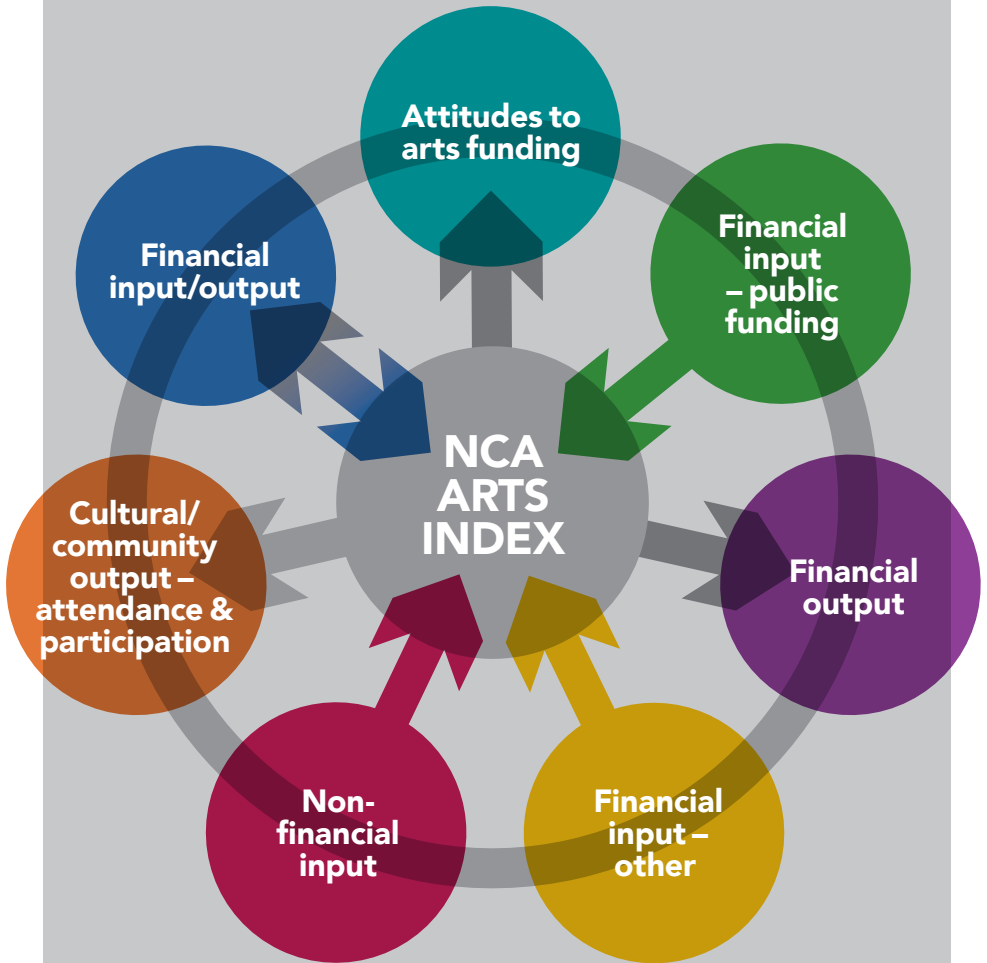


# ARTS INDEX



*ENGLAND 2007-2016*

# Arts Index: England 2007–2016

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Welcome to the Arts Index 2017, produced by the National Campaign for the Arts.

The NCA campaigns for more public investment in the arts because we believe that the arts are for everyone and make everyone's lives better.

We promote and celebrate the arts as essential in themselves and important to improving mental and physical health, happiness, empathy and educational achievement.

We believe that art is not an add-on, not a “nice-if-you-can-afford-it”. It's a fundamental part of a functioning society. Expanding our imaginations and generating ideas are necessary to self-expression. Dissent is a part of democracy, and democratic governments should have an interest in preserving places where that dissent can be expressed. Across the world, we see that the first instinct of the anti-democratic regime is to challenge a free press, imprison artists, ban theatrical productions and eventually blow up ancient monuments.

The strains and tensions of society – poverty, alienation, radicalisation, inequality, truancy, ill-health – are all things the arts can improve. Arts spending is part of the solution, not the problem, and it can and does transform the lives of individuals and communities.

## The Arts Index

The NCA publishes the Arts Index as a health check of the arts in this country. Of course art can never simply be reduced to a set of figures; assessing the health of any organism is complex. But policymakers need to know what's happening. They need independent and objective analysis. The Arts Index provides it.

We started work on the Index in 2010, when it became clear that a decade of increases in both national and local arts funding was coming to an end. Since then we have welcomed initiatives like tax breaks and big increases in lottery funds

*Arts activity creates real jobs of high quality, real pay in people's pockets and real satisfaction in what they do. But the arts go beyond that. Art's creations enhance life for individuals and communities. They are a celebration of shared humanity across all boundaries and a means of communication between members of any community, any country. The arts are built upon acts of imagination and they encourage and enlarge our imaginations when we meet them. This means that art has an impact on all aspects of our lives and public discourse, from social policy to political change, from childhood career choices to mental health, leisure and public civility.*

*There's a reason why we celebrate civilisations through their arts - their arts are a deeply penetrating expression of loves, hopes and human truths. We live in a time eager to diminish the humanity of perceived threats and prefabricated enemies. A healthy arts landscape is vital in combatting the expression of dark dreams, distortions and untruths. It is also essential if we hope to understand them and to know why we might wish to preserve each other and our world in freedom and health.*

AL Kennedy

allocated to the arts, but these have not offset even bigger falls in public investment. Our arts sector, already arguably the most efficient in Europe, is having to rely more and more on earned income instead of public funding. What effect is this having on the employment and economy of the sector? What effect is it having on the proportion of the public taking part in the arts? More than ever, the Arts Index can tell us.

The Index is made up of twenty measures; we call them indicators. They measure what goes in, like investment, and what comes out, like audience sizes. They can go up or down, and they're measured against a base year.

We can now see the 'Olympic bump' for what it was – a wholly unsustainable upturn in funding, participation and approval in the years around 2012.

For this 2017 edition (including new data for 2014/15 and 2015/16), we've taken the opportunity to retire some indicators where data is no longer collected, improve data sources for others and introduce important new indicators where we have robust data for the last ten years. Once again, we can share some positive news for the arts in England, as well as some serious causes for concern.

## The headlines

Using the current basket of indicators, when last published in 2015 the overall Arts Index for England stood at 104. We can now reveal it rose to 106 in 2014/15 and stayed the same in 2015/16.

## Big changes

**Business contributions down.** Although we only have three years of data from Arts Council England's welcome new survey of Private Investment in the Arts, we can see that in real terms sponsorship fell by 20% in 2014/15.

**Local government funding down.** Central government cuts mean local government funding continues to crash: down a further fifteen points in this edition. Since the Index began in 2007/8, local government funding has fallen by over a third – the biggest fall of all twenty indicators.

**Combined public funding down.** A further fall of six points in this edition. Since the Index began in 2007/8, total combined

public funding (Treasury, local government and lottery) has fallen by a fifth.

**Public support of arts funding from taxes down.** When Arts Council England started measuring levels of public support for arts funding in 2009/10, a majority of the population thought arts and culture should be funded through taxes. By 2015/16 this had dropped to 37%.

**Individual giving up.** Again we only have three years of data from the new survey, but a huge surge in philanthropy was reported in 2014/15.

**Lottery funding up.** We've changed the way we track funding from the national lottery in this edition of the Index and now monitor what money is being drawn down by Arts Council England. This has risen by eighteen points over the past two years.

**Income from West End theatre up.** Undoubtedly aided by the magic of Harry Potter and an increase in the average amount paid per ticket, inflation-adjusted income from commercial theatre in the capital has gone up 8% since the last Index.

In the seven years that we have been working on the Index, much and little has changed. In real terms, since 2007/8 Treasury funding for the arts has fallen by 28% and local government funding by 37%. Levels of attendance and participation for the population as a whole have hardly moved, although levels of engagement by disabled people are up, while black and minority ethnic participation and attendance is down. With such big cuts having such little impact on engagement with the arts, are concerns about the future of our world-leading creative sector justified?

We think so. We believe there are two reasons why the arts sector has not contracted despite this massive withdrawal of public investment: an increase in earned income by arts organisations and more receipts from the national lottery. Both may be unsustainable.

The ratio of combined public funding to income earned by Arts Council England's core portfolio has shifted dramatically since 2007/08. The arts sector is now far less reliant on public funding and far more reliant on earning money from the public, principally through ticket sales. Studies show the average

price paid for tickets has risen well above inflation in recent years. It's great that many people are prepared to pay more, but the NCA believes everyone deserves affordable access to arts and culture, no matter how much money they have. "Gentrification" is a problem in the arts, and the removal of huge sums of public money from the system is making the problem worse.

The national lottery has been a hot topic in every edition of the Index. In 2011 we said that Arts Council England's attitude to lottery funding was changing. Their challenge had been to maintain the principle of additionality: that lottery funding was a very nice 'and', but it mustn't become an 'or'.

In the past, while Arts Council England still seemed to believe in additionality in theory, in practice treasury funding was falling so much that upholding the principle would force Arts Council England to withdraw funds to some arts organisations, which would close. As a result we predicted that some National Portfolio Organisations might become wholly supported by the Lottery.

We were right: from April 2015 a proportion of Arts Council England's core portfolio became 100% funded by the national lottery. Given the size of Treasury cuts this might seem pragmatic, but we felt it left the sector vulnerable: we know from past experience that lottery income can vary hugely depending on the mood of the people.

And that mood now seems to be changing. National lottery ticket income fell by 9% in 2016/17. The decline may not immediately be reflected in a fall in the amount going to good causes, but reserves will go down and less funding will be available in future years. If the downward trend continues, policy makers will be faced with a tough decision: cut funding to the core portfolio of revenue funded arts organisations that now rely on the national lottery, or further reduce the funding pot for arts projects that make a huge difference to communities all around the country.

In the last edition of the Index we were deeply critical of the end of annual surveys of private giving to the arts, just as government policy shifted to a new emphasis on growing philanthropy. So we were delighted when Arts Council England stepped in and commissioned a new survey. While the new

methodology undoubtedly gives a more accurate (and lower) figure for private giving, tracking the trend back to our base year of 2007/08 is now impossible. If we could, it seems likely that business support of the arts would show the biggest decline in the whole Index. It fell 29 points between 2007/08 and 2010/11 (when Arts & Business ran the survey), and another 36 points in the first three years of the new survey (2012/13-2014/15).

The same caveat over method applies to trusts, but here the story seems brighter, with rises of fifteen and sixteen points across the surveys. In 2007/08, business gave more to the arts than trusts and foundations. By 2014/15, trusts contributed over 30% more than business sponsorship.

The biggest year-on-year change anywhere and at any time in the Index is the 2014/5 growth in individual giving: a massive 68% rise. There is undoubtedly a correlation between this leap and Arts Council England's Catalyst programme, which was launched in 2012. It will be fascinating to see if this rapid progression can be sustained and built upon in the years ahead.

Those years are going to be challenging. Few in the arts community have been vocal about the opportunities of Brexit, and many have expressed concerns about its potential impact on arts practitioners and audiences. Pressures on the public purse look set to continue and now we are beginning to see that national lottery income can go down as well as up.

There are worrying signs of reduced flow in the pipeline of talent that made this country a world leader in arts and culture. According to the DCMS, the proportion of teenagers participating in music is now at its lowest level since records began. In her highly anticipated September 2017 Florence speech on Brexit negotiations, the Prime Minister spoke of the need for us to be an "imaginative and creative" nation in order to deliver a successful Brexit. With the proportion of arts GCSEs (Indicator 9) having fallen nearly 20% in the last decade, we might ask where she intends to find the imaginative, creative citizens of the future?

Perhaps the biggest challenge ahead for the arts is in the hearts and minds of those taking part. The arts remain a massively popular pastime: over 70% of the adult population attend events or participate themselves every year. Despite this high

figure, only 37% of the population now believe taxation should be used to fund arts and culture.

The NCA's mission is to highlight the value and impact of arts funding for individuals and communities and increase public awareness and support for continued investment from local and national government. If you share our passion for the arts and audiences, please do join our new Supporters Scheme. For the price of a cup of coffee a month you can help us redouble our efforts to ensure future generations inherit as wonderful a range of cultural opportunities as we enjoy today.

**Samuel West**

Chair of the National Campaign for the Arts  
[forthearts.org.uk/support-us](http://forthearts.org.uk/support-us)

## The NCA board

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This edition of the Arts Index has been produced by TRG Arts on behalf of the National Campaign for the Arts (Registered Charity no 1079313) board of unpaid volunteers:

**Samuel West (Chair)**, actor and director

**Cassie Chadderton**, Head of UK Theatre

**Sarah Gee**, Managing Partner of Indigo-Ltd

**Kim Grant (Company Secretary)**, Theatre Consultant

**Amanda Jones**, Arts Strategy and Communications

**AL Kennedy**, writer and performer

**Rosie Luff**, public affairs consultant for the arts and creative industries

**Ruth Mackenzie CBE**, Artistic Director of the Holland Festival

**Peter Manning**, conductor and violinist

**Helen Mountfield QC**, Lawyer at Matrix Chambers specialising in human rights and discrimination law

**Julia Payne**, Director of the hub, an arts and creative enterprise development practice

**Mark Pemberton**, Director of the Association of British Orchestras

**Bob & Roberta Smith**, visual artist

**Michael Smith**, director of Cog Design

**Leonora Thomson**, Managing Director, Welsh National Opera

In this new edition of the Index, each of the NCA's Directors has contributed reflections on some of the indicators. These are meant to put some flesh on the bones of the Index; we don't pretend to be able to predict the future but want to express our hopes and fears. The comments are personal and do not necessarily reflect the views of the NCA Board as a whole or of the organisations we work for.

# About the Index

## What is an index?

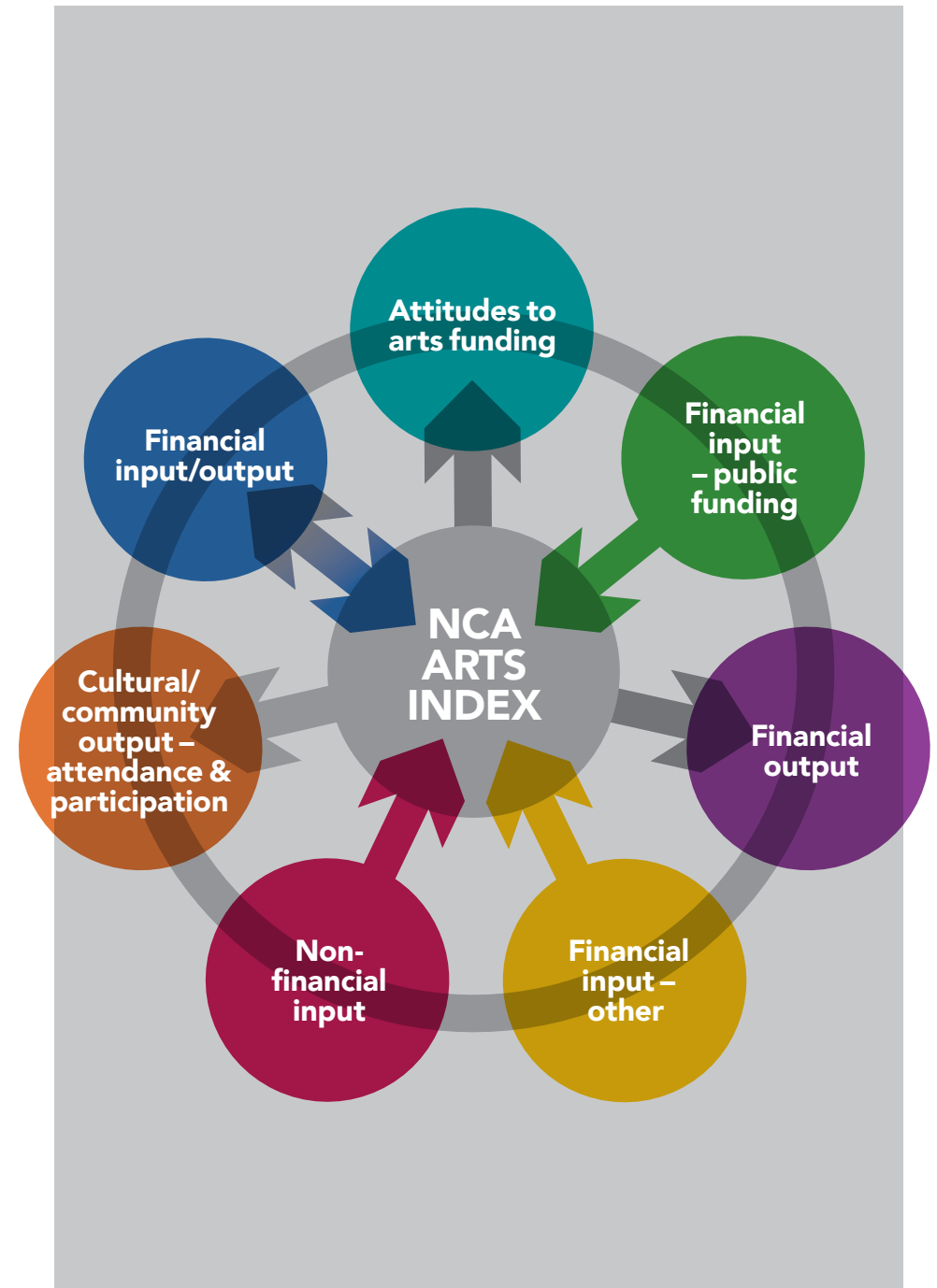
'A measure of the value of a variable relative to its value at some base date or state' — The Oxford Dictionary of Statistics.

An index allows us to understand how something being observed has changed. In the Arts Index, this change has now been measured over a nine-year period.

An index also allows people to compare a number of different sources of information on the same scale, often set so that its base value is 100. That is the approach used here.

If a particular figure increases over time then the corresponding index will increase, and if a figure decreases the index will drop. From the index you can gauge the extent of change. For example, if the index increases from 100 to 125 then this represents a 25% increase; if it drops to 75, this represents a drop of 25%.

There are twenty separate indicators that feed into the Index, each of which has been chosen because it gives us insight into the health and vitality of the arts sector. The indicators are grouped together into seven categories. The diagram on the opposite page shows the relationship between these different financial, economic, cultural and community inputs and outputs.



## How these indicators are used in the NCA

### Arts Index

To arrive at the score for each indicator, the figures behind them have been compared to the base figures for 2007/08.

Where this data wasn't available, two rules have been applied:

– The earliest year available for the data is the base year.

In most cases this is 2007/08.

– If data is available from an earlier year but gaps exist in later years then the data has been brought forward to fill the gaps. This keeps the Index as comparable as possible across the years.

Where either of the above rules has been applied, we note and elaborate on this. This approach means that the Index has been built using best practice, while acknowledging that the data is not complete in every area.

We aspire to use the most accurate and appropriate data possible in the Index. This means that when new datasets are available or when data providers revise their figures we will update the Index with the improved figures. This means that some of the figures in this Index do not exactly match those in previous editions and it is highly likely that the figures in this publication will be refined still further in future editions.

### Weighting the Index

We have considered the following specific variables when creating the Index:

Financial figures across the years have been adjusted to take account of inflation using the Consumer Price Index (CPI).

There is no weighting applied to the data in terms of how the twenty indicators are combined to create the overall Index; each of the indicators contributes an equal 1/20 of the input.

## The 2017 Index

The original Index was published in 2011 after a year of complex research and analysis across the four UK nations by the NCA, Audiences UK and, in the latter stages, Audiences London.

An anecdotal indicator of the changes in the arts sector in recent years is the changes in these organisations: Audiences UK has closed, the NCA no longer employs permanent staff and Audiences London is now part of The Audience Agency.

The research for this updated English edition of the Index has been produced by David Brownlee of TRG Arts, who as the former Chief Executive of Audiences UK led the work on the original Index.

The original Index reported across the four UK nations as well as at a regional level in England. The NCA aspires to produce the Index in this level of detail in the future, but requires additional financial resources to do so.

### Glossary

We are aware that interest in this Index won't be limited to people who are embedded in the world of arts and culture funding and policy, so on page 70 we have included a glossary of some of the terms and acronyms used in the Index.

# The overall index for England

While overall changes across the twenty indicators have been slight, there have been major fluctuations in many individual indicators.



## Summary of changes in England since the previous edition was published

7	Individual giving to the arts per person	+68
2	Arts funding from the national lottery per person	+18
17	Income from West End theatre	+8
6	Trusts and foundations contributions to the arts per person	+7
10	Combined reserves of revenue funded arts organisations per person	+5
4	Earned income by revenue funded arts organisations per person	+4
19	Gross Value Added (GVA) of 'creative, arts and entertainment activities' as a proportion of the UK non-financial business economy (UK figures)	+4
9	Proportion of creative arts GCSEs being entered as a proportion of all GCSEs	+3
20	Employment in artistic, literary and media occupations as a proportion of total employment	0
14	Proportion of adult population with a long-standing illness or a disability taking part in the arts	0
18	Combined expenditure of revenue funded organisations per person	-1
8	Higher education students studying creative arts as a percentage of population	-2
11	Proportion of adult population attending an arts activity	-2
13	Proportion of black and minority ethnic adult population taking part in the arts	-4
12	Proportion of adult population participating in an arts activity	-5
1	Treasury funding to Arts Council England per person	-5
16	Proportion of public supporting funding of arts and culture from national lottery	-6
3	Local government funding for the arts per person	-15
5	Business contributions to the arts per person	-20
15	Proportion of public supporting funding of arts and culture from taxes	-35



# FINANCIAL INPUTS – PUBLIC FUNDING

This category contains three indicators:

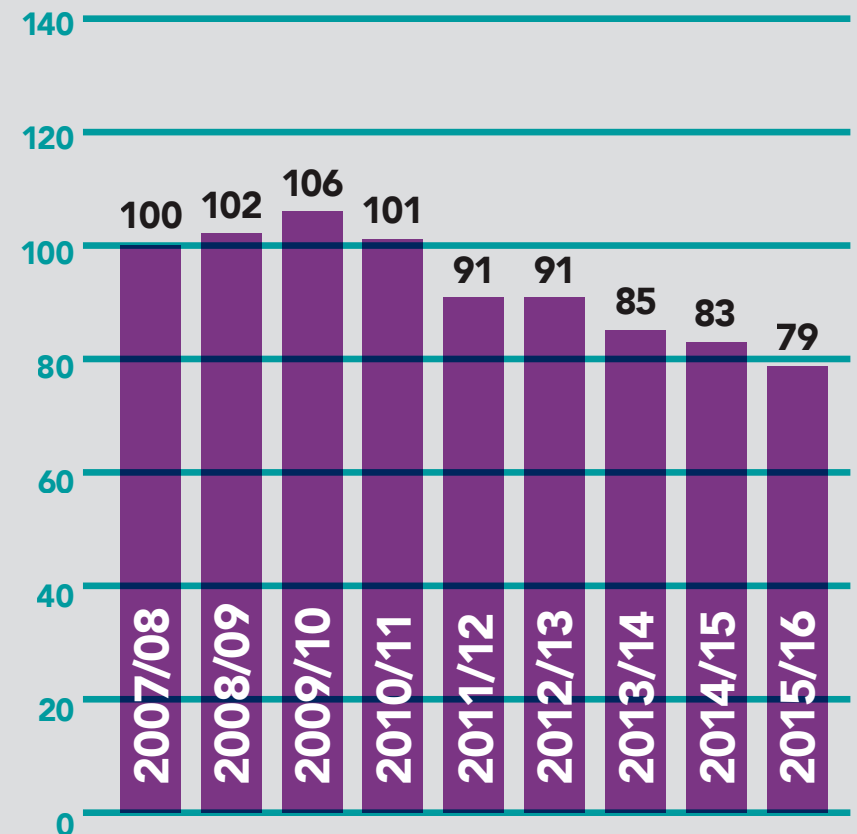
1. Treasury funding to Arts Council England per person
2. Arts funding from the national lottery per person
3. Local government funding for the arts per person

## Combined score for this category

The combined score is worked out by adding together the funding per head for each year across the three indicators and comparing it to the 2007/08 figure.

In England the cumulative amount per person invested from these three sources continued to grow until 2009/10, when it reached an inflation adjusted figure of £20.67. It then fell by almost £1 to £19.72 in 2010/11 and then by more than £2 to £17.62 in 2011/12. The combined figure stabilised for a year in 2012/13 before three further years of decline. In real terms the combined public figure has fallen 35% from 2009/10.

## Financial inputs – public funding



# 1 Treasury funding to Arts Council England per person

## What the indicator tells us

After remaining relatively constant for the first three years, inflation adjusted 'core revenue' funding of Arts Council England has fallen every year from 2010/11 onwards. From a high of £8.14 per person in 2009/10, the inflation adjusted figure dropped to £5.38 in 2014/15: a 33% decline, despite the addition of Museums and Libraries to Arts Council England's core responsibilities. This decline continued in 2015/16 which saw the figure fall to £5.26.

*National government funding ensures that everyone has affordable access to good art. Continued cuts mean price rises, and fewer opportunities to take part.*

Kim Grant

## Calculating the score

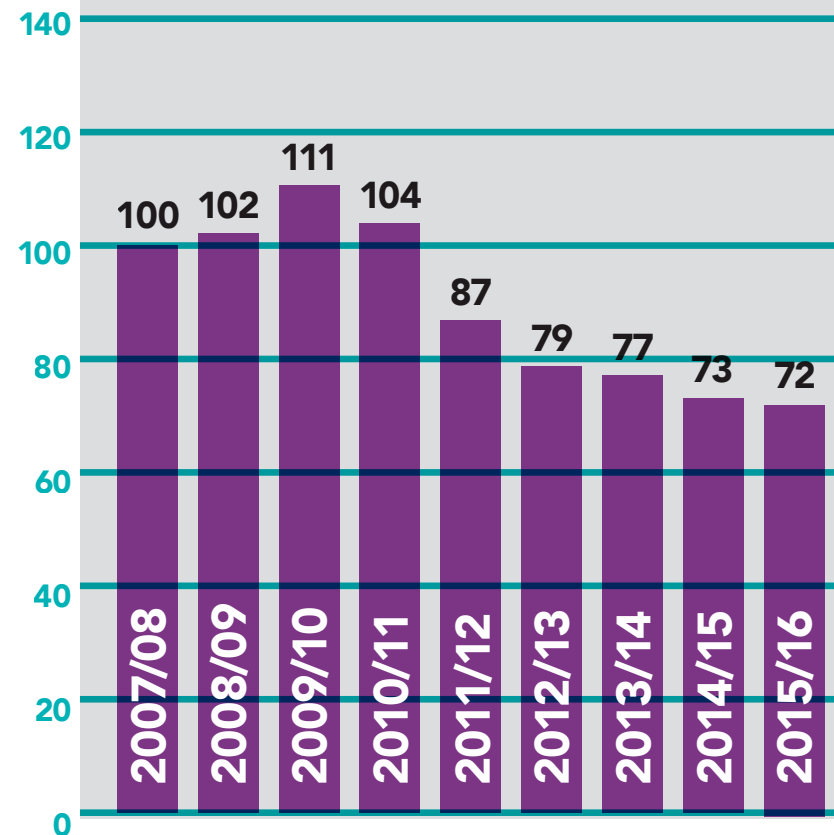
The score is based on money per person per year. For this new edition of the Index the 2007/08 baseline was calculated by taking 'core revenue' Grant in Aid figures from Arts Council England's annual report and accounts, divided by the English population that year (based on UK National Statistics). Financial values stated are adjusted so that they are comparable with 2007/08 prices, using the Consumer Price Index. Note that this does not represent all national

government investment in the arts in England: the Department for Digital, Culture, Media and Sport makes direct grants to a number of institutions and Arts Council England also receives other restricted funding in addition to its 'core revenue' grant.

Arts Council England's remit expanded during 2010/11 to include Museums and Libraries. Its 'core revenue' grant was increased (or rather decreased less) to allow it to cover these increased areas of responsibility.

## Indicator 1

Treasury funding to Arts Council England per person



# 2 Arts funding from the national lottery per person

## What the indicator tells us

There are various ways to track lottery funding of the arts, all of which give a partial picture of the health of this key element of the arts ecology. For this edition of the Index we have tracked the amount of lottery funding drawn down from the Good Causes distribution fund by Arts Council England for distribution and to cover its own administration costs each year.

This measure of lottery funding has seen steady and significant growth since 2007/08, with a sharp peak in 2012/13 (Olympic year).

## Calculating the score

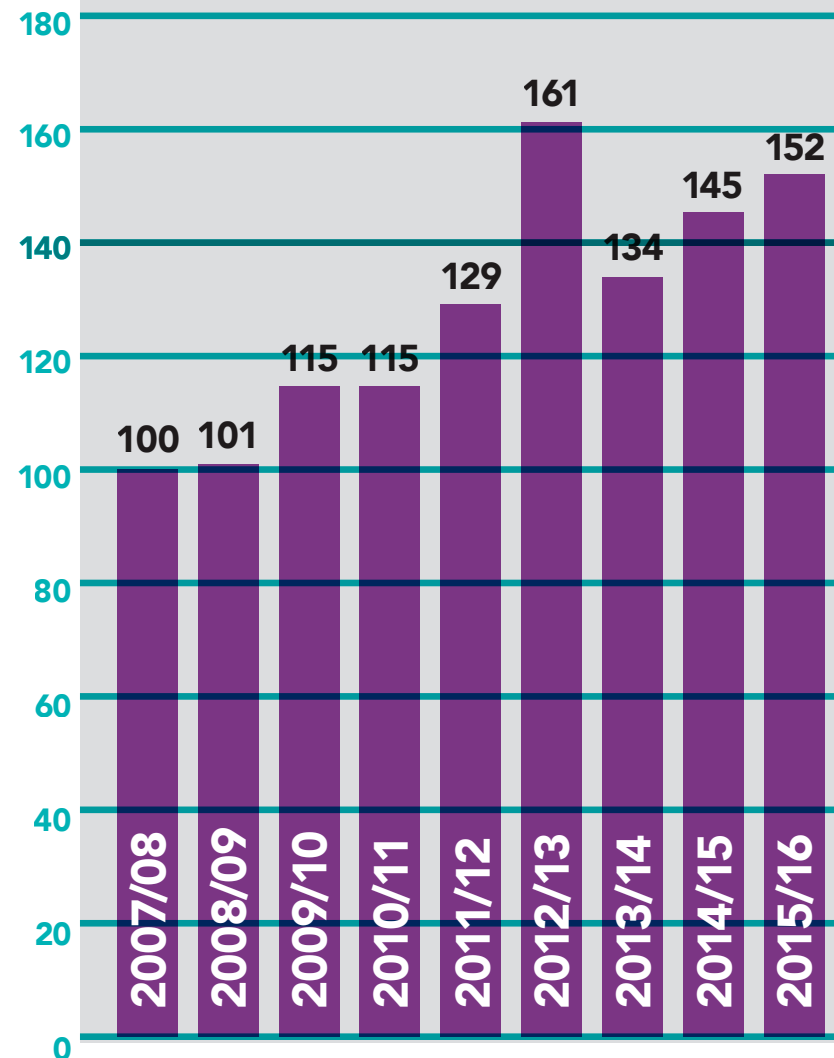
The score is based on money per person per year. For this new edition of the Index the 2007/08 baseline was calculated by taking 'Share of proceeds from the National Lottery Distribution Fund' from Arts Council England's annual report and accounts, divided by the English population that year (based on UK National Statistics). Financial values stated are adjusted so that they are comparable with 2007/08 prices, using the Consumer Price Index. It should be noted that this does not represent the entirety of lottery investment in the arts in England, as other lottery distributors also make arts grants.

*Lottery players do their bit to fill the funding gap left by national and local government. It's great that the arts now have their share of the lottery cake, but falling lottery receipts mean a shrinking cake, and art and audiences will suffer*

Samuel West

## Indicator 2

Arts funding from the national lottery per person



# 3 Local government funding for the arts per person

## What the indicator tells us

At its peak in 2008/09, the inflation adjusted amount invested in the arts by local government amounted to £9.59 per person. In 2015/16 this had dropped to £5.87. This is a 39% reduction: the biggest fall of any indicator in the Arts Index.

## Calculating the score

The types of funding that were used to create the 2007/08 UK baseline were: arts development and support / museums and galleries / theatres and public entertainment.

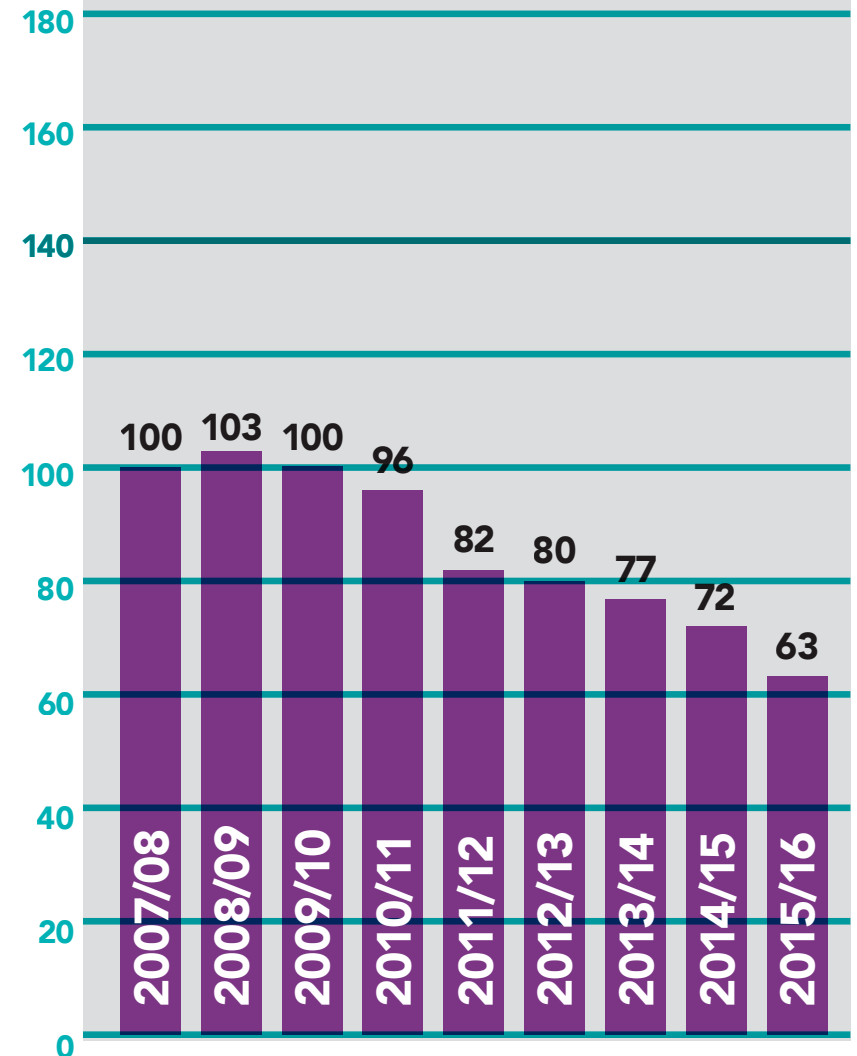
We used Revenue Outturn data published by the Department of Communities and Local Government for net expenditure, excluding capital charges to calculate the baseline and annual changes, dividing this by the population in that year.

*Town Halls are under enormous pressure but our Hearts for the Arts Awards prove there are still some Councils that understand the value of culture in their community and do all they can to safeguard it.*

Helen Mountfield

## Indicator 3

Local government funding for the arts per person



# FINANICAL INPUTS – OTHER

This category contains four indicators:

4. Earned income by revenue funded arts organisations per person
5. Business contributions to the arts per person
6. Trusts and foundations contributions to the arts per person
7. Individual giving to the arts per person

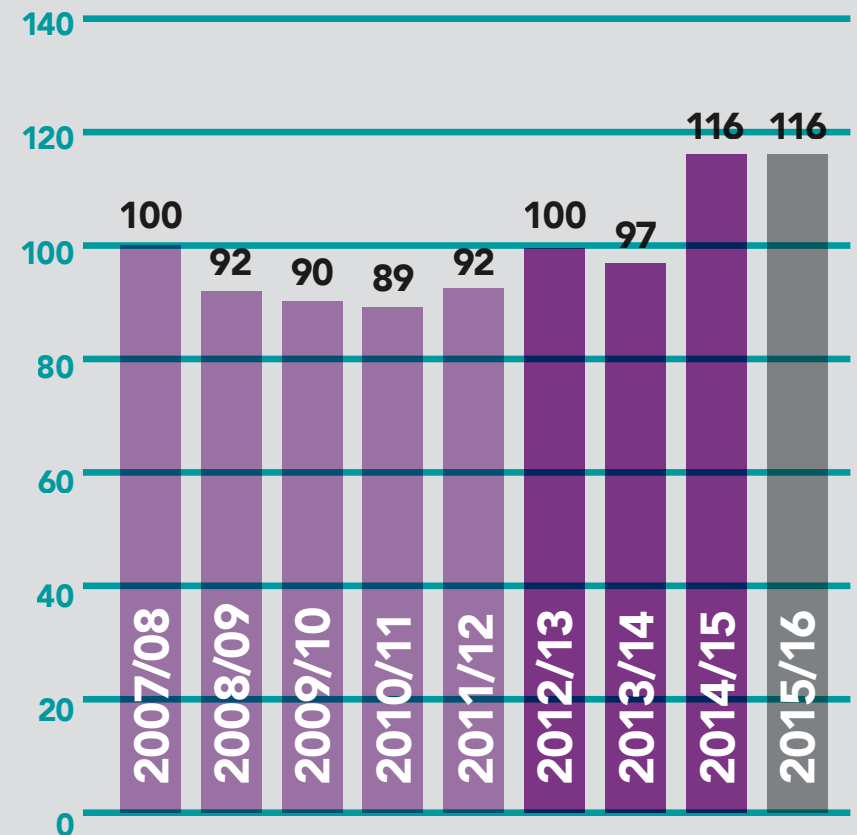
## Combined score for this category

The combined score is worked out by adding together the income in England per head for each year across indicators 5, 6 and 7 and comparing it to the 2007/08 figure for the UK (we do not include indicator 4 in this summary as it relates just to Arts Council England revenue funded organisations).

During the baseline year (2007/08) there was a combined total of £12.09 per person. This fell sharply the following year and then varied little for the next three years.

As explained on page 28, changes to the methodology for collection of data have led us to reset the Index for these indicators in 2012/13. The increase in 2014/15 is almost entirely thanks to a major increase reported in the amount of individual giving. No data is yet available for 2015/16.

## Financial inputs – other



# 4 Earned income by revenue funded arts organisations per person

## What the indicator tells us

'Earned income' represents box office sales and venue hires along with secondary income from bars, catering, merchandising etc. Despite the challenging financial climate, the index has risen for the last four years. Using inflation adjusted figures, in 2014/15 the amount of earned income per person for revenue funded organisations in England was £11.86 compared to £9.34 in the baseline year, a rise of 27%.

## Calculating the score

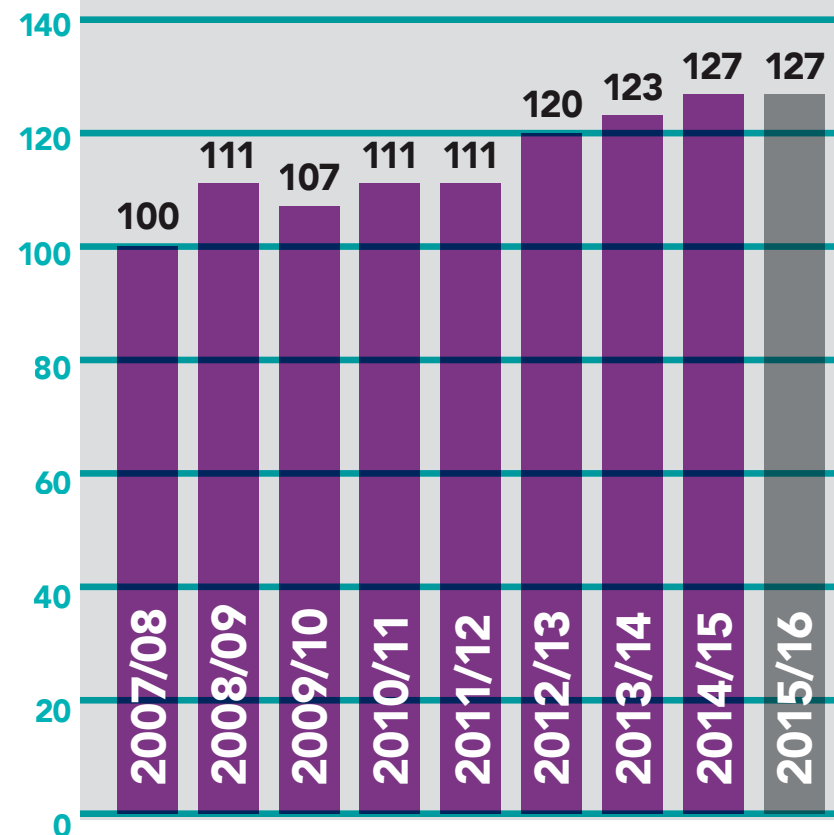
Arts Council England releases the aggregated totals of a survey of its revenue funded clients every year. We used the published combined figure for total earned income for the entire portfolio and then divided by national population for each year. No data is yet available for 2015/16.

*This continued rise shows how enterprising arts organisations are, and is testimony to the success of the UK's mixed economy. But the increase only slightly offsets big cuts in public investment over the same period.*

Mark Pemberton

## Indicator 4

Earned income by revenue funded arts organisations per person



# 5 Business contributions to the arts per person

## What the indicator tells us

Until 2011/12 Arts & Business conducted an annual survey on private giving to arts and culture. No robust data was subsequently gathered until 2016 when Arts Council England commissioned a new survey from the research consultancy MTM. While largely following the Arts & Business methodology, some data (e.g. that from the National Trust) has been excluded from the new survey, which means the results from the two surveys are not comparable.

We have taken the pragmatic decision not to remove the historic data from this section of the study but instead reset the Index to 100 in 2012/13 and have not included figures from before 2012/13 in the calculation of the overall English Arts Index.

Both surveys reported substantial declines in business support for the arts. The new MTM survey shows a drop of over a third in just two years.

## Calculating the score

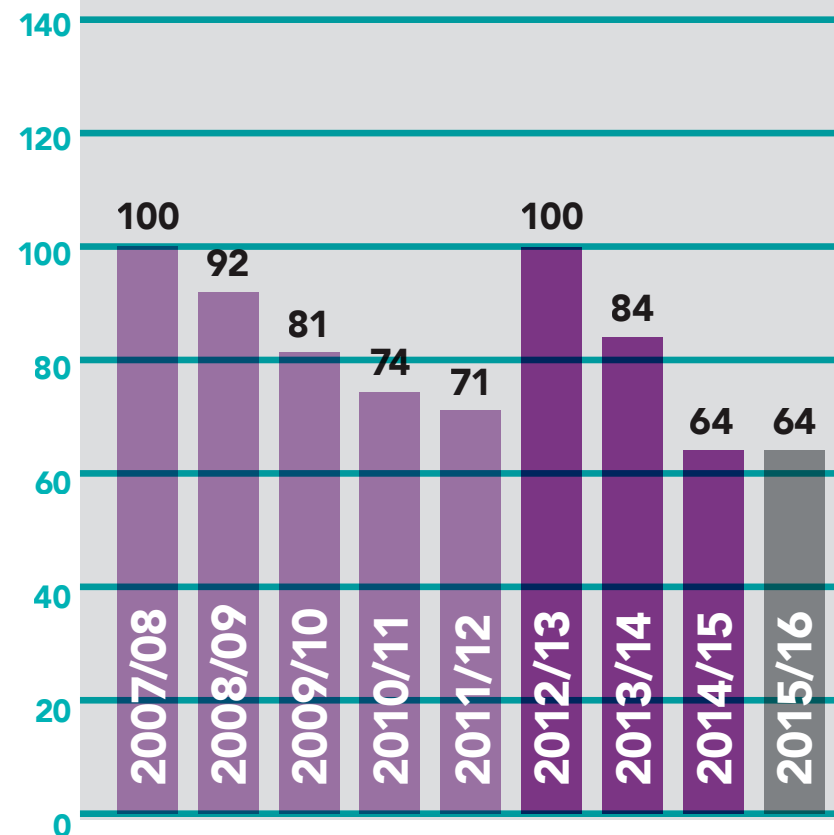
The data for establishing the 2007/8 UK baseline came from Arts & Business' Benchmarking Tool for the UK, dividing the overall figure by the UK population. This data refers to contributions made not just to the arts, but also to heritage, libraries and archives. Data from 2012/13 to 2014/15 comes from MTM's Private Giving Survey, dividing the overall figure by the English population. No data is yet available for 2015/16.

*From its high point in 2007/08, tens of millions of pounds have disappeared from the arts economy. Government tax incentives for corporate sponsorship would help restore this vital source of income.*

Mark Pemberton

## Indicator 5

Business contributions to the arts per person



# 6 Trusts and foundations contributions to the arts per person

## What the indicator tells us

As explained on page 28, we have reset the Index to 100 in 2012/13 due to changes in the methodology of collecting this data. In the early years of the Index there was a substantial real terms increase in arts funding from trusts and foundations. This increase continued in 2013/14 and 2014/15.

Both surveys reported significant growth in funding from trusts and foundations over time. Using the previous methodology, trusts and foundations accounted for 21% of all private giving in 2007/08. In 2014/15, using the new methodology, trusts and foundations accounted for 29% of all private giving.

## Calculating the score

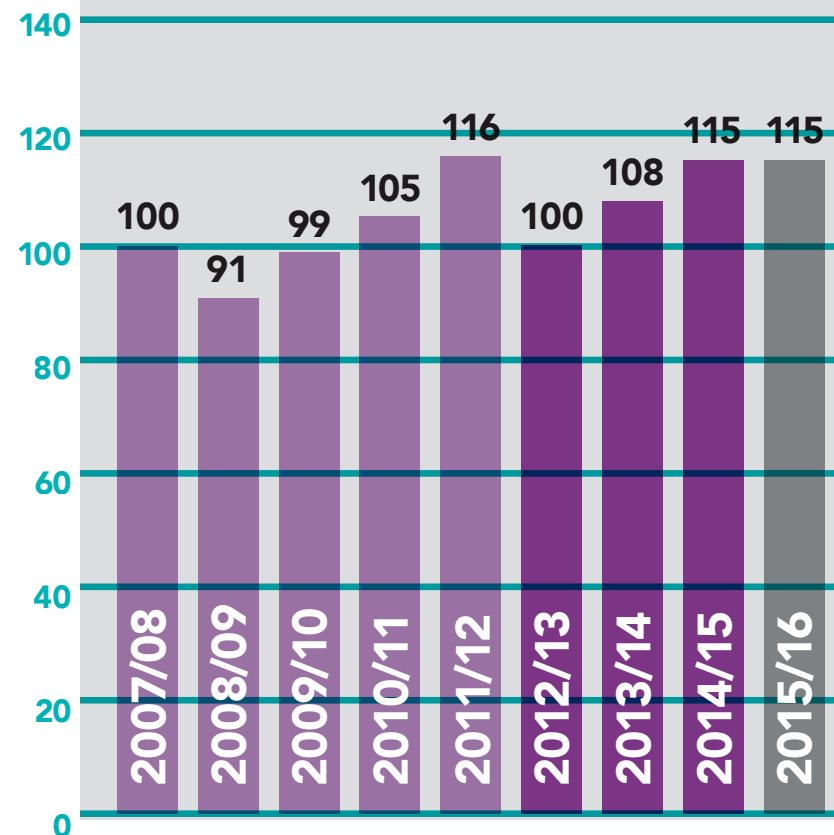
The data for establishing the 2007/08 UK baseline came from Arts & Business' Benchmarking Tool for the UK, dividing the overall figure by the UK population. This data refers to contributions made not just to the arts, but also to heritage, libraries and archives. Data from 2012/13 to 2014/15 comes from MTM's Private Giving Survey, dividing the overall figure by the English population. No data is yet available for 2015/16.

*Thank heavens for trusts and foundations! They continue to be the backbone of arts funding in the UK, enabling us to reach out to hundreds of thousands of people each year who all experience the power of involvement in the arts.*

Sarah Gee

## Indicator 6

Trusts and foundations contributions to the arts per person





# 7 Individual giving to the arts per person

## What the indicator tells us

As explained on page 28, we have reset the Index to 100 in 2012/13 due to changes in the methodology of collecting this data. In the early years of the Index there was a decline in individual giving in England.

The new data collected by MTM in 2016 showed substantial growth in 2014/15, with the contribution per capita rising by 67%.

Using the previous methodology, individual giving accounted for 57% of all private giving in 2007/08. In 2014/15, using the new methodology, individual giving accounted for 51% of all private giving.

## Calculating the score

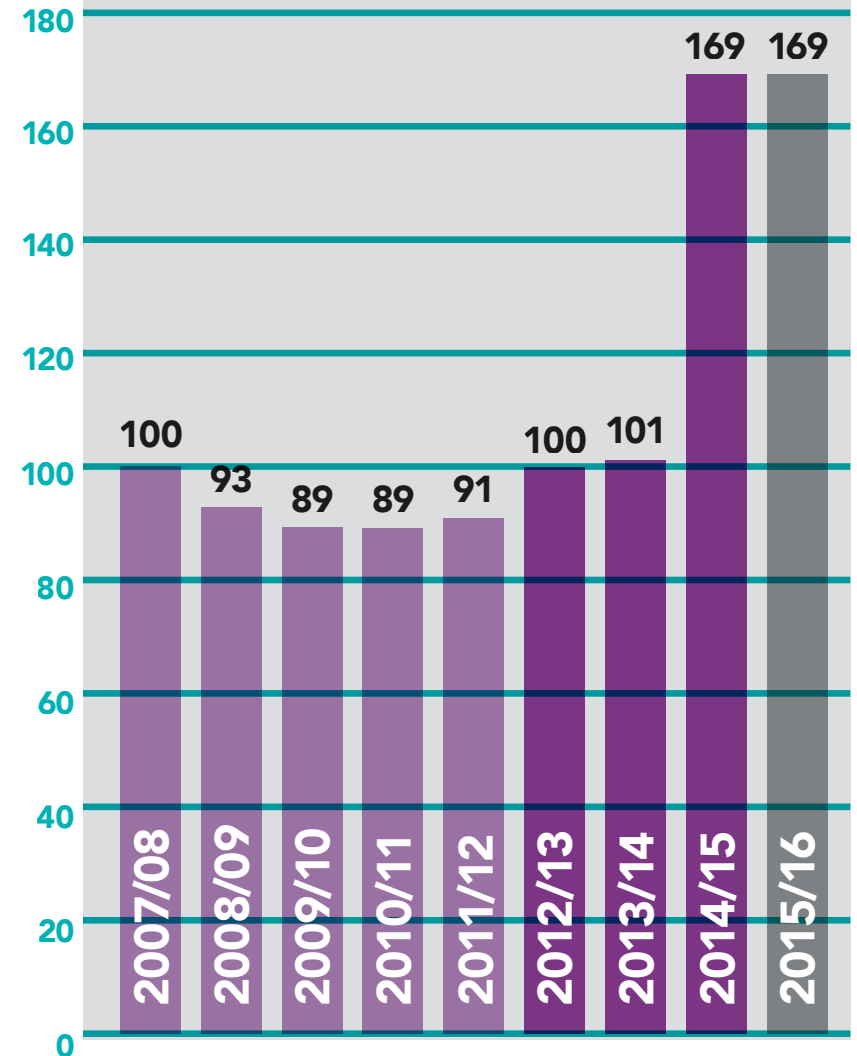
The data for establishing the 2007/08 UK baseline came from Arts & Business' Benchmarking Tool for the UK, dividing the overall figure by the UK population. This data refers to contributions made not just to the arts, but also to heritage, libraries and archives. Data from 2012/13 to 2014/15 comes from MTM's Private Giving Survey, dividing the overall figure by the English population. No data is yet available for 2015/16.

*Philanthropy is growing in the UK, but too often individual givers are being asked to plug a gap created by public funding cuts. That's not sexy; that doesn't give you a warm glow inside. Donors want to see their money making a tangible difference, not covering the bill for cleaning services and loo roll.*

Sarah Gee

## Indicator 7

Individual giving to the arts per person



# NON-FINANCIAL INPUTS

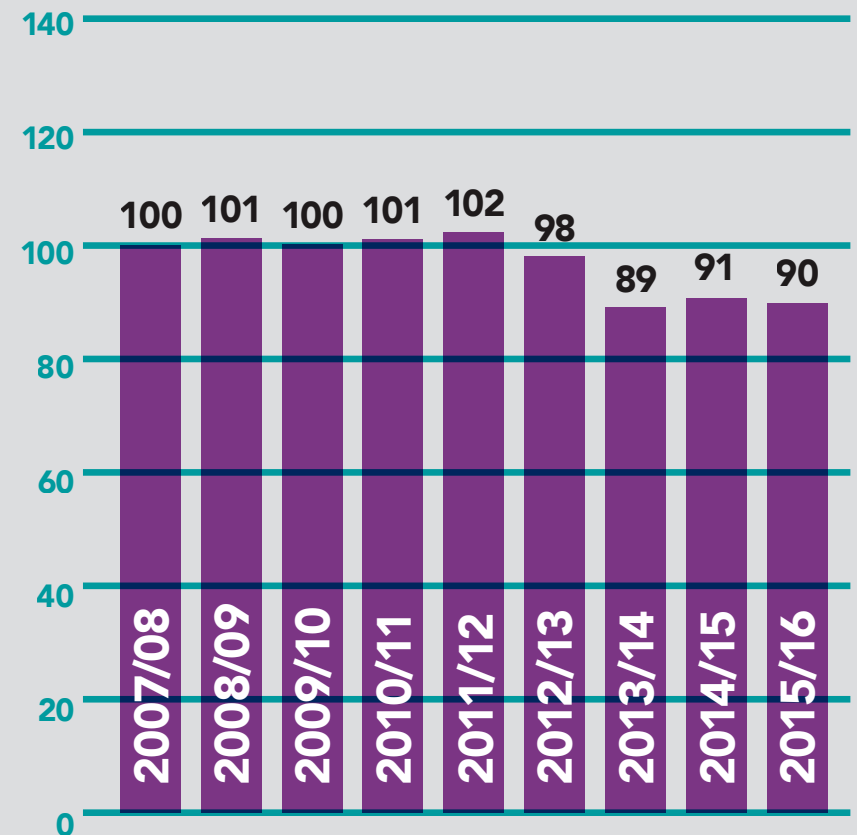
This category contains two indicators:

- 8. Higher education students studying creative arts as a percentage of population
- 9. Proportion of creative arts GCSEs being entered as a proportion of all GCSEs

Combined score for this category

The combined score is worked out by adding the Index for both indicators together and dividing by two.

## Non-financial inputs



# 8 Higher education students studying creative arts as a percentage of population

## What the indicator tells us

The popularity of creative arts subjects at UK universities was hit hard by increased tuition fees, and has not recovered.

Our indicator tracks the proportion of the English population as a whole studying creative arts subjects. The decline in the Index for this measure since 2011/12 reflects the overall decline in numbers studying in higher education institutions. In 2011/12 of those studying 4.5% had chosen creative arts subjects. In 2015/16 this had actually risen slightly to 4.6%.

## Calculating the score

These figures come from the Higher Education Statistics Authority and include student numbers for the following subjects:

Programmes broadly-based within the creative arts and design / fine art / design studies / music / drama / dance / film and photography / crafts / imaginative writing.

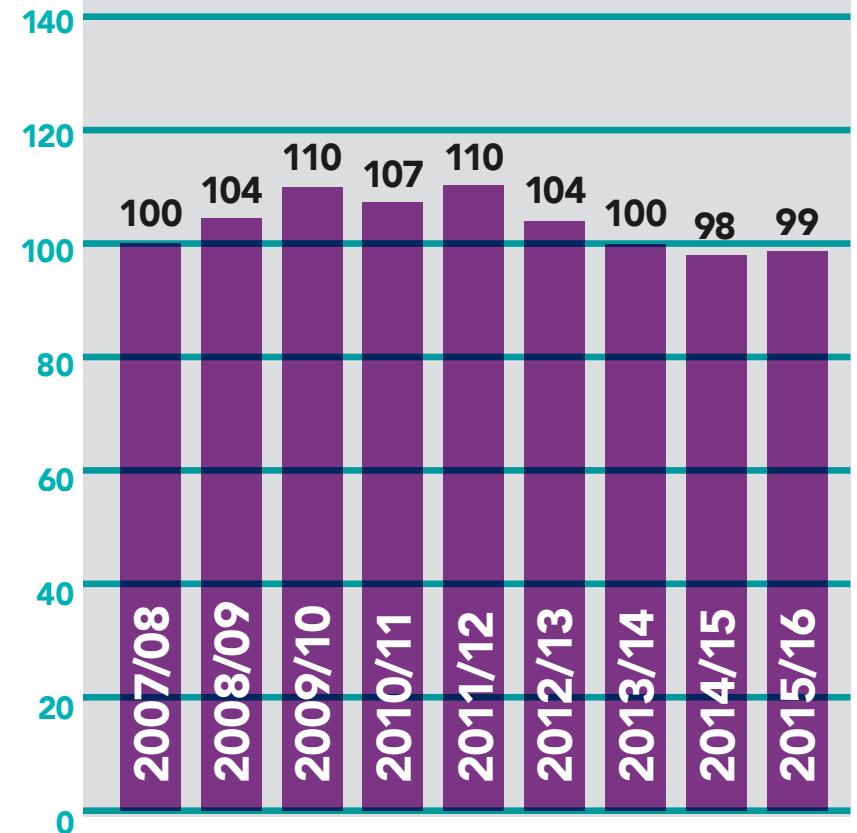
Figures include all full-time and part-time postgraduate, first degree and other undergraduate students.

*These figures are a disaster for the arts and humanities in universities and have already lead to shrinkage and closure of arts courses. The Prime Minister wants us to be an “imaginative and creative” nation: in that case, universities must be humanistic and well-rounded, not simply technocratic silos producing blinkered specialists.*

Bob & Roberta Smith

## Indicator 8

Higher education students studying creative arts as a percentage of population



# 9 Proportion of creative arts GCSEs being entered as a proportion of all GCSEs

## What the indicator tells us

Recent education policy has led to a widespread belief in the arts sector that creative subjects are seen by government as less important than the 'core' curriculum of science, technology, English and maths.

In 2007/08, 6.7% of entries to GCSEs were for creative arts subjects. In 2013/14 this had fallen to just 5.2%. Though the rapid decline recorded in 2013/14 appears to have stopped, figures in 2015/16 were still almost 20% lower than when the Index began.

## Calculating the score

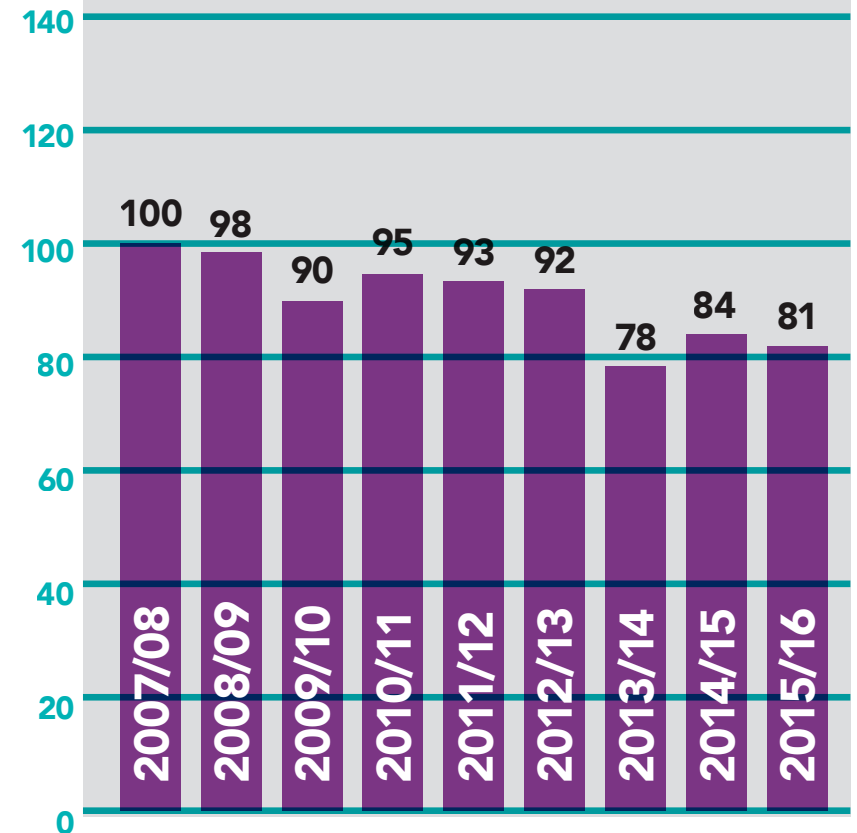
This data comes from the Department for Education and is a new indicator for this edition of the Index. Creative arts subjects include art and design, applied art and design, performing arts, dance, drama, and music.

*The collapse in school students taking GCSE arts subjects continues. Children are being taught that self-expression is eccentric and conformity leads to success. Every effort must be made to reverse this pattern: school is where children learn to sing their own song.*

Bob & Roberta Smith

## Indicator 9

Proportion of creative arts GCSEs being entered as a proportion of all GCSEs



# FINANCIAL INPUT / OUTPUT (RESERVES)

There is just one indicator in this category:

## **10. Combined reserves of revenue funded arts organisations per person**

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# 10 Combined reserves of revenue funded arts organisations per person

## What the indicator tells us

Reserves are a good way of measuring arts sustainability. Thanks to the publication of more granular data by Arts Council England we can now isolate the true amount of unrestricted, undesignated 'cash' funds held by revenue funded arts organisations for 2011/12 to 2014/15. Prior to this our figures were based on the balance sheet of organisations and therefore included capital assets as part of the reserve.

Collectively, arts organisations were able to add another £10 million in unrestricted and undesignated funds in 2014/15.

## Calculating the score

For 2011/12 to 2014/15 we have calculated the total 'unrestricted undesignated' funds for all National Portfolio Organisations (provided to Arts Council England in their Annual Submissions) and then divided the overall figure by the English population.

For information, we have included the historic data using the previous methodology for 2007/08 to 2010/11, but it is not used to calculate the overall Index for those years. The previous methodology included 'restricted' funds, designated for particular projects and programmes (including capital projects) that the organisation could not use in any way it chose.

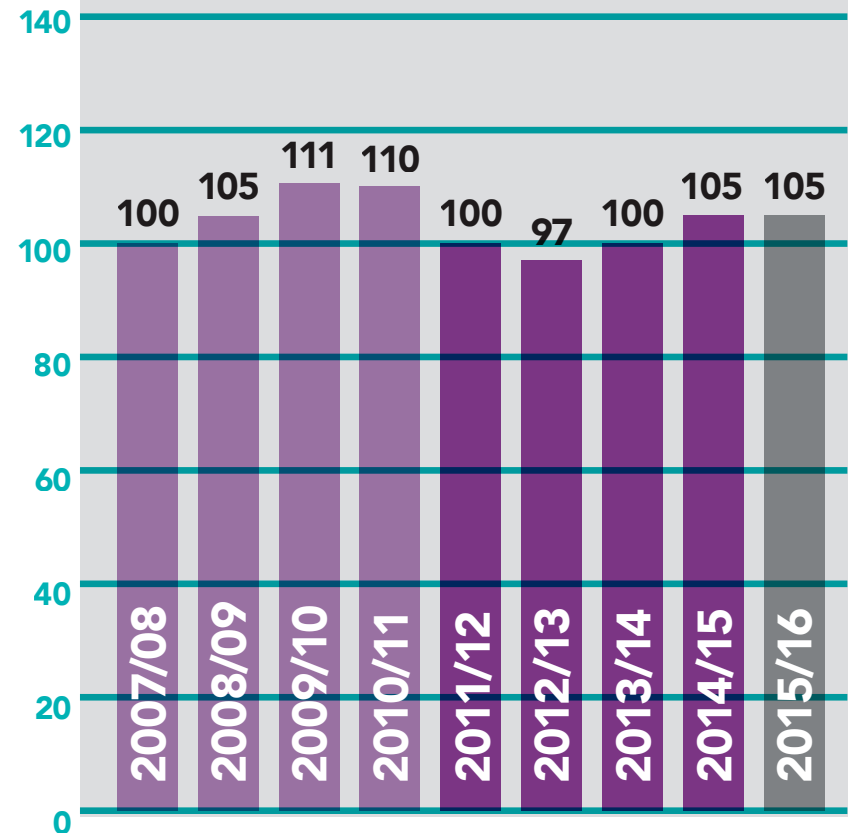
No data is yet available for 2015/16.

*The new data highlights how little the arts sector has saved for a rainy day. Tough years of big cuts to public funding, with more economic uncertainty ahead, mean greater emphasis on the unrestricted reserves of arts organisations.*

Rosie Luff

## Indicator 10

Combined reserves of revenue funded arts organisations per person



# CULTURAL / COMMUNITY OUTPUTS – ATTENDANCE & PARTICIPATION

This category contains four indicators:

11. Adults attending an arts activity as a percentage of population
12. Adults participating in an arts activity as a percentage of population
13. Proportion of black and minority ethnic adult population taking part in the arts
14. Proportion of adult population with a long-standing illness or a disability taking part in the arts

## Combined score for this category

The combined score is calculated by adding together and averaging the individual indicator scores for each year. An increase in the combined score in the years around 2012 has not been sustained.

## Cultural/community outputs – attendance & participation



# 11 Adults attending an arts activity as a percentage of population

## What the indicator tells us

Around 67% of adults in England reported attending an arts event in the years from 2007/08 to 2010/11; a small increase to 69% was reported for 2011/12 and very similar figure was recorded in 2012/13. By 2015/16 the figure reported had dropped back to 67%.

## Calculating the score

The figures used to establish the 2007/08 baseline were from the Department for Digital, Culture, Media and Sport's Taking Part Survey. Attendance figures for 2013/14 are not currently published so an estimate has been made based on the combined figure for adult attendance and participation ('arts engagement').

*These figure haven't improved in ten years. Around the time of the 2012 Olympics and Cultural Olympiad, arts attendance was getting more popular. It's a shame that that excitement has not produced the momentum of a larger, wider range of people enjoying arts events.*

Ruth Mackenzie

## Indicator 11

Adults attending an arts activity as a percentage of population





# 12 Adults participating in an arts activity as a percentage of population

From ballet to bell ringing and from capoeira to crochet, there's an art form for everyone, but in 2015/16, less than half of adults participated in the arts. 2012 brought an uplift in involvement but this growth has stalled. Sport does a great job in encouraging greater participation. What could the arts learn from this?

Julia Payne

## What the indicator tells us

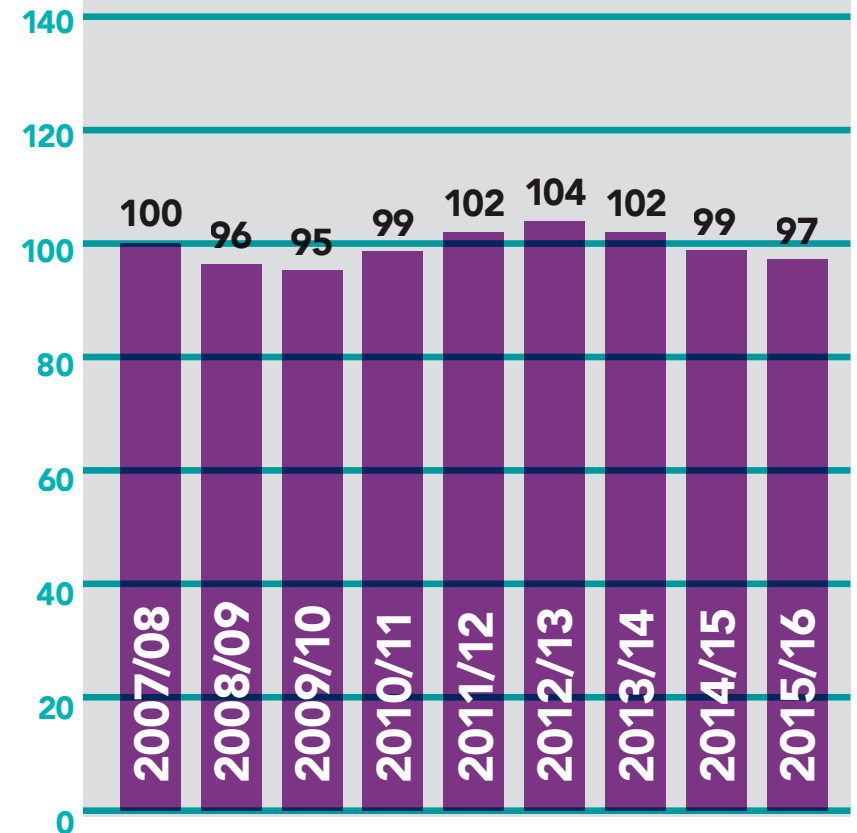
The small dip in adult participation in the arts in England in 2008/09 and 2009/10 was reversed in 2011/12 and grew a further 0.7% in 2012/13, when 48.8% of adults said they participated in an arts activity at least once a year. By 2015/16 reported participation levels had dropped back to under 46%.

## Calculating the score

The figures used to establish the 2007/08 baseline were from the Department for Digital, Culture, Media and Sport's Taking Part Survey. Participation figures for 2013/14 are not currently published so an estimate has been made based on the combined figure for adult attendance and participation ('arts engagement').

## Indicator 12

Adults participating in an arts activity as a percentage of population



# 13 Proportion of black and minority ethnic adult population taking part in the arts

## What the indicator tells us

In 2007/08 77.4% of the white adult population attended or participated in the arts compared to 71.2% of the black and minority ethnic population. At the end of 2015/16 the Department for Digital, Culture, Media and Sport reported an almost identical figure for white engagement (77.6%) while black and minority ethnic engagement had fallen to 65.5%.

## Calculating the score

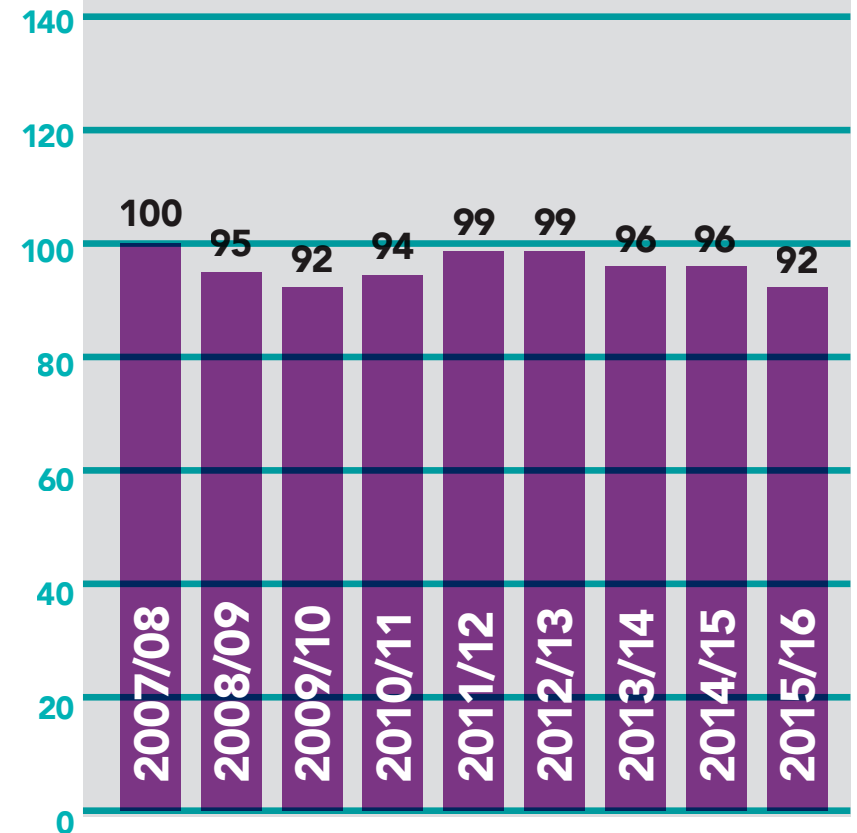
This is a new Indicator for this edition of the Arts Index. Data comes from the Department for Digital, Culture, Media and Sport's Taking Part Survey in England.

*The UK's magnificently diverse population isn't yet fully reflected in our country's cultural life. We need more voices, a wider range of stories, and audiences and participants who look more like the population as a whole. We might then expect more support for public funding of arts and culture.*

Cassie Chadderton

## Indicator 13

Proportion of black and minority ethnic adult population taking part in the arts



# 14 Proportion of adult population with a long-standing illness or a disability taking part in the arts

## What the indicator tells us

In 2007/08, 79.5% of the non-disabled adult population attended or participated in the arts, compared to 69.8% of adults with a long-standing illness or disability. By the end of 2015/16 the Department for Digital, Culture, Media and Sport reported that this gap had halved (77.5% compared to 72.9%).

## Calculating the score

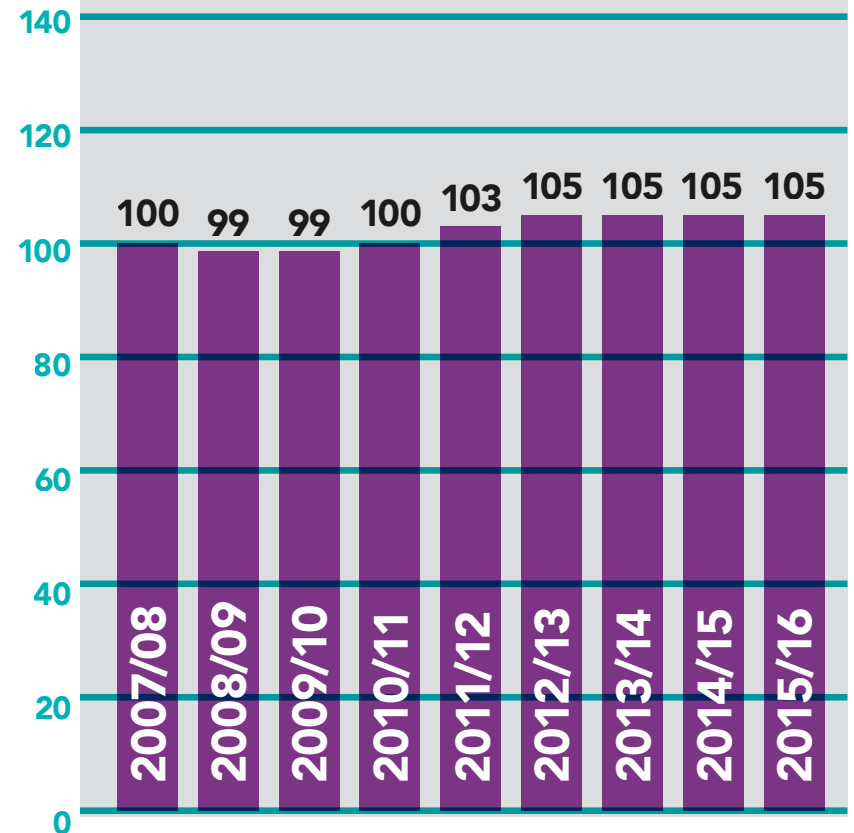
This is a new indicator for this edition of the Arts Index. Data comes from the Department for Digital, Culture, Media and Sport's Taking Part Survey in England.

*In the past ten years, the arts sector has improved access for people with disabilities, but there's still a lot of room for improvement. In the next ten, we need society to be reflected in the people we see on our stages and in our galleries, and we need everybody to have equal opportunity to experience all cultural activity.*

Michael Smith

## Indicator 14

Proportion of adult population with a long-standing illness or a disability taking part in the arts



# CULTURAL / COMMUNITY OUTPUTS – SATISFACTION

This category contains two indicators:

## 15. Proportion of public supporting funding of arts and culture from taxes

## 16. Proportion of public supporting funding of arts and culture from national lottery

This is a new section that replaces previous indicators on satisfaction with local arts provision and the quality of experience when engaging with the arts. These have been removed as data is not publicly available.

Public attitude to arts funding varies with the strength of the economy and the perceived importance of investing in the arts compared to other public services.

The spike in 2013/14 was driven by increases for both indicators, but support for tax investment fell sharply in 2014/15.

### Combined score for this category

The combined score is worked out by adding the Index for both indicators together and dividing by two.

## Cultural/community outputs – satisfaction



# 15 Proportion of public supporting funding of arts and culture from taxes

## What the indicator tells us

In 2009/10, 52% of respondents were in favour of funding the arts through public taxation. This dropped to 44% in 2011/12 before rising to 55% in the year after the Olympics (2013/14). In the last two years measured support dropped considerably, reaching a low of 37% in 2015/16.

## Calculating the score

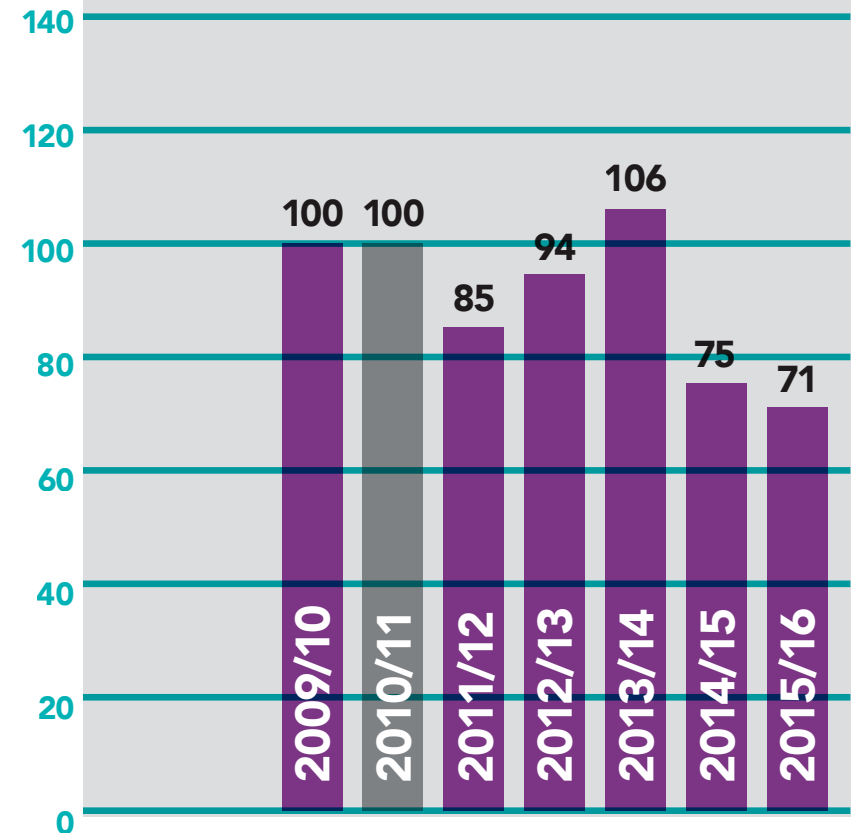
The data comes from Stakeholder surveys commissioned by Arts Council England. It should be noted that as the sample size for these surveys is quite small (1727 in 2015/16) there is a considerable margin of error.

*We have failed to persuade people of the cultural, social, educational and economic value of every pound invested in the arts. The public don't yet know how funding works and how it makes world-class art affordable for all. The National Campaign for the Arts must redouble its efforts to increase understanding of the power and value of arts investment.*

Samuel West

## Indicator 15

Proportion of public supporting funding of arts and culture from taxes



# 16 Proportion of public supporting funding of arts and culture from national lottery

## What the indicator tells us

This data was first collected in 2012/13 when just under half the respondents (49%) supported lottery funding of the arts.

This grew in 2013/14, when 66% of respondents stated they were in favour of lottery funding of the arts. This has dipped slightly in the past two years (63% in 2015/16).

## Calculating the score

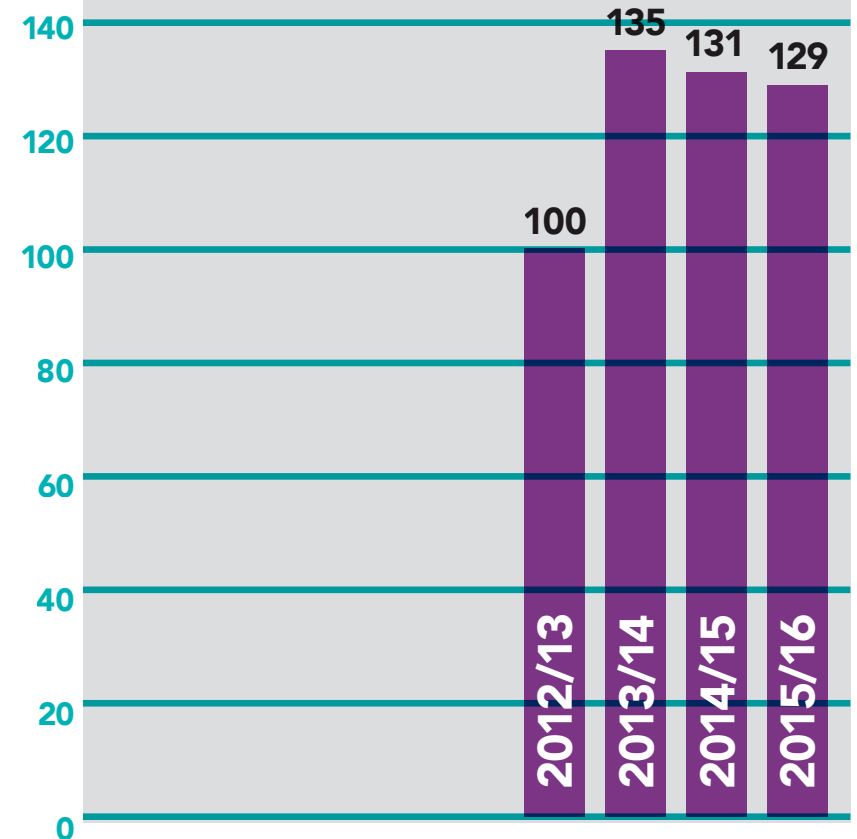
The data comes from Stakeholder surveys commissioned by Arts Council England. It should be noted that as the sample size for these surveys is quite small (1727 in 2015/16) there is a considerable margin of error.

*For many people, the Olympics were a turning point in the value of national lottery investment in the arts. It's still a concern that one in three people don't see the arts as a 'good cause', particularly given the growing importance of lottery funding over government funding.*

Julia Payne

## Indicator 16

Proportion of public supporting funding of arts and culture from national lottery



# FINANCIAL OUTPUTS

This category contains four indicators:

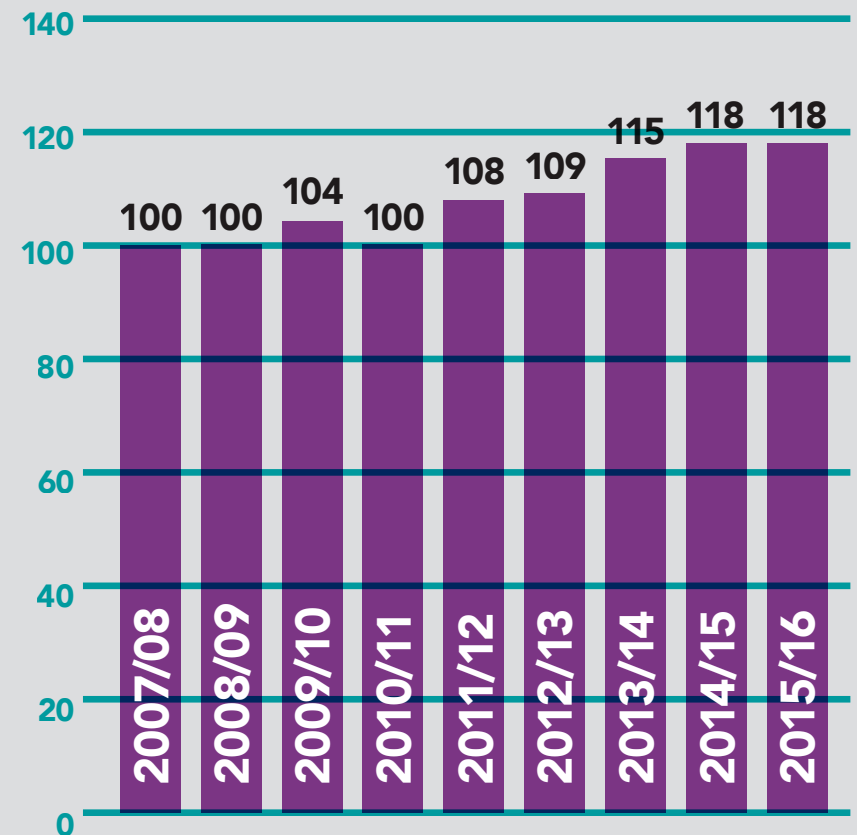
- 17. **Income from West End theatre**
- 18. **Combined expenditure of revenue funded arts organisations per person**
- 19. **Gross Value Added (GVA) of 'creative, arts and entertainment activities' as a proportion of the whole economy (UK figures)**
- 20. **Employment in 'artistic, literary and media occupations' as a proportion of total employment**

## Combined score for this category

This set of indicators show some of the ways in which the arts give back to the economy. The set is not exhaustive, but does give a balanced mix of indicators with which to monitor changes.

The combined score is worked out by adding together and calculating the average indicator scores for each year. There was little change in the combined score until 2011/12, when there was an eight point increase which was followed by another six point rise in 2013/14.

## Financial outputs



# 17 Income from West End theatre

## What the indicator tells us

While West End theatre does not represent all the commercial arts, it is a good proxy in a sector that is generally considered to be sensitive to changes in the financial climate. Data about the West End has also been collected for a considerable period.

The data suggests that the West End was relatively unaffected by the 2008 economic downturn although it did not see significant growth above inflation until 2013. The big increases in both 2013 and 2014 were sustained in 2015.

## Calculating the score

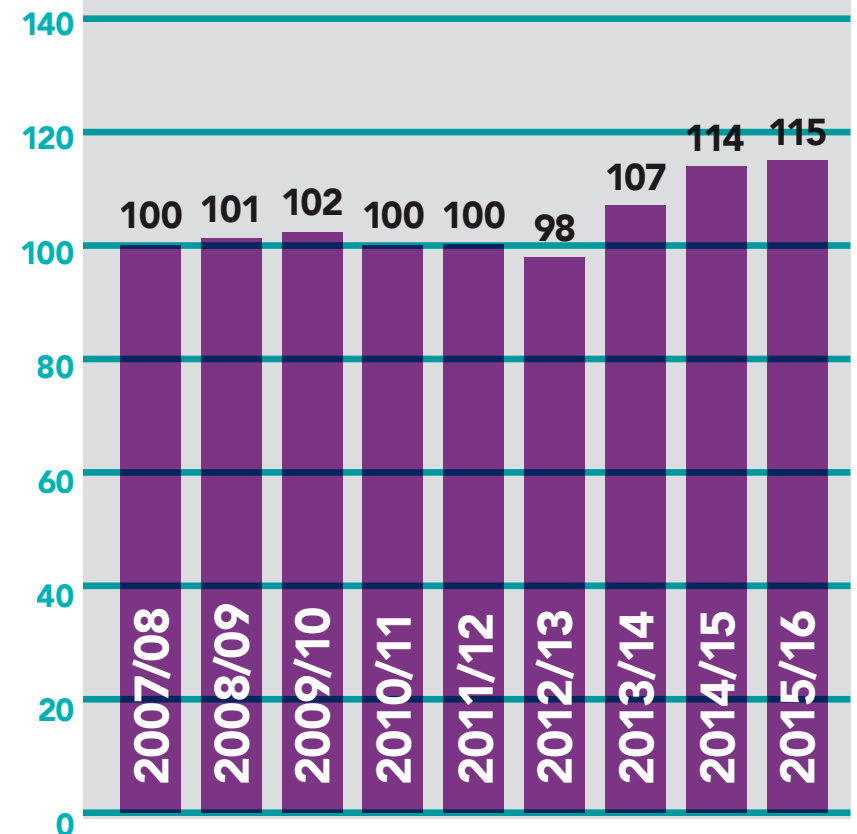
Figures come from the Society of London Theatre, and refer to total revenue (including VAT) across all West End theatres. Figures are published by calendar year so 2007/08 relates to 2007, 2008/09 relates to 2008, etc.

*There's been a strong growth in income from West End theatres in recent years. It's impossible to tell how much of the upturn in the fortunes of London's commercial theatres is down to the wizardry of Mr Potter but that show, and other major hits, certainly contributed. It's important to recognise that so many of our world-beating West End shows have great commercial success thanks to talent and skills their teams develop while in the funded sector.*

Cassie Chadderton

## Indicator 17

Income from West End theatre





# 18 Combined expenditure of revenue funded arts organisations per person

## What the indicator tells us

As levels of public funding fall we might expect funded organisations to spend less and for the sector to contract and contribute less to the economy. This has not happened in England, where the combined expenditure of revenue funded organisations has grown from just over £1 billion in 2007/08 to £1.6 billion in 2014/15. Even taking inflation and population growth into account, this indicator rose 23 points across the study period.

*Expenditure of funded arts organisations grew unexpectedly at the start of this decade despite big local and national cuts. This growth appears to have paused, possibly because some big organisations have not yet found successors to some amazingly successful productions.*

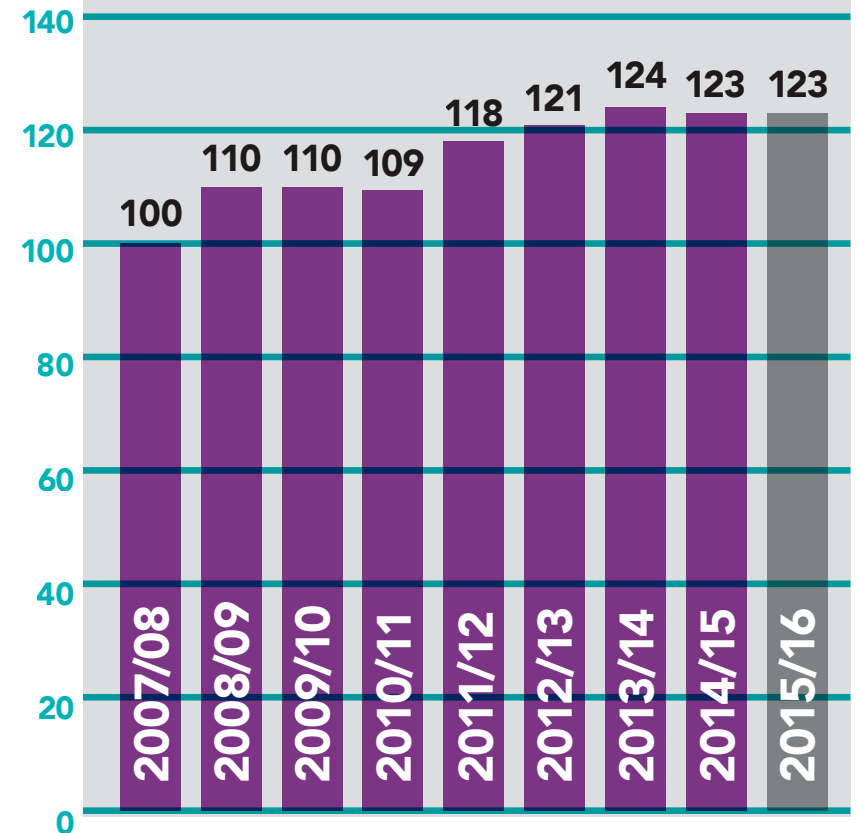
Peter Manning

## Calculating the score

The data to establish the 2007/08 baseline came from Arts Council England's Annual Submission. The figure used is the entire expenditure reported by all revenue funded organisations in each year divided by the population in that year. No figures are yet available for 2015/16.

## Indicator 18

Combined expenditure of revenue funded arts organisations per person



# 19 Gross Value Added (GVA) of 'creative, arts and entertainment activities' as a proportion of the UK non-financial business economy (UK figures)

## What the indicator tells us

GVA tells us about the net profit generated by the sector. In 2014/15 the creative industries (including everything from art to architecture to advertising) accounted for over 5% of all of the UK's GVA. The visual and performing arts are a small but growing part of the sector and play a fundamental role in developing talent that is crucial for our economic success.

The arts proportion of GVA contracted after the crash but has grown in real terms since 2011/12.

## Calculating the score

The Department for Digital, Culture, Media and Sport produces trend data for the whole of the UK in its Creative Industries Economic Estimates tables. These do not take inflation into account. For this edition of the Index we have reproduced the DCMS figures combining industry groups, crafts and music, performing and visual arts and adjusted for inflation (CPI).

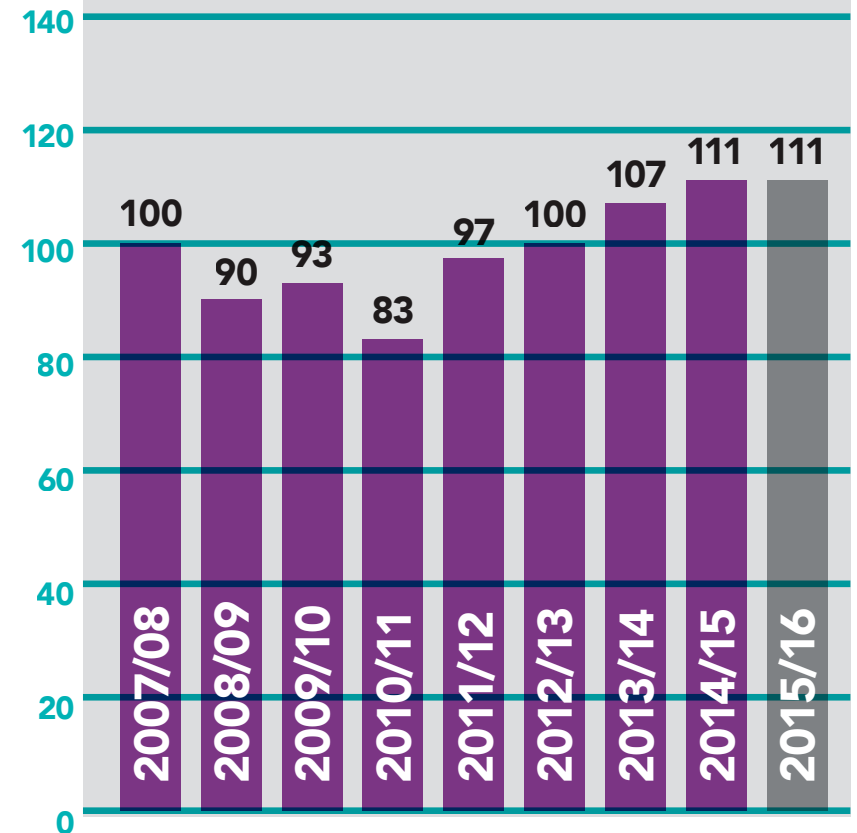
Figures for 2015/16 are yet to be published.

*The economic contribution of the performing and visual arts is so much greater than GVA alone. Our films use talent developed on stage; our gaming industry needs the flair of trained visual artists. Nevertheless, it's heartening to see GVA bounce back after some challenging years.*

Kim Grant

## Indicator 19

Gross Value Added (GVA) of 'creative, arts and entertainment activities' as a proportion of the UK non-financial business economy (UK figures)



# 20 Employment in 'artistic, literary and media occupations' as a proportion of total employment

## What the indicator tells us

In 2007/08, 1.1% of the English workforce was employed in 'Artistic, Literary and Media Occupations'. Since then the growth of these jobs has outstripped the growth in the labour market as a whole. By 2014/15 the 'artistic' workforce had grown by 32% and accounted for 1.3% of all jobs.

*Creativity is vital to our prosperity so it's disappointing to see this figure stand still. Creativity has been made a second class pursuit in our schools. That needs to be reversed. We need to nurture and celebrate creativity if we want to stay as global leaders.*

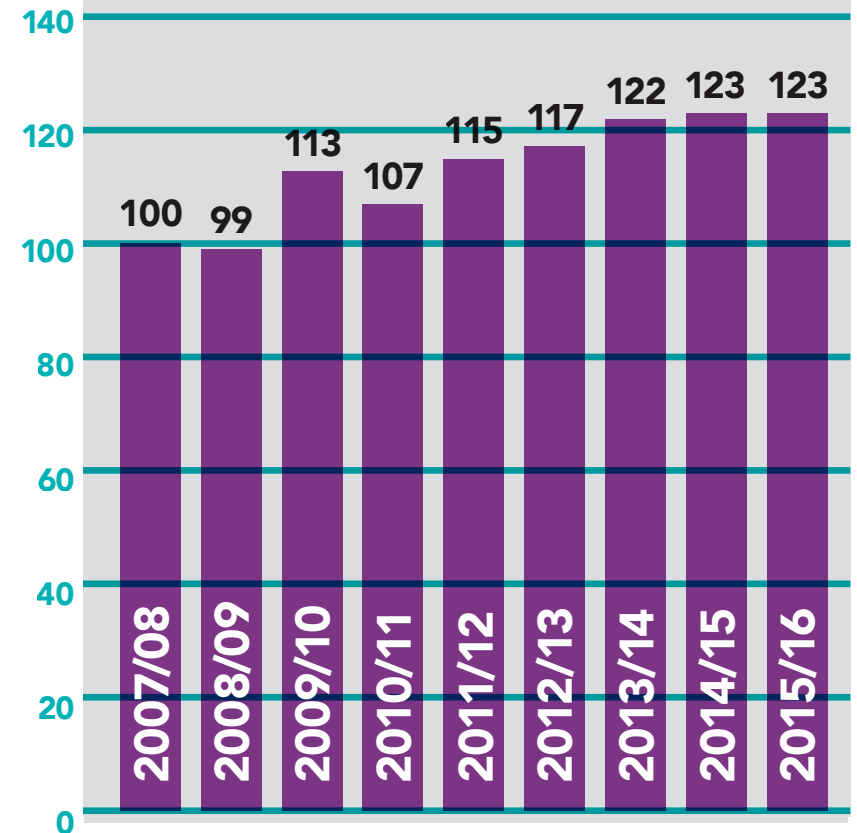
Michael Smith

## Calculating the score

For this edition of the Index we have used the Nomis service provided by the Office for National Statistics (ONS) which gives free access to the most detailed and up-to-date UK labour market statistics from official sources. This has allowed us to analyse the specific figures for England rather than the UK as a whole.

## Indicator 20

Employment in 'artistic, literary and media occupations' as a proportion of total employment



# Glossary

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## Annual Business Survey

Survey conducted by the Office for National Statistics (ONS) collecting financial information, include turnover, purchases and approximate gross value added (GVA).

## Arts & Business

Not-for-profit organisation that works to connect companies, communities and individuals to cultural organisations. Now part of Business in the Community.

## Arts councils

The public bodies funded by government, with responsibilities towards the funding, development and promotion of the arts. These comprise: Arts Council England (ACE), Arts Council Northern Ireland (ACNI), Arts Council of Wales (ACW) and Creative Scotland.

## Audiences London

An agency helping the arts sector to understand and develop audiences in London. Now part of The Audience Agency.

## Audiences UK

Not-for-profit organisation supporting a national network of agencies helping the arts sector to understand and develop audiences. Now closed.

## Capital charges

The way local government accounts for the cost of fixed assets including buildings.

## Capital funding

Funding for buildings and equipment rather than running costs and funding performances or other activity.

## Consumer Price Index (CPI)

The official measure of inflation of consumer prices of the United Kingdom.

## Core portfolio

Collective of arts organisations that expect to receive revenue funding on an on-going basis.

## Creative Arts and Design

Subject coding used by HESA that includes all visual and performing arts subjects.

## Department for Digital, Culture, Media and Sport (DCMS)

UK Government Department with responsibility for the arts and culture in England.

## Grant in Aid

Money coming from central government for a specific project.

## Gross Value Added (GVA)

A measure in economics of the value of goods and services produced in an area, industry or sector of an economy.

## Higher Education Statistics Agency (HESA)

The official agency for the collection, analysis and dissemination of quantitative information about higher education in the United Kingdom.

## Inflation adjusted

Figures that have been adjusted to reflect the changes in value caused by inflation (as measured by the CPI).

## Local government funding

Funding by local authorities (as opposed to central government) for services and grants to external bodies.

## Lottery funding

Proportion of the national lottery Good Causes fund that is apportioned for the arts (currently 20% of all the funds distributed to good causes).

## National lottery

State-franchised national lottery in the United Kingdom and the Isle of Man operated by Camelot Group.

### **National Portfolio Organisation (NPO)**

Arts Council England's current term for organisations in their core portfolio.

### **Net expenditure**

Money spent by an organisation less any income from external grants, sales to the public, etc.

### **Regularly Funded Organisation (RFO)**

Arts Council England's previous term for organisations in their core portfolio.

### **Revenue funding**

Funding to support core and overheads costs, not additional projects or activities.

### **Spending Review**

The process by which the UK government decides how to allocate future funds and sets fixed limits for expenditure.

### **Standard Industrial Classification (SIC) codes**

A way of classifying different types of businesses for statistical purposes, first established in the UK in 1948.

### **Sustain**

Sustain was an Arts Council England initiative. Funding was available for arts organisations affected by the recession. The fund is now closed.

### **Taking Part Survey**

A major, continuous survey of cultural and sport participation in England, commissioned by the DCMS.

### **The Audience Agency (TAA)**

Not-for-profit organisation helping the arts sector to understand and develop audiences across England.

### **Treasury funding**

Money coming directly from central government.

# Priorities for the arts:

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In the last edition of the Arts Index we posed a number of 'Big Questions'. Two years on, many of these (for example 'How do we make sure affordable access to the arts is not a postcode lottery?' and 'How can we stop the arts being cut disproportionately by local government?') remain pertinent and unanswered.

We would like to use this edition of the Index to suggest some priorities for policy makers, funders, the artistic community in England and the NCA ourselves. We think these are important to keep the arts a national success story:

## Continue to prioritise diversity

It's already concerning that there's a gap in arts engagement between white and BAME adults. That this gap has widened considerably over the last decade is completely unacceptable. We are pleased to see Arts Council England give high priority to the 'creative case' for diversity. England has an increasingly diverse population, and the arts speak fluent human: all arts organisations should understand both the social and economic case for breaking down barriers, for listening to and working creatively with people from all backgrounds and communities.

## Create safeguards against volatile national lottery funding

Lottery funding is no longer icing, it's cake. In order for the arts to hedge against volatile lottery receipts, the NCA believes it is right to have a fixed percentage of public spending (say 0.1%) made up of lottery and Treasury funding, however constituted.

## Share stories of why arts funding matters

Arts funding is complicated but vital. All artists, performers and audiences benefit from tax funding, directly or indirectly. England is a better place to live and work than it would be without public funding of the arts. Our lives are healthier and happier, richer and more interesting.

Sadly, these are truths not universally acknowledged by most of the adult population. The arts community are natural storytellers. Together with the NCA, they need to bring to life the fact that comparatively small amounts of tax funding of the arts can transform communities and change lives.

## Celebrate local authorities who make a difference

Councils have been the unsung heroes of arts funding for decades. Town Halls across the nation are under unprecedented pressure, in areas such as social care, from increased demands and reduced budgets. Even so, analysis by the NCA shows the arts in the last five years have been disproportionately cut compared to other council services (despite the fact that arts investment accounts on average for less than 0.5p of every £1 spent by local authorities in England).

But this disproportionate cut is not true everywhere. Some local authorities get it; they understand the importance of the arts to the wellbeing of local communities and the value that a small but crucial investment brings. The NCA's Hearts for the Arts awards shine a spotlight on councils, councillors and council officers who are overcoming financial challenges to ensure the arts remain at the centre of community life.

## Value the arts in education

Everyone should have the chance to develop their own creative talent. Everyone should have the chance to become themselves. From Early Years to Higher Education, creative subjects are essential for all students, not just those who can afford them. Creative skills are needed in the UK economy; creativity and imagination will be key to our future economic success.

We need to put the arts back at the heart of our education system at all levels. That means finding room in the Primary Curriculum (Key Stage 1 & 2) for more creative and arts activities, reversing cuts in schools' budgets that affect 'enrichment' (including trips to theatres, museums and galleries) and giving the same value to creative and artistic subjects as science, technology, engineering and maths.

# Please help us produce the next Arts Index and ensure the arts are available to everyone

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We hope you have found this edition of the Arts Index enlightening and useful. The National Campaign for the Arts is a charity, and in order to maintain the work we do and the positive impact our projects have, we need to ask for your involvement by pledging a small (or large!) financial donation.

We have launched a Supporters Scheme, to continue work like the Arts Index and to shout about the need for public funding for the arts. Public funding helps people have affordable access to creating, studying or experiencing art and culture. These opportunities must be available to everyone. Anyone. All of us.

With a monthly donation of just £3 per month, you can become a Registered Supporter, helping us spread the message that the arts are worth funding and fighting for.

If you are able to give a little more, you can become one of our Bronze, Silver, Gold or Platinum Supporters. They support the campaigns and activities that provoke action from those who decide where our taxes are spent, and fund the production of the Arts Index, which gives us the evidence to explain and argue for public investment in the arts.

**To join the Supporters Scheme, visit [forthearts.org.uk/support-us](https://forthearts.org.uk/support-us)**





## Aims of the NCA

To promote and celebrate the arts as essential in themselves and important to improving mental and physical health, happiness, empathy and educational achievement.

To campaign for greater public investment in order to give everyone affordable access to the arts, regardless of who they are, where they were born and how much money they have.

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