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Creative PEC Submission for the Arts Council England Public Review

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1. Introduction

This submission to the Arts Council England Public Review consultation aims to help shape future policy to ensure that Arts Council England (ACE) continues as a vital force for supporting arts, culture and creativity across the country. The submission highlights ACE's effectiveness in implementing strategies and programmes which address long-standing issues such as the uneven geographical spread of cultural investment, advancing innovation and addressing inequalities in cultural engagement and workforces.

It uses evidence from the Creative Industries Policy and Evidence Centre's (Creative PEC) research to respond to the thematic areas laid out within the ACE Public Review consultation, as well as providing a set of key policy insights and recommendations on how to strengthen the function of ACE going forward.

These recommendations include:

- **ACE is a vital institution for the governance and sustainability of England's cultural sector and should continue to receive sufficient and sustained support to fulfil that remit**, including the Royal Charter objectives to broaden access, support education and cooperate nationally. The *Let's Create* strategy effectively advances these missions in a modern context, with a critical focus on inclusive cultural participation.
- **Persistent inequalities in who engages with and who works in Arts, Culture and Heritage (ACH) should continue to be directly addressed in ACE's future strategies, interventions and evidence collection**: Deep-rooted disparities in ACH engagement and workforces exist across gender, ethnicity, disability, social class and geography. Spatial inequalities in cultural funding and employment correlate with broader regional economic disparity and signal where future investment should be guided through ACE's investment portfolio and ongoing programme delivery. In addition, we recommend that ACE continues to strengthen and extent its data collection, monitoring and evaluation activities to further understand EDI needs across the ACH sector.
- **ACE should continue to develop high-quality research and evidence for the cultural sector. As a part of this, ACE portfolio data should be made more accessible to researchers to inform the ACH research landscape and further data collection should be encouraged for ACE-funded organisations**: ACE's research and data-sharing are crucial for sector-wide planning, policymaking, and advocacy. Recent investments into data (e.g. the boosted DCMS Participation Survey) have helped to enhance insights into local, regional and national cultural trends.

Research, evaluations and evidence collection should continue to be central to ACE's function, with a focus on providing high quality insights into the cultural sector which are also reactive to both new and existing themes - such as spillover effects, AI, the climate crisis and continuing inequality.

ACE has an important role to play in encouraging the sector to collect data including through its reporting requirements, as well as encouraging the use of investment appraisal techniques being developed through the DCMS's Culture and Heritage Capital Framework that are recognised by HM Treasury¹, which will put public investment in Arts, Culture and Heritage on a more robust footing.

- **The arms-length role of ACE is key for aligning national cultural policy with local and regional priorities. Whilst this national-level function should be retained, ACE should**

¹ DCMS (2025) *Culture and Heritage Capital portal*. Available at: <https://www.gov.uk/guidance/culture-and-heritage-capital-portal>

also be enabled to deepen connections with local and regional government in the context of evolving devolution: Further devolution across England provides opportunities to address cultural funding issues, strengthen local partnerships and support place-based agendas. However, these partnerships should not compromise ACE's responsibilities, nor the arms-length principle, at a national level.

- **ACE should facilitate further cross-sectoral collaborations between cultural organisations and the wider creative industries, as well as continue partnerships which increase these opportunities:** ACE's support of the cultural sector helps to develop the wider creative economy and is socially valuable. This should continue to be a guiding principle for ACE activities. It also underpins the Government's economic growth and opportunities missions as well as developing opportunities for R&D, experimentation and innovation.

Mutually valuable partnerships between ACH organisations and the wider creative industries should be further encouraged to strengthen innovation across the creative ecosystem². This will continue to require collaborative partnerships to increase opportunities, such as with key stakeholders like the Arts and Humanities Research Council.

- This could also contribute towards the development of creative clusters, microclusters and corridors across England, which are more widely supported by the continuation of targeted place-based investment (e.g. the ongoing Creative People and Places programme) to address geographical disparities in cultural provision.
- **ACE should continue supporting and diversifying funding opportunities for the cultural sector:** Sustained public investment into the arts and culture sector is crucial amid shrinking local authority budgets. ACE plays a critical role in funding experimentation and R&D opportunities. It is key that this public funding continues, especially as it helps to crowd in private investment. ACE should also continue to explore the diversification of cultural funding models and take a lead in advancing the implementation of blended finance models (e.g. social impact investing like Arts & Culture Finance).
- **ACE needs to continue to be reactive to changing sector needs and responsive to evolving social, cultural, environmental and economic issues:** ACE has addressed ongoing issues such as place-based inequalities, unequal access to opportunities and the need for better workforce conditions across the cultural sector. It has also shown its ability to lead on explorative programmes addressing wider issues like the climate crisis. In the future, being reactive and responsive will be key when addressing emerging sector challenges, including on issues like digital transformation of the sector and the impact of AI on culture.

2. Purpose and Structure of Arts Council England

ACE plays a critical role in the cultural ecosystem of England, supporting a diverse range of Arts, Culture and Heritage (ACH) organisations at all scales. Research shows that support delivered by ACE contributes to the wider economy, nurtures talent, develops creative skills, and increases cultural

² Vartapetova, N. and Fisher-Jones, H. and Lam, C. (2022) *The Relationships Between Cultural Organisations and Local Creative Industries in the Context of a Cultural District*. Creative Industries Policy and Evidence Centre. Available at: <https://pec.ac.uk/wp-content/uploads/2023/12/The-Relationships-Between-Cultural-Organisations-and-Local-Creative-Industries-in-the-Context-of-a-Cultural-District-PEC-DP-Feb-2022.pdf>

engagement^{3 4 5 6 7 8}. Since 1964, ACE's mandate has been set out in the Royal Charter, which defined the objectives of the body as: developing and improving knowledge, increasing the accessibility of the arts to the public, advancing the education of the public and advising/cooperating with the devolved nations⁹.

Creative PEC agrees that despite controversies in some areas and the complex trade-offs that ACE has faced, it overall successfully delivers on its objectives and has provided the public benefits set out in the Royal Charter, as this submission will highlight.

More recently, the current 10-year *Let's Create* strategy has acted as an impactful guiding framework for developing creative people and places across England¹⁰. The focus on creative people, cultural communities and a creative and cultural country have been the intended outcomes of this strategy, with a specific focus on amateur/voluntary creativity, supporting the professional cultural sector and strengthening cultural provision in place.

2.1. ACE's Role in Addressing Cultural Inequalities

There is a continued need for ACE's strategies, funding and programmes to continue and, where possible, strengthen its focus on the provision of equitable access to arts and cultural resources across diverse places and communities.

Spatial inequalities associated with the UK's cultural audiences, workforce and infrastructure, discussed further below, highlight the clear relationship between inequalities in cultural funding, cultural employment and cultural audiences. These inequalities offer an ongoing challenge to policymakers concerned that the arts, culture and heritage sectors do not attract the full range of the UK's population. They also reflect the spatial distribution of public funding to arts and culture, which is significantly unequal across English local authorities and has decreased over the last two decades, primarily due to significant cuts in local authority funding to arts and culture^{11 12}.

Creative PEC focuses on Arts, Culture and Heritage as one of its four priority themes where there is enough data available to support regular reporting through our State of the Nations publications series¹³. Recent State of the Nations reports on the Arts, Culture and Heritage theme have highlighted

³ Arts Council England (2018) *Leadership, workforce development and skills in the arts, creative and cultural sector: Evidence Review*. Available at: <https://www.artscouncil.org.uk/leadership-workforce-development-and-skills-arts-creative-and-cultural-sector-evidence-review>

⁴ Arts Council England (2021) *Meta-evaluation of place-based programmes*. Available at: <https://www.artscouncil.org.uk/meta-evaluation-place-based-programmes>

⁵ Arts Council England (2018) *Skills needs assessment for the creative and cultural sector: A current and future outlook*. Available at: <https://www.artscouncil.org.uk/skills-needs-assessment-creative-and-cultural-sector-current-and-future-outlook>

⁶ Taylor, P. and Davies, L. and Wells, P. and Gilbertson, J. and Tayleur, W. (2015) *A review of the social impacts of culture and sport*. Department for Culture, Media and Sport. Available at: <https://www.gov.uk/government/publications/a-review-of-the-social-impacts-of-culture-and-sport>

⁷ UK Parliament (2024) *Contribution of the arts to society and the economy*. House of Lords Library. Available at: <https://lordslibrary.parliament.uk/contribution-of-the-arts-to-society-and-the-economy/>

⁸ Arts Council England (2025) *Leading the Crowd: a report on the role of public investment in Crowding In*. Available at: <https://www.artscouncil.org.uk/research-and-data/leading-crowd-report-role-public-investment-crowding>

⁹ Royal Charter (2013) *CONSOLIDATED ROYAL CHARTER (INCORPORATES 2008, 2011 AND 2013 AMENDMENTS)*. Available at: https://www.artscouncil.org.uk/sites/default/files/download-file/Consolidated_Royal_Charter_2013.pdf

¹⁰ Arts Council England (no date) *Let's Create. Strategy 2020-2030*. Available at: <https://www.artscouncil.org.uk/lets-create>

¹¹ Di Novo, S. and Easton, E. (2023) *A new deal for arts funding in England?* Creative Industries Policy and Evidence Centre. Available here: https://pec.ac.uk/blog_entries/a-new-deal-for-arts-funding-in-england/

¹² Ashton, H. and Brownlee, D. and Gamble, J. and Stavrou, M. (2024) *The State of the Arts*. Campaign for the Arts and University of Warwick. Available at: <https://www.campaignforthearts.org/reports/the-state-of-the-arts/>

¹³ In our State of the Nations series on the Arts, Culture and Heritage sectors, we do not adopt the DCMS definition of the creative industries as it is too narrow for the cross-cutting focus of the theme. Instead, we adopt a broader approach which focuses on sectors for whom a large percentage of the workforce are employed in four broad occupational groups: film, TV, radio and photography; museums, libraries and archives; music, performing, and visual arts; and publishing.

longstanding inequalities across arts, culture and heritage audiences and workforces across the UK, with focuses on gender, ethnic group, disability, and social class. Our analysis of the DCMS Participation Survey for these reports found that between the 2022-23 period, rates of attendance and participation across almost all ACH activities across England were comparable to pre-pandemic levels¹⁴. In our latest analysis of 2023-24 data, rates of cultural engagement have further increased for most cultural activities included in the survey¹⁶.

Despite this increase, rates have remained unequal across different social groups including gender, ethnicity, social class and disability - as well as by employment type and across the different cultural subsectors. Levels of cultural engagement and attendance in England vary significantly across different demographic characteristics. For example, for those who responded that they had not participated in any cultural activities between 2022-23, there was a higher percentage of representation for marginalised groups including disabled people (39%), Black people (41%) and Asian people (36%), as well as those in routine and semi-routine working-class occupations (38%)¹⁷.

With recent trends showing cultural engagement to be growing, it is still not occurring equally across demographic groups, with some inequalities becoming wider over the 2023-24 period. For example, increases in the percentages of groups engaging with most cultural activities have been smaller among people in working class households, and among Black people. However, there are exceptions - the increase in attending libraries was larger for Black people (21% to 34%) than for other ethnic groups (e.g. 19% to 24% among White people)¹⁸.

Furthermore, analysis of Labour Force Survey data at the UK-wide level reinforces the fact that inequalities also remain in the ACH workforce post-pandemic, with higher proportions of White people, people from middle-class backgrounds, and people who are not disabled working in the ACH sectors compared to the general workforce¹⁹. The most recent data from 2023-24 shows a period of stable and consistent rates following the pandemic period, but entrenched social inequalities persist with no statistically significant changes in employment type (i.e. employed/self-employed), gender, ethnicity, disability or class. For example, estimates from this latest dataset show no statistically significant differences in representation of social class backgrounds across any of the ACH occupations, with 60% of workers in film, TV, video, radio and photography occupations coming from managerial and professional backgrounds²⁰.

The persistence of inequalities in both arts, culture and heritage engagement and occupations reflect the deeply rooted, exclusive features and practices within the creative economy. This unequal

¹⁴ McAndrew, S., O'Brien, D., Taylor, M. and Wang, R. (2024) *Audiences and workforces in arts, culture and heritage*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/arts-cultural-heritage-audiences-and-workforce-2/

¹⁵ McAndrew, S., O'Brien, D., Taylor, M. and Wang, R. (2024) *Audiences and workforces in arts, culture and heritage*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/arts-cultural-heritage-audiences-and-workforce-2/

¹⁶ O'Brien, D. and Taylor, M. and Wang, R. (2025) *Arts, Culture and Heritage: Recent Trends in UK Workforce and Engagement in England*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/arts-culture-and-heritage-recent-trends-in-uk-workforce-and-engagement-in-england/

¹⁷ McAndrew, S., O'Brien, D., Taylor, M. and Wang, R. (2024) *Audiences and workforces in arts, culture and heritage*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/arts-cultural-heritage-audiences-and-workforce-2/

¹⁸ O'Brien, D. and Taylor, M. and Wang, R. (2025) *Arts, Culture and Heritage: Recent Trends in UK Workforce and Engagement in England*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/arts-culture-and-heritage-recent-trends-in-uk-workforce-and-engagement-in-england/

¹⁹ McAndrew, S., O'Brien, D., Taylor, M. and Wang, R. (2024) *Audiences and workforces in arts, culture and heritage*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/arts-cultural-heritage-audiences-and-workforce-2/

²⁰ O'Brien, D. and Taylor, M. and Wang, R. (2025) *Arts, Culture and Heritage: Recent Trends in UK Workforce and Engagement in England*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/arts-culture-and-heritage-recent-trends-in-uk-workforce-and-engagement-in-england/

landscape demands more ambitious and continued targeted inclusion strategies by government, funders and individual organisations. It highlights the need for ACE's strategies, funding programmes and policies to focus on the provision of equitable access to arts and cultural resources across diverse places and communities.

With gaps in cultural engagement, attendance and workforces persisting, we recommend that ACE should continue to prioritise the inclusivity focus of the *Let's Create Strategy*²¹. ACE could also go further with formulating a clear and evidence-based vision on how these entrenched inequalities can be addressed, as well as outlining its role in bringing about change.

ACE's arms-length function, in particular its detailed knowledge of organisations best placed to deliver the *Let's Create* agenda, will be critical in this endeavour, sharing central government objectives with grassroots organisations. While Arts Council England is a crucial funder and advocate for culture, other stakeholders also play a key role including local government, who act as the larger funder of culture in England²². Our previous State of the Nations report of Arts, Culture and Heritage showed that cultural inequalities are not unique to England - we see similar levels across the Four Nations²³, and in international comparators with some variation²⁴. The scale of the challenge shows that this is an issue that cannot be solely addressed through a single arms-length body and reiterates the importance of a national body for culture to help address the inequality challenge alongside other stakeholders.

2.2. ACE's Role in Research and Advocacy

Alongside its funding and programme provision, ACE's research and advocacy function is critical for the sector and must be continued. The evidence it builds help to strengthen the cultural sector while showcasing its social, economic and environmental impact. ACE regularly fund commissions, evaluations, data visualisations and reports on key issues affecting the arts and cultural sector, including the economic spillovers of the publicly funded culture sector²⁵, audience development dashboards²⁶, digital culture innovation²⁷ and cultural freelancer workforce conditions²⁸.

ACE's research agenda is key in helping to build a stronger evidence base for cultural decision-making. It plays an active role in funding new data collection - for example, the boosted sample of the DCMS Participation Survey 2023/24 was an excellent investment into data, allowing cultural engagement comparisons to be drawn across different English local authorities²⁹. This data formed the

²¹ Labour Party (no date) *Missions*. Available at: <https://labour.org.uk/missions/>

²² Di Novo, S. and Easton, E. (2023) *A new deal for arts funding in England?* Creative Industries Policy and Evidence Centre. Available here: https://pec.ac.uk/blog_entries/a-new-deal-for-arts-funding-in-england/

²³ McAndrew, S., O'Brien, D., Taylor, M. and Wang, R. (2024) *Audiences and workforces in arts, culture and heritage*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/arts-cultural-heritage-audiences-and-workforce-2/

²⁴ OECD (2022) *The Culture Fix. CREATIVE PEOPLE, PLACES AND INDUSTRIES*. Available at: https://www.oecd.org/en/publications/the-culture-fix_991bb520-en.html

²⁵ The Centre for Economic and Business Research (2025) *Spillover impacts in the publicly funded arts and culture sector*. Arts Council England. Available at: <https://www.artscouncil.org.uk/spillover-impacts>

²⁶ Arts Council England (no date) *Illuminate*. Available at: <https://www.artscouncil.org.uk/developing-creativity-and-culture/illuminate>

²⁷ Bandopadhyay, S. (2020) *Digital Culture 2019*. Arts Council England and Nesta. Available at: <https://www.nesta.org.uk/report/digital-culture-2019/>

²⁸ University of Essex (2024) *Cultural Freelancers Study 2024*. Arts Council England. Available at: <https://www.artscouncil.org.uk/developing-creativity-and-culture/supporting-individual-creative-and-cultural-practitioners/creative-and-cultural-freelancers-study>

²⁹ Department for Culture, Media and Sport (2024) *Participation Survey*. Available at: <https://www.gov.uk/guidance/participation-survey>

basis of our latest State of the Nations report³⁰ and dashboard³¹ on recent trends in cultural engagement across England, which has attracted much interest from across the sector.

In addition, ACE has a unique responsibility for collecting data on, and on behalf of, the ACH sector, which is more reliant on publicly funded data collection than other commercially funded creative sectors. ACE provides valuable sector-wide data for arts organisations, funders, policymakers and researchers to better understand the trends, challenges and opportunities across the cultural sector. Regular publications of data regarding its portfolio (e.g. which organisations are receiving money, the demographic makeup of these organisations, and so on) is delivered promptly and in accessible formats, which is of benefit to researchers.

Creative PEC firmly supports the data and evidence function of ACE going forward which plays a critical role in supporting evidence-based policy making and ensures public debate is informed with the most up-to-date information. Due to its arms-length nature, ACE's research provides central government with wider resources to better understand the case for public investment into the cultural sector. For organisations, this function is key for building sector capacity by supporting the development of relevant and tailored training, toolkits and networks.

ACE should continue to collect and make available data on NPO organisations and investments in order to support research. It could also go further by releasing anonymous data from its regular surveys to further inform the sectors research landscape.

In relation to previous points around equality, diversity and inclusion, ACE should also design its programmes to generate ongoing and much-needed data on how its interventions impact EDI, as well as embedding flexibility to refine the interventions where EDI objectives are falling short.

ACE also has an important role to play in encouraging the sector to use investment appraisal techniques that are recognised by HM Treasury and being developed through DCMS's Culture and Heritage Capital Framework³², which will put public investment in Arts, Culture and Heritage on a more robust footing. **To further develop this growing evidence base, ACE should ask its funded organisations to follow the guidance from the Culture and Heritage Capital framework in their individual business cases, including the use of benefit transfer estimates.**

In relation to future purpose and evidence development, **a key focus for ACE should be to embed support for cross-sectoral collaboration between cultural organisations and the wider creative industries³³.** Cultural organisations generate creative innovation, which has increasingly seen collaborations emerge with stakeholders like Higher Education Institutions and firms from other sectors. **As part of this collaborative commitment, ACE could increase their work with partners like the Arts and Humanities Research Council, building on earlier R&D funds** (for example, the Digital R&D Fund which involved ACE, AHRC and Nesta³⁴) **and to link cultural organisations with opportunities for cross-sectoral R&D initiatives.** These could address wider objectives through a

³⁰ O'Brien, D. and Taylor, M. and Wang, R. (2025) *Arts, Culture and Heritage: Recent Trends in UK Workforce and Engagement in England*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/arts-culture-and-heritage-recent-trends-in-uk-workforce-and-engagement-in-england/

³¹ Creative Industries Policy and Evidence Centre (2025) *Arts, culture and heritage engagement in England 2025 - data dashboard*. Available at: <https://app.powerbi.com/view?r=eyJrJoiNzBINzYxNWETy2Y5OC00ZWQ5LWE0OTktMWYzN2QxODIyOThhliwidCI6IjgyYzUxNGMxLWE3MTctNDA4Ny1iZTA2LWQ0MGQyMDcwYWQ1MiJ9&pageName=454af27352c1cd1c9750>

³² DCMS (2025) *Culture and Heritage Capital portal*. Available at: <https://www.gov.uk/guidance/culture-and-heritage-capital-portal>

³³ Vartapetova, N. and Fisher-Jones, H. and Lam, C. (2022) *The Relationships Between Cultural Organisations and Local Creative Industries in the Context of a Cultural District*. Creative Industries Policy and Evidence Centre. Available at: <https://pec.ac.uk/wp-content/uploads/2023/12/The-Relationships-Between-Cultural-Organisations-and-Local-Creative-Industries-in-the-Context-of-a-Cultural-District-PEC-DP-Feb-2022.pdf>

³⁴ Nesta (no date) *Digital R&D Fund*. Available at: <https://www.nesta.org.uk/project/digital-rd-fund-for-the-arts/>

focus on skill-sharing and innovation, as well as facilitating networking opportunities.

Further opportunities include the wider involvement of cultural organisations in creative clusters and corridors. A recent joint publication by Creative PEC, ACE and the Royal Society for the Arts showed the socioeconomic potential of connecting creative clusters and microclusters through creative corridors to reduce competition and pool knowledge and resources across administrative boundaries³⁵.

3. Arts Council England and Government

For this section, we will cover two distinct roles that ACE plays in relation to government. Firstly, the role ACE plays in enabling culture to contribute to broader economic growth across the creative industries, which will be a central theme in the upcoming DCMS Creative Industries Sector Plan. Secondly, ACE's role working with local government, particularly in the context of increased devolution across England.

3.1. ACE's Role in Broader Economic Growth Across the Creative Industries

Arms-length bodies must work with local government and stakeholders to deliver cultural development in place, which we hope would be continued to be supported by ACE going forward.

In relation to local government, regions and places have increasingly prioritised their cultural and creative sectors as key drivers of socioeconomic development in local economies, with more local and regional authorities including this focus in their devolution deals and Local Growth Plans. The alignment of localised and national cultural needs is critical as inequalities are not only linked to access, but to limited investment and resource availability in certain places, as addressed in the 'Cultural Communities' outcome of *Let's Create*. ACE-funded programmes like Creative People and Places are also models for good practice on how investment can be successfully distributed to towns and cities across England, as well as showcasing the positive impacts and partnerships that can be achieved through such work³⁶.

Furthermore, the recent study from ACE and the Centre for Economic and Business Research discusses how public funding into the arts and culture sector generates wider spillover effects for the economy which go on to influence growth across the wider creative industries and beyond³⁷. This study includes reference to a series of useful case studies which demonstrate this impact, whilst also noting that generating quantitative data to support this is difficult. Wider studies have discussed the sparsity of such data and highlighted the difficulty – but not impossibility – of generating this data, including a previous Nesta study testing an econometric model in relation to quantifying productivity in cultural clusters³⁸.

To tackle this issue further, we propose that ACE could fund a future quantitative research project on spillover effects in collaboration with the Creative PEC to explore the issue further.

More broadly, Creative PEC's substantial research has highlighted key geographical inequalities across the cultural and creative sectors: firstly, the unequal spread of creative firms, employment and

³⁵ Miles-Wilson, J. and Stratton, T. and Sims, H. and Hay, B. and Hopkins, E. (2024) *Creative Corridors: connecting clusters to unleash potential*. Royal Society for the Arts and Creative Industries Policy and Evidence Centre. Available at: <https://www.thersa.org/reports/creative-corridors-connecting-clusters-to-unleash-potential-report/>

³⁶ Arts Council England (no date) *Creative People and Places*. Available at: <https://www.artscouncil.org.uk/creative-people-and-places-0>

³⁷ The Centre for Economic and Business Research (2025) *Spillover impacts in the publicly funded arts and culture sector*. Arts Council England. Available at: <https://www.artscouncil.org.uk/spillover-impacts>

³⁸ Bakhshi, H. and Mateos-Garcia, J. (2014) *Capital of culture?* Nesta. Available at: <https://www.nesta.org.uk/report/capital-of-culture/>

productivity across England and the wider UK. London and the South East region have historically seen higher concentrations of creative businesses, employment and productivity^{39 40 41} - a pattern which is also reflected across the cultural subsectors. The disproportionate importance of London and the South East is highlighted through its share of UK creative industries GVA, which rose from 65% (£44 billion) in 2010 to 68% (£71 billion) in 2019⁴². However, the contribution of creative industries GVA to the local economy increased in every region of England between 2010 and 2020, with the North East, the North West and the East of England showing the largest increases after London and the South East⁴³.

The 55 clusters identified by DCMS account for the majority of creative industries turnover in all the UK's regions^{44 45}. In addition, Creative PEC research has identified over 700 creative microclusters. These are concentrations of 50 or more creative businesses identified across the UK at a street, neighbourhood and town level⁴⁶. These microclusters act as engines of growth and often locate within existing creative clusters, but also across rural and coastal areas of England^{47 48}.

Analysis of cultural data has also found that creative microclusters are likely to locate within proximity to cultural and heritage assets⁴⁹. It has also been found that area branding, knowledge exchange and skills development are all more prevalent in areas where both cultural organisations and creative industries are strongly represented and well-established⁵⁰. This evidence suggests the key role that cultural organisations and infrastructure can play in sustaining local creative economies - which ACE supports both directly and indirectly, aiding the government's growth mission.

In terms of wider creative employment, there are major concentrations in London, the South East and the East of England, and in other parts of the country like the North of England⁵¹ - with the latter being included in DCMS' recent announcements of priority growth areas for the creative industries⁵², which may go on to guide arms-length policymaking. Creative PEC has undertaken deeper analysis on cultural occupations using data from the Labour Force Survey and Census 2021 to provide further

³⁹ Mateos-Garcia, J. and Bakhshi, H. (2016) *The Geography of Creativity in the UK*. Nesta. Available at:

<https://www.nesta.org.uk/report/the-geography-of-creativity-in-the-uk/>

⁴⁰ Mateos Garcia, J. and Klinger, J. and Stathouloupoulos, K. (2018) *Creative Nation How the creative industries are powering the UK's nations and regions*. Nesta. Available at: https://pec.ac.uk/wp-content/uploads/2024/07/creative_nation-2018.pdf

⁴¹ Siepel, J. and Ramirez-Guerra, A. and Rath, S. (2023) *The Geographies of Creativity*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/geographies-of-creativity/

⁴² Siepel, J. and Ramirez-Guerra, A. and Rath, S. (2023) *The Geographies of Creativity*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/geographies-of-creativity/

⁴³ *ibid.*

⁴⁴ Department for Culture, Media and Sport (2022) *Understanding the growth potential of creative clusters*. Available at: <https://www.gov.uk/government/publications/understanding-the-growth-potential-of-creative-clusters>

⁴⁵ Siepel, J. and Ramirez-Guerra, A. and Rath, S. (2023) *The Geographies of Creativity*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/geographies-of-creativity/

⁴⁶ Siepel, J. and Velez-Ospina, J. and Casadei, P. (2020) *Creative radar: Mapping the UK's creative industries*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/research_report_entr/creative-radar-mapping-the-uks-creative-industries/

⁴⁷ Velez-Ospina, J. and Siepel, J. and Hill, I. (2022) *Mapping and examining the determinants of England's rural creative microclusters*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/research_report_entr/rural-creative-microclusters/

⁴⁸ McFadzean, L. and Giannachi, G. and Evans, J. (2022) *Creative industries innovation in seaside resorts and country towns*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/discussion_paper_/seaside-resorts-and-country-towns/

⁴⁹ Siepel, J. and Ramirez-Guerra, A. and Rath, S. (2023) *The Geographies of Creativity*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/geographies-of-creativity/

⁵⁰ Vartapetova, N. and Fisher-Jones, H. and Lam, C. (2022) *The Relationships Between Cultural Organisations and Local Creative Industries in the Context of a Cultural District*. Creative Industries Policy and Evidence Centre. Available at: <https://pec.ac.uk/wp-content/uploads/2023/12/The-Relationships-Between-Cultural-Organisations-and-Local-Creative-Industries-in-the-Context-of-a-Cultural-District-PEC-DP-Feb-2022.pdf>

⁵¹ Siepel, J. and Ramirez-Guerra, A. and Rath, S. (2023) *The Geographies of Creativity*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/geographies-of-creativity/

⁵² Department for Culture, Media and Sport (2025) *£60 million boost for creative industries to turbocharge growth*. Available at: <https://www.gov.uk/government/news/60-million-boost-for-creative-industries-to-turbocharge-growth>

breakdowns specifically for the cultural subsectors, highlighting the uneven patterns of those working in ACH occupations across England down to the electoral ward level⁵³.

This further confirmed the density of those working in cultural occupations across London and the South East, also identifying concentrations of workers in cities like Manchester, Bristol and Brighton, as well as concentrations of writers in Norwich, librarians in Oxford and artists in Cornwall. This occupational data could be useful to help to guide ACE's decision making on the distribution of future support.

Secondly, the latest Creative PEC research showcases the ongoing inequality across cultural provision and access, with areas of underinvestment persisting⁵⁴. Updated research on arts, culture and heritage engagement across England highlights the latest rates of attendance and participation at the Local Authority level – this shows a more dispersed picture when compared to arts, culture and heritage occupations, but clearly shows areas where engagement is significantly lower.

For example, only 13 Local Authorities in England saw over 50% attendance at an art exhibition over the last 12 months between 2023/24, with all these authorities based within London. The local authorities outside of London where this figure is high are Brighton and Hove (49%), Oxford (46%) and York (37%), indicating where places may have more cultural infrastructure, as well as possible reflections of the socioeconomic makeup of an area. The analysis also suggested a relationship between the location of arts, culture and heritage audiences and workers, suggesting the essential connection between place and cultural consumption.

ACE's distribution of resources must be sensitive to these ongoing geographical disparities, ensuring that underfunded regions - especially those with growing creative microclusters - receive the necessary investment to thrive.

The spatial evidence from the Creative PEC provides helpful insight into where partnerships between ACE and local or regional decision makers could be most impactful, to ensure that existing inequalities are not replicated. Programmes like Creative People and Places are good examples of how ACE has already responded to this issue through intervention, which we would support the continuation and possible extension of going forward.

3.2. ACE's Role with Local and Regional Government

Culture acts as a connector between local, regional and national strategies, which is ever more important considering the continued devolution of powers across England. In terms of the role of ACE and government, this will include new processes around delivering cultural funding and investment. ACE has long worked with local government, with increased devolution providing a further opportunity for ACE to apply its sector development expertise and its ability to invest in culture. However, this requires careful management to ensure that resources are distributed equitably across regions in a complex political landscape.

National bodies like ACE need to be adaptive to new partnerships at the devolved scale - particularly with Mayoral Strategic Authorities, whose powers around growth, skills and transport

⁵³ Creative Industries Policy and Evidence Centre (2024) *Arts, culture and heritage occupations by local authority in England and Wales - dashboard*. Available at: <https://app.powerbi.com/view?r=eyJrIjoizjFLYzcyNTktMjJiNC00N2JiLTk4YmQyYjE5ODhmNWRmOTE2liwidCI6IjgyYzUxNGMxLWE3MTctNDA4Ny1iZTA2LWQ0MGQyMDcwYWQ1MIJ9>

⁵⁴ O'Brien, D. and Taylor, M. and Wang, R. (2025) *Arts, Culture and Heritage: Recent Trends in UK Workforce and Engagement in England*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/arts-culture-and-heritage-recent-trends-in-uk-workforce-and-engagement-in-england/

will have direct impacts on the cultural sector.

This could build on the existing trailblazing agreements for Mayoral Combined Authorities, which saw partnership working with ACE and DCMS as key commitments in the West of England⁵⁵ and Greater Manchester⁵⁶. The One Creative North partnership to grow the creative industries through a cross-regional corridor connecting six Combined Authorities across Northern England could provide an effective and innovative opportunity for such a collaboration⁵⁷.

Critically, the arms-length principle requires funding and delivering of programmes through national bodies rather than at a local or regional level. ACE should retain its national role to advocate for the cultural sector, particularly as powers are re-legislated beyond the national level, while also addressing the persistent, place-specific yet nationwide inequalities in access and workforce through both local and national strategies. A locally embedded arm's-length body could also be key for fostering knowledge exchange and the scaling of best practice across regions.

We believe that it is important that ACE remains as a key arms-length body from government, reflecting its key influencing and advocacy position at a national level. Going forward, ACE could utilise devolution to strengthen their connections with local and regional government where possible, to deepen partnerships and support local cultural leadership- but critically, without fully devolving powers or diluting its national responsibilities.

The combined focus on cultural policy and regional growth at both the national and regional level presents an impactful moment to rethink traditional approaches to cultural funding and investment. The Arts Council's engagement with the new devolution landscape will play a pivotal role in making this shift successful, ensuring that national ambitions align with regional strengths and that all communities have access to the cultural opportunities.

4. Future Development of ACE

There is a continued need for increased and sustained public funding for culture, especially through ACE, as this is essential for sustaining the myriad socioeconomic benefits that are associated with the arts and cultural sectors. DCMS's own research through the Culture and Heritage Capital programme has demonstrated the important role that culture plays in sustainable growth, as well as improving welfare and living standards⁵⁸.

However, levels of public funding for culture are declining – previous Creative PEC research showed how public investment into the arts through capital and revenue expenditure by local authorities in England fell by more than 30% in real terms between 2009/10 and 2019/20 in response to an overall decline in local government budgets, whilst ACE grant-in-aid and lottery fundings remained relatively stable in the same time period⁵⁹. The Local Government Association have also undertaken analysis which suggests that council spending on culture and leisure services has fallen by £2.3 billion in real

⁵⁵ ACE (2023) *£3.1 million to diversify cultural talent in the West country*. Available at: <https://www.artscouncil.org.uk/creative-matters/news/ps31-million-diversify-cultural-talent-west-country>

⁵⁶ The University of Manchester (2024) *Arts Council England funding boosts Greater Manchester's ambition to become first Creative Health City Region*. Available at: <https://www.manchester.ac.uk/about/news/arts-council-england-funding-for-manchester/>

⁵⁷ The Royal Society for the Arts (2024) *'One Creative North' plans finalised at summit ahead of Convention of the North*. Available at: <https://www.thersa.org/articles/press-release/one-creative-north-plans-finalised/>

⁵⁸ DCMS (2025) *Culture and Heritage Capital portal*. Available at: <https://www.gov.uk/guidance/culture-and-heritage-capital-portal>

⁵⁹ Di Novo, S. and Easton, E. (2023) *A new deal for arts funding in England?* Creative Industries Policy and Evidence Centre. Available here: https://pec.ac.uk/blog_entries/a-new-deal-for-arts-funding-in-england/

terms since 2010/11 because of authority budget reductions and reprioritisation into wider services⁶⁰.

A critical issue is ensuring that adequate and sustainable funding is directed towards arts and culture organisations, especially in an investment landscape with depleting funds and increasing competition for limited resources. Funding for culture will continue to decrease in the current strained economy, meaning the delivery of cultural funding through public sources like ACE is ever important.

There are ongoing debates around how public funding should be considered alongside wider investment models, such as from private or philanthropic sources⁶¹. Creative PEC's research into the future of social impact investing, for example, draws heavily on evidence emerging from the Arts & Culture Finance model⁶². This received almost £8million of support from ACE to fund grant capital and repayable finance models for arts and culture organisations across the UK, alongside the crowding in of funding from wider cultural partners⁶³. Supporting cultural organisations with social missions through these models could help to ensure that investment is delivered in ways that diversify income streams and help to reduce structural inequalities across the sector.

Such work shows how collaborative approaches to alternative finance models can not only encourage growth via the cultural and creative industries, but also uphold wider objectives by increasing inclusivity, sustainability and social impact across the sector. **We feel that ACE's future activity should continue to nurture cultural organisations with social, environmental and growth goals, whilst being responsive to trends in wider investment models.** Furthermore, these models will need to utilise ACE's national position to address the pressing social and technological trends across the cultural sector, including the climate crisis and the increasing adoption of AI.

In terms of other future focuses, ACE funding mechanisms need to be evidence-led and adapt to a changing landscape of needs. For example, Creative PEC's growing evidence on skills and talent shows the ongoing issues with job quality across the ACH workforce, including pay and benefits, job security, working conditions, inclusion and professional development opportunities^{64 65 66}. This evidence should be used to shape interventions with a clear focus on supporting the long-term sustainability of the workforce, which will be crucially needed in a financial landscape with diminishing funds.

As previously discussed, ACE is also a critical stakeholder for encouraging the ACH sector to adopt investment appraisal techniques that are recognised by HM Treasury and being developed through DCMS's Culture and Heritage Capital Framework, which will help to make a more robust economic case for public investment into the sector⁶⁷.

⁶⁰ Local Government Association (2024) *LGA infographics reveal fragmented culture funding needs reform*. Available at: <https://www.local.gov.uk/about/news/lga-infographics-reveal-fragmented-culture-funding-needs-reform#:~:text=The%20LGA's%20research%20reveals%20council,for%20three%20years%20or%20less.>

⁶¹ Siepel, J. and Rath, S. and Cowling, M. (2024) *Growth Finance for Creative Industries*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/growth-finance-for-the-creative-industries/

⁶² Sanderson, F. and Phillips, S. and Maggs, D. (2023) *Impact Investing in the Cultural and Creative Sectors. Insights from an emerging field*. Creative Industries Policy and Evidence Centre. Available at: <https://pec.ac.uk/wp-content/uploads/2023/12/Creative-PEC-report-Impact-Investing-in-the-Cultural-and-Creative-Sectors.pdf>

⁶³ *ibid.*

⁶⁴ McAndrew, S., O'Brien, D., Taylor, M. and Wang, R. (2024) *Audiences and workforces in arts, culture and heritage*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/state_of_the_nation/arts-cultural-heritage-audiences-and-workforce-2/

⁶⁵ Carey, H. and Giles, L. and O'Brien, D. (2023) *The Good Work Review*. Creative Industries Policy and Evidence Centre. Available at: https://pec.ac.uk/research_report_entr/good-work-review/

⁶⁶ Brook O, O'Brien D, Taylor M (2020) *Culture Is Bad for You*. Manchester: Manchester University Press.

⁶⁷ DCMS (2024) *Embedding a Culture and Heritage Capital Approach*. Available at: <https://www.gov.uk/government/publications/embedding-a-culture-and-heritage-capital-approach/embedding-a-culture-and-heritage-capital-approach>

5. Conclusion

Through this submission, Creative PEC has argued that Arts Council England plays a central role in supporting the Arts, Culture and Heritage sectors across England. Its strategic work, particularly guided by the *Let's Create* strategy, has supported creative development and has worked toward the need to shift structural inequalities in both cultural audiences and workforces.

Within our submission, we have made several evidence-backed recommendations and suggestions to be considered in relation to the future planning and direction of ACE.

- **ACE is a vital institution for the governance and sustainability of England's cultural sector and should continue to receive sufficient and sustained support to fulfil that remit**, including the Royal Charter objectives to broaden access, support education and cooperate nationally. The *Let's Create* strategy effectively advances these missions in a modern context, with a critical focus on inclusive cultural participation.
- **Persistent inequalities in who engages with and who works in Arts, Culture and Heritage (ACH) should continue to be directly addressed in ACE's future strategies, interventions and evidence collection**: Deep-rooted disparities in ACH engagement and workforces exist across gender, ethnicity, disability, social class and geography. Spatial inequalities in cultural funding and employment correlate with broader regional economic disparity and signal where future investment should be guided through ACE's investment portfolio and ongoing programme delivery. In addition, we recommend that ACE continues to strengthen and extent its data collection, monitoring and evaluation activities to further understand EDI needs across the ACH sector.
- **ACE should continue to develop high-quality research and evidence for the cultural sector. ACE portfolio data should be made more accessible to researchers to inform the ACH research landscape and further data collection should be encouraged for ACE-funded organisations**: ACE's research and data-sharing are crucial for sector-wide planning, policymaking, and advocacy. Recent investments into data (e.g. the boosted DCMS Participation Survey) have helped to enhance insights into local, regional and national cultural trends.

Research, evaluations and evidence collection should continue to be central to ACE's function, with a focus on providing high quality insights into the cultural sector which are also reactive to both new and existing themes - such as spillover effects, AI, the climate crisis and continuing inequality.

ACE has an important role to play in encouraging the sector to collect data including through its reporting requirements, as well as encouraging the use of investment appraisal techniques being developed through the DCMS's Culture and Heritage Capital Framework that are recognised by HM Treasury⁶⁸, which will put public investment in Arts, Culture and Heritage on a more robust footing.

- **The arms-length role of ACE is key for aligning national cultural policy with local and regional priorities. Whilst this national-level function should be retained, ACE should also be enabled to deepen connections with local and regional government in the context of evolving devolution**: Further devolution across England provides opportunities to address cultural funding issues, strengthen local partnerships and support place-based agendas.

⁶⁸ DCMS (2025) *Culture and Heritage Capital portal*. Available at: <https://www.gov.uk/guidance/culture-and-heritage-capital-portal>

However, these partnerships should not compromise ACE's responsibilities, nor the arms-length principle, at a national level.

- **ACE should facilitate further cross-sectoral collaborations between cultural organisations and the wider creative industries, as well as continue partnerships which increase these opportunities:** ACE's support of the cultural sector helps to develop the wider creative economy and is socially valuable. This should continue to be a guiding principle for ACE activities. It also underpins the Government's economic growth and opportunities missions as well as developing opportunities for R&D, experimentation and innovation.

Mutually valuable partnerships between ACH organisations and the wider creative industries should be further encouraged to strengthen innovation across the creative ecosystem. This will continue to require collaborative partnerships to increase opportunities, such as with key stakeholders like the Arts and Humanities Research Council.

This could also contribute towards the development of creative clusters, microclusters and corridors across England, which are more widely supported by the continuation of targeted place-based investment (e.g. the ongoing Creative People and Places programme) to address geographical disparities in cultural provision.

- **ACE should continue supporting and diversifying funding opportunities for the cultural sector:** Sustained public investment into the arts and culture sector is crucial amid shrinking local authority budgets. ACE plays a critical role in funding experimentation and R&D opportunities. It is key that this public funding continues, especially as it helps to crowd in private investment. ACE should also continue to explore the diversification of cultural funding models and take a lead in advancing the implementation of blended finance models (e.g. social impact investing like Arts & Culture Finance).
- **ACE needs to continue to be reactive to changing sector needs and responsive to evolving social, cultural, environmental and economic issues:** ACE has addressed ongoing issues such as place-based inequalities, unequal access to opportunities and the need for better workforce conditions across the cultural sector. It has also shown its ability to lead on explorative programmes addressing wider issues like the climate crisis. In the future, being reactive and responsive will be key when addressing emerging sector challenges, including on issues like digital transformation of the sector and the impact of AI on culture.

ACE's role as a connector, evidence generator and trusted partner is ever important at both the national and local scale. Continued investment into its successful programmes, data capabilities and funding opportunities will be essential for ensuring that the benefits of culture are felt by all places and communities, while also enabling the cultural sector to respond to future social, economic, environmental and technological shifts.