



House of Commons

Digital, Culture, Media and
Sport Committee

**Reimagining where
we live: cultural
placemaking and the
levelling up agenda:
Government Response
to the Committee's
Third Report**

**Sixth Special Report of Session
2022–23**

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The Digital, Culture, Media and Sport Committee

The Digital, Culture, Media and Sport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Digital, Culture, Media and Sport and its associated public bodies.

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Sixth Special Report

The Digital, Culture, Media and Sport Committee published its Third Report of Session 2022–23, *Reimagining where we live: cultural placemaking and the levelling up agenda* (HC 155), on 2 November 2022. The Government response was received on 24 January 2023 and is appended to this report.

Appendix: Government Response

Introduction

The Government welcomes the Committee's considered, thorough and timely inquiry into cultural placemaking and the Levelling Up agenda. The report highlights the positive contributions a broad range of Government and Arms-Length Body initiatives are already making to people and places all over the country, through their support for and development of local and regional cultural, heritage, creative, and visitor economy ecosystems.

Since the Committee's report was published in autumn 2022, there have been a range of further announcements that will see culture, heritage, and creativity rightly enshrined at the centre of local and regional placemaking and regeneration planning. These new initiatives - such as the Arts Council England's latest 2023–26 round of National Portfolio Organisation funding,¹ and the announcement that the North East of England has been selected to pilot an innovative £2.25m approach to destination management and development² - will have significant and lasting impacts that will make people feel proud of the places they live and the organisations that define, shape, and tell their stories, further helping to bring life back to high streets and town centres, and contributing to local employment and economic growth.

The Government recognises that, as with many parts of the economy, these are difficult times for the cultural and creative sectors, which are facing long-term and critical challenges such as rising inflation. It is also a challenging time for local and regional government - which, as the Committee identifies - plays a vital role in convening, supporting, and developing its local cultural, heritage, and broader priorities, including in ways that contribute to the Levelling Up missions, such as Pride in Place, Wellbeing, and Skills.

Apart from these economic challenges, the Committee highlighted a range of systemic barriers - from financial issues, to challenges in, for example, stimulating local collaboration. The Government and its Arms-Length Bodies note these barriers. However, a significant amount has been and continues to be done to equip and empower cultural and creative stakeholders to overcome these barriers - ranging from innovative approaches to designing and targeting place-based support, to ensure high-quality bids are able to realise their full potential, to initiatives that incentivise business-led investment, and put local people at the heart of deciding where and how funding is spent in their area.

1 <https://www.artscouncil.org.uk/investment23>

2 <https://www.gov.uk/government/news/major-boost-for-north-east-tourism-as-region-is-chosen-for-initiative-to-increase-visitor-numbers>

We welcome the Committee's support for Cultural Compacts, jointly administered by DCMS and Arts Council England, and we are pleased to note that Arts Council England is providing existing Compacts with further funding to build capacity and long-term cross-sector relationships. Compacts are, however, just one of many ways in which Government and Arms-Length Bodies are convening and collaborating with local government, cultural, creative, and wider organisations, and broader stakeholders - including other key sectors such as transport and higher education. As such, we disagree with the Committee's lack of faith that a collaborative approach to 'Levelling Up cultural infrastructure' is being taken. Our response below rebuts the Committee's conclusion and sets out a myriad of ways in which the Government, DCMS Arms-Length Bodies, and places are working in close partnership to share best practice, build strategic capacity, and empower local leaders to take place-sensitive and sustainable approaches to developing the cultural, creative, heritage and visitor economy potential of their places and the people who live, work and visit them. The fact that - as part of a wider package of support available from DLUHC to successful applicants to the Levelling Up Fund - a partnership of DCMS Arms-Length Bodies will be supporting the delivery of culture and heritage projects underscores this.

The Committee also highlights the centrality of a people-based approach to cultural and creative placemaking. The Government recognises that recent growth in the Creative Industries has resulted in skills gaps and shortages in some parts of the sector. As part of the Creative Industries Sector Vision - due to be published in the coming months - Government and industry will set out shared ambitions to tackle skills gaps and shortages, including removing barriers to entry and progression in the creative workforce, while the forthcoming Cultural Education Plan will set out how young people wishing to pursue careers in our creative, cultural, and heritage industries can best be supported.

DCMS Arms-Length Bodies, such as Arts Council England and Historic England, are doing a significant amount to address workforce challenges in the Creative Industries. This is in addition to the panoply of ways in which Arms-Length Bodies, Government itself, and wider stakeholders are already building both sector-specific and cross-sector skills, capacity and expertise in placemaking and policy approaches across cultural, creative, heritage, and visitor economy sector stakeholders, and local government representatives alike. The Committee's recommendations for a new comprehensive training and skills programme, and an audit of skills required in cultural placemaking and policymaking, only risks duplication and confusion.

A full response from Government and relevant Arms-Length Bodies to each of the Committee's recommendations is provided below. The text taken from the Committee's report is in italics, with recommendations highlighted in bold.

Conclusion: The long-term challenges continuing to face our high streets and town centres are well documented. Cultural placemaking can be (and in many places already is) one way that local communities, government and arm's-length bodies respond to these challenges. It is evident that place-based cultural policymaking can help deliver on the missions set out in the Levelling Up White Paper, including improving pride in place but also local leadership, living standards, education, skills, health and wellbeing, so long as these are done in a locally-sensitive way. Our Report discusses the ways that national and local stakeholders can unlock these benefits through investment in local culture and creative people. (Paragraph 15)

Recommendation: The Government should take steps to level up cultural opportunities and production across the country through its proposed statutory framework set out in the Levelling-Up and Regeneration Bill currently working its way through Parliament. We recommend that the Government commits to explicitly incorporating support for local arts and culture into the Government's first Statement for Levelling-Up Missions, including the methodology and metrics for mission progress, for missions such as pride in place, living standards, wellbeing, education and local leadership. In its Response to this Report, the Government should provide clarity on how prospective methodologies and metrics might also recognise the idiosyncratic and esoteric nature, and capture the social, cultural and economic value, of many creative businesses. Finally, the Government should ensure that there is countrywide support available to local cultural organisations and local government achieve this progress. (Paragraph 16)

Government response: The Levelling Up White Paper set 12 Levelling Up 'Missions' to anchor ambition and provide clarity over the objectives of public policy for the next decade. It also identified key drivers and commitments for achieving the missions and underpinning metrics to show how progress could be monitored. Delivering on these missions will improve people's lives by improving living standards, spreading opportunities and enhancing economic growth, restoring local pride, spreading opportunity and empowering local leaders across the country.

The Levelling Up and Regeneration Bill sets out the framework for formalising the Levelling Up missions, including those missions identified by the Committee as providing opportunities for place-based cultural policymaking - through publishing a missions statement, and through a statutory duty to publish an annual report to analyse progress. This will enable public scrutiny and ensure the Government is accountable for delivering the Levelling Up missions.

DCMS is working closely with DLUHC to develop the metrics and drivers of the Wellbeing and Pride in Place exploratory missions. DCMS has recently commissioned a major 'what works' evidence review to help us understand how to best design and deliver interventions which increase pride in place through the culture and heritage sectors. This is being delivered by Arup, the Bennett Institute for Public Policy, and the London School of Economics (LSE). In addition, DCMS is supporting DLUHC to recognise the value of cultural and heritage participation to people's sense of Pride in Place and individual wellbeing, and the particular potential that cultural and heritage activities have to drive positive change in these areas, in ways that reflect the unique and distinctive characters and histories of communities and places around the UK.

DCMS has also significantly invested in the Culture and Heritage Capital (CHC) Programme, a world-leading research and development programme to help the culture and heritage sectors demonstrate their value to society in order to make a stronger case for investment in culture and heritage assets. The CHC Programme was officially launched in January 2021 with the publication of '*Valuing culture and heritage capital: a framework towards informing decision making*',³ which details the framework for how to assess value for money through robust appraisal and evaluation methods for the cultural and heritage sectors, looking beyond GDP. This approach will capture the value of the sometimes

3 <https://www.gov.uk/government/publications/valuing-culture-and-heritage-capital-a-framework-towards-decision-making/valuing-culture-and-heritage-capital-a-framework-towards-informing-decision-making>

idiosyncratic and esoteric nature of cultural and creative businesses and services. The CHC methods have been applied in the assessment and evaluation of bids for the £4.8bn Levelling Up Fund. A £3.1m research fund has recently been co-funded with the Arts and Humanities Research Council to expand the innovation around the methods with economic and humanities researchers.⁴

There are specific strands as part of this research call which will develop techniques around how people value emotions, spirituality, pride and non-use values. Over time, the CHC Programme will create a series of innovative outputs and products such as interactive maps, typologies for cultural and heritage assets, publicly available statistics, and guidance documents that allow for more nuanced and improved articulation of the economic, social and cultural value of the culture and heritage sectors in decision-making - in line with the Committee's recommendation above. This will innovate existing economic methodologies and draw from the arts, humanities and heritage science disciplines.

We recognise that place-based cultural, heritage, and broader investment is key for enabling local organisations, partnerships, and wider stakeholders, such as local government, to bring life and local communities back into high streets, town centres, and public spaces. As set out in the DCMS evidence submitted to this inquiry last year,⁵ the Government is already providing significant support to local and regional cultural and creative organisations and partnerships, and to local and regional government in order to galvanise place-based activity and achieve progress against the Levelling Up Missions the Committee has set out.

For example, the £2.6bn UK Shared Prosperity Fund has a particular focus on Pride in Place and supports the UK Government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives:

- Boost productivity, pay, jobs and living standards, especially in those places where they are lagging.
- Spread opportunities and improve public services, especially in those places where they are weakest.
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
- Empower local leaders and communities, especially in those places lacking local agency.

The Fund is a central pillar of the UK Government's ambitious Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition. The Fund's prospectus and interventions toolkit confirm that a range of cultural, heritage, and visitor economy initiatives are in scope for the Fund.⁶

The £4.8bn Levelling Up Fund is also investing in local infrastructure projects that improve everyday life for people across the UK, focusing on regenerating town centres

4 <https://www.ukri.org/opportunity/research-culture-and-heritage-capital-with-an-interdisciplinary-team/>

5 <https://committees.parliament.uk/writtenevidence/106685/pdf/>

6 <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-interventions-outputs-and-indicators>

and high streets, upgrading local transport, and supporting cultural and heritage assets such as museums, libraries, theatres, heritage sites, sports facilities and visitor attractions. The second round of the Fund, announced in January 2022, made 31 'culture and heritage' awards to projects across the country, totalling £546m.⁷

In addition, the Fund's second round also included the potential to support up to two large 'flagship' cultural projects, to boost local pride in place. As such, Morecambe, Lancashire, will receive £50m for the new major visitor attraction Eden Project North, transforming a derelict site on Morecambe's seafront to create a world-class cultural and visitor destination. Overlooking the natural beauty of Morecambe Bay, the seven inter-connecting gardens and pavilions will be curated with horticulture, art and exhibits.⁸ Other culture, heritage, and visitor economy projects supported by the Levelling Up Fund include the £8m Lincolnshire Wolds Culture and Heritage Programme, saving three of the Lincolnshire Wolds' most at-risk heritage and cultural sites, and £19m to transform the much-loved Hexagon Theatre and build a new modern library in Reading.

DCMS and its Arms-Length Bodies supported DLUHC's assessment process for both the first and second rounds of the Fund by providing expert comments, with DCMS Ministers having an advisory role in the Ministerial decision-making process for the second round.

Lastly, the Community Ownership Fund is providing £150m over four years so that local community groups can take ownership of local institutions that have fallen into disrepair or are under threat of closure and give them a new lease of life, ensuring they continue to provide vital services, create opportunities and boost local economies. The latest round of successful projects was announced in December 2022, with theatres, community centres, and historic parks across the UK benefiting from a share of £6.7m.⁹

DCMS and its Arms-Length Bodies also provide a range of capital and resource funds and wider initiatives that support local and regional government and organisations in the sector across the country, and enable them to deliver progress against the Levelling Up Missions.

The Spending Review 2021 confirmed that the Cultural Investment Fund (CIF) will invest up to £128.4m of further capital investment in innovative cultural and creative projects, public libraries, museums, and cultural and historic visitor sites over the Spending Review period, across the country and predominantly outside London. In March 2022, the recipients of the £48m first round of the Cultural Investment Fund were announced.

The Cultural Investment Fund includes the Cultural Development Fund (CDF) - DCMS's largest existing ring-fenced funding explicitly for culture-led regeneration projects outside London - which has invested over £90m across its initial two rounds to support 12 projects all over the country, from Wakefield and Worcester, to Ryde on the Isle of Wight, and Middlesbrough. The results of the third round of CDF will be announced in spring 2023.

7 For full list see: <https://www.gov.uk/government/news/landmark-levelling-up-fund-to-spark-transformational-change-across-the-uk>

8 Funding awards for a small number of bids are provisional subject to further subsidy control checks, assurance that necessary operational costs can be met locally and - for the large bids over £20m - such as Eden Project North - a further business case review.

9 <https://www.gov.uk/government/news/pubs-clubs-and-shops-across-the-uk-saved-for-local-communities-by-67-million-rescue-package>

The Cultural Investment Fund also includes the Museum Estate and Development Fund (MEND), a capital fund administered by Arts Council England, tackling the urgent repair and infrastructure needs of accredited regional and local museums across England and enabling them to continue placemaking as landmark institutions. Round 1 saw thirty-one museums sharing £18.8m across England. £16.9m is available in 2022/23, and a further £46.4m available across the following two years.

Finally, the Cultural Investment Fund also includes the Libraries Improvement Fund - a capital fund also delivered by Arts Council England to improve the infrastructure of public libraries as accessible, free to use, safe and trusted spaces found in all communities across the country, that can play a key role in levelling up. The Fund supports many public libraries to upgrade their buildings and digital infrastructure to meet the changing needs of users. £5m was allocated to 25 projects in Round 1 (2021/22), directly benefiting around 70 branch libraries. Round 2 of the Fund was launched in 2022 (also £5m).

Historic England's flagship £95m High Streets Heritage Action Zones programme is increasing people's pride in their local civic spaces by supporting heritage-led regeneration in 67 English high streets all over the country - from Buxton to Plymouth - bringing local historic buildings back into use as housing, businesses, and creative and community spaces. The programme includes a £7m Cultural Programme, co-delivered by DCMS Arms-Length Bodies Arts Council England and National Lottery Heritage Fund, delivering community-led cultural and creative activities and events on high streets, empowering people to feel even more included in and proud of the history of their local areas.¹⁰ So far, almost 1,000 public events and projects have been delivered.

Similarly, the £15m Transforming Places Through Heritage programme, delivered through the Architectural Heritage Fund (AHF), restores local heritage buildings to community ownership and new uses. It transforms village, town and city high streets and civic spaces, helping them to thrive, strengthening and empowering local people and communities, building cohesion and pride in these places, and encouraging local economies to prosper.

Historic England's Heritage Schools programme integrates communities, encourages civic pride and increases aspirations of local children. The programme supports and offers training to teachers in 62 Levelling Up Priority Places, developing children's understanding of their local heritage and its significance, and bringing it to life, increasing a sense of civic pride by using local, familiar heritage to develop a sense of place and identity.

Since 2012, the programme has engaged over 1.5m young people with their local heritage, providing better access to heritage in almost 2,000 schools in some of the most deprived areas of England.¹¹

The Committee highlights the positive impact of the UK City of Culture competition. The competition is a flagship DCMS initiative and a proven model for cultural placemaking. It empowers places to use this programming as the catalyst for further investment, driving economic growth and regeneration - on high streets, in city centres, and in any and all public spaces. This in turn promotes social cohesion, grows people's pride in these places, and makes them places where people - locals and visitors alike - want to spend time.

10 <https://committees.parliament.uk/writtenevidence/113964/html/>

11 <https://historicengland.org.uk/whats-new/news/heritage-schools-10th-anniversary/>

As the Committee has noted, for the first time in the history of the competition, in 2022 DCMS gave all eight long-listed places £40,000 to support the development of their bids, providing a level playing field for all.

- Bradford - selected as UK City of Culture 2025 - was also awarded £275,000, allowing them to maintain the momentum built during their bid, and start to deliver on their plans. The three runners-up - Southampton, Wrexham, and County Durham - are receiving £125,000 in grant funding to take forward some of the ideas in their bids.¹²
- Coventry - the UK City of Culture 2021 - has seen significant economic and social benefits as a result of the title, receiving £172m direct investment and an additional £500 million of regeneration activity in the city. Latest evaluation figures suggest all 42 neighbourhoods of the city had activities taking place across them, 43% of tickets were issued to citizens who were facing adversity, and over a third of the cultural programme was co-curated with local communities.¹³

The Government agrees that support for place-based cultural, heritage, and creative policymaking can help local organisations and local government deliver progress on the missions set out in the Levelling Up White Paper. As outlined above, we have taken - and are taking - positive and decisive steps to ensure a fairer distribution of cultural and wider funding, in support of this.

Conclusion: Despite the potential for the creative industries to help drive the Government's Levelling Up agenda, funding and support for arts and culture emulates the broader geographic disparities that affect the UK economy and society as a whole. The Government and its arm's-length bodies have taken some welcome steps to redress this imbalance. However, we are concerned that outside London and the South East, there are areas still not receiving the necessary investment to support their own local and world-class institutions, while in London and the South East, grassroots organisations in deprived areas are experiencing serious financial risk due to a handful of organisations receiving significant proportions of public funding. (Paragraph 38)

Recommendation: We recommend that the Government and Arts Council England reconsider how they allocate funding by regions. We propose a model whereby world class, national cultural institutions, who often receive the most significant levels of public cash, are categorised and allocated funding separately from local and regional cultural institutions. This would allow for better comparisons between genuinely grassroots organisations and ensure those organisations in regions where there is a high concentration of national cultural institutions aren't indirectly negatively impacted by well-meaning attempts to rebalance spending across the country. (Paragraph 39)

Government response: The Government, and Arts Council England, have taken major steps to rebalance funding across regions. This has primarily been achieved through targeting additional investment, along with a redistribution of funding from London to places elsewhere in England.

12 <https://www.gov.uk/government/news/bradford-crowned-uk-city-of-culture-2025>

13 https://warwick.ac.uk/about/cityofculture/researchresources/uk_coc_2021_interim_report_-_january_2022_web.pdf

A commitment to rebalance Arts Council England funding was among the most significant policies in the Levelling Up White Paper. The White Paper, published in February 2022, committed all additional Arts Council England funding allocated at the Spending Review 2021 to be distributed to benefit culture and creativity outside London. The White Paper also committed to identifying over 100 places outside London that will be the focus for additional Arts Council England engagement and investment. As a result, DCMS and Arts Council England jointly identified 109 Levelling Up for Culture Places (LUCPs) through a data-driven methodology highlighting the areas with the greatest need and lowest rates of historical cultural investment and engagement.¹⁴ The 2023–26 Arts Council England Investment Programme, announced in November 2022, will increase the number of funded organisations in these LUCPs by 79% (from 107 to 192 organisations) and will increase the level of investment in LUCPs by 95%, or £21.2m per annum.

Over the life of the next Spending Review period this will mean more funding for more arts organisations, museums, libraries, and heritage sites and visitor attractions in more places across England—and will ensure a more equitable spread of cultural opportunity.

Current Arts Council England funding policy does not impose a distinction between ‘world class, national cultural institutions’ and ‘local and regional cultural organisations’. Of course, cultural sector organisations vary in scale and international significance, but they are part of a genuinely national cultural sector, which is itself made up of hyper-local, local and regional clusters—each with a degree of interdependence.

While it is true that larger cultural organisations are located disproportionately in London (and indeed other major cities), this is not exclusively so, and even given the scale of these organisations they are also part of local cultural ecosystems—and this needs to be taken into account. Larger organisations both support and also depend on a range of other organisations at different scales. Likewise, these organisations are part of broader creative industry clusters and destination and visitor economies. There is a risk that differentiating ‘national’ from ‘local’ organisations could create or entrench divisions within the sector, perhaps even leading to barriers to growth and innovation. High quality is not uniquely provided by large-scale organisations, and Arts Council England seeks only to invest in organisations that provide high quality creative and cultural opportunities.

Arts Council England’s approach to investing in its next National Portfolio (organisations that will receive revenue funding for three years from 1 April 2023) was designed to support this whole-sector approach, and was agreed with DCMS, albeit in a way that supported the application of the arm’s-length principle. Decision-making on the Portfolio knitted together local and national perspectives, with decisions under £1m annual grants taken by Area Councils, and decisions over £1m annual grants taken by National Council.

Recommendation: We also recommend that these national cultural organisations should have differing expectations as a condition of public funding, including greater accessibility for audiences nationwide and support for grassroots organisations, in a similar way as to how the “crown jewels” of sport have differing broadcasting expectations. One overall ambition for Levelling Up through culture should be that every region can boast world class institutions alongside a local, accessible grassroots cultural ecosystem. (Paragraph 40)

14 <https://www.artscouncil.org.uk/your-area/priority-places-and-levelling-culture-places>

Government response: As set out in the response to the previous recommendation, government policy does not take a different funding approach to 'national' as opposed to 'regional' or 'local' organisations. However, organisations are expected to undertake activity at an appropriate scale according to their size and status, and as such Arts Council England would expect very large organisations to have more significant outreach plans than a very small organisation. We would also note that every region already enjoys world-class cultural and wider institutions.

Conclusion: Despite efforts to rebalance the geographic disparities in investment in arts and culture through flagship funds and competitive grants, we share concerns with the sector regarding the sustainability and accessibility of funding over the longer-term. We welcome that the Government has listened to our recommendations regarding guaranteed funding and the broadened scope for bidding areas aspiring to be the UK City of Culture as an important start. However, without further reconsideration as to how the sector can be supported beyond the current rounds of support, it is likely that many areas of the country will see their local cultural organisations continue to struggle. (Paragraph 57)

Recommendation: We recommend that the Government should consider how it can support arts and culture through means other than one-off or flagship funds but, instead, generate sustainable public funding settlements and pump-prime private sector investment. Recent reforms to funding competitions like the UK City of Culture, such as guaranteed and expanded support for high quality bids, should also be applied across the sector.

Government response: The Government appreciates the importance of guaranteed and long-term public funding settlements for giving local and regional government the confidence, clarity, and certainty to continue investing in and working closely with their local cultural, creative, and wider ecosystems, and recognises the significant amount local and regional government has invested, and continues to invest, in supporting and developing these sectors, many of which are non-statutory services. Local Authorities themselves already invest significantly each year in their local arts and cultural offer, with councils in England spending an estimated £2.4bn net revenue on Cultural Services in 2021 to 2022.¹⁵

Taking 2022/23 and 2023/24 together, the funding available to local government in England has been increased in real terms. The Local Government Finance Settlement 2023/24, published in December 2022,¹⁶ makes available an additional £5bn to councils, including around £2bn in additional grant for social care. This is an increase of up to 9% in cash terms compared to 2022/23. The majority of the Settlement is un-ringfenced in recognition that local authorities are best placed to decide how to meet their pressures and fund local priorities, including culture, heritage, and the visitor economy, where relevant. The Government's consultation on the provisional Local Government Finance Settlement ran for 4 weeks and has now closed; views provided as part of the consultation will be reflected in the final settlement before it is laid in the House of Commons.

15 <https://www.gov.uk/government/statistics/local-authority-revenue-expenditure-and-financing-england-2021-to-2022-final-outturn/local-authority-revenue-expenditure-and-financing-england-2021-to-2022-final-outturn#local-authority-expenditure>

16 <https://www.gov.uk/government/consultations/provisional-local-government-finance-settlement-2023-to-2024-consultation/provisional-local-government-finance-settlement-2023-to-2024-consultation>

In addition, the most relatively deprived areas of England (the upper decile of the Index of Multiple Deprivation) will receive 17% more per dwelling in available resource through this year's settlement than the least deprived areas.

One key case where public funds are invested in a long-term fashion is the Arts Council England's Investment Programme. Organisations supported through this programme - the National Portfolio - are provided with revenue funding over a multi-year period, allowing for organisations to plan and deliver meaningful and sustainable activity over the medium to long-term.

In addition to signposting best practice for councils looking to invest in and see the benefits of cultural and creative activity, Government and its arm's-length bodies are already encouraging and developing private sector investment in arts, culture, and heritage, and the broader visitor economy that supports and is in turn supported by these. This recognises the important role a diverse and commercially-strengthened funding approach has in ensuring these sectors' ongoing ability to access further funding sources, and their financial sustainability over the longer term.

For example, Arts Council England supports Beacon Collaborative, which carries out research into the role of philanthropy in the UK and within the arts and cultural sector, as well as further developing the New Philanthropy for Arts and Culture network across different places in England. Beacon's research focuses on the efficacy of Cause Related Networks (CRN) including for arts and culture; what motivates high-level donors to give; and how best to celebrate and inspire philanthropists. In addition, Arts Council England will recognise and build on recent findings from their 2022 Private Investment in Culture Survey.¹⁷

Arms-Length Bodies can also play a key role in convening and delivering private investment in relevant cultural, heritage, and creative sectors in ways that ensure the investment delivers the best economic and social outcomes for the organisations and people involved. For example, the Hamish Ogston Foundation Heritage Building Skills Programme, administered by Historic England, is a five-year in-work training and apprenticeships programme in the North of England¹⁸. The programme is generously supported by a £4.3m grant from The Hamish Ogston Foundation, a charity supporting health, heritage and music in the UK and abroad, founded by philanthropist Hamish Ogston. The programme aims to reduce shortages in heritage craft skills, improve the condition of Heritage at Risk (HAR) sites and create viable career opportunities for young people from less-advantaged backgrounds.

Destination Management Organisations (DMOs) can also play an important role in stimulating private sector investment in their local and regional cultural, creative, and broader visitor economy ecosystem, as the Government's response to the de Bois review of Destination Management Organisations recognised. The £2.25m Destination Development Pilot in the North East, announced in autumn 2022 and delivered by Arms-Length Body VisitEngland, will empower DMOs such as NewcastleGateshead Initiative

17 <https://www.artscouncil.org.uk/private-investment-culture-survey-2022>

18 <https://historicengland.org.uk/services-skills/training-skills/work-based-training/heritage-apprenticeships/the-hamish-ogston-foundation-heritage-building-skills-programme/>

to attract further private sector support, including in the region's cultural, heritage, and creative sectors.¹⁹ In addition, an England-wide accreditation scheme for DMOs will be rolled out later this year.

The UK City of Culture competition can also stimulate private and wider investment in a place, as highlighted above. We welcome the Committee's praise for the UK City of Culture competition, which allows UK cities and towns to compete and hold the title once every four years. Irrespective of winning, the process of bidding for the UK City of Culture title can have a positive impact on a place: helping to bring partners together, forging new and lasting relationships, unlocking ambition, and developing strategic cultural leadership; as well as showcasing and opening up access to local heritage, art and culture to local, regional, and wider audiences. The bidding process helps a place understand what is important for communities and to articulate a sense of pride and identity. As an example, Hull was unsuccessful in winning the 2013 title but came back with a stronger bid to win in 2017, while the momentum of bidding has led to places unlocking funding and support - for example, creating a new cultural trust in Sunderland, and - as evidence heard by the Committee highlighted - galvanising local collaboration and strategic focus in Stoke on Trent. Most recently, Southampton has gone on to set up Southampton Culture Trust, helping to maximise the benefits of the bidding process.

More widely, DCMS is already applying the best practices identified by the Committee to other competitive initiatives. For example, the £17.5m Create Growth Programme, which seeks to support high growth potential creative businesses, recently selected regions through a two-step process including an expression of interest stage and full application stage. The latter stage was supported by a grant to ensure local areas with less experience bidding for competitions could compete with better-resourced regions. DCMS also encouraged local area partnerships involving multiple Local Authorities to submit joint bids, which led to smaller regions joining up together or with larger, more experienced bid writers. This led to a diverse set of successful bids from across the country, from large combined authorities - such as Greater Manchester - to smaller county councils, such as Norfolk and Suffolk.

DCMS will continue to build on learnings from the evaluations of recent funding programmes such as the UK City of Culture and the Create Growth Programme when designing future place-based fiscal interventions - both competitive and more widely - in the cultural and creative sectors. However, we would caution that guaranteed support for the development of high-quality bids is not a 'catch-all' solution to apply across the sector. Rather, it is best used in tandem with other mechanisms that encourage local collaboration, are sensitive to the needs of the specific place, and focus on cultural, creative, and wider opportunities, such as allocative funding, secondments, and support with strategic development.

Recommendation: Alongside these plans, we recommend that DCMS and its arm's-length bodies, in consultation with the sector, develop a comprehensive training programme that help build much needed skills- and capacity-building. (Paragraph 58)

Government response: Given the myriad of skills and capacity-building training schemes, programmes, and resources already being delivered by Government, Arms-Length

19 <https://historicengland.org.uk/services-skills/training-skills/work-based-training/heritage-apprenticeships/the-hamish-ogston-foundation-heritage-building-skills-programme/>

Bodies, and the wider sector - including, as above, the Create Growth Programme - a Government-led training programme at a national level is not required. This would not only risk duplicating existing schemes and reducing awareness of the services delivered by current providers, but could also cause confusion to local organisations and wider stakeholders working in the sector.

For example, Arts Council England already supports a very wide range of training opportunities for the sector and wider relevant local and regional stakeholders working in and closely with it. Further details of these training opportunities across five specific highlight areas (Local Authorities, Leadership, Digital Skills, Museums, and Environmental Responsibility) are provided below, though it is worth emphasising that Arts Council England administers many other programmes beyond these.

Arts Council England has supported the capacity of Local Authority elected members to provide leadership regarding cultural and creative opportunity in their communities. This includes annual Leadership Essentials—a residential workshop. Following the success of a pilot training course last year for senior cultural officers working in Local Authorities, Arts Council England - in partnership with the Local Government Association (LGA) - will fund the training programme again in 2023. This training is part of a bigger annual programme of work to support and develop the work, skills and capacity of Local Authorities delivering cultural and creative work.

In 2019, recognising that leadership is key to the success and workplace culture of all organisations and the increasing challenges for arts and culture sector leaders today, Arts Council England invested £7.3m in a Transforming Leadership development programme for diverse leaders at all career stages. To date 1100 people have benefitted from the programme, with over 75% of these based outside London. The final evaluation report is due later this year.

Digital skills within the cultural and creative sectors are also important, and to that end Arts Council England supports the Digital Culture Network. The Network provides support to improve organisations' digital skills and allows them to explore and harness the benefits of technology. It provides specialist support in digital strategy and marketing, social media, eCommerce, data analytics and insight, website and content creation, and CRM.

Local and regional Accredited museums are key civic institutions, protecting important collections and contributing significantly to their place's sense of history and identity. These institutions need a highly-skilled, sustainable workforce, and to recognise this Arts Council England also funds Museum Development, with approximately £3.2m annually.²⁰ Skills and workforce development is one of the key universal deliverables for the nine regional Museum Development programmes. This covers Board development for museums, as well as the wider museum workforce - which includes a high percentage of volunteers. Just under 300 training opportunities were delivered by Museum Development across England in 2021/22 engaging nearly 4000 individuals.

20 <https://www.artscouncil.org.uk/supporting-arts-museums-and-libraries/supporting-museums/museum-development-programme/museum>

Finally, Arts Council England has supported Environmental Responsibility skills, training and capacity in the cultural and creative sectors. It does this by contracting the environmental support agency Julie's Bicycle to deliver four programmes to improve environmental responsibility skills and capacity in the arts and culture sector:

- Environmental Champions—a programme to upskill boards to confidently deliver environmental responsibility;
- Creative Climate Leadership Lab—a programme to empower diverse leadership
- Net Zero—a programme to support those arts and cultural organisations with the biggest environmental footprint to accelerate their carbon reduction;
- Leading Resilience - a programme to enable senior leaders to galvanise their organisation's dynamism, resilience and civic role and to drive place-based partnerships for adaptation.

Historic England is also doing a significant amount to build local and regional capacity, and develop skills, for cultural, heritage, and creative activity and initiatives - as evidence submitted to the Levelling Up Select Committee last year highlights.²¹ Historic England is a key provider of capacity building training for Local Authorities and community organisations, including on the conservation of the historic environment. This includes training for planning and regeneration of historic places through the Historic Environment Local Management (HELM) training programme.²² Historic England provided training for more than four thousand delegates in 2021–22 and over 1500 in the first half of 2022–23. Moving this training online in 2020 has increased access for Local Authorities across the country.

Helping Local Authorities prepare strategic plans for conservation and regeneration of historic places - in ways that can contribute to wider placemaking - is part of Historic England's ongoing role in preparing them to access government investment. Each of Historic England's six regions delivers grant aid for capacity-building projects, which are developed in partnership with local planning authorities to respond to their needs. Allocation of these grants is usually based on a non-competitive assessment of their value in creating good practice exemplars for wider use, and their ability to develop skills and capacity locally, in addition to their value for money.²³ This helps not only with the direct delivery of relevant heritage-led conservation and regeneration projects, but also with strengthening skills and capacity across the country, building local knowledge, expertise, and prowess over the long term.

The National Lottery Heritage Fund is also providing a range of programmes that support both local cultural and heritage organisations, and individuals working in the sector, to build their capacity, capability and expertise. The Covid 19 pandemic reinforced existing heritage sector needs for strategic skills investment at every life stage and career point, including in organisational sustainability, resilience, diversity, career progression and governance. This is in addition to traditional and contemporary heritage skills.

21 <https://committees.parliament.uk/writtenevidence/113964/html/>

22 <https://historicengland.org.uk/services-skills/training-skills/training/webinars/helm-webinars/>

23 <https://historicengland.org.uk/services-skills/grants/our-grant-schemes/regional-capacity-grants/>

Examples include the £3.5m Digital Skills for Heritage initiative, which promotes digital leadership and supports digital skills development across the diverse UK heritage sector. The programme supports all types and sizes of organisations, helping them to develop the digital skills needed to effectively respond to current challenges and equip organisations for the future, and make heritage and culture accessible and relevant today, and secure for future generations.

Conclusion: While our inquiry focused on the financial barriers to cultural placemaking, there are many factors that co-determine whether local places can develop and maintain sustainable cultural infrastructure. Our inquiry has heard potential policy recommendations from stakeholders across the sector and across the country; we hope that the Government continues to respond to the sector's concerns. While many of these issues were known when DCMS published its last White Paper for Culture in 2016 (only the second that the Government has published), the sector now faces additional challenges. Local authorities must be empowered to step up and take the lead on addressing these barriers. (Paragraph 60)

Recommendation: Consistent with the ambitions of Levelling Up, we recommend that local communities and stakeholders are given a greater role in decision-making. This could be done by building on the Community Ownership Fund, reducing the bureaucracy in funding application processes, encouraging more localised decision-making (as with the Arts Council's area council, who could be appointed by and answerable to local government) and looking beyond just competitive bidding to incentivise collaborative, democratic, grassroots-oriented processes. (Paragraph 61)

Government response: We recognise the barriers identified and set out by the Committee and accept that these have been further exposed by current challenges. That said, local communities and stakeholders and Local Authorities are already being empowered to take a leading role in decision-making both for funding, and wider place-based initiatives, in the cultural, heritage, creative and visitor economy and wider sectors. As set out in the Levelling Up White Paper, the Government intends to set out a plan for simplifying local growth funding. By streamlining the landscape, we will reduce inefficiency and bureaucracy giving local leaders the flexibility they need to deliver for local economies.

The Committee highlights the Community Ownership Fund as an example where communities have already been given a greater role in decision-making. The Community Ownership Fund helps communities across England, Scotland, Wales and Northern Ireland to take ownership of assets at risk of closure. The fund works directly with local community groups, encouraging them to identify assets of local significance through engagement with a wide spectrum of the community. Applicants typically work with parish councils, Local Authorities, and other community groups, and must demonstrate accountability to their local community in their application in order to be successful for funding.

The Community Ownership Fund has appointed a Delivery Support Provider to support applicants to apply and run their projects successfully. The Provider operates 'on the ground' in communities, working directly at a hyper-local level. An important part of the Provider's role includes the facilitation and promotion of peer networks between groups. As these networks develop, they will enhance and strengthen the role of local communities and stakeholders in the development of future bids.

The Fund is looking at ways to simplify and streamline both the application and decision-making process, without compromising on the standards required for receiving funding. The fund's evaluation strategy includes a review of these processes, the way funding has been allocated, and the impact on local areas. This will include recommendations relevant to the design of future interventions, such as alternative models of decision-making, and opportunities for greater local participation.

In addition, within the cultural and creative sectors specifically, localised decision-making is also already employed by a number of DCMS Arms-Length Bodies. For example, the Committee highlights the Arts Council England's Area Councils model.

Arts Council England's Area Councils are an important element of their governance. They are made up of stakeholders from across the geography that the Arts Council England Area covers, bringing their expertise and insights to inform Arts Council England's strategy and activity. As the Committee noted, Arts Council England reserves a number of places for serving elected Local Authority members. Local government is Arts Council England's most important strategic and delivery partner, not just as a co-investor but also as the democratic leader and convener for place. Each Area Council is made up of the chair, who is also a member of Arts Council England's National Council; nine members appointed by Arts Council England; and five local government representatives. These are normally appointed following an open call for local government representatives to sit on the area council, with decisions made by Arts Council England. Arts Council England also seeks to take account of public opinion in developing its strategic priorities. This included significant public consultation to develop their ten year strategy. Arts Council England also seeks to engage specific groups in the development of its policy, including piloting a Youth Advisory Board.²⁴

In addition, the National Lottery Heritage Fund also employs a devolved decision-making model. In line with their current Strategic Funding Framework 2019–2024, the Fund have further devolved decision making structures on funding to a regional level. Most grants below £5m are determined by local staff and committees in regions, and countries in other parts of the UK. At present 82% of funding is decided at a regional level, to respond to local needs. The National Lottery Heritage Fund intends to continue working via this devolved-decision making model, as set out in their new strategy 2023–33, which is due to be published later this year.

Funding opportunities can also be designed and scaled to focus on encouraging grassroots and community-led organisations to engage with them. For example, Historic England's Everyday Heritage Grants are supporting community-led and people-focused projects that aim to further the nation's collective understanding of the past. Grants of up to £25k were available to community and heritage organisations, with Historic England encouraging applications from smaller grassroots projects of less than £10k. The programme empowers communities, groups and local people to examine and tell their own stories in their own ways.²⁵

Beyond funding, the Government's Arms-Length Bodies are also working closely with each other, and with wider local and regional stakeholders - including local and regional

24 <https://www.artscouncil.org.uk/developing-creativity-and-culture/children-and-young-people/youth-advisory-board>

25 <https://historicengland.org.uk/whats-new/news/grants-to-uncover-nations-hidden-working-class-heritage/>

government - in ways that empower them to collaborate and make decisions for how best to support their place's local cultural, creative and heritage ecosystems by building from the ground up, and so feeling authentic to that particular place, while at the same time making the most of opportunities to level up those areas most in need of support using culture and heritage-led regeneration.

For example, as part of the £3.6bn Towns Fund, DCMS Arms-Length Bodies came together to form four regional Area Towns Groups (ATGs) covering the North, South, East, and West. These act as a coordinated 'single point of contact' for places in need of guidance on project development and delivery, and provide strategic planning around cultural placemaking and regeneration. An additional London group has also been formed. Representatives from DCMS and DLUHC often join these groups, enabling a holistic place-based approach.

Through these groups, the Arms-Length Bodies were able to provide expert comments on relevant culture, heritage, and visitor economy bids for both the first and second rounds of the £4.8bn Levelling Up Fund. In addition, a partnership of DCMS Arms-Length Bodies will be supporting the delivery of culture and heritage Levelling Up Fund projects, through DLUHC's recent announcement that it will be making up to £65m of wider support available to successful applicants to the Fund.

This collaborative approach builds on previous and existing Arms-Length Bodies partnerships to deliver initiatives with shared objectives. The Lottery-funded Great Place Scheme - which supported new, collaborative approaches to placing culture and heritage at the heart of communities and local policymaking is a strong example of this collaborative approach, co-delivered across 16 English projects by Arts Council England and the National Lottery Heritage Fund.²⁶ Similarly, recognising the symbiotic relationship between the cultural and visitor economy sectors, the Arts Council England-funded £4.7m Cultural Destinations Programme was delivered with support from VisitEngland, encouraging collaboration and partnerships between local cultural and tourism stakeholders.²⁷

The Government is also working closely with its Arms-Length Bodies to develop a new strengthened Arms-Length Body partnership working approach in a number of places receiving Devolution Deals, supporting greater funding alignment, joint investment and strategic collaboration with local and regional government, as well as wider organisations and stakeholders across culture, heritage, the visitor economy, and sports, in each deal geography. This will enable more place-sensitive approaches in these areas, empowering regional stakeholders to make the decisions that work best for their places and the people who live, work, and visit them.

Recently-published Deals that commit to stronger and more democratic partnership working of this kind include the North East Deal,²⁸ the York and North Yorkshire Deal,²⁹ and the Cornwall Deal.³⁰ The latter commits to refreshing the County's 'Cultural Investment Board and a Memorandum of Understanding between Cornwall Council

26 [Arts Council England and Heritage Lottery Fund Great Place Programme Evaluation, England, Year 2](#)

27 <https://www.artscouncil.org.uk/research-and-data/cultural-destinations-fund-data-and-evaluation>

28 <https://www.gov.uk/government/publications/north-east-devolution-deal-2/north-east-devolution-deal>

29 <https://www.gov.uk/government/publications/york-and-north-yorkshire-devolution-deal/york-and-north-yorkshire-devolution-deal>

30 <https://www.gov.uk/government/publications/cornwall-devolution-deal-kevambos-digresennans-kernow/cornwall-devolution-deal>

and DCMS's Arm's Length Bodies', to provide greater join-up and more opportunities for strategic engagement between local, regional, and national partners on priorities for future funding opportunities.

Lastly, Historic England, Arts Council England, the National Lottery Heritage Fund, and the Environment Agency and other partners have recently collaborated with the Northern Powerhouse group of LEPs to develop and launch a Place Strategy for the North. This involved convening regional networks for both culture and nature, run by sector organisations with Arms-Length Body involvement, and sets out a cohesive and compelling place proposition for the North of England, maximising its cultural, creative, heritage and visitor economy potential.³¹

Conclusion: Alongside its impact on individuals and households, the cost-of-living crisis poses an existential threat to the cultural, sporting and media organisations and infrastructures that are at the centre of our communities at a time when they need certainty following the Covid-19 pandemic, even despite the Government's welcome announcement of the Energy Bill Relief Scheme for businesses, charities and public sector organisations in September. (Paragraph 68)

Recommendation: The Government needs to engage with these sectors as a matter of urgency and bring forward targeted support in response to the current crisis, such as through VAT or business rate relief, to prevent exacerbating long-term scarring on organisations already hit hard by Covid-19. (Paragraph 68)

Government response: The Government is aware of the number and severity of issues facing DCMS sectors - including cultural, sporting, and media organisations - as a result of rising inflation and energy prices. DCMS continues to work with our sectors, gathering robust evidence for those hardest hit.

The Treasury led a review to consider how to support businesses with their energy costs after the current Energy Bill Relief Scheme ends. DCMS worked closely with its sectors to understand the challenges they are, and will be, facing, and ensured that BEIS and the Treasury were fully aware of those challenges when considering future support. This information was fed into the design of the Energy Bill Discount Scheme, which was announced in early January, and will come into force in April this year.

The Energy Bill Discount Scheme provides broad support across the economy to businesses and charities, and will help them to manage high energy prices. In addition, the Treasury recognises that some non-domestic energy users in Great Britain and Northern Ireland are particularly vulnerable to high energy prices due to their energy-intensive nature and their trade exposure. Under this scheme, these sectors are being referred to as Energy and Trade Intensive Industries or ETIIs, and will receive a higher level of support, subject to a maximum discount. For DCMS, sectors covering museums, libraries, and historical sites and similar visitor attractions have been designated within this group.

DCMS continues to engage constructively with industry to further understand and to help mitigate impacts. The Minister for Arts and Heritage has hosted roundtables with leading representatives from the cultural, and heritage, sectors, to discuss the challenges these sectors are facing, assess impacts, and identify possible mitigations.

31 <https://www.np11.org.uk/2022/12/arts-culture-nature-heritage-and-environment-collaboration-could-add-2-7bn-to-the-norths-economy>

Lastly, the Energy Security Strategy, published April 2022)³² set up a rapid review of barriers to installing energy efficiency measures in dwellings that are listed, and those in conservation areas. The work is being taken forward collaboratively by BEIS, DLUHC, and DCMS, and supported by Arms-Length Body Historic England. Findings will be reported in due course.

Conclusion: It is a matter of serious concern that despite the UK's status as home to successful, world-renowned creative industries, the sector is experiencing a significant and ongoing national skills shortage. This has compounded the issue of poor social mobility in the creative industries that successive governments have failed to address. Indeed, despite the Government's recognition of the need to provide greater opportunities for people from disadvantaged socioeconomic backgrounds in the 2016 Culture White Paper, the creative industries remain among the worst for social mobility. We find it incredible that the UK cannot deliver on the provision of skills needed to meet the employment needs of the sector and equip our potential future creatives with the best possible opportunities to succeed. This shortage must be addressed if the UK is to maintain its status as a stalwart in arts and culture in future. (Paragraph 78)

Current working arrangements within the creative industries, such as the emphasis on freelancing and volunteer work, lack of work experience opportunities and need to relocate to London and the South East, are anathema to the aspirations of levelling up people's prospects across the UK. We are particularly concerned by reports of poor working conditions experienced by people working in the creative industries, and how they have contributed to the low levels of social mobility and inclusivity of the sector. (Paragraph 84)

Recommendation: We encourage arm's-length bodies, especially those responsible for administering funding on behalf of Government such as the Arts Council and Historic England, to take further steps and ensure that organisations in the sector are working to improve working conditions across the creative industries as a key part of delivering on the ambitions of levelling up. (Paragraph 85)

Government response: Over the previous decade, the creative industries workforce grew at almost five times the rate of the rest of the economy. Evidence shows that creative jobs are highly skilled, innovative and resistant to automation, and they are likely to continue to be in great demand in the future. The Government recognises that there are not only skills gaps and shortages in some parts of the creative industries as a result of this growth, but that the creative workforce - according to recent research co-funded by DCMS³³ - is under-represented by people from low socio-economic backgrounds. As part of the Creative Industries Sector Vision - due to be published in the coming months - DCMS and industry will set out our shared ambitions to tackle skills gaps and shortages, including removing barriers to entry and progression in the creative workforce.

The Government's Cultural Education Plan is due to be published later this year and will be clear in its ambition that all children and young people in England can access a high-quality and industry-connected cultural education. This provision will aim to strengthen talent pipelines into the cultural and creative sectors in the long term (this is covered in more detail in the response to the recommendation in paragraph 95, below). Similarly, the

32 <https://www.gov.uk/government/publications/british-energy-security-strategy/british-energy-security-strategy>

33 Carey, H., O'Brien, D., and Gable, O. (2021) Social Mobility in the Creative Economy: Rebuilding and levelling up? Multiple: Creative Industries Policy and Evidence Centre and Work Advance.

Government's recently relaunched Creative Careers Programme will provide specialist information, advice and guidance regarding creative careers to young people across the country. It will specifically target young people from underrepresented backgrounds across 53 priority areas, determined by data regarding proportions of Free School Meal pupils, cultural capital, ethnicity and disability.

The Government and its cultural, heritage and wider Arms-Length Bodies are also working to ensure organisations in the cultural and creative sectors are doing their best to improve working conditions, as set out below.

DCMS part-funded the Creative Industries Policy & Evidence Centre's *Independent Review into Job Quality and Working Practice in the Creative Industries* - the first sectoral review of its kind - which is due to publish early this year and sets out recommendations across four priority areas³⁴ for both industry and government to improve working practice across the UK.

More broadly, Arms-Length Bodies are working closely with organisations in the sector to improve working conditions. For example, last year Arts Council England published an information sheet on Supporting Practitioners.³⁵ It sets out expectations for organisations working with freelance creative and cultural practitioners, as well as signposting to examples of good practice. While focused on freelance practitioners, the principles of fair and transparent treatment also apply to culture sector employees.

Arts Council England expects all funded organisations to treat freelance practitioners fairly and transparently, and to ensure that the needs of freelancers are properly considered when recruiting, commissioning, and working with freelance practitioners. This includes ensuring that rates of pay are in line with, or better than, recognised codes of practice and guidelines set by the relevant lead bodies. Applicants to Arts Council England's National Lottery Project Grants must explain how they have calculated fees for any artists and professionals involved in their project. Organisations should make sure that practitioners are properly welcomed and inducted into the organisation including making sure that the practitioner has access to any relevant policies (such as safeguarding) and that they know who to speak to if they have any issues or concerns.

Arts Council England recognises that sometimes projects do not go to plan, or that existing relationships between freelancers and organisations can sometimes stop being positive.

Where this is the case, organisations are expected to maintain fair and transparent treatment, and to ensure that both parties are protected; for example, if a contract is ended mid-way through, the freelancer should still be paid for the work to date. Good practice in working with practitioners goes beyond fair pay and fair treatment when working together. Arts Council England encourages organisations to consider how they can support their local freelance ecology in other ways, such as providing access to workspace, training or equipment, or offering support and advice. This is not a replacement for paid work but can form part of an organisation's wider offer for freelancers. This also includes ensuring that the needs and voices of freelance practitioners are included in their thinking and delivery.

34 i) strengthening the baseline of protection for creative workers; ii) driving improvements in management capability; iii) enhancing professional development amongst the workforce; iv) and improving worker representation

35 <https://www.artscouncil.org.uk/sites/default/files/download-file/Supporting%20Practitioners%20information%20sheet.pdf>

'Increasing our support for Individuals' is one of the five themes in Arts Council England's Delivery Plan 2021–2024. It sets out a number of Actions which will support Arts Council England's progress against this theme. This includes refreshing National Lottery Project Grants to improve how they support individuals and maintaining an increased budget for Developing your Creative Practice: a programme exclusively for individual practitioners to support them to make a step-change in their practice.

This theme also includes the development of resources to support individual practitioners, such as signposting to relevant training and development opportunities, and an upcoming toolkit to support practitioners and local bodies (e.g. Local Authorities, universities, clinical commissioning groups) to work together in their locality. In summer 2022, Arts Council England commissioned Freelance: Futures, a nine-week programme of learning and action, focused on the freelance cultural workforce. It brought together individuals, organisations, funders and policy-makers to build equitable working conditions in the cultural sector.

Historic England launched its Strategy for Inclusion, Diversity and Equality (published November 2020) to provide inclusive working conditions within its organisation.³⁶ This also provides sector leadership, recognising that heritage skills are often vital for the creative industries as well. Since the Strategy launch Historic England has provided 31 apprenticeships and hosted 23 Kickstart Placements, several leading to employment with the organisation. It has also provided 140 young people with work experience places and hosted 13 'positive action' placements (with bursaries) for people from under-represented groups (in partnership with Mobility Foundation, Leonard Cheshire, and Blueprint for All).

Historic England's drive to employ a diverse workforce is supported by its regional network of offices including Newcastle, Manchester, York, Birmingham, Bristol, Cambridge, Swindon and Portsmouth - providing many points of access to careers across the creative and wider sectors.

The National Lottery Heritage Fund is also improving conditions in the heritage and wider creative workforce. Employment law sets out a clear difference between volunteers and paid workers or employees (including apprentices), and the Fund signposts guidance on employment status, volunteering, and employment rights for interns. It is also clear that it does not support unpaid internships, and that it encourages paid training placements. In addition, applicants for National Lottery Heritage Fund funding must use the Living Wage rate (and London Living Wage where applicable) for all project staff, with evidence of this asked for in budgets.

Lastly, the British Film Institute (BFI) has been an industry leader in supporting film and wider screen workplaces to be free from bullying, harassment and discrimination (BHD). All BFI-funded productions are required to implement its 2017 BHD guidance as a contractual requirement. These are embedded in the BFI Diversity Standards which are used across all their National Lottery Funded programmes - as well as having been adopted by organisations including BAFTA, BIFA, Film4, BBC Films, Screen Scotland

36 <https://historicengland.org.uk/content/docs/about/strategy-ide-nov20-mar23>

and Paramount UK. Furthermore, in response to industry feedback, an additional Action List for employers was launched in 2021 to help proactively tackle bullying, harassment and racism in the workplace.³⁷

The BFI has also provided additional funding for productions to employ Wellbeing Facilitators—providing a point of contact for any issues arising, such as mediating conflict and investigating any instances of poor behaviour. The BFI was commissioned by DCMS to undertake a comprehensive Film and High End TV Skills Review which was published in June 2022 to address the acute skills shortage the sector is facing following a period of rapid growth. A core part of the review focused on workforce retention making recommendations for a more formalised approach to hiring, workplace management, and professional development to create more supportive, inclusive, and attractive working environments. The BFI is now engaging with the sector to coordinate action to address their findings and act on their recommendations.

Conclusion: Arts and cultural education is important in its own right for the social benefits it brings, but it is also an important factor in addressing issues of poor social mobility and the national skills shortage. While we welcome the Government's efforts to introduce a National Plan for Music Education and Cultural Education Strategy, we have heard that education policy in the main can have a detrimental effect on the provision of education, training and skills development in this country. We remain concerned that cultural education is still seen as of lesser importance to the curriculum, which feeds negative perceptions of careers in the creative industries, discourages people with necessary skills from pursuing those careers and compounds issues of social mobility within the sector. (Paragraph 94)

Recommendation: We recommend that the Government take tangible steps to address the national skills shortage and incentivise cultural activity in education, starting by ensuring the long-term viability for schools that provide vocational, industry-backed qualifications.

Recommendation: It should also expand the model of music education hubs outlined in the National Plan for Music Education to other disciplines with the cultural sector where the UK enjoys international renown and comparative economic success, such as TV, film and theatre. (Paragraph 95)

Government response: The Government is committed to high-quality education for all pupils, including the arts and creative subjects.

Art & Design, and Music, are in the national curriculum which is compulsory for maintained schools for 5–14 year olds. Academies and free schools are not required to teach the national curriculum, but can use it as a benchmark and must deliver a broad and balanced curriculum that includes promoting cultural development of pupils. At Key Stage 4 all pupils in maintained schools have an entitlement to study an arts subject if they wish: over half of Key Stage 4 pupils in state-funded schools have taken an arts qualification over the past four years (2018/19 to 2021/22).

We recognise that the arts are an essential part of a broad and balanced education and we have provided funding to assist schools to provide enriching activities for all pupils. The Department for Education has invested over £714m of funding between financial

37 <https://www.bfi.org.uk/news/action-against-bullying-harassment-racism>

years 2016–17 and 2021–22 in a diverse portfolio of music and other cultural education programmes to ensure all children, whatever their background, have access to a high-quality cultural education. We will continue to invest around £115m per annum in cultural education over 2022–2023 to 2024–2025 over and above schools' core budgets. These cultural education programmes such as Heritage Schools, Saturday Clubs and the BFI's Film Academy, support curricular and extracurricular arts education and most have a focus on disadvantaged pupils for example by region (e.g. opportunity areas) and/or income. In addition, over £30m a year is spent in the Music and Dance Scheme, providing means- tested bursaries to over 2,000 young people showing the greatest potential in these art forms. Building pupils' 'cultural capital' has been part of Ofsted Inspection judgements since 2019.

In the Schools White Paper, published in March 2022, the Government committed to the publication of a Cultural Education Plan in 2023, working with Arts Council England, British Film Institute and Historic England. This will include how best to support young people who wish to pursue careers in our creative, cultural, and heritage industries, including learnings from industry-led schools and colleges such as the BRIT School for Performing Arts and Technology and East London Arts & Music. In August, the Government appointed crossbench peer Baroness Bull as the Chair of the Expert Advisory Panel for the forthcoming Plan.

The National Plan for Music Education (NPME) was jointly published by DfE and DCMS in June 2022, and builds on the first Plan published in 2011. The refreshed Plan sets out a vision for music education to 2030—to enable all children and young people to learn to sing, play an instrument and create music together, and have the opportunity to progress their musical interests and talents, including professionally. The NPME recognises the importance of Music Hubs in addressing the unique challenges in supporting young people's progression in music, with committed funding to 2025. In future, Music Hubs will develop plans around three aims: to support schools to deliver high-quality music education, support young people develop their musical interests, and support all young people to engage in a range of musical opportunities in and out of school. There are no plans to expand the Music Hubs model to other art forms, although Music Hubs already play a wider role to the cultural life of their local areas, under their own auspices.

The Government is investing £3.8bn in further education and skills over the Parliament to ensure people can access high-quality training and education that addresses skills gaps in all sectors - including the creative industries - and boosts productivity. This includes:

- Rolling out new T Levels in Craft and Design, and Media, Broadcast and Production in 2023.
- Reforms to higher technical education (level 4/5), including the introduction of Higher Technical Qualifications (HTQs). 32 Digital HTQs are available for teaching from this September. Creative and design HTQs will be first taught in 2025.
- Skills Bootcamps in the creative industries, upskilling adults over 16 weeks in courses such as UI/UX design for games, web development and creative computing.

The Government has also been working closely with industry to develop additional flexibilities to apprenticeships - such as the £7m Flexi-Job Pilot, and introduction of portable flexi-job apprenticeships - to improve take up of this vocational pathway by the cultural and creative sectors. There are currently five live Government-funded creative apprenticeship pilots testing these flexibilities with organisations including Amazon Prime, the National Theatre and the Royal Opera House. The joint Government and industry Creative Advisory Group is distilling the learnings from these pilots, and looking more broadly at how technical education routes can be maximised to support the cultural and creative industries.

Conclusion: We have little faith that national government and arm's-length bodies are taking a joined-up approach with local government to Levelling Up cultural infrastructure.

Though cultural policy is devolved, and indeed central government should continue to resist centralising impulses, DCMS has a greater role to play in convening and facilitating collaboration between local government, national and local cultural institutions, arm's-length bodies and other stakeholders between and across local and regional levels nationwide, enabling the sharing of research, data and best practice, and ensuring that local stakeholders have the skills and experience to demonstrate local leadership and effective decision-making. (Paragraph 100)

Conclusion: The "cultural compacts" initiative appears to have had a positive impact in bringing together local stakeholders, driving strategic planning for culture and facilitating local engagement, contingent on examples of best practice. (Paragraph 104)

Recommendation: The Government should continue to support the initiative by aiming to at least double the number of compacts, and explicitly target rural areas in this expansion to better understand and develop a blueprint as to how they can be established beyond urban centres. Consistent with the "fifth pillar" of Levelling Up (reporting, external advice and external scrutiny), the Government should also commit to reporting back on the success of the cultural compacts initiative by the end of this Parliament. (Paragraph 104)

Government response: We would refute the Committee's claim that the Government and Arms-Length Bodies are not joining up with each other, and with local government, to convene and facilitate the collaboration which is key to Levelling Up local cultural infrastructure. The response to the recommendation in Paragraph 61 above sets out a wide range of current and historic examples of strengthened partnership working between Government, DCMS Arms-Length Bodies, and places, including Devolution Deals, and joint approaches to funding assessment and administration.

In addition, a range of DCMS Arms-Length Bodies, including Arts Council England, Historic England, and the National Lottery Heritage Fund, as well as wider stakeholders, have been involved as Commissioners in the Local Government Association (LGA)'s Commission into publicly-funded culture, which published its Cornerstones of Culture report in December last year.³⁸ Lord Mendoza, DCMS Commissioner for Cultural Recovery and Renewal, also acted as independent advisor to the Commission.

38 <https://www.local.gov.uk/topics/culture-tourism-leisure-and-sport/commission-culture-and-local-government>

The report recognises the potential for Local and Combined Authorities to use locally supported culture, heritage and visitor economy initiatives to deliver benefits across economic recovery, placemaking, social mobility and health inequalities, and uses case studies to highlight best practice examples of places already doing this all over the country - including Weston-Super-Mare, Wakefield, and Luton. DCMS is engaging closely with the LGA on next steps following the report's publication.

On Compacts specifically, the Government acknowledges the positive role the existing compacts have played in bringing together local partnerships and increasing cultural and broader sector capacity in a place. The Government welcomes Arts Council England's additional support for Compacts, outlined below. However, in the current fiscal climate, further Government investment in Compacts at this time is unlikely. Our preference is rather for the organic development of Compacts, which, for example, we saw to great effect in Sheffield through the Sheffield Culture Collective; or in Herefordshire - a predominantly rural county - following the county's participation in the Arts Council England and National Lottery Heritage Fund-administered Great Place Scheme, and which saw the partnership go on to be involved in the Hereford Town Deal Board.

Arts Council England is now supporting 30 Compacts across England and is in dialogue with partners in a number of other places which are interested in setting up similar arrangements. These Compacts are being offered funding to embed themselves where they operate and to create strategic and partnership capacity for the cultural sector during 2023. This funding is also intended to leverage support from wider local partners. Additionally, these Compacts are members of Arts Council England's Place-Based Peer Learning Network, which shares good practice and learning across Arts Council programmes which develop cultural opportunity in place—alongside partnerships funded by the Creative People and Places programme, and Local Cultural Education Partnerships. The Network will support development, e.g. sharing expertise on governance structures, and is another example of how Arms-Length Bodies like Arts Council England are working closely with local government, cultural and wider organisations and partnerships, and wider stakeholders to share data, insights, and best practice.

Compacts do already serve rural places—both wider Local Authority geographies like Herefordshire, and places which serve wider rural hinterlands like Truro. Arts Council England is specifically considering how compacts can help build capacity in Arts Council England Priority Places that cover rural communities. Arts Council England is also exploring how compacts can help build capacity in Levelling Up for Culture places (LUCPs). Jointly agreed by DCMS and Arts Council England, the 109 LUCPs are areas identified as having historically low cultural investment and engagement. As well as encouraging organisations in these areas to bid for funds and prioritising them for investment, Arts Council England are also exploring how compacts can help build capacity in these areas. In addition, Arts Council England is looking to engage other DCMS sectors with compacts and has opened a dialogue with its partner Arms-Length Bodies about this.

Recommendation: As part of this process, the Government should also undertake an audit of necessary skills in cultural placemaking and collaborative policymaking, and provide a roadmap as to how the provision of these skills and best practice can be delivered and shared to Local Authorities and partnerships that need and want them.
(Paragraph 105)

Government response: As set out in the response to the recommendation in paragraph 58, Government, Arms-Length Bodies, and wider local and regional bodies are already providing a significant amount of training and skills development programmes for cultural, creative, and heritage organisations and partnerships, as well as for local and regional government representatives and wider stakeholders. We are sharing and will continue to share these resources with relevant stakeholders as required.

As such, we do not agree with the Committee's proposal that an audit and roadmap of skills in cultural placemaking and collaborative policymaking is necessary, and risks duplicating existing resources and programmes developed by Government, its Arms-Length Bodies, and wider stakeholders - such as the Connected Growth Manual, published by DCMS in 2019,³⁹ or the LGA's Cultural Strategy in a Box, published in 2020.⁴⁰

Conclusion: The services and spaces offered by public libraries remain an important part of a community's infrastructure for people who are digitally excluded or who live in deprived neighbourhoods. (Paragraph 114)

Recommendation: The Government should support the development of a network of hubs providing cultural spaces, workspaces and free, fast internet access in places most in need of levelling up in order to modernise library service provision. (Paragraph 114)

Government response: As noted above, we are pleased to see that the Select Committee recognises the value of public libraries and the important role that they play as part of local community infrastructure, both through what they provide themselves, and in their capacity as an important platform for civil society and other public services to reach out into communities.

We agree that public libraries provide a unique service in helping people to help themselves and improve their opportunities. As well as bringing people together, libraries provide practical support such as digital skills and inclusion, as well as support for small businesses and entrepreneurs, a wide range of reading and reference material, and the provision of highly trusted objective and accurate information and guidance. Public libraries can also extend cultural engagement because of their position within communities, hosting and delivering cultural and creative activities themselves such as theatre, music and dance performances, and also pointing people - locals and visitors alike - to wider cultural activities and encouraging them to explore different experiences.

A growing number of library services are also establishing dedicated workspace facilities for individuals or businesses in addition to the general facilities they provide for people to drop in to use space, WiFi and facilities such as public PCs and printing facilities. DCMS funded the provision of free WiFi for all libraries in England in 2015; and the Libraries Improvement Fund referenced above provides capital funding for public libraries to undertake building or digital enhancements to allow them to better meet the changing needs of library users.

The delivery of public library services is a statutory responsibility of local government. However, DCMS takes its superintendence duties (to ensure local councils continue to provide 'comprehensive and efficient' services which meet local need) very seriously.

39 <https://www.gov.uk/government/publications/connected-growth>

40 <https://www.local.gov.uk/cultural-strategy-box>

The Committee's report also references that libraries can be 'engines for entrepreneurship, economic growth and job creation' (Paragraph 107), including through the British Library's Business and Intellectual Property Centre (BIPC) network which we fully endorse. Run in partnership with public libraries with 20 Centres across England, BIPCs provide accessible business support, help and guidance, including mentoring, workshops, and advice on Intellectual Property (IP). Not only does the programme return £6.95 for every £1 invested⁴¹, it also demonstrably reaches people otherwise under-represented in business: of BIPC users who started a new business, 55% were women, 31% from a Black or Asian Minority Ethnic background and 17% were disabled.

Beyond the BIPC network, public libraries offer resources for everyone to learn new skills, helping people to help themselves and improve their opportunities, including those working in local cultural, heritage, and creative ecosystems. Public libraries play an important role in enabling access for the digitally excluded, supporting digital skills learning from foundation to more advanced skills, building confidence and improving employability and capacity locally.