

Annex A: Open policy development programme on ‘Cultural Devolution’

Culture Commons

Part One: The Opportunity

One in eight UK businesses are now part of the creative industries, and together with the cultural sectors, contributed almost £116 billion in GVA in 2019, growing at more than three times the rate of the economy as a whole¹. Prior to the COVID-19 pandemic, these sectors accounted for more than two million jobs² and created an additional 1.4 million jobs in the wider economy through their supply chains³. The creative and cultural sectors were responsible for £46bn in goods and services exports which is almost 12% of all UK exports⁴.

On top of being incredibly successful drivers of economic growth, the subsectors that make up the creative and cultural sectors⁵ are unique in being able to support the creative and cultural life, and therefore the health and happiness of, the nation. The organisations, programmes and workers that make up the creative ecosystem help individuals, communities, and places to share their unique and rich stories. This can, amongst other things, foster mutual understanding, promote social cohesion, as well as leverage influence on the international stage in an increasingly globalised world.

Both the public and private sector recognise the importance of investing in culture locally

Despite severe reductions to funding over the last decade⁶, local authorities remain the largest investors in the creative and cultural infrastructure of the UK. The UK Government has recently positioned investment in ‘culture and heritage’ as central to its ‘Levelling Up’ mission of restoring ‘Pride of Place’ across the UK⁷.

Private and public sector organisations are increasingly working with the creative and cultural sectors in new and strategic ways to stimulate economic growth and bring social spill-overs to the communities they are part of, mitigating against some of the worst effects of austerity, Covid-19⁸ and the ongoing cost-of-living crisis. Through work led by Culture Commons, our research partners at the Centre for

¹ See UK Government’s DCMS economic estimates for GVA 2019, <https://www.gov.uk/government/statistics/dcms-economic-estimates-2019-gross-value-added/dcms-economic-estimates-2019-provisional-gross-value-added>

² See UK Government’s DCMS sector economic estimates for Oct 2019 – Dec 2020 <https://www.gov.uk/government/statistics/dcms-sector-economic-estimates-employment-oct-2019-sep-2020>

³ See Creative UK’s statistics at <https://www.wearecreative.uk/champion/statistics/>

⁴ *ibid*

⁵ As defined by DCMS: <https://www.gov.uk/government/publications/dcms-sectors-economic-estimates-methodology/dcms-sector-economic-estimates-methodology#definitions>

⁶ ‘Cornerstones of Culture’ by the Local Government Association (with contributions from Culture Commons) <https://www.local.gov.uk/topics/culture-tourism-leisure-and-sport/cornerstones-culture>

⁷ See for example, [Levelling Up round 2 funding allocation £594 million on cultural and heritage protects](#) out of a total £2.1 billion

⁸ For example, see research by the Centre for Culture Value, [‘Culture in Crisis’: Impacts of Covid-19 on the cultural sector](#)

Cultural Value, the Creative Industries Policy and Evidence Centre and colleagues in the Local Government Association, we now have a considerable body of evidence amassed on the impacts that successful culture-led regeneration programmes⁹ can have in areas with very different place profiles and policy priorities¹⁰.

Decision makers at the local level are also beginning to act much more strategically to:

- support historically underfunded places to build new cultural infrastructure and deliver new programmes
- boost existing ‘creative clusters’ to stimulate growth and create good quality jobs
- ensure investment is distributed based on the overall policy priorities of their area

We are already seeing local places developing interesting new governance models, sometimes supported by national arm’s length bodies, that enable them to coordinate investments in the creative industries and cultural sectors locally¹¹, leading to considerably more coherent and cross-departmental working at the local and combined authority levels. Most combined authorities, and some local authorities, now have a full-fledged culture strategy¹² which speaks to the policy priorities of their regions, as well as a dedicated culture team or culture officers to who can maximise opportunities and plug gaps in provision where they might exist.

Although creative, cultural and research organisations and local government stakeholder have long worked together to design, deliver and evaluate individual culture-led regeneration programmes in their own locality, it is only recently that organisations with a national remit have started to collate evidence to build up a UK-wide picture of ‘what works’. Since 2017, the Creative Industries Policy and Evidence Centre has been working hard to paint a more accurate picture of the distribution, and economic contributions of, the DCMS subsectors to regional and national economies¹³.

In addition, research institutions like the Centre for Cultural Value have been making the case for investment in the cultural sector to promote the positive social spill-overs arts, culture and creativity – including ‘everyday creativity’ - can bring to different communities, including those currently underrepresented in the ‘production and consumption’ of culture¹⁴. In more recent years, Culture Commons has been working with both to amplify these findings with key decision makers at the national levels, including the UK Government.

The Creative Industries are at the centre of both the UK Government and Official Opposition plans to “grow the economy”.

⁹ For example, see Culture Commons paper on Creative Improvement Districts, <https://www.culturecommons.uk/post/creative-improvement-districts>

¹⁰ See ‘Cornerstones of Culture’ by the Local Government Association (with contributions from Culture Commons) <https://www.local.gov.uk/topics/culture-tourism-leisure-and-sport/cornerstones-culture>

¹¹ For example, in some areas we have seen the succession continuation of Arts Council England’s ‘Culture Compact’ programme. [Sheffield’s Culture Collective](#) continues to unite key stakeholders across the public and private sectors in the city to deliver joined up initiatives to promote local cultural programming and investment.

¹² See, for example, [Greater Manchester’s Strategy for Culture & Creativity](#)

¹³ See the PEC’s ‘Creative Radar’ work, <https://pec.ac.uk/research-reports/creative-radar>

¹⁴ See <https://www.culturalvalue.org.uk/>

In this year's Spring Budget, the current Chancellor confirmed the UK's creative industries as one of five 'high growth sectors'¹⁵, integral to creating a 'culture of enterprise' within the UK's economy. As well as announcing the continuation, and in some cases uprating of several tax reliefs associated with our sectors¹⁶, the Chancellor also set out a refocused 'Investment Zones' package, offering circa £80 million over five years for 12 "high potential knowledge-intensive growth clusters" within Mayoral Combined Authority areas, as well as in Scotland, Wales and Northern Ireland¹⁷.

In an alternative approach, The Labour Party have positioned the creative industries as central to their vision of a 'New Economy' based on the successes of innovative and ambitious 'New Economy Firms'. In a 2022 publication, 'A New Britain: Renewing our democracy and rebuilding our economy' led by Gordon Brown ('The Brown Commission'), a panel of senior commissioners outlined the importance of supporting established 'Creative Clusters' emerging in cities and towns across the UK. As well as several proposals on the future of devolution (see part three below), the Brown Commission recommended a new "radically reformed suite of place-based R&D programmes"¹⁸ with a clearer role for the UK Investment Bank and British Business Bank in "building clusters of new enterprises" in partnership with local government and universities¹⁹. Lastly, in March 2023, the Shadow Secretary of State for DCMS committed to a five stage 'Creative Compact' plan to "make the creative industries a leading light of the economy" at a flagship industry event²⁰.

Part Two: The Challenges

Since 2022 in particular, changes in the political and economic stability of the UK have started to present significant challenges to the continued growth and development of culture and creativity in communities across the UK.

Geographic inequality remains a problem

As recognised by all major political parties, the UK remains one of the world's most unequal societies across a broad range of significant indicators. These disparities express themselves most obviously when we look at the longstanding inequalities *between*, but also *within*, the regions of the UK. Long standing geographic inequalities²¹ in employment rates²², weekly earnings²³, productivity²⁴, educational attainment²⁵, and health and wellbeing²⁶, continue to leave many areas behind, preventing places from reaching their full potential. Narrowing the gaps between London and the

¹⁵ UK Government, [Spring Budget](#), p63

¹⁶ For a fuller budget breakdown see: [Culture Commons Snap Briefing](#)

¹⁷ UK Government, [Spring Budget](#), p68

¹⁸ Ibid, p83

¹⁹ Ibid, p81-86

²⁰ <https://www.designweek.co.uk/issues/27-february-3-march-2023/shadow-culture-secretary-condemns-governments-complacency/>

²¹ https://issuu.com/ippr/docs/sotn_2019

²² See the ONS figures on regional labour markets, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/june2021>

²³ Ibid

²⁴ See The Industrial Strategy Council report, [UK Regional Productivity Differences: An evidence review](#)

²⁵ Social Market Foundation, [Commission on Inequality in Education](#)

²⁶ <https://www.health.org.uk/news-and-comment/news/latest-data-shows-record-levels-of-health-inequality-prior-t>

South East, and addressing the disparities within regions²⁷, all whilst maintaining the success of the world-leading 'Creative Clusters' we already have is now a major policy challenge of our time.

When it comes to investment in the creative and cultural life of the nation, the geographical disparities are even more pronounced. For example, we see an uneven distribution of creative businesses, sectoral productivity and cultural infrastructure across the regions and nations²⁸, as well as disproportionate drops in expenditure in local authority funding for culture in some areas²⁹ - all of which has impacted investment in local creative and cultural infrastructure for over a decade³⁰. A lack of access to **high quality digital infrastructure, physical space³¹, research and development incentives**, and a **growing skills pipeline gap** loom large in the list of barriers to growth identified by creative businesses³². Access to **finance, business support and wider skills³³** are also threats that require a considered policy response.

The Covid-19 pandemic and the cost-of-living crisis seem to have deepened these regional disparities further, presenting challenges not just for growth but to simply 'keep the lights on' - particularly for those subsectors made up of a disproportionately large number of freelance, self-employed, and atypical workers, and micro- and small enterprises who were particularly badly affected, and who were less likely to receive state support³⁴. Given Culture Commons' own findings into the importance of 'place' on the experiences of the creative and cultural freelance workforce³⁵, addressing these regional inequalities in local cultural investment will be crucial to all political ambitions centring economic growth.

Attempts to address regional inequality have yet to break through

Though long-term advocates for investment in culture, local government have faced significant reductions to their spending power over the past decade, severely limiting their capacity to invest in culture locally³⁶. The UK Government has proposed several centrally distributed funding mechanisms that have gone some way to helping both the ongoing impact of Covid-19 and widening regional disparities³⁷. In 2022, Arts Council England also identified 109 'Levelling Up for Cultural'³⁸ areas, who would receive increased support using a robust methodology based on clear needs.

While these steps have been widely welcomed, key stakeholders from all parts of civil society have been vocal on the limitations of the UK Government's approach to 'competition based' funding models. Such models, relying on the capacity of local government to submit bids and then deliver programmes

²⁷ See Centre for Progressive Policy report on [The UK's sub regional inequality challenge](#)

²⁸ See the PECs report, [Mind the Gap: Regional Inequalities in the UK's Creative Industries](#)

²⁹ See the PECs report, <https://pec.ac.uk/blog/a-new-deal-for-arts-funding-in-england>

³⁰ See The Fabian Society report on [Cultured Communities](#)

³¹ See Culture Commons' 'Creative Workforce Workshops: Place' report for more details,

<https://www.culturecommons.uk/cwwplaceobservations>

³² <https://pec.ac.uk/research-reports/creative-radar>

³³ See the Creative Industries Policy and Evidence Centre report on [The migrant and skills needs of creative businesses in the UK](#)

³⁴ Centre for Culture Value report on ['Culture in Crisis'; Impacts of Covid-19 on the cultural sector](#)

³⁵ See Culture Commons' 'Creative Workforce Workshops: Place' report for more details,

<https://www.culturecommons.uk/cwwplaceobservations>

³⁶ Between 2010-2019 the [Institute for Government](#) found that local authorities spending power fell by 16%.

³⁷ Most significantly [Cultural Recovery Fund](#), [Cultural Development Fund](#) and [Levelling Up Funds](#)

³⁸ See Arts Council England's, [Priority Places and Level Up for Culture Places](#)

can compound the disparities we spotlighted earlier in this paper. Though arm's length bodies investing in culture have made a concerted effort to support 'left behind areas', this will simply not be enough to address the longstanding and deeply entrenched disparities we observe across the UK.

Local communities are still uninvolved in cultural decision-making

Despite new programmes and evidence demonstrating the effectiveness and mutually beneficial outcomes that accrue from the co-design of cultural activity at the local level³⁹, as well as commitments from the UK Government to "make it easier for local people and community groups to come together, set local priorities and shape the future of their neighbourhoods"⁴⁰, little structural change has actually taken place in recent years to enable local communities a greater say in the delivery of local services in their area, including for cultural funding and programming. We also question whether local or regional decision makers have thought carefully enough about including communities in processes to consider more strategic approaches to regional cultural policy.

Furthermore, as we have seen from recent public debate on cultural venue closures, the continued, but perhaps unintended, exclusion of the voice of the local communities in decision making can have huge political, social and economic impacts at the regional and national level.

Marginalised groups are particularly underrepresented in policy dialogue

As well as inequality across geographic reasons in the UK, we also know there are also significant issues relating to accessibility and inclusivity of the workforce and leadership in the creative and cultural sectors. Evidence shows us that the UK creative and cultural sectors are some of the most unequal and inaccessible sectors among the UK economy⁴¹.

Despite positive initiatives to address the continued exclusion of marginalised groups from the sectors⁴², evidence shows that COVID-19 and the continued cost of living crisis has only continued to compound structural inequalities. For example, in their 2022 report 'Culture in Crisis', the Centre for Cultural Value found evidence that marginalised groups such as those from minority ethnic groups, women, disabled, younger (under 30), those without higher education qualifications were disproportionately impacted by the pandemic, both in terms of job losses and reduction in hours worked⁴³.

Part Three: The move towards devolution

In recent years, political leaders at the national level seem to have reached a consensus on the need for more 'devolution' across the English Regions. Both the UK Government's 'Levelling Up' white paper⁴⁴

³⁹ See Local Trust's [Creative Civic Change programme](#); an experimental funding programme supporting 15 communities across England to shape, lead and commission arts and creative interventions, to make positive social change where they lived

⁴⁰ See the UK Government's [Levelling Up the United Kingdom](#), p215

⁴¹ See findings from the APPG Creative Diversity: <https://www.kcl.ac.uk/cultural/projects/creative-majority>

⁴² For example, [Art Council's 'Let's create Strategy'](#) now centres 'inclusivity and relevance' as one of four main investment principles

⁴³ See [Culture in Crisis: Recommendations for Policy Makers](#), p9

⁴⁴ See the paper [Levelling Up the United Kingdom](#), UK Government

and the Brown Commission⁴⁵ have suggested that the devolution of decision making and spending powers should also be devolved where possible.

The UK Government's approach to devolution

In the 2022 Levelling Up White paper, the UK Government promised devolution deals to any area in England "that wants one" by 2030⁴⁶. At a major conference in January this year, the Secretary of State for Levelling Up, Housing and Communities explicitly stated the government extension not just to extend devolution, but to deepen it; announcing that the UK Government were looking to "devolve more control over further and technical education, transport, trade, culture and employment support⁴⁷". This preceded the UK Government's Spring announcement, in which Greater Manchester and West Midlands were offered new 'trailblazing' devolution deals, promising to "set the blueprint for deeper devolution" across England, with new "policy levers" to deliver on local transport, employment, housing, innovation and net zero⁴⁸.

The opposition's approach to Devolution

In December 2022, Gordon Brown launched 'A New Britain: Renewing our democracy and rebuilding our economy'. This document, the result of two years of work by a Brown led Commission, set out a collection of reforms for the future of the UK state including a "radical devolution of power to locally elected and accountable representatives"⁴⁹.

The Commission set out that mayors and local government should have new powers to drive growth locally. This included promises for new powers to "develop culture"⁵⁰ and hinted at further devolution of "national culture funding" decisions⁵¹. Furthermore, recommendation 13 of the report sets out a range of further fiscal freedoms for local government, including longer 3-year minimum settlements and block grant approaches to "consolidate funding streams from central government departments"⁵². Lastly, the commission calls for "a double devolution" in recommendation 15 of the report; suggesting that "services should be delivered at a neighbourhood level, with the public involved in shaping them"⁵³

The Commission's paper sets out further new measures, too broad to summarise in this paper, that will have far reaching consequence for the future funding and delivery of both local and national services, including for culture. Perhaps one of the most significant of these could be the Commission's suggestion of a written constitutional statute, setting out not only obligations on central government but enshrining

⁴⁵ Commission on the UK's future, [A New Britain: Renewing our Democracy and Rebuilding our Economy](#)

⁴⁶ [Levelling Up the United Kingdom](#), UK Government

⁴⁷ See Michael Gove's speech at the Convention of the North here <https://www.gov.uk/government/speeches/levelling-up-secretarys-speech-to-the-convention-of-the-north>

⁴⁸ See the UK Government, [Spring Budget 2013](#), p69

⁴⁹ Commission on the UK's future, [A New Britain: Renewing our Democracy and Rebuilding our Economy](#) p, 7

⁵⁰ Ibid, p. 80

⁵¹ Ibid

⁵² Ibid, p.94

⁵³ Commission on the UK's future, [A New Britain: Renewing our Democracy and Rebuilding our Economy](#), p98

Individual Rights to the UK population. While the Commission have yet to define the exact form these rights will take, the document suggests an openness to including a full range of economic and social rights; including a possible *right to culture*.

The overdue call for local community involvement

The policy proposals to devolve decision making closer to communities comes in part from increasing evidence on the benefits of this approach. Since 2020 Culture Commons has been pressing local and national government to include the voice of local people and explore what universal access to culture could look like for local citizens. We've been asking fundamental questions about whether it's time to implement a statutory requirement for culture at the local authority level (possibly through an amendment to the 1964 Museums and Libraries Act), or whether something voluntary like a 'percentage for culture' could be a solution. Recognising the very different needs in different parts of the UK, we haven't yet landed on the optimal solution.

Nonetheless, through our Creative Workforce Pledge campaign⁵⁴ - run in partnership with trade unions – Metro Mayors have made a commitment to deliver a 10-point plan in their local area, including developing a new 'Culture Forum'. Six Metro Mayoral Combined Authorities signed up to the pledge, with South Yorkshire Combined Authority going even further to explore extending cultural access to young people right across the region. We know that during the pandemic local communities engaged with cultural institutions even more closer to home, we re-emphasised our call for a 'Culture Forum' within a wider suite of policy recommendations presented in the UK Parliament, to the Minister for the Arts and Opposition spokesperson, in May 2022.⁵⁵

The devil will be in the detail

Despite the clear direction signalled by both main political parties, there is very little detail from them on exactly *how, to whom, and when* they envisage devolving cultural policy. Indeed, what constitutes 'cultural policy' is vigorously contested, partly because the legislation and associated policy levers associated with it sit across several UK Government departments, the devolved administrations through Barnett consequential, very different levels of local government, the private sector, a series of arm's length bodies and grant giving organisations, just to name a few.

There is now an opportunity to bring together thought leaders, and members of the public, to consider what 'cultural devolution' could look like in practice, and consider what macro-level policy mechanisms might need to be developed to facilitate it most effectively as well as protected important strategic and accountability functions held currently by arm's length organisations.

Part Four: The Proposal

As we have seen from part one, there is a significant opportunity for the creative and culture sectors to play a part in the sustainable growth of the UK's economy and society. Both local and government have recognised the importance of both sectors in developing **Britain's 'enterprising' economy of the future** while regenerating **local place identity, social cohesion and "local pride of place"**. Yet, there

⁵⁴ See our campaign at <https://www.culturecommons.uk/post/creative-workforce-pledge>

⁵⁵ See details of our policy launch event at <https://www.culturecommons.uk/post/culture-commons-the-centre-for-cultural-value-launch-new-policy-recommendation-report>

are challenges present within the sectors that if undressed with continue to perpetuate the very macro-economic and social issues the sectors are well positioned to solve. The sectors are **geographically unequal**, remain predominately **exclusive** to certain groups in society and **community access to decision making remains limited**. While further devolution has been identified as an early solution to these issues, if it is not delivered strategically **and equitably, with appropriate oversight**, we risk fragmenting the growth of the sectors.

At Culture Commons, we believe that now is an opportune moment to gather a group of expert practitioners to solve some of these inconsistencies, asking ourselves:

How can we support an equitable and sustainable flourishing of creative and cultural activity in all parts of the UK?

Drawing on the opportunities of the sectors (part one), while addressing some of the existing challenges (part two), we want to develop a new policy package that is guided by the following **five principles**:

1. Promotes inclusive and strategic growth of the creative and cultural sectors in all areas of the UK
2. Enables local communities a greater say in local cultural decision making
3. Ensures high quality devolution of cultural policy while safeguarding strategic planning and accountability
4. Equips local government with the resources and capacity they need to invest successfully in local culture and creativity
5. Provides all citizens with access to culture in their own community

A new policy approach for the inclusive flourishing of the UK's Creative and Cultural sectors

At the heart of our programme is the belief that all areas and all citizens should have equal access to, and an opportunity to have a say in, creative and cultural life of their area. It also leans into the now firmly established understanding that the creative and cultural sectors are key to the UK's economic prosperity and social stability, while insisting that better care should be taken in ensuring investment is made **fairly** and **equitably**. It is supportive of the forthcoming waves of devolution, believes that **local government should be appropriately funded to lead the charge once again in cultural investment**, but also holds firm that more detailed consideration should be given to the *how, where, and when* behind further devolution to safeguard **strategic approaches, accountability mechanisms** and the **expertise of current central decision-making bodies**.

An open development approach

At Culture Commons, we specialise in bring together academics, creative practitioners and politicians to solve the problems facing the creative and cultural sectors. We don't believe that the challenges and questions outlined above can or should be developed by one organisation in isolation. That is why we are proposing to convene a **new open policy development programme** to develop the policy in partnership with expert practitioners and academics.

Given the current opportunities and challenges as described in parts 1-3, we think there are **five key policy streams** that should be addressed by such a programme. These are:

1) Cultural Devolution

It is clear that political promises for extended and ‘deeper’ devolution (see part three), particularly those proposed by The Brown Commission, will have significant impact on the current ‘status quo’ for how cultural policy is set and funded across the UK. We therefore proposed establishing a new working group, as part of our programme development, to explore the main approaches as proposed by the main political parties, flag the risks and opportunities associated with these approaches, and make several recommendations on **how devolution can be achieved in a manner that remains strategic and accountable – ensuring equality of access for citizens and creative practitioners regardless of where they live in the UK.**

2) Creative Clusters

The Creative industries have been recognised by the main political parties as key contributors to the UK’s future economy. While we await the UK Government’s promised ‘sector vision’ and further tax relief and R&D relief is considered at the national level, we believe that further work will be needed in order to support local authorities identify, grow and nurture creative clusters in their area – especially in the context of further devolution.

In this dedicated stream, we would work with experts and local governments **to test creative clustering at the local level**, asking what are the right approaches to identify locations for clusters of creative subsectors, how these work together at the wider pan local/regional area, what policy levels and funding support will be needed to kick start the growth of ‘creative clusters’ and – crucially – **what ‘models’ for forming, growing and managing cluster development deliver not just positive outcomes for the local economy, but positive socio-environmental outcomes as well.**

3) Funding with purpose

As we identified in part two, current central government funding streams are still reliant on competition-based models. We believe that if current inequality faced by the UK is to be addressed, we need to explore different approaches to culture funding pots that prioritize need over competition.

We recognise that this would be a new approach, laced with difficult policy and political implications. Therefore, under this stream, we would explore a possible new approach to a ‘purposed based’ central funding model for culture, identifying risks and potential challenges, that could be deployable for any future government

Considering the promises for devolution, this stream would need to work closely with the devolution stream to consider **what funding pots should remain at the central level for crucial overnight and then, how these pots should be spent with a new approach to investment.** We will also have to explore what role arm’s length bodies would likely need to play to make the best of the investments.

4) A new ‘Culture Forum’ programme

We believe that sustainable and effective culture strategies are best achieved with the inclusion of the voice of local community. We believe a local level structure is needed to help decision makers create productive and ongoing dialogue with local community that collectively shapes the future of cultural spending and programming.

Given the long standing calls from the sector as well as recent political commitments on all sides of the aisle to devolve decision making, in a “double devolution” approach, we believe that now is the time **to test an effective mechanism for involving the local community cultural decision making**, drawing on the expertise of local government and expert community engagement consultants, not just to continue to gather evidence on the benefits of this approach, but to get in right before approaches are imposed at the central level.

5) Culture for All

As touched upon in part three, Gordon Brown’s Commission have proposed the development of a new constitutional statute with the possibility of new social rights for individuals. Taking inspiration from such an approach, as well as drawing on further approaches that have aimed at widening universal cultural access at the local level, under this stream we would explore the possible implications of this for culture – and whether a universal right to culture would be viable option to propose at either the local, regional or national level. This stream would consider cost, legal and practical implications of such an approach and work closely with stream number one and four to do so.

***Annex B** sets out further questions and potential policy approaches for each stream.*