

# The arts, planning, problems and funding – a submission to policy formulation at the Labour Party

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## 1 Introduction and summary

### 1.1 Introduction

There are three crucial facts in the arts that are usually ignored.

- Firstly, the arts are an ecology - the arts nourish each other.
- Secondly arts are one of the most powerful forms of “soft power” the UK has at its disposal. The UK was the fifth largest exporter of creative services in 2020, after the United States, Ireland, Germany and China. It said the UK’s creative services were worth £46bn<sup>1</sup>
- The third factor is the drift away by the Arts Council and the DCMS from a focus on live performance and audiences. The appalling Arts Council strategy “Let’s Create” ignored audiences – audience don’t create they “discover”. The focus of an incoming Labour Government should focus with all hands on the live performance of the arts.

In terms of the Labour Party’s policy formulation there are four crucial questions that need to be addressed and answered:

Where are we now?

Where do we want to be?

What route will we take to where we want to be?

What resources do we need to get us there?

Once you have that formulated where you want to be you can then set goals and objective

Regrettably Labour’s “Space to Create” seeks to embed civil servants from the department for culture, media and sport (DCMS) in communities far from the traditional power centre of Westminster doesn’t address any of these questions. Furthermore, has the DCMS got the core competences to achieve goals and objectives if and when they are devised?

### 1.2 Summary

- **The lack of art form policies, planning and impact analysis needs to be addressed.**

The Arts Council and the DCMS ignore audiences, they appear these days to be an inconvenience that gets in the way

In a FoI request to the DCMS regarding audience surveys the following was disclosed:

“The 2021/22 Participation survey has figures for live music event attendance and respondents that had written or performed music available in our data tables. However, this does not include a breakdown of individual art forms for music” (Response from the DCMS dated 14th September 2023)

The Arts Council does not undertake analysis of individual NPOs or specific art forms

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<sup>1</sup> <https://lordslibrary.parliament.uk/arts-and-creative-industries-the-case-for-a-strategy/#heading-4>

In a FoI request to the Arts Council in September 2023 asking for details of quantified objectives for “Lets Create” – the Arts Councils strategy - the response in short were there are no quantified objectives and performance measures are in effect goals.

The lack of art form policy and analysis of specific art forms and audience data manifested itself in the treatment of English National Opera.

- **Arts Council England growth of National Portfolio Organisations and lottery funding**

There has been a 49% increase in the numbers of NPOs since 2015. The subvention from the DCMS has been supplemented by lottery funds.

The Arts Council has raided lottery funds to shore up NPOs. This reduces the funds available to individuals and organisations who do not have NPO status. NPOs are also eligible to apply for Arts. There needs to be a root and branch review of the Arts Council England, its policies, funding streams and core competencies’.

- **Music Streaming**

Currently revenues are paid out under the pro rata system. A change in the way revenues are distributed to a “user-centric payment system” – or UCPS would be far more equitable. Under this model, subscriber revenues are distributed according to what the individual user has spent their time listening to.

The Guardian reported on the 30<sup>th</sup> November 2023 another egregious action by Spotify directed at musicians and bands:

*“If you want to do the maths, the maximum one can possibly earn in Spotify royalties is \$0.003 a stream. It doesn’t add up to a living wage for most artists.*

*And now, to make matters far worse, starting in 2024 Spotify will stop paying anything at all for roughly two-thirds of tracks on the platform. That is any track receiving fewer than 1,000 streams over the period of a year. Tracks falling under this arbitrary minimum will continue to accrue royalties – but those royalties will now be redirected upwards, often to bigger artists, rather than to their own rights holders”.*

This is a matter that needs prompt and immediate action,

- **The Trade and Cooperation Agreement**

Another matter that requires immediate action.

A solution is to seek Europe-wide Visa-free work permit for Touring professionals and Artists

Urge the new Government to add musicians to the list of ‘Independent Professionals’ at the earliest opportunity.

The new Government should negotiate a reciprocal arrangement with the EU that will allow musicians to work freely and unhampered by red tape.

- **Promoting – keeping music live**

The UK cannot rely on market forces or the “bulbous nosed beer barons” to ensure a constant stream of music innovation, there needs to be public investment to create a chain of small-scale venues that are funded in the same way as are the concert halls and theatres for opera and classical music. This will ensure the UK has an infrastructure that creates value tomorrow for all music, both financially and artistically.

## **2 The lack of art form policies, planning and impact analysis needs to be addressed**

The Arts Council has never addressed the fundamental questions that determine the performance of any organisation, commercial or not for profit. Where are we now? Where do we want to be? How are we going to get there? What do we need in terms of resources to get us where we want to be?

On the 17th October 2014 I wrote to the Arts Council. I had to write a number of reminder letters and then pin them down to get a straight answer. The answer to my enquiry of “I would be grateful if you could let me have a copy of the Arts Council’s policy for music” was “I have checked all of our internal resources and there is no policy in the way that you may be expecting to see”. The blunt and unpalatable fact is that the Arts Council did not have a music policy in 2014 nor did it have other art form policies.

The Arts Council of England publishes a strategy “Let’s Create”, the goal of which is to:

*By 2030, we want creative a nation in which every one of us can play a part. England to be a country in which the creativity of each of us is valued and given the chance to flourish, and where every one of us has access to a remarkable range of high-quality cultural experiences.*<sup>2</sup>

The Arts Council’s new ten-year strategy, which they said was not dreamed up by a bunch of bureaucrats sitting in a room on their own – well tough as this is what it reads like out of touch and given the resources probably unachievable.

Musicians, dancer, painters, poets, writer, singers have been conveniently dumped into a box marked “Creative Practioners”. This is one size fits all and ignores the diversity of expression. Culture has been reduced to a homogenous blob and creativity has been simplified to a uniform act, a level playing field in which the participants are all the same.

The fundamental flaw in “Let’s Create is the same as in 2014 a complete absence of any art form policy.”<sup>3</sup>

To compound this, flaw the Arts Council does not undertake an analysis of specific arts forms.

In correspondence with Darren Henley CEO of Arts Council England, the APPJG asked a question regarding impact analysis and measurement:

**In Lord Colwyn’s letter of the 29<sup>th</sup> November 2016 we noted that the Arts Council carefully monitors the level and impact of the Arts Council’s investment in jazz. We asked for the Arts Council’s impact and analysis of the jazz National Portfolio Organisations you fund. We would be grateful if you would supply this information. We also assume that this will be readily at hand as National Portfolio Organisations should be supplying the Arts Council with their own annual review and impact statements.**

A reply was finally received dated 17<sup>th</sup> July 2017. The reply was illuminating to say the least:<sup>4</sup>

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<sup>2</sup> [https://www.culturehive.co.uk/wp-content/uploads/2020/10/Strategy-2020\\_2030-Arts-Council-England.pdf](https://www.culturehive.co.uk/wp-content/uploads/2020/10/Strategy-2020_2030-Arts-Council-England.pdf)

<sup>3</sup> <http://www.complaintsinwonderland.co.uk/2020/09/a-response-to-lets-create-the-arts-council-englands-strategy-2020-2030/>

<sup>4</sup> Letter from Darren Henley, CEO Arts Council England, 17<sup>th</sup> July 2022

### **Impact analysis of the National Portfolio**

Your request refers to a phrase I used in my letter to Jason McCartney, “we now carefully monitor the level and impact of our investment in this area”. This sentence was intended to reflect the attention our Relationship Managers across the country are paying to jazz, not least through our informal Jazz Working Group. We want to ensure high quality jazz activity is taking place nationwide. Because our investment is a key part of achieving this, we are monitoring our impact by continually checking the level of investment benefiting jazz, and how we can improve that. The spreadsheet I have enclosed reflects the results of our monitoring of our impact, and I have described how that takes place in practice.

The Arts Council does not undertake analysis of individual NPOs or specific art forms, therefore I am unable to provide information of that kind. NPOs do report to us through our annual survey however, including data on the number of performances, attendances, and their staff. We publish this data on our website.

The Arts Council does not undertake analysis of individual NPOs or specific art forms

In a FoI request to the Arts Council in September 2023 asking for details of quantified objectives for “Lets Create” the response in short were there are no quantified objectives and performance measures are in effect goals.

The lack of art form policy and analysis of specific art forms manifested itself in the treatment of English National Opera:

### **3 Arts Council England growth of National Portfolio Organisations and lottery funding**

#### **3.1 Growth of National Portfolio Organisations 2012-2026**

There has been a 49% increase in the numbers of NPOs since 2015. The subvention from the DCMS has been supplemented by lottery funds.

Year	Number of Arts Council England funded National Portfolio Organisations	Percentage increase or (decrease) on the previous year
2012/15	703	-
2015/18	663	(5.6%)
2018/22	828	19.9%
2023/26	985	18.9%
Increase of numbers of NPOs on 2015/18	322	48.5%

**Table 1.1** Source: Arts Council England

#### **3.2 Lottery Funding of National Portfolio Organisations**

On 4 November 2022, Arts Council England announced that it will be investing £446 million per year in 990 organisations through its 2023-26 Investment Programme. This is made up of £351.8 million from The Department for Digital, Culture, Media & Sport (DCMS), £0.5 million from Department for Education and £93.9 million from The National Lottery (please see <https://committees.parliament.uk/publications/31958/documents/179403/default/>)

On the 31<sup>st</sup> March 2023 ACE announced funding for NPO's for 2023/2026. There are 985 NPO's of which 275 are new applicants. 985 organisations will receive in total £444,571,173 per annum of which new applicants receive £63,574,837

A Freedom of Information Inquiry to Arts Council England on the 7<sup>th</sup> April 2023 elicited the following facts:

*“We have not had confirmation from DCMS of our 2023/24 settlement. As part of the spending review in 2021 we were provided with figures until March 2025, and these have been used to model and set budgets. However, the overall allocation needs to be confirmed each year, and DCMS are currently restructuring to move ‘Digital’ to another department of Government. This may lead to further changes to our budgets.*

*We publish our total income and expenditure in the annual accounts once the year is completed, and individual programme budgets are published when launched. All of these are available on our website.*

*Further to this, there are annual budgets that have been signed off by Executive Board and National Council, but they are subject to change if DCMS confirm a reduced settlement.*

*Excluding restricted funds and income from National Lottery, these budgets currently stand at the following:*

- *Grant in Aid core admin before IFRS 16 adjustment £15.764m*
- *Grant in Aid core Programme £370.675*
- *Grant in Aid Capital programme £11.819”*

A further Freedom of Information Inquiry on the 14<sup>th</sup> April 2023 provided the following:

*“The final accounts for 2022/2023 are still being finalised and will be published at a later date. However, the current figures state that:*

- *Lottery income was £252.74m*
- *Lottery expenditure was £448.53m.*

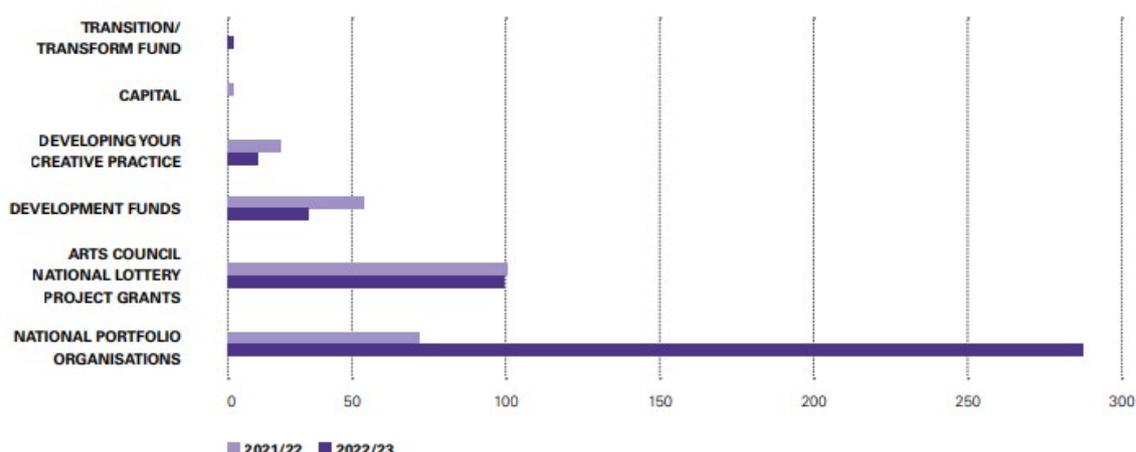
*Expenditure is notably higher than income because we have committed to paying out grants to NPOs for the next three years.*

*Lottery budgets for 2023/2024 are estimated at £251.7m, though this is dependent on lottery sales across the year so may change”.*

Figure one shows the lottery funding that is spent on NPOs £74 million in 2021/22 and circa ££285 million in 2022/23 assuming this is committed for the three years 2023/26. Applicants to the NLPG programme will have some light shed on a stock response to failed applicants from the Arts Council England of, “an insufficiency of funds”.

below.

#### LOTTERY PROGRAMME EXPENDITURE (£m)



**Figure 1** Source: Arts Council England Report and Accounts 2022/2023 p81

On the 12<sup>th</sup> April 2023 there was the following announcement from Arts Council England and English National Opera.

*“Following development work by the English National Opera (ENO), Arts Council England has set a budget of up to £24 million investment for 2024-26. The company will now start the process of making an application to the Arts Council for an award up to this amount. ENO’s developing plans are based on a reimagined artistic and business model with a primary base out of London, whilst continuing to own, manage and put on work at the London Coliseum.*

*The provisional budget of up to £24 million investment for 2024-25 and 2025-26 is to support the ENO make a phased transition to this new artistic and business model, and will include work split between their new main base and London. This will be subject to application and assessment with a decision by the Arts Council expected this summer. This funding would be in addition to the £11.46 million already agreed for 2023/24.*

*The shared ambition is for the ENO to be in a strong position to apply to the Arts Council’s National Portfolio of funded organisations from 2026”.*

### **3.3 Lottery funding is being awarded to NPOs at the expense of individuals and non-funded organisations**

In 2022/23 a total of £443,014,083 lottery funding was allocated to NPOs

in 2018/22 as well as receiving core funding from the Lottery, Arts Council England’s National Portfolio Organisations were awarded over half of all Strategic and Capital funding.

Please see: <https://www.artspromotional.co.uk/news/ace-draws-lottery-reserves-npo-funding>

In 2022/2023 £93.9m of lottery funding was allocated to NPOs. Then the Arts Council announces that ENO is to receive £11.46m for 2022/23 plus £24m lottery funding for 2024/2026 (subject to application) a total of £35.76m.

So, assume the Arts Council is going to receive lottery funds of circa £251m each year for 2023/2026 a total of £753m. The Arts Council has committed lottery funds to NPOs and ENO of £105.36m for 2023/2026 a total of £316m. Therefore, lottery funding for the 2023/2026 National Lottery Project Grants programme is £437m which is a decrease in lottery funding over the three years of 58%.

The Arts Council has raided lottery funds to shore up NPOs. This reduces the funds available to individuals and organisations who do not have NPO status. NPOs are also eligible to apply for Arts

## 4 Music Streaming

There are a number of problems with music streaming:

- The dominant organisations are the likes of Spotify, Apple Music and Amazon Music. They are effectively a mass market with millions of subscribers.
- The payment system used on the major streaming services is the “pro rata” model. With this system, the total revenues are divided and distributed according to the share of total streams for the given payment period.
- For a jazz musician to earn the average household disposable income (after taxes and benefits) of £30,800 from Spotify for the financial year ending 2020, their music would have to be streamed 10.1 million times.
- Both jazz and classical music are disadvantaged. On a major streaming service, a 10-minute-long symphony movement or a 7-minute-long jazz recording is paid the same amount as a 31-second instrumental hip-hop interlude.
- An analysis of the total of monies accruing to record labels, performers and the collecting societies from the monthly breakdown of a French streaming company; showed the record labels taking the lion’s share of 75.7%.
- Playlists and curators whilst appearing to provide a service to consumers are having an insidious effect on music especially with regard to non-featured musicians and bands. The impact of playlists, curators and ‘play listing’ by Spotify has pretty clearly shown that whether by design or not, the big streaming platforms are creating winners and losers while they are driving what some characterize as a “revival” of the music entertainment industry.
- The complexities of streaming royalty calculations and the fact that streaming has resulted in the ‘unbundling’ of albums means that musicians receive a fraction of the revenue once received from physical album sales.
- The underlying malaise is that digital distribution has allowed a scale of mass consumption of music hitherto unknown and in the process lowered people’s expectations of the price they should pay.
- There is a crucial need for UK copyright protection with teeth.
- With copyright protection there needs to be greater transparency amongst record labels, music publishers, streaming platforms and other licensing entities so that creators can effectively use their right to audit music companies they are signed to or who administer royalties for them. Furthermore, assignment of rights to a music company should have a maximum term, after which the rights should automatically return to the creator, who could decide to extend or place their rights elsewhere.
- Finally, there needs to be a programme that educates all types of music creators regarding their rights and the operations of the music industry.
- Currently revenues are paid out under the pro rata system. A change in the way revenues is distributed to a “user-centric payment system” – or UCPS would be far more equitable. Under this model, subscriber revenues are distributed according to what the individual user has spent their time listening to.

The Guardian reported on the 30th November 2023 another egregious action by Spotify directed at musicians and bands:

*“If you want to do the maths, the maximum one can possibly earn in Spotify royalties is \$0.003 a stream. It doesn’t add up to a living wage for most artists.*

*And now, to make matters far worse, starting in 2024 Spotify will stop paying anything at all for roughly two-thirds of tracks on the platform. That is any track receiving fewer than 1,000 streams over the period of a year. Tracks falling under this arbitrary minimum will continue to accrue royalties – but those royalties will now be redirected upwards, often to bigger artists, rather than to their own rights holders”.*

This is a matter that needs prompt and immediate action,

Please see the full report: [appjag-submission-to-the-dcms-committee-inquiry-into-the-economics-of-music-streaming-15th-november-2020](#)

## 5 The Trade and Cooperation Agreement – How to help musicians work in the EU after BREXIT

### 5.1 Introduction

UK music industry generated £2.9 billion in exports in 2019, a 9% increase from £2.7 billion in 2018. Most musicians and performers rely on touring and performing in the European Union to make a living. Musicians, and other creative and cultural workers, have specific needs and it is crucial that visa and customs rules post-Brexit take this into account.

An inability to maintain these exports due to restrictions on working in the EU will seriously damage Britain's image and reputation and lead to an increase in unemployment and reduce the music sector's contribution to the economy.

Please see the full report: [the-trade-and-cooperation-agreement-how-to-help-musicians-work-in-the-eu.pdf](#)

### 5.2 The Trade and Cooperative agreement affects musicians' livelihoods in the following ways.

- From 1 January 2021, UK nationals seeking to work in the EU will be considered third country nationals and will therefore need to meet the various requirements of each nation state
- Musicians do not come under the exemptions for short term business visitors. Thus, individual states could make their own rules, making it particularly difficult for touring musicians.
- The 90-day maximum for short term business visitors in Europe has possible implications for touring musicians.
- Carnets, at a cost of £200 or more, are required to avoid customs delays for music equipment such as instruments and amplifiers. This will add costs and paperwork.
- British TV and video-on-demand service providers will no longer be able to offer pan-European services to European viewers, unless they relocate part of their business to an EU member state.

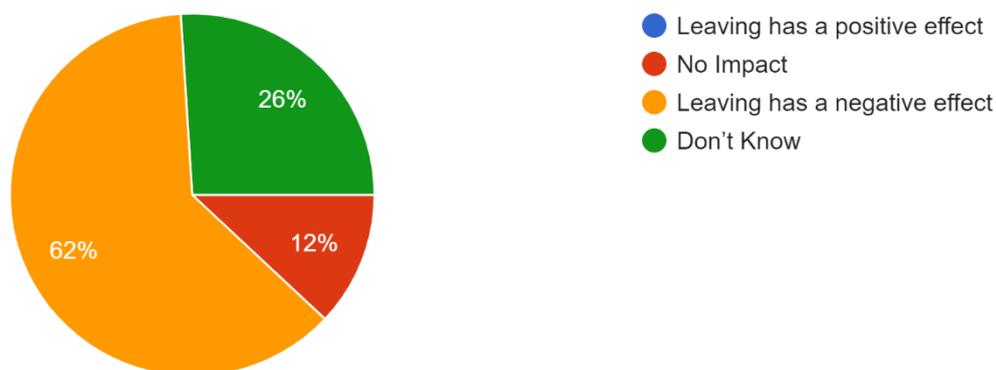
A solution is to seek Europe-wide Visa-free work permit for Touring professionals and Artists

Urge the Government to add musicians to the list of 'Independent Professionals' at the earliest opportunity.

Ask the Government to negotiate a reciprocal arrangement with the EU that will allow musicians to work freely and unhampered by red tape

### 5.3 The effect of Brexit

A recent survey of UK jazz promoters undertaken for the review of jazz England undertaken by the APPJG promoters were asked if they thought their ability to work in the music industry, will be affected by the UK leaving the European Union? 62% of promoters said there would be a negative effect and 26% did not know.



## 6 Promoting – keeping music live

In The Guardian Friday 22nd February 2013 there was article by John Harris “Can the UK’s ‘toilet circuit’ of small music venues survive?” The article was about the “tiny, grimy pubs and clubs fighting to stay open”. Although the piece was about rock and pop bands the predicament is faced by just about every music that is not opera or classical music. The crucial fact is that bands playing in these venues - whatever their genre – are in the argot of business – “new product development”. These are the bands that will eventually fill the O2 stadiums and medium to large scale venues of tomorrow, although many may well fall by the wayside. Another factor is the economic impact of these small venues. For example, Wakefield Jazz Club generates £6.99 for every £1 of public investment and Scarborough Jazz Club generates £4.99.

The UK cannot rely on market forces or the “bulbous nosed beer barons” to ensure a constant stream of music innovation, there needs to be public investment to create a chain of small-scale venues that are funded in the same way as are the concert halls and theatres for opera and classical music. This will ensure the UK has an infrastructure that creates value tomorrow for all music, both financially and artistically.

Chris Hodgkins  
7<sup>th</sup> February 2024

## **Appendix 1**

Chris Hodgkins MBA FCIM

Chris was raised in Cardiff. In 1974 he co-founded the Welsh Jazz Festival and four years later established the Welsh Jazz Society. As a trumpet player Chris toured the UK and Europe and appeared at the Sacramento Jazz Festival in the States. With his own band he made a number of a number of television and radio appearances. Wild Bill Davison commented, “It’s a hell of a good band”.

He relocated to London to play professionally and in 1985, was appointed Director of Jazz Services Ltd. and was Chair of the National Jazz Archive 2005 -2014. Chris helped establish the annual Parliamentary Jazz Awards.

Chris retired from Jazz Services Ltd in May 2014 and has taken to the road, the radio and the recording studio to focus on playing. Chris presents two programmes on Jazz London Radio and Pure Jazz in New York

In July 2017 Chris was appointed by the All-Party Parliamentary Jazz Group to act as their Secretariat. The Group recently held the Parliamentary Jazz Awards at Pizza Express Live in Holborn, London in July 2023. Chris is completing a “Review of Jazz in England” for the Parliamentary Jazz Group

### **Awards**

Awarded: 2002 BBC Radio 3’s Services to Jazz, the 2013 British Jazz Awards for Services to British Jazz, the Parliamentary Jazz Award for Services to Jazz 2015, Brecon Jazz Festival Services To Jazz 2022.

### **Media**

[www.chrishodgkins.co.uk](http://www.chrishodgkins.co.uk)  
<https://chrishodgkins.bandcamp.com/>  
[www.complaintsinwonderland.co.uk](http://www.complaintsinwonderland.co.uk)  
<https://appjag.org/>

