space that is lit, has heating and decent light, then I can get on with my work. Could the Arts Council help in that way?" We have something called the Creative Land Trust, which was established about four or five years ago, that is acquiring property and making available space for artists and freelancers to work in and be based in.

Q92 **Jo Platt:** That was really good to hear with regard to space. Just to declare an interest as well, I was a recipient of Arts Council funding for the organisation that I work for, which created space for artists. My question goes back to local authorities and regional governance. Critics have said that places with the least capacity are often the least able to engage with Arts Council systems. How confident are you that your place-based approach will avoid amplifying the voices of areas that are already well resourced?

Darren Henley: Leigh Spinners Mill is a great example. It is also a great example of what you get when you bring artists together at all scales. Some of those people are having commercial hit records now, and others are education-based. There is a lot of heritage in the building as well. As Nick said, that is a great example of a mill that was essentially redundant and has now been brought back to life. That is really important. I am passionate about all those places. The most powerful thing that we can do is to make sure that everybody has a seat at the table and everybody's voice is heard. There is a moral reason for that. The people who end up running the country need to have all sorts of life stories, all sorts of geographies, all sorts of backgrounds and all sorts of creative experiences. That is the conversation that we are having in some of those places.

The Creative People and Places programme is a good example of this. We made investments in places where it was not there. It is a programme that we could scale. As with many of the things we are saying, the only limit to our ambition on this is the funding that we have and how we can make that go further. It is really important. It comes back to the sense that there is not a hierarchy of people in this country, or of organisations, or art forms. We talk to people in that place, and we say, "How can we invest with you? How can you be a much greater part of the decision making?" One thing that our current Secretary of State is extremely strong on when we talk to her is citizen voice and local decision making, and we will make sure that we reflect that so that it is not something that is being done to them by someone sitting behind a desk in London. That has to be an important part of what we do. Having nine offices around the country, 82% of my colleagues are based outside London, so we are representative. They live and work in the places we are talking about.

Sir Nicholas Serota: We established Creative People and Places 15 years ago. That was an attempt to try to make sure that high-quality



work could occur in communities that did not have the experience of making applications to the Arts Council. That is not something that we determine, but we can work with them. Similarly, when we established Priority Places in 2021, that was way ahead of others thinking about the notion of having priority places, the purpose of which was to ensure that those places got special attention from Arts Council staff and officers, and indeed the area councils, so that they would feel able to make the necessary applications.

Q93 Jo Platt: Going back to the regional boards, there is advice that the regional boards limit local authority and regional authority representation. Do you think that local authorities and regional authorities should have more say over funding decisions? How do you see your relationship with both going forward, seeing as the devolution voice is getting louder?

Darren Henley: A lot of it is about partnership. We deal with every local authority at every scale. It could be a very large mayoral combined authority city region. Also, in some parts of the south-west, we are working with town councils that are actually the biggest investors in culture in their place. We have that relationship with every single one of those, and that is really important. We want to make sure that there is a real representation of audiences, participants and visitors. That is important. It is also important that we have art form in this. We have expert practitioners, creators and makers across all the different art forms who are able to feed in. When the new NPO process comes out, those two things will definitely be part of it.

Q94 Jo Platt: Going back to Caroline's question, there are swathes of organisations, as we know, that do not know that funding exists. There is also a risk that existing funding recipients become the gatekeeper if they are part of these regional boards. If regional disparities persist, what would the Arts Council accept as evidence that its approach needs changing?

Darren Henley: I do not want to see regional disparities. That is the first thing. We absolutely want to invest more money in all parts of the country and in all sorts of places, whether that be big cities, smaller towns or rural environments. That is really important. Obviously, we have a history of funding and a history of organisations and where they are spread, and we are not trying to pull the rug from under those people.

At the same time, we need to serve new audiences and to do things in new ways. That is the tightrope that we walk all the time. I do not think it is an easy thing to do, but we have to do it. It would be an abdication of our responsibility if we said it was too easy to do the other. We have to go out, meet the people and talk to them. We have to fund their work. For me, that is a really important part of how I believe I should do this job and how I want to continue doing this job. I have not done it by sitting behind a desk in London. Most weeks, I travel around the country. I get off the train in all the places where other people go zooming through. That is really important because people live there, live their lives there and love those places. I want them to have rich cultural lives in



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those places. I also want to tell their stories nationally and internationally. If we do not find them, talk to them and connect with them, that is never going to happen.

Q95 **Mr Alaba:** Apologies, but I refer the Committee to my declaration of interests. Prior to coming into this House, I spent about 25 years in the creative sector and have been a recipient of Arts Council funding.

Which of your datasets serve little or no decision-making purpose? When do you propose to stop collecting these? We are aware that smaller organisations are diverted away sometimes because of resource. How seriously do you take this? What are your plans?

Darren Henley: We take it really seriously. Every data source that we are asking for, we will understand exactly why we ask for it. Sometimes we ask for things on behalf of other parts of government. We will have that challenge and that conversation back when we are being asked for things. Also, one question is: how do we get that one touch with it? We ask for your data once, and we then never have to ask for it again unless it needs updating. That is really important.

Part of making the case is being able to have the data in showing the changes that we have made and how that works out. We need to work with people to help them to understand why sometimes we ask for data. To reassure you, we will be developing—Baroness Hodge talks about this in her review—a new data strategy that will go across the piece. We will do everything we can to use technology to collect and manage that data. Again, it is one way that we will see less bureaucracy in the Arts Council. In 12 months' time, I will show you evidence of how we have done it.

Q96 **Mr Alaba:** Brilliant, thank you. How do you see yourself ensuring the integration with other funders to avoid duplicate reporting? You referenced the funding fair that is in sunny Southend—

Darren Henley: On 5 June.

Mr Alaba: On 5 June, in one of the best parts of the country. Rochford District will be represented. I know that is one part, but how else?

Darren Henley: We will work together across all the national lottery family. We are doing that in terms of national lottery distributors to make sure that we are working effectively. We have regular meetings there. With some local authorities that invest in organisations, we now have coterminous investment. That helps enormously. We have good evidence of where that works, so we can share that with local authorities. One thing about trying to design things with the people who apply to us, to a great extent, is having that conversation with them and understanding where those barriers are. I am really interested in removing barriers and building bridges. We are looking for some commonalities there, and where we can see there are problems we will take them out. It is about how we design in more solutions early on. The challenge to us as an organisation is to remove those barriers, repetitive things and things that stop people from doing stuff.



Q97 **Mr Alaba:** When I asked the question, I said, "How else?", which is fine, but do you want to elaborate on funding fairs as an example of how other communities can come together and signpost and support organisations?

Darren Henley: I hear the challenge around gatekeepers. Many organisations and individuals we work with are really generous in their time and want to bring people in. That can be very helpful in offering spaces. Working with key local leaders is really important. Some of those will be elected members and some of them will not be. That is something that we are really interested in. One of our focuses in terms of being a development agency on the ground is understanding who those community leaders are in their places, how we connect with them and how we make sure that they can understand what we do, and then hopefully bring in people with whom we may not have had a previous conversation. I am really keen to do that.

Sir Nicholas Serota: Although the Arts Council is always pushed for money, we retain an enormous power to convene meetings and bring people together. One thing I am conscious of while travelling around the country is that in a place like Sheffield we are able to bring together the combined authority mayor, the leader of Sheffield City Council, the arts organisations, business, education and the universities. In a number of places where we have established cultural compacts and encouraged local authorities to develop a cultural strategy, this is a role that the Arts Council plays very effectively.

Q98 **Mr Alaba:** In terms of work around the digital platform, how are you working with individuals and organisations to improve and enhance that?

Darren Henley: We are going to be very much working using all the techniques around user experience. We will test that with people. We will co-design things. We want to have a platform that is not just a replacement for what we had before but will be at the cutting edge. How can we use technology to do that? We have £8 million of investment from the Government to get that going, which is really welcome. That will be up and running in the next year. We are already testing things. There will not be a big bang moment; we will gradually move discrete programmes across on to that so that over time you will see that difference.

Q99 **Mr Alaba:** On that point, you said co-design, so I am assuming that you are going to work with the sector, with creatives.

Darren Henley: Yes.

Q100 **Mr Alaba:** How are you accessing them?

Darren Henley: We are convening people we fund. We are also talking to some people who are in adjacent parts of the world who we do not fund, because there is something there that is really important. We touched very briefly on AI. It is important that we protect people's intellectual property and that they get paid for what they own and create. That is a given. There are also huge opportunities around AI in terms of how we can operate as an organisation and how people can go and create and disseminate their work going forward. There are some interesting



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things there. I would like to see our grant management system become best in class.

Q101 **Mr Alaba:** Will you be able to access and work with unsuccessful applicants as well in terms of designing this?

Darren Henley: Absolutely. We want to talk across the piece. We will also be developing a new strategy. It is really important that we talk to the people we fund and who have a relationship with us, but we have to talk to the people we do not fund as well, because we are here as a public funder to serve everybody.

Q102 **Mr Alaba:** Thank you. If reforms are delayed due to funding or capacity, how will you inform the industry, be it organisations or individuals and freelancers?

Darren Henley: We will keep communicating with people, and it is really important that we do. We do not intend to have surprises or secrets. We will do everything that we can to hit the timetables that we have put in place. It is really important for us as an organisation. We have set those. We did not take them easily. They are going to be tough. We hold ourselves to that. We are here in service of our sector and of the audiences. It is our job to make sure that we deliver for them.

Sir Nicholas Serota: We began with reference to Baroness Hodge's comments about trust in the Arts Council. We can rebuild that trust by very regular and frequent communication, and that is what we have been trying to do over the last six months or so. That is through knowing what is happening on the ground. It is through having a set of regional offices that are in close contact with organisations. We need to do more and more in terms of communicating, not just with those we support but with those that we do not yet support.

Mr Alaba: You have answered my last question. Thank you.

Q103 **Dr Huq:** On the data point, would it be fair to say that you primarily collect data on the organisations and activities that you fund? Given it is such a vast sector with commercial bits and independent bits, it is an incomplete picture, necessarily.

Darren Henley: It would be fair to say that we are more easily able to collect data from people whom we have a funding relationship with. To build on your question, we want to do more research and have more understanding of the full sector, because it is about opportunities. There are also some interesting things that the publicly invested part of the sector can learn from the commercial sector. It works both ways as well. There are things the commercial sector can learn from the publicly invested sector.

The use of technology and some of the things around media and how they operate are really important. We have a programme called the Digital Culture Network. We have specialists across all the various different parts of the digital technology world who go out and work with the sector. That is really interesting because they are not individuals who



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are there to make funding decisions or things like that. We are just a service we offer them. We can fund them. Anybody can contact us, and we will work with them. It has a 97% satisfaction rate. It is one of the most popular things that we do, because we work with the sector and deliver for them as part of our development role. As an example, five years ago, we did not have an AI specialist on that team. We clearly have one now. We have to challenge ourselves on understanding how culture and the arts are being consumed by people, and make sure that we are at the front end of that. One thing that we will have with AI is an AI leadership academy for our sector that we will launch in a couple of months' time.

We have talked a lot about freelancers. They are very important. Many of our organisations are quite small, so you cannot have a specialist of everybody in those organisations. One thing we ask ourselves is: how can we help them to make sure they have the full suite of things available to them that you would have if you were part of a big organisation or even a giant commercial organisation?

Q104 **Dr Huq:** There could be stuff that you are developing that they can access.

Darren Henley: Absolutely.

Q105 **Dr Huq:** There are credible things in place. Good. When we had Margaret Hodge in that chair, I asked her, "What do you think of the idea of cultural devolution?" Devolution is a big thing at the moment. That Bill is going through. She said, "Good idea." Now we see that, since then, the English Devolution and Community Empowerment Bill, this flagship legislation, has a Government amendment to insert "culture" alongside transport and housing. It is quite significant. It is a big deal. It is happening. How would you see this being operationalised? You also have the arm's length principle, which is potentially a bit contradictory with that.

Darren Henley: We work in partnership with people. That is how we would see it. We are very interested in how we can take our decision making and make it as broad as possible, involving as many people in that, as well as how we can leverage our money. We have some great relationships with local authorities and combined mayoral authorities where our investment is working alongside their investment, commercial investment and philanthropic investment. As we make decisions going forward, we will have a far greater level of consultation with local people and local leaders. That is an important part of that journey.

Q106 **Dr Huq:** The tourism levy was mentioned by Damian. We hear that is also happening. Do you think there is an argument for a portion of that going to local authorities? It is going to mayors at the moment, is it not?

Damian Hinds: Yes, combined authorities.

Q107 **Dr Huq:** I have two local councils that would like a bit of that.



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Darren Henley: That is probably above my pay grade. So long as it comes to the arts and cultural sector in the end, that is what I would be arguing for.

Dr Huq: Okay.

Damian Hinds: It just won't.

Q108 **Dr Huq:** I don't know. There is still time. It has not happened yet, Damian. Don't be so negative.

The think-tank Culture Commons has suggested cultural forums, and you guys could sit on those bodies. What do you think of that? Would you be into looking at that research?

Darren Henley: We are really interested in how we have local representation. That is something that we are looking at as part of our national portfolio or NPO process that is coming up. The interesting thing is how we get citizen voice around the table for the long term in all our decisions. We are looking at all those areas.

Q109 **Dr Huq:** Okay. The principles of diversity, inclusion and access are strongly endorsed in the review. How is ACE supporting this in a way that is more than just a tick-box exercise for compliance reasons while supporting artistic freedom?

Darren Henley: From my point of view, it is never going to be a tick-box exercise. It has to be something that is really important. We have to reflect the way this country looks and feels everywhere. Everybody's creativity is as important as each other's and should be at the table. In terms of protected characteristics, our last portfolio saw a massive increase in that. I am absolutely determined it will not be a high water mark; we need to build on that. We have a journey to go on with all protected characteristics. They are really important.

There is a moral reason for doing it. There is a creative reason for doing it as well. When you bring different people with different life journeys and different experiences together, that is when you get the creative spark. That is when you get the point of difference. You do not want to have homogeneity all the way through. You want to have all those stories equally valid and equally told at the table. That is part of our national story.

Q110 **Dr Huq:** Margaret Hodge said that quite often it feels a bit inconsistent and tokenistic. We have also had the Antisemitism Policy Trust saying that there are Jewish artists being cancelled. We have seen in Adelaide Writers' Week Palestinian people being cancelled. How do you withstand pressure?

Darren Henley: Antisemitism is abhorrent and unacceptable.

Q111 **Dr Huq:** Is there a specific policy that you have?

Darren Henley: We absolutely have a policy on all forms of racism. A person of any faith or ethnicity should be able to be an audience member



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and a worker in all our organisations. It is absolutely the case. Any other form of racism should not be allowed. We state that. We will be strengthening that. It is something that is really important. That is not acceptable.

Chair: Last but not least let us go back to Vicky.

Q112 **Vicky Foxcroft:** Class is not a protected characteristic, but we know that the number of people from working-class backgrounds participating in and enjoying arts and culture has significantly declined. What is Arts Council England doing about addressing this?

Darren Henley: We collect the data on it. That is important because without collecting the data you cannot make the case. You are absolutely right; it is not a protected characteristic. Again, this goes to the belief that everybody's artistic lives should be rich and should be valued. We are determined to make sure that that is the case. We have to make sure that we are not over-supporting one group of people and under-supporting another. It is a challenge. It is right that we are challenged on it by you and anybody else. We have to do better at it. It is one of the things that we see as being really important going forward. I hope our next strategy will continue to reflect that. It is something that we talked about within our last strategy, and it is one of the things that we need to build on.

Sir Nicholas Serota: One thing that we really insist on in our national portfolio organisations is that they direct their attention to young people who are thinking about future jobs and training in the communities in which they have grown up. There are huge opportunities for us to employ people across the country as technicians and in the administration as well as on stage. It is an aspect of our work that we think is very important and that we need to continue to champion.

Darren Henley: There is an idea that studying an arts-based subject, a performance-based subject or a creative-industries based subject is in some way weak or lessening. There are real jobs. We want to work to make sure that everybody realises there are real jobs in this and people have long careers. One thing around geographical spread is to make sure that people can have those careers near to where they live as well. They do not have to leave home and go somewhere else. We want to have those rich creative industries right across the country, and that is an important part of this.

Q113 **Vicky Foxcroft:** Collecting data is obviously important. It is also important that from our arts and creative industries we have those working-class stories as part of what becomes our history in the future. On to education, as somebody who studied a BTEC in performing arts, and then drama and business studies at university after having got no GCSEs at school, I see the value of arts and creative industries education, and it is paramount. What role is Arts Council England playing or working with in terms of making sure that via our education system we have that pipeline of talent for the future?



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Darren Henley: Both Nick and I have done a lot of stuff on this area, and both of us believe very passionately in it. From the Arts Council's point of view, we will do everything we can to bring organisations and individuals together to drive that. About 80% of our national portfolio does work with children and young people, and that is a really important part of what we do. We have some specialist organisations.

We talked a little bit about language earlier. I am really interested in making sure that we are absolutely supportive of an elite, but it is not to be elitist. We talk in sport about having elite sports people. That is really important. We have elite artists, performers and creative people. So long as the route to becoming that elite performer is open to everybody and is not elitist, that is really important. Those are some of the things that we see.

We talk about the talent pipeline. This work has to start when people are in their early years as well, and that is really important. We have a programme called Talent 25 in Leicester that takes babies and works with them and understands what happens when we give a series of cultural experiences to them and their families in their early years. We are now plotting that for the 25 years of their life. I want to make sure that we can make the case to show what happens when you have those cultural experiences. I am very conscious that, if you have parents with some money and experience of culture, you get that in your life. If you do not have that, through no fault of your own and no fault of your parents either, one thing that we have on ourselves is: how do we intervene; how do we help; how do we show them; how can we change those life chances? That is the interesting thing. If we can get that right, we can change life chances for a whole generation and we really believe in that.

Sir Nicholas Serota: We argued for and strongly support and welcome the Secretary of State for Education's changes to the national curriculum that will make the arts a more important part of that curriculum. The reform of the English baccalaureate will need to be driven through. The Arts Council and, as Darren said, the organisations that the Arts Council supports will be at the forefront of that. Creating opportunity for young people to experience the arts themselves in the places in which they live, work and grow up is really fundamental.

Q114 **Vicky Foxcroft:** If improving access to this is a priority, would Arts Council England be prepared to reallocate resources if it was required?

Darren Henley: That is the great challenge. Yes, we are, but, as you rightly say, reallocation means that someone else will not necessarily have those resources. That is the thing that we wrestle with all the time. How we maximise the money we have for the benefit of the greatest number of people has to be the question that we always ask ourselves. That can mean some tough decisions sometimes, but it is right that we invest fairly and we rightly invest to create opportunity across the country.



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Sir Nicholas Serota: Darren mentioned the fact that most of the organisations that we support do a significant amount of work with children and young people. I am old enough to remember when that was not the case. In the 1970s and 1980s, it was regarded as novel for an organisation to have an education department, as it was rather quaintly termed at that time. There has really been progress, and it has become a more fundamental part of the work of every organisation that we support, but we need to go further. It is not just about what happens out of school; it is also what happens in school.

Q115 **Chair:** Thank you. Can I have a very quick Hoover up of subjects that we have not quite covered off today? We have done a bit of work as a Committee on live comedy, and they are very upset that you are not recognising them as an art form in their own right. Why?

Darren Henley: I realise that they talked to the Committee, and I have seen that. I am really happy to talk to them. One thing that I am curious to understand is where we can be most useful. When I talk to smaller theatres around the country, many of them will tell me the most profitable thing they do is live comedy. We see comedy at scale and working digitally. I am not arguing against that. I am really interested to know where are the points that we can make the most difference, and we can continue to talk to them about that.

Q116 **Chair:** This is an invitation to the live comedy sector to come and see you and make their case.

Darren Henley: I am very happy to meet them.

Q117 **Chair:** Very good. Excellent. Next question: you have spoken a few times about how we will see changes happening quite swiftly within the next year. If the Committee were to revisit this subject in a year's time, what would we notice? What would materially have changed so much that artists and organisations might even notice it without being told?

Darren Henley: You will have had a new platform that they will be making applications in. There will be a new national portfolio process that will be coming towards the end of its decision making at that point. There will be new ways that we are working with Government to bring money into the sector. We will have gone through that process. There will be work starting on a new strategy. The way we are working will be simpler, easier and less bureaucratic. You will also find that we are working very much more with people so that their voice is part of that design process.

Q118 **Chair:** Are there targets? Are there metrics in place for things like reducing application length, reporting frequency and processing times? Is there anything measurable that we will be able to hold up against you?

Darren Henley: We will publish a set of KPIs. DCMS holds us to having those KPIs as well, so they will be published.

Q119 **Chair:** How will you report that process against the reviews and recommendations to Parliament? How will we hear about it?



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Darren Henley: We are very open to doing it in a way that works for parliamentarians, but we will have our annual review, which will have all the data in there, and that is laid before Parliament. Usually, we lay that before Parliament in July every year, so it is there.

Q120 **Chair:** Very good. This was a very good quickfire round. Well done. Finally, was there anything that you wanted to add? Sir Nicholas, were there any questions that I forgot to ask you or points that you wanted to make to us today?

Sir Nicholas Serota: I do not think so, other than to say that the report, as everyone has said, was critical. As I said earlier, both the executive and the national council are determined to respond in a positive fashion and to take this as a springboard to an improved Arts Council, not to retreat into a shell.

Chair: Yes, very good.

Darren Henley: We work with amazing, creative people. We respect their work enormously, and we are here to enable them to do more of it. We want to be very future-looking and future-focused. I am grateful for the opportunity to come and talk to you, as I always am. This is something, as Nick says, that is about future-facing and about opportunity. We are always really interested to have that conversation. How can we do it differently? How can we do it better? That is our aim.

Chair: Good. Thank you both for coming and sharing your evidence with us today. That concludes today's session.