



Select Committee on Communications

Corrected oral evidence: Skills for the theatre industry

Tuesday 28 March 2017

4.30 pm

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Members present: Lord Best (The Chairman); Baroness Benjamin; Baroness Bonham-Carter of Yarnbury; Earl of Caithness; Bishop of Chelmsford; Baroness Kidron; Baroness Quin; Lord Sheikh; Lord Sherbourne of Didsbury.

Evidence Session No. 6

Heard in Public

Questions 46 - 55

Witness

I: Rt Hon Matt Hancock MP, Minister of State for Digital and Culture, Department for Culture, Media and Sport.

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witness

Matt Hancock MP.

Q46 **The Chairman:** We are delighted to have the Minister with us. Welcome, Matt. Thank you very much for joining us. We invited the Department for Education to come and sit alongside you, but they could not muster anybody in the timescale we gave them. I am afraid you are on your own, but I know that will be very helpful to us. Would you like to reflect on the state of the theatre industry, its contribution to the wider economy and how you see that part of the big creative industries?

Matt Hancock MP: Thank you very much, my Lord Chairman. If I may say—and I hope that this transcript is not read by any other Lords Committee—this is an assembly of all the finest Peers, and some of my favourite Peers. It is a great topic to be talking about and I think it is important. I like the fact that you have chosen one specific area of cultural life to dive into as a symbol rather than looking across the whole creative industries.

The Chairman: A case study.

Matt Hancock MP: Quite so. The theatre industry in the UK is in robust and rude health. We have a global-leading theatre sector. We have some of the most successful, both new and enduring, shows in the world. We have a mixed economy in terms of funding, with some public support, but a huge amount of UK theatre is done on a commercial basis. There is resilience and brilliant production right across the UK. Naturally, London theatre normally takes the leading lights and gets some of the biggest publicity. Certainly some of the global-leading productions start off in London but right around the country there are signs of great excellence. I am always worried about both excellence and access; access in terms of geographic spread and increasingly in terms of people being able to access theatre in other ways, for instance through livecasting, which is an exciting new development, as the technology has improved over the last few years. You can now watch the National Theatre without leaving the confines of Sheffield, for instance, and you can watch the Royal Opera House in the comfort of the arts centre in Haverhill in my constituency. I think this is an exciting development.

The most interesting thing is that the evidence appears to show that livecast theatre increases footfall to and participation in normal live theatre rather than takes away from it. It is complementary. I am excited about some of the absolutely best shows in the world and I am excited that most of the country is doing well. There are of course challenges, especially in relation to local authority funding in some areas. Other local authorities are at least protecting and in a small number of cases increasing their support for theatres. That will remain a challenge for the foreseeable future, but it is one that theatre companies are rising to.

Q47 **Bishop of Chelmsford:** Thank you for those introductory remarks. The creative economy is indeed one of the UK's great success stories,

although it has been said that nowadays people go to church to be entertained and the theatre to be purged. Some of our witnesses have highlighted that there is a perception that careers in the theatre lack social status, despite the great success. You may not agree with that, but we will be interested to hear if you do. What steps are the Government taking to change these perceptions? You may also think that that is not the Government's role, but what could the Government do, if they should do anything?

Matt Hancock MP: First, I reject the premise of the question. I think the arts and creative industries are increasingly seen as ambitious places for people to go for a career. Long gone are the days when being an actor or an actress is seen as a sign of failure in life. Now it is seen very much as a sign of success. This is true in theatres as much as it is on screen. The increasing interrelationship of people moving between different genres is valuable and adds something to both. Nevertheless, I think there is a role for government in making sure that all young people, as they are going through what is a difficult transition in life for almost everybody—the transition from education into work—get to see all the opportunities that life presents. We have brought in some interventions in this space, such as the Careers and Enterprise Company. I was responsible for careers advice for a couple of years in the middle of the last Parliament. An agenda based more on inspiration is important, and what could be more inspiring than working in the theatre?

We need to think—and this goes for other creative industries too—of the theatre and careers in the theatre not just on stage but off stage, behind the scenes, as great and interesting careers in many different aspects of life around the theatre. Although I do not think that careers in the theatre lack social status as you said in your question—I think the opposite—I still think there is a role for government in making sure that young people know what opportunities are out there.

Bishop of Chelmsford: Let me press you a little on the premise of the question. As I am sure most of my colleagues will say in later questions—I do not want to steal their thunder, but I think it is relevant here—people work for no pay or for low pay, and a very large proportion of people work in the theatre as freelance workers. There is also a lack of training opportunities in some areas and a lack of professional development, so your confidence that the premise of the question is wrong could be questioned.

Matt Hancock MP: I would question some of the working practices that you describe as evidence of a lack of social status. For instance, there are a lot of jobs that people hold in high esteem where people end up with unpaid internships because they are so keen to get into them, rather than the other way round. I am not a great fan of unpaid internships. Work experience is one thing, but once you are into an internship equality of opportunity is important, so I would put the stress on having paid internships. I would question why, if it is for longer than a couple of weeks, we should not pay somebody to work in an internship. I would suggest that the evidence of those different models of employment does

not link to lack of social status. Again, a lot of freelance work in the theatre is because of the nature of productions. Productions can be short term and move on, and often freelance work is the best type of contract available for both sides. I acknowledge that that is not always the case, but there is not necessarily a link between the model of employment and the social status of the career.

- Q48 **Baroness Quin:** I do not know whether I want to complain about a Bishop stealing one's question, but I wanted to ask about low pay. Perhaps I can put a slightly different aspect of this problem to you. Obviously, a lot of theatre is in London and the relationship between London and the rest of the country is very important. I have asked previous witnesses questions about how many apprenticeships or job opportunities were taken up in the London theatre by people from the regions. The take-up was very low indeed, partly because of the level of pay, or low pay, and partly the problem of accommodation in London and the south-east. I wondered what you felt about this and whether you and the department were actively looking at a regional strategy to counter some of these problems.

Matt Hancock MP: I think this is a problem. It is natural that where you have a very successful city where costs are higher it is harder to move there. That is a fact of life, but it is not an excuse, frankly. Further work on the diversity of workforces in theatre is important. This is true both on and off stage—potentially more so off stage than on—and this is all about catering to audiences. Across the creative industries, including in theatre, we should be reflecting and reflecting on the audiences we serve. A lack of diversity, by which of course I mean BME and more broadly in terms of social mobility, income, background and geography, remains a problem. We have programmes to try to sort that out.

I would recommend to you the Regional Young Theatre Directors Scheme, which the Arts Council funds, that nurtures talent by spotting directors early in their careers and gives them professional training, for instance. That is one example. Also, Creative and Cultural Skills is an organisation that tries to give people opportunities. There is work we are doing through the Arts Council, but there is more to do.

Baroness Quin: Thank you.

The Chairman: We will move on to schools and education. Baroness Kidron.

- Q49 **Baroness Kidron:** Perhaps your colleagues missed this for a reason. A lot of people—in fact, this is almost universal—who have come to see us have asked whether we could get DCMS to talk to the Department for Education about the importance of some of the skills, drama and art. They say that employers want, at the other end of the stream, a much more rounded and emotionally intelligent group of employees. I do not mean to give the Minister homework, but one of the things that all our witnesses are saying is that the squeeze in the classroom on specialist teachers and the arts subjects being side-lined and given less status in

schools is a problem in relation to who they see coming out of the industry. Is that something you recognise from where you sit?

Matt Hancock MP: I certainly recognise the critique. We have to be incredibly careful about making sure that we have a fact-based analysis here. The proportion of GCSEs in the arts rose between 2011-12 and last year. That is one way of measuring this. The arts are in the curriculum up to age 14, and the number of GCSE entries has in fact risen over the past few years for 14 to 16 year-olds. However, I recognise the critique, and we should not be deaf to that, but we also have to look at some of the hard facts. Nick Gibb sends his apologies. He is a great lover of theatre, and in my view there is no contradiction between a high-quality rigorous education that aims at good exam results and good life chances and a rigorous artistic, musical and creative element to that education. Theatre has a big role to play in that.

I would argue that the best schools are doing this. In fact, especially in the academy movement, the best schools are doing exactly that. Private schools, which have more freedom over their curricula, put a huge amount of time into the arts, music and creativity, but not at the expense of rigour in the curriculum in relation to, say, maths and English. They do that in part to motivate. Our message to people who lead schools is that the arts help in what they would think of as the core subjects and with life chances. The evidence is pretty strong that music helps you with maths. I would say that drama and theatre helps with your English. Not only is it intrinsically valuable in and of itself but there is a functional link between pursuing the arts in school and the core aims of education, which is to improve people's life chances. I know the DfE agrees with this. They would argue that rigour is important in all these things. In fact, today, Nick Serota, the new chair of the Arts Council, will make a very interesting announcement in about an hour's time, which I would implore you to add to your evidence. I was told on the way in that he is not in fact making it until 5.30 pm, so I probably should not pre-empt him. I support their approach to cultural education.

The DfE has recently given £300 million for music hubs, which is incredibly helpful for theatre as well as music, and is to make sure that everybody has the chance to learn music. When I was at the LPO I talked about their high-flyers programme, where they find 16, 17 and 18 year-olds who are exceptionally gifted and introduce them to the world of the orchestra, because of course being a successful musician is not just about your ability to play but about your ability to be a professional musician, with all the pressures that that brings. I went round the room, which had an incredibly diverse group of brilliant young people, and almost all of them had first picked up a musical instrument through a music hub. The hubs, most of which are local authority-led but some of which are led by groups of schools, are a brilliant way of making sure that everybody has the opportunity to play a musical instrument, get the hardware and get the teaching. We have just put £300 million extra into that, because it is such a good programme.

I am giving a long answer, but I do not think that there is a bifurcation between the educational establishment and the need for cultural education. Our message to schools should be that these two things collaborate and that we should get in there and help.

Baroness Kidron: Minister, I have stats here that 68% of schools say that extra-curricular activities in this area have to be reduced and that 72% at key stage 2 that say that courses have to be removed from GCSEs. I do not want to bore you with this, because I entirely agree with what you said, and in fact a lot of practitioners are saying that it is terribly important that kids learn and come across theatre at schools. As Patrick Marber, a very successful writer, said to me, "If you don't know where the door is, how can you knock on it?" I do not want to make this about statistics, but one of the things we are interested in is what the argument would be against STEAM, not STEM. You made the particular point very well that the arts are not only important in themselves but are an absolute method by which other achievements are made.

Matt Hancock MP: I do not know the source of the evidence you are presenting.

Baroness Kidron: I shall point to my official, I think.

Matt Hancock MP: There was an NUT survey, which some people quote and that has quite similar statistics, that said that two-thirds of the teachers interviewed thought there was a drop in pupils taking GCSE music. I am merely pointing to the number of people who are actually entering it. Following the evidence is important here, and I would far rather take the evidence of entries than surveys. I know there is that sentiment, but the problem with articulating it is that you are in danger of encouraging others to follow the same and teachers to say, "Others are dropping music, so we should drop music". That is completely the wrong approach. Instead, we should be articulating how important the arts and culture, including music, are in education to enthuse all parts of the education system with this core insight, which is that if you teach young people the arts rigorously—and, by God, the Associated Board of the Royal Schools of Music is a rigorous exam board; as a father who stood outside the exam room as my 10 year-old went through their exam, I can say that it made me nervous, let alone the kids—it will enhance broader education, not detract from it. We need to make that argument in a positive way. If we just say, "It's all going to the dogs", we may be in danger of people hearing that message and thinking that is the way to go.

Baroness Kidron: Would you mind saying that STEAM and not STEM would be that positive argument? I absolutely agree with much of what you are saying, but this is about making the positive argument and giving head teachers permission.

Matt Hancock MP: It is interesting, is it not, that increasingly Britain's success, and certainly I think our future success, is in the link between high-quality technical capability—what you might call STEM—and the

ability to come up with brilliant technological innovations, the use of data, modern technology and science alongside an appreciation of high cultural values and beauty. The combination of the two is where some of our most brilliant inventions are. I tend to use a prop at this point. As will many of you, I have an iPhone in my pocket—other models of smartphone are available. This was invented by a Brit and is both technically brilliant and beautiful. I have this rather than any other smartphone because of the artistic design features as well as the technological capability. That is where the future prosperity of the nation will increasingly be found.

Baroness Kidron: Thank you.

Q50 Lord Sherbourne of Didsbury: Minister, the focus of this inquiry is to look at skills and the theatre. I want to focus on skills and in particular on apprenticeships. We have had evidence from some people who are unhappy about whether apprenticeships are appropriate for the theatre. As a first question, have you had any criticisms of that yourself?

Matt Hancock MP: I have not, directly.

Lord Sherbourne of Didsbury: Shall I tell you what they are? Would that be helpful? You can tell me what you might want to do about them.

Matt Hancock MP: Yes.

Lord Sherbourne of Didsbury: Somebody from the National College for the Creative and Cultural Industries who came before the Committee said, if I may quote him, that although he was a supporter of employee-driven apprenticeships, "There is a problem with the qualifications coming through. They take so long to get through. BIS was moving faster. It has now gone back to DfE. This has meant almost starting again in certain areas. There had been criticisms that the apprenticeships are overcomplicated, too academic and not enough focus on skills". I wondered if you were even aware of these criticisms.

Matt Hancock MP: I have heard those criticisms in other areas, not in the theatre. Having been the Skills Minister in the past, when this role was in BIS—in fact, I think I signed off on the national college—I know this area well. It is a matter for DfE, of course, but I would say the development of new trailblazer apprenticeships, which are employer-led, has been a big step forward on what was there before. Of course, the development of an apprenticeship standard, which is a valued qualification, has to be rigorous—to use that word again—so we have to get it right.

On the question of development of apprenticeship standards, I know that there are occupations such as props practitioner, props design, live events rigger, live events technician, and puppet maker. These are important areas of the creative industries where apprenticeships are now available. They have to be employer-led, and lots of theatres are involved in the development of the apprenticeship standard. I cannot comment directly on the speed of bringing them about, but I know that it is a

process that has to be done carefully. The crucial thing is it has to be led by employers. After all, that is where we are trying to get the apprentices to go.

Lord Sherbourne of Didsbury: Sure. On the question of co-ordination between departments, if you were being very candid with the Committee would you say that you are conscious of that in government or not?

Matt Hancock MP: No, I think co-ordination is pretty good inside government on that. I talk to my opposite number in DfE regularly. I spoke to Rob Halfon on the subject yesterday, so it is pretty regular.

Lord Sherbourne of Didsbury: One final point on the question of whether some of these are a bit too academic and not sufficiently focused on skills. This is anecdotal evidence that we have picked up; it is not a survey. A lighting engineer, which is a very important part of theatre, talked to us, and he said that he felt that in his case the apprenticeship had been far too academic. Is this, again, something that you should be thinking about?

Matt Hancock MP: The whole point of employer-led apprenticeships is that the employers should be designing what is in there. There is a requirement for English and maths up to a certain standard. I put that requirement in, in fact, because all the evidence shows that a decent standard of English and maths is critical to your life chances if you want to change career, and that degree of flexibility is helpful. That was controversial at the time, but it was absolutely the right decision, because in this fast-evolving world making sure that people have good enough English and maths is critical.

Lord Sherbourne of Didsbury: Thank you.

Q51 **Earl of Caithness:** Minister, you have said that the area of skills is fairly joined up within government, and you have also said that there is still a role for government so that people know what is on offer in the way of theatres and the creative arts. What is the one legacy that you would like to leave behind that improved this situation?

Matt Hancock MP: I would like the value of the arts in education to be understood by all schools as well as it is understood by the most successful schools. As in all parts of the education system, making sure that arts education is of high quality with high expectations and high levels of diligence is important. It should complement other subjects. We need to win the argument not just for arts education but for a particular type of arts education, such as basing—we are getting off the theatre point and I have already been chastised once for that, for which I apologise—art education on drawing as the basis of the language of visual art, music on rigorous musical education, and theatre and drama on high-quality articulation. If we could achieve that and all schools were as good as the best schools are now, I would be a happy man.

Earl of Caithness: What more, specifically on theatre, could the theatre world do to help you in achieving this?

Matt Hancock MP: I think they could do a huge amount, and they are doing a huge amount. The first call I put out is for people involved in the arts, including everybody in this room, to be directly involved themselves. I pushed for and support the Speakers for Schools programme, because that gets people who are successful in their own careers back into schools to inspire. It is a brilliant programme. That is only one piece. The engagement of schools in bringing people to theatres is, of course, superb. Some theatres do this brilliantly. It would be slightly unfair of me to go into examples, because I would undoubtedly miss off many examples of outreach and discounted or free seats for state schools. We have changed our view in government, with the Arts Council, on this in recent years from the view that we have to “provide and they will come” to the a more outreach-based approach that if you are the local theatre you should be phoning up your local state schools and saying, “We’re providing opportunities for you to come”.

Finally, I come back to the point I made at the start about digital, because that can really get the juices flowing by giving people their first experience of theatre remotely.

Earl of Caithness: Herein lies the quandary, because you are absolutely right, and I agree with you, that theatres should be doing more on the outreach programme, but that is the first programme that is cut when the funding is cut. We have been given a number of examples, particularly outside London, of regional theatres suffering. They are changing from production to performance theatres. In the future, you will have a real problem unless this is tackled soon. What more can be done on this?

Matt Hancock MP: For every example of somebody doing less there is probably an example of somebody doing more. Outside London, the RSC at Stratford, for instance, is increasing its outreach very successfully. It has a whole series of programmes. I visited the Theatre Royal in Bury St Edmunds. In fact, my tour was interrupted by a bunch of youngsters who were also being shown behind the scenes to inspire them. Of course it is important, and ultimately it is also in the best interests of theatres, because it is the next generation of their audiences.

Q52 **Baroness Quin:** Given the cross-cutting nature of the government structure that we are talking about—you said before that your relations with other government departments are good and that you talk to your counterparts—is there some kind of formal structure for looking regularly at the kind of issues that we are concerned with, particularly some of the funding, skills and educational challenges that we have raised during this session?

Matt Hancock MP: The social affairs sub-committee of Cabinet is the official formal structure for signing off policies in this area, so, yes, of course there are formal structures. Often in government the best things happen bilaterally, too. The bringing together of higher and further education back into the DfE with the other areas of education makes this easier, because there is one education department, and when it comes to

a culture within education there is one group of Ministers in one department to deal with.

Baroness Quin: Could I just add to that? During the inquiry we have certainly been struck by how, in the devolved areas, there is very good, and perhaps because of the scale involved very easy, communication between Ministers and the devolved structures and industries generally. We are looking at the theatre industry here. Do you feel able to have regular and satisfactory consultations with key people in the industries to look at some of the issues we have been raising?

Matt Hancock MP: Yes, I think so: first, through the Arts Council; secondly, through my department; and, thirdly, through Ministers themselves—Ministers in DfE, DCMS and more broadly—going out. Yes, I am confident that we do that and that we do it pretty well. There is always room for improvement in these things. It is interesting that you mention the devolveds. Measured in terms of GCSE entries, there is evidence that the arts are doing better in England than in the devolveds. It might be worth comparing the English and the Welsh figures in this space; GCSE entries for music in Wales, for example, have fallen. The picture is sometimes painted that we have brought clarity to the need for high expectations and rigour to the English educational system, so creative education is doing better outside England. That is not what the figures show, and that underlines this core point about the two being complementary, not contradictory.

Baroness Quin: I was thinking more of government support in the devolveds for the industry generally, not just education.

Matt Hancock MP: More broadly. I apologise. The Arts Council is our main funding body. We have a bit of direct funding, but it is tiny compared to the Arts Council. They have an incredibly formalised process of engagement. Again, they are switching from being reactive—just bids in and who they funded last time—to actively going out and seeking places where there is a need for more funding. The Arts Council thinks of itself both as an arts funding agency and a development agency through the arts, which is a really important conceptual difference. Darren Henley can speak on this—in fact, he has written a book—so I have no doubt at all that we have the capability through the Arts Council to have the granular detail of engagement that is needed with theatres and more broadly with the arts institutions across the country.

Q53 **Lord Sheikh:** Minister, I am actively involved in inter-faith work and I am also actively involved in encouraging the BME community to be involved in every walk of life. I address public meetings and I have spoken on this subject in the House of Lords. I am concerned, and you have touched on this subject earlier, about this expression “lack of diversity”. When I go to see a play—I was in Edinburgh recently and saw a couple of shows there—there is a lack of diversity. People from the BME community have lack of access whether on stage or off stage.

There is also a lack of people from the BME community in the audiences.

When I talk about diversity I do not wish to confine myself to the BME community; I want to talk about people who are disabled and people from different social strata. There appears to be a lack of these people. Unfortunately, there is stereotyping: "If you are brown, you will get this job". There are very successful people, such as me—I am chairman of four companies and I sit in Parliament—but you do not see a brown man playing the role of a parliamentarian. Obviously, you will agree with what I am saying, but how can we get individuals of different backgrounds and locations to enter into the world of theatre? How can we, as parliamentarians—you particularly, with your responsibility for this portfolio—influence this? What can we do to encourage the participation of people, in the audiences, coming?

Finally, how effective is Project Diamond? Is it delivering its aims? How good is it? There is a long list, I am afraid.

Matt Hancock MP: Yes. I agree with the premise of your question. Maybe I should be relieved that the Bishop has left, so he will not feel aggrieved. This is an important subject. We had a fundamental shift in the Arts Council's approach to diversity with the launch of its creative case for diversity just under two years ago. It brought in some funding streams targeted specifically at improving the diversity of participation and audiences and at supporting diverse talent. It takes time for this to feed through, and as I said earlier there is more work to do.

This also underpins in part the switch of thinking from "provide it and they will come"—an entirely supply-side approach—to a much more balanced approach of ensuring that where there is public support for the arts it ensures, in the Prime Minister's words, that we are building a country that works for everyone; that you actively seek out and ensure that people from all backgrounds and communities, and all parts of the country, are encouraged, not just able, to access the arts.

On grants for the arts, awards to BME applicants were 15%, compared to 17% of the workforce being BME, up from 11% in 2014-15. We are making some progress, but there is more to do.

On Project Diamond specifically, I was delighted when we got this over the line in August of this year. The key to Project Diamond is that it is a measurement tool, because you cannot manage what you do not measure. The measurement of BME participation in broadcasted production is a really important step. The first figures will come out shortly, so Project Diamond has been highly successful in that it is happening. The next step is to see the first set of figures, but it is only over time, as you see the direction of those figures, that you can truly measure its full success. I always hate to give a too-early-to-tell answer, but in this case, because not even the first set of figures have come out, let alone a direction of travel, it is too early to tell what the figures will show, but as a project to make sure that the measurement is happening, it is successful.

Lord Sheikh: I know that there are production groups for Asians in

particular, and that is fine. What I really want is for these people to come into the mainstream, rather than doing their own bid, for example.

Matt Hancock MP: Me too, and there is further work to be done.

Baroness Benjamin: By the way, will Ofcom be showing those figures at all?

Matt Hancock MP: Project Diamond, which is a combination of the different broadcasting organisations, will be publishing the figures, but they will be published.

Baroness Benjamin: People will see them.

Matt Hancock MP: Yes.

Q54 **Baroness Benjamin:** I would like to thank you, Minister, for the passion and commitment that you have personally shown to promoting and delivering diversity. It has been well received within the BME-backed community. I want to thank you for that.

Matt Hancock MP: Thank you.

Baroness Benjamin: My question to you today is about local government funding, which in a way, I suppose, affects diversity. Schoolchildren's experience of going to the theatre can be life changing, and could be inspiring and lead to a career. Local authorities play a huge part in this by supporting theatre, both for adults and children. As you know, there have been major cuts by local authorities, and theatres are suffering. What policies can government put in place to mitigate the loss of local authority funding for essential arts organisations across the country?

Matt Hancock MP: This is a very good and tricky question. A straightforward answer replacing cuts in local authority funding, where they happen, with money from central government would be a serious mistake. That would simply provide local authorities with the incentive to reduce arts funding further, so we will not do that. By contrast, some local authorities are increasing their funding for the arts. This is not a partisan issue. There are brilliant arts focuses in Labour-run local authorities and in Conservative-run local authorities, and other local authorities are cutting funding for the arts. We should be clear that cuts to funding for the arts by local authorities—for theatres and more broadly—are a political choice. The evidence is that if you are a high-quality local authority that has an efficient grip on the rest of your spending, you can increase funding for the arts and in so doing strengthen the area you serve and improve its long-term prospects and therefore your own long-term prospects as a council. This is an argument that we need to get out there. There are some signs that some local authorities that had been moving in the wrong direction are now turning round and may be moving in the right direction, but we should be out there celebrating places that are protecting their arts budget, whatever the political view.

Baroness Benjamin: As we have said, your passion for diversity is important. What can you do to say to people this is an important issue that needs to be looked at if we are going to deliver diversity in the way I know you passionately want to happen?

Matt Hancock MP: The first is a sort of bully pulpit: making the argument and not giving any truck to people who say that it is fine to cut the arts. Look at what is going on in Hull and the City of Culture. It is an amazing project that has been brilliantly successful in turning around the image of the city, how people think about the city they live in and how the people around the rest of the country and the world think of it.

Baroness Benjamin: I was on the panel that chose Hull.

Matt Hancock MP: You have gone up even more in my estimation.

Baroness Benjamin: The person who got that was from a BAME background, because she showed the passion that she wanted diversity to be spread around her city. You have picked on something, and I am totally with you. It needs someone like you to keep on saying to people across the country who do not see the way you and I see it, "This is what needs to be done".

Matt Hancock MP: Believe you me I will keep saying it. There is more than that, which is that you need to have the hard facts that demonstrate the case to make sure that people can make an objective assessment. We have a number of research projects under way to do that. We also need to ensure that our funding bodies, where the cash is under central control—albeit arm's-length, rightly, through the Arts Council—also follow the logic of this argument. Getting the evidence is important.

On the education piece that we talked about earlier, the RSA and the Education Endowment Foundation are doing a randomised control trial to test the hypothesis that high-quality arts education leads to improved outcomes. That is an important piece of evidence that can be persuasive in that space. Likewise, there is increasing, rigorous evidence of the impact of arts funding, including the theatre, on improving place and location. I can give you anecdotal examples. As I travel round the country I would put Margate and Stoke-on-Trent very high on the list, alongside Hull, but having that as rigorous evidence is really important to make the case.

Baroness Quin: You said that local authorities make a political choice as to what to spend their money on.

Matt Hancock MP: Yes.

Baroness Quin: It has been put to us that some of the choices are very difficult, say between supporting the arts or supporting community care adequately, or community centres, and so forth. How much do you look at what those choices are for local authorities? You make it sound as if it is easy and you just decide to choose the arts. The information that comes to us is that it is not that easy.

Matt Hancock MP: Political choices are often not easy. My point is that it is a choice; it is not automatic. Come to Sunderland, which has been run by a Labour administration for a long time and where the city council has done absolutely brilliant work at place-making, alongside the university and some excellent, nationally significant museums, such as the National Glass Centre, actively supporting the arts in order to build Sunderland's future prosperity. It is a great example. They have pressures on other areas, including statutory areas of spending, but it is doable. I did not say it was easy. I said that it was doable and therefore that it is a choice.

Baroness Quin: Since I come from the north-east, I am at least glad that Sunderland is being praised in this way.

The Chairman: On the funding theme, the film industry has done very well out of the available tax breaks. Is there any mileage in tax breaks for the subsidised theatre industry?

Matt Hancock MP: We launched the theatres tax relief in September 2014 and there are a number of theatres using that relief. We expect that the first official figures on the take-up of the relief will be available from HMRC later in the year.

The Chairman: We look forward to that.

Matt Hancock MP: I can add to that. In a survey by UK Theatre in March 2016, respondents said that the relief had allowed them to be more adventurous, and to undertake audience development work, to employ more people and offset any reductions in their funding from other sources. Voilà.

The Chairman: That is helpful, thank you.

Earl of Caithness: Staying on funding, is not one of the problems that we do not have a clue how theatres are properly funded? It is obscure. The Arts Council apportions money to areas, but the categories of the areas are all different in different arts councils. The theatres do not produce a true, accurate picture. Most theatre is subsidised, but we do not know how. Until we get a clear picture, are we not in a muddle?

Matt Hancock MP: I think that is a bit unfair.

Earl of Caithness: It was a reply to the same question last week.

Matt Hancock MP: From whom?

Earl of Caithness: Dr Hetherington.

Matt Hancock MP: Most theatres are commercial entities. Some will publish their accounts, but others will not. They are in different ownership structures. It is perfectly reasonable that theatres are funded in different ways. They have different proportions of revenues coming from the box office and from commercial sponsorship.

Earl of Caithness: Should that not be clear and transparent?

Matt Hancock MP: Not necessarily, no, because where a company is a private company, other than through the normal publication of accounts it is not necessary to make those publications. If there is public funding, the Arts Council will go in and make an assessment. We have a mixed economy. We have some essentially public institutions and we have others that are entirely private institutions. One of the glories of the British theatre scene is the fact that there is this great mixed economy. I would not want a theatre company that pops up to do a four-week stint, or indeed a one-week stint, at the Edinburgh Festival to have to declare its accounts in the same way that we expect the Royal Opera House to. It is horses for courses.

Q55 **Baroness Bonham-Carter of Yarnbury:** Picking up on that a bit, there are incredibly successful sections to our creative industries and to our theatres. In our earlier session, someone talked about "Mamma Mia!"—"If only we could all do 'Mamma Mia!'" I am glad they are not all doing "Mamma Mia!", but that is a different point. In your role, do you feel that there should be more help, perhaps, from the bigger organisations for the struggling, regional theatres that Baroness Quin was talking about? Another thing that has come up, quite interestingly, on the skills front, is lack of fundraisers, particularly for the small companies.

Matt Hancock MP: First of all, there is a lot of support, and there can be yet more support. It is important that it is support in the right way and in the right places, and a lot of it is about capability building. There are some great capability-building institutions, such as the Clore Leadership programme, for instance, and we need to be careful that the big national institutions are not essentially patronising, because running a big national organisation is very different from running a small shoestring regional one. There is probably always a need for more fundraising capability. The normal critique is that it is easier to raise funds in London than elsewhere, but I think that is getting a bit passé. There is significant funding increasingly available regionally if you ask for it. There are modern techniques of fundraising that some institutions employ and others do not, but obviously that has to be done on an institution-by-institution basis in a way that is at least going to pay for itself.

Baroness Bonham-Carter of Yarnbury: Going to another part of the creative industries, film and television, a lot of talent comes from the theatres into those institutions. I sometimes think there is a bit of an imbalance on how wealthy certain sectors are compared with these theatres that provide such talent, but perhaps that is not a Conservative thought.

Matt Hancock MP: It is slightly in the nature of things, but that does not mean you cannot try to redress that to a degree in public funding. We have rebalanced public funding so that there is an increase over the next four years outside of London, whereas we have kept London flat in cash terms. That is a good balance. You do not want to throw away brilliance and excellence, but you do want to try to move things in the right direction. I think that is a reasonable Conservative answer.

Baroness Bonham-Carter of Yarnbury: Very good. Finally, you said earlier that you are not going to replace local authority funding, but there is another great hole appearing on the horizon, which is Creative Europe and the funding from that when we leave the EU. Are you planning, in advance, to deal with that?

Matt Hancock MP: Yes, we have said that we will match funding such as that where it is in the British national interest. As you can imagine, with Article 50 being triggered tomorrow, there will be more details on that in due course.

Baroness Bonham-Carter of Yarnbury: Minister, you will be encouraging that creatives are going to be able to move easily across Europe.

Matt Hancock MP: That is an issue that we are alert to.

Baroness Bonham-Carter of Yarnbury: Thank you.

The Chairman: Minister, thank you very much. Is there anything that we have missed asking you that you wanted to share with us?

Matt Hancock MP: I do not think so. It has been a great pleasure and I apologise where my answers have ranged more broadly than the issue of skills for the theatre.

The Chairman: We are seeing theatre as a way in to looking at the bigger picture.

Baroness Benjamin: It shows passion.

Matt Hancock MP: So it has proved.

Baroness Bonham-Carter of Yarnbury: It is now 5.30 pm. Are you allowed to tell us what Mr Serota is about to announce?

Matt Hancock MP: Do you want me to read his speech out? I will leave it to him, but it is a brilliant idea. We support the new commission on creativity in education that he is currently announcing, details of which will be available from the Arts Council.

The Chairman: Excellent. Thank you very much. We have used our hour very fully and very productively. Thank you very much for joining us.