

UNIVERSITY OF SOUTHAMPTON

**ARTS FOR EVERYONE?
THE DISTRIBUTION OF ARTS LOTTERY FUNDS
BY REGION AND GENRE 1995-98.**

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ABSTRACT

FACULTY OF ARTS

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In November 1994, a new form of arts patronage began with the introduction of the British National Lottery. The subsequent distribution of arts lottery funds excited much comment over the regional equity and artistic propriety of the allocations. In this thesis, I address these issues by examining the application processes and the lottery award statistics of the four arts councils responsible for distributing the funds. After establishing conclusions on the equity of distribution, I examine the tools employed by journalists to sway opinion, and compare their representation of distribution with that discovered in the statistical analysis. I then examine the five pilot schemes, introduced by the Arts Council of England in 1996, to reveal how the schemes addressed the public criticism cited by the press. Through this thesis I plot the changing approach of the arts councils to public access to lottery benefits and draw conclusions on their success in achieving equity. Finally, I discuss the changes in arts distribution that limit this study to the three year period April 1995 to March 1998, and suggest some future directions for research.

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ABBREVIATIONS

A4E	Arts for Everyone
ABSA	Association for Business Sponsorship of the Arts
ACE	Arts Council of England
ACNI	Arts Council of Northern Ireland
ACW	Arts Council of Wales
CBOH	Cardiff Bay Opera House
CEMA	Committee for the Encouragement of Music and the Arts
DCMS	Department of Culture, Media and Sport
ENSA	Entertainment National Service Association
ROH	Royal Opera House
SAC	Scottish Arts Council

TEXTUAL NOTE

This thesis presents a significant amount of information from legal reports and newspaper articles. As the purpose of this thesis is not to act as editor to these quotations, capitalisation is sometimes inconsistent with the core text. I have decided, for reasons of accuracy, not to change the capitalisation within the quotations. Otherwise, capitalisation follows the rules presented in the *Chicago Manual of Style* (14th edition).

CHAPTER 1

THE HISTORY AND IMPLEMENTATION OF THE BRITISH NATIONAL LOTTERY

In November 1994, the first tickets for the British National Lottery were sold, and promised not only millionaires, but also money for five Good Cause chosen by government: the arts, heritage, sport, charities and projects to celebrate the millennium. The press generally supported the introduction of the Lottery and the principle of the good causes, but soon turned against certain projects, perceived patterns of distribution and sometimes the chosen causes themselves. Areas of contention included the spread of grants across the country, and also the focusing of money on projects considered inappropriate or inaccessible to the general public. To many the Royal Opera House application embodied criticisms of elitism, regional bias and improper distribution procedures and appeared to represent the injustices of lottery distribution.

All five causes were criticised in the press for allocating unsuitable grants at some time, but in this thesis I focus on the arts.¹ I analyse the distribution of arts lottery money by both geographical region and by genre to determine the factors that affected distribution and examine the resulting press comment to see whether the reports of inequity in the press tallied with conclusions derived from the distribution statistics. I then look at the distribution of awards from five new pilot schemes introduced in 1996 to see how they changed distribution principles and statistics and again examine press reaction. In so doing the thesis falls into six chapters, the first of which presents the background information concerning the history and design of the Lottery, and the principles of distribution for the Good Causes.

Chapter two concerns the analysis of distribution statistics by geographical region, and chapter three is the analysis of distribution by genre. The chapters share the same intent of determining whether there is any indication of bias within the four arts councils' distribution statistics. These two chapters therefore follow a similar

¹ In the context of this thesis, the term 'arts' refers to architecture, broadcasting, circus, combined arts, crafts, dance, drama, film, literature, mime, music, opera, video and the visual arts. Arts Council of England, *National Lottery Report 1996/97* (London: Arts Council of England, 1997), p. 7.

pattern, in which there is first a summary of the laws, directions and assessment criteria behind the arts council awards, followed by an analysis of the statistics and finally an investigation of other biasing factors, such as application numbers and the availability of business sponsorship.

The analysis of distribution statistics leads to chapter four, in which I examine the writing techniques employed by journalists, and draw conclusions concerning the portrayal of arts distribution in the press compared to interpretation based purely on the distribution statistics. This chapter includes an analysis of press comment concerning the arts good cause before distribution began, the controversy surrounding the Royal Opera House award, and the changing opinions about the Cardiff Bay Opera House as a potential beneficiary.

Having established conclusions on the press comment, in chapter five I investigate the introduction of five pilot schemes at the end of 1996 to examine how the schemes affected distribution, both individually and in combination with the original Capital scheme, and to determine whether they answered any of the criticisms publicised in the press. I then, in turn, examine the press comment resulting from the introduction and distribution of the pilot schemes.

In chapter six, I conclude about the distribution of arts funds by region and genre, comment on factors that affected distribution and summarise how the reports in the press presented this information. The epilogue describes how this thesis was restricted to the financial years 1995-98 by changing distribution procedures and the introduction of a sixth good cause. There are also suggestions for future lines of research.

In order to comprehend fully the basis on which I draw such conclusions, this first chapter supplies the background information required for the remainder of the thesis. It briefly describes the need for the Lottery as a patron of the arts, recounts the history of lotteries in Britain, examines the proposed purpose of the National Lottery before it began and describes how it was designed. In this chapter, I also outline the principles of distribution for the Good Causes including application requirements and assessment procedures. Finally I introduce the pilot schemes and briefly explain why the period of this study is limited to the distribution period 1995-98.

The National Lottery as a Patron

Although a full investigation of the National Lottery as a patron is beyond the scope of this study, its location within the context of public arts funding in Britain gives some indication of the expectations placed on the Lottery and its results. Patronage in past centuries was the privilege of wealthy individuals who supported the entertainment they wished to experience. The potential for state patronage of the performing arts began in Britain in the eighteenth century with the introduction of public concerts, a new type of entertainment that charged sufficiently low prices for the middle classes to attend, and included music by choral societies and instrumental groups. There were also 'promenade' concerts informally held in parks and halls.² The public concerts made music more easily available to all classes of society and, together with the education of the lower classes from the end of the nineteenth century, challenged class boundaries. Gradually, over the eighteenth and nineteenth centuries, music, art and literature became increasingly available to the public in general, rather than remaining a privilege of the wealthy. Events that increased public access to the arts included the state funding of libraries, which opened in the second half of the nineteenth century, the opening of the National Gallery (1823), the Victoria and Albert Museum (1852) and the Tate Gallery (1889).³

The state funding of public entertainment emerged during World War I, when the government introduced the Entertainment National Service Association (ENSA) to provide amusement for the troops. ENSA ended with the war, but was revived at the start of World War II, although this time something similar was also considered necessary for the civilian population. The pianist Myra Hess requested that Lord Clark, then Director of the National Gallery, give permission to hold concerts within the gallery once a week. He gave permission, but said that there must be a concert every lunchtime, with an admission fee of one shilling. The concerts were a great success with audiences of over 1,000, despite laws restricting gatherings to 200, and these continued through to 1946.⁴

Public enthusiasm for the arts provided the impetus for the foundation, in January 1940, of the Committee for the Encouragement of Music and the Arts

² William Weber, *Music and the Middle Class* (London: Croom Helm, 1975), p. 85.

³ Harold Baldry, *The Case for the Arts* (London: Secker & Warburg, 1981), pp. 4-27.

⁴ *Ibid.*, p. 12.

(CEMA), initiated by Lord De La Warr, then president of the Board of Education. The aims of CEMA were to promote:

- (a) the preservation in wartime of the highest standards in the arts of music, drama and painting;
- (b) the widespread provision of opportunities for hearing good music and the enjoyment of the arts generally for people who, on account of wartime conditions, have been cut off from these things;
- (c) the encouragement of music-making and play-acting by the people themselves;
- (d) through the above activities, the rendering of indirect assistance of professional singers and players who may be suffering from a wartime lack of demand for their work.⁵

Although private individuals initially funded CEMA, the Treasury soon matched all funds pound for pound, initiating a new form of state patronage for the arts.

Although ENSA was disbanded at the end of the war, CEMA continued to flourish and became the parent of the Arts Council of Great Britain, which took over the distribution of government money to the arts in 1946. The substantiation of the Arts Council of Great Britain occurred in January 1945, in a debate chaired by John Maynard Keynes, then chairman of CEMA, where it was agreed that CEMA would seek a Charter of Incorporation so that a council could continue to distribute funds to the arts in peacetime. In June 1945, the Chancellor of the Exchequer announced that the Arts Council of Great Britain, which would be funded by the Treasury, would take the place of CEMA. Harold Baldry, the author of *The Case for the Arts*, stated that 'in an official broadcast a few weeks later Keynes rightly claimed that state patronage of the arts had officially begun'.⁶

This was the situation until recently, but the government has been progressively less able to meet the arts' increasing demands for funding. Labour costs have risen, and the arts, unlike many other fields in which machines can replace some human labour, have had to remain labour-intensive. In addition to this, there has been a general decrease in box office income because of television, video, radio and recordings, which, although being art forms in their own right, have reduced audiences for live performance. Furthermore, in many years since the Labour

⁵ Ibid., pp. 13-14.

⁶ Baldry, *The Case for the Arts*, p. 17. For other accounts of ENSA, CEMA and the establishment of the Arts Council of Great Britain, see Eric White, *The Arts Council of Great Britain* (London: Davis-Poynter, 1975), pp. 17-63; and John Harris, *Government Patronage of the Arts in Great Britain* (London: University of Chicago Press, 1970), pp. 13-67.

government of 1974-75, the state budget for the arts has failed to rise with inflation, and although the arts received funds from other budgets (such as local authorities awarding money to Regional Arts Boards) funds were increasingly used to support revenue projects and needs.⁷ Arts companies and venues therefore had little money for capital development, and this environment resulted in the gradual deterioration of Britain's cultural buildings towards the latter end of the twentieth century.

In 1994, the National Lottery became a patron of the arts, initially investing approximately 5.6% of its total income. As a patron, the National Lottery has its own immediate and future effects on the arts and our society, and like any patron, has the potential to impose geographical, cultural and stylistic preferences. As it is such a wealthy patron, these effects may be significant.

The History of Lotteries in Britain 1569-1978

Britain's first recorded lottery was sponsored by Queen Elizabeth I. It was drawn in 1569 to raise money for repairs to the Cinque Ports.⁸ There was an initial lack of response from the public to this lottery and, after postponing the drawing in 1568, an appointed surveyor of the lottery toured England visiting town officials 'instructing them in methods of browbeating the people into buying tickets'.⁹ Despite this unpromising beginning, lotteries became very popular and continued to operate for over 250 years, becoming an annual event by the mid-eighteenth century. State lotteries funded Britain's plantations in Virginia (1612), paid the ransom for British slaves held in Tunis, Algiers and on Turkish galleys (1660) and funded the construction of both the Westminster Bridge (1739) and the British Museum (1753). They also helped to finance much general government expenditure in such schemes as bringing fresh water to London (1627 and 1631).¹⁰

Throughout the 250 years of their operation, lotteries were subject to state regulation. In the sixteenth and seventeenth centuries, they were a monopoly under the jurisdiction of the monarchy, which granted permission by letters patent. At this time,

⁷ White, *The Arts Council of Great Britain*, p. 82.

⁸ According to the posters advertising the 1569 lottery, the funds raised were for 'the reparation of the havens and strength of the Realme and towards such other publique goode works'. Eric Bender, *Tickets to Fortune: The Story of Sweepstakes, Lotteries and Contests* (New York: Modern Age Books, 1938), p. 63.

⁹ *Ibid.*, p. 64.

¹⁰ *Final Report of the Royal Commission on Gambling*, vol. 1 & 2, Cmd. 7200 (1978), pp. 213-214.

there was no statutory prohibition of privately run lotteries, but this changed at the end of the seventeenth century, when legislative control passed from the King to Parliament. In 1699, an act of Parliament called lottery promoters 'evil-disposed persons' who had 'got to themselves great sums of money from the children and servants of several gentleman, traders and merchants, and from other unwary persons, to the utter ruin and impoverishment of many families'. The act stated that lotteries were 'common and publick nuisances' and declared them illegal from 29 December 1699, with the exceptions of the Royal Oak (state) Lottery and the Lottery for Greenwich Hospital.¹¹ Although legislation limiting private and foreign lotteries was in place, state lotteries, which could be granted by an act of Parliament, continued to flourish and by 1776 were voted on annually by Parliament.¹²

By the start of the nineteenth century, there was growing opposition even to state lotteries, especially from members of the church. In 1808, a report compiled by the Select Committee on Laws relating to Lotteries, portrayed them as being the cause of many ill effects:

Your Committee find, that by the effects of the lottery, even under its present restrictions, idleness, dissipation and poverty are increased, the most sacred and confidential trusts are betrayed, domestic comfort is destroyed, madness often created, crimes subjecting the perpetrators of them to the punishment of death are committed, and even suicide itself is produced.¹³

This damning report by a legal body did not precipitate the immediate dissolution of public lotteries, but in 1823, the Chancellor of the Exchequer announced during an act of Parliament authorising three lotteries that no more authorisations would be given. The last state lottery was held in 1826.¹⁴

Although no state lotteries were held in Britain between 1826 and 1994, the case for their reintroduction was frequently reviewed. All lotteries were banned until 1846, when the *Art Unions Act* exempted the distribution of works of art by lot from

¹¹ Laws, Statutes, etc., *An Act for Suppressing of Lotteries, 1699*, 10 & 11 Will. 3, c. 17. The date on the Act is 'A.D. 1669', this appears to be an error as this does not coincide with the reign of William III.

¹² For acts of Parliament granting lotteries see Laws, Statutes, etc., *The Lotteries Act, 1710*, 9 Anne, c. 6; id., *The Lotteries Act, 1733*, 6 Geo. 2, c. 35; id., *The Lotteries Act, 1804*, 44 Geo. 3, c. 93; id., *The Lotteries Act, 1806*, 46 Geo. 3, c. 148.

¹³ *Second Report of the Select Committee on the Laws relating to Lotteries*, vol. 2 (1808), p. 151.

¹⁴ *Final Report of the Royal Commission on Gambling*, pp. 213-214; and Laws, Statutes, etc., *The Lotteries Act, 1823*, 4 Geo. 4, c. 60.

the provisions of the acts on lotteries.¹⁵ This remained the only exception to the ban on lotteries until 1932, despite an attempt in 1918 to legalise lotteries held by war charities to raise money for the same.¹⁶ In 1932, a bill was passed authorising the use of lotteries in raising funds for hospitals.¹⁷

The Royal Commission on Lotteries and Betting re-examined the laws on lotteries during the years 1932-33, and came to conclusions on the suitability of existing laws regarding foreign, state and private lotteries.¹⁸ The Commission advised that the laws against foreign lotteries, such as the Irish sweepstakes, be strengthened, as existing law did little against modern promotion techniques. On the legalisation of state lotteries the Commission concluded that the drawbacks outlined by the Select Committee in 1808 still outweighed the advantages of raising funds and preventing the sale of foreign lottery tickets. There were also strong objections to the state promoting a gambling enterprise.¹⁹ Furthermore, they decided 'it is much easier to authorise large public lotteries in this country than to put a stop to such lotteries once they are started'.²⁰ However, the Commission found the laws on small and private lotteries to be inadequate and confused:

It is clear that a considerable number of small public lotteries are carried on, such as raffles at bazaars and small sweepstakes and draws in aid of local objects. The extent to which these small schemes flourish depends on the manner in which the police enforce this particular branch of the law. It is admitted that there is some difference in police practice between different parts of the country. . . Generally speaking, however, raffles at charity bazaars and the like are only stopped when a complaint is lodged, or where the scheme is publicly advertised, or there is a wide sale of tickets to members of the public. In such cases a warning is given to the promoters to desist.

As a general statement it may be said that, so far as public lotteries promoted in this country are concerned, the principle difficulty in

¹⁵ Laws, Statutes, etc., *Art Unions Act, 1846*, 9 & 10 Vict., c. 48.

¹⁶ The 1918 Bill was passed in the House of Lords, but rejected in the House of Commons at 81 votes to 77. Laws, Statutes, etc., *Lotteries (War Charities) Bill, 1918*, 8 & 9 Geo. 5, c. 86.

¹⁷ Laws, Statutes, etc., *Lotteries Bill, 1932*, 22 Geo. 5, c. 51.

¹⁸ *Final Report of the Royal Commission on Lotteries and Betting*, vol. 14, Cmd. 4341 (1932-3).

¹⁹ *Ibid.*, p. 131. The church assemblies also arrived at this conclusion when examining the religious and moral implications of lotteries and found that they 'would be better prohibited'. The most lenient report was issued by the Social and Industrial Commission of the Church Assembly, which decided that 'although a State lottery would not be wrong in itself, if prizes were duly limited, we cannot think that the State ought to promote gambling of any kind at the present time'. Social and Industrial Commission of the Church Assembly, *Gambling: An ethical discussion* (London: Church Information Board, 1949), pp. 62-63. See also R.H. Charles, *Gambling and Betting: A study dealing with their origin and their relation to morality and religion* (Edinburgh: T & T Clark, 1932).

²⁰ *Final Report of the Royal Commission on Lotteries and Betting*, p. 143.

administration is the task of discriminating between what can be regarded as too trivial to be noticed and what cannot be ignored.²¹

As a result of these findings the Commission decided that small lotteries did little social harm, and provided that there were safeguards that prevented fraud, they should be removed 'from the ambit of criminal law'.²² In 1934, an act was passed which legalised small and private lotteries provided that no profit was for private gain, that tickets and prizes were only announced on the site of the draw, and that the lottery did not constitute a primary part of the entertainment.²³

In 1968, a private member's bill concerning the possibilities of reintroducing a state lottery, presented by Mr James Tinn Labour MP for Cleveland, was defeated. One of the main objections to the bill was the type of causes intended to benefit. Rev. Gordon E. Moody attacked the use of such money to fund hospitals and medical research in an article circulated by the Churches' Council on Gambling, pronouncing them governmental responsibilities. In his contribution to the debate over the second reading of the bill, Mr Tinn first presented Rev. Moody's warnings and then defended the choices of hospitals and medical research as beneficiaries of the lottery:

The provision of hospitals, medical research, etc., comes to be regarded either as subjects for charity or as optional extras. He [Rev. Moody] claims that, on the contrary, these are subjects of communal responsibility, and says that no one would suggest financing national defence, for instance, in such a way. I would not suggest doing so, but Spain does it to a considerable extent. I recognise that it is a most respectable sounding argument that a mature society should decide its order of social priorities and see that they are met. That might well be the mark of a mature society, but we must face the fact that we do not pass the test, although we do better than most in this respect.²⁴

A working party commissioned in 1973 by the Home Office looked into lotteries as a means of supporting charities and sport. It compiled a report that proposed a possible legal framework for a state-run lottery.²⁵ While this detailed

²¹ Ibid., pp. 44-5.

²² Ibid., p. 144.

²³ Laws, Statutes, etc., *Betting and Lotteries Act, 1934*, 24 & 25 Geo. 5, c. 58. Similar restrictions on lotteries were restated in 1963: Laws, Statutes, etc., *Betting, Gaming and Lotteries Act, 1963*, 1963, c. 2.

²⁴ *Hansard Parliamentary Debates*, Commons, 5th ser., vol. 757 (1968), col. 1715. (Debate over second reading of the *National Lottery Bill*.)

²⁵ *Report of the Interdepartmental Working Party on Lotteries*, vol. 3, Cmd. 5506 (1973), p. 155.

account of how a lottery could be introduced saw only the broadening of laws relating to small lotteries, it indicated the interest of the Home Office in such a venture.²⁶

In 1978, the Royal Commission on Gambling investigated the pros and cons of a British national lottery. In describing the present state of lotteries in other countries, the report states:

The situation we have discovered is scandalous. There is wholesale disregard of the law which is inadequate and confused, commercial exploitation to a totally unacceptable degree, gross lack of security and, we strongly suspect, a good deal of plain dishonesty.²⁷

Despite these criticisms, the Commission came to the conclusion that having a single national lottery for good causes run by a 'National Lottery Board' could eradicate many of the common problems. The two good causes specifically mentioned in the report were sport and the arts. One of the benefits highlighted for the government was that this method of raising money for good causes 'escapes or bypasses the normal government decision-making procedures for resource allocation'.²⁸ In other words, bodies answerable to, but not funded by, the government would have to employ staff to make decisions concerning the distribution of funds to the good causes. This was portrayed as an alternative to the government creating, staffing and funding the different necessary departments, thereby saving it much money and inconvenience.

A Change of Legislation

In 1987, one of the seeds for the present National Lottery was apparently sown during a meeting between Denis Vaughan, an Australian orchestra conductor, and Sir Klaus Moser, then chairman of the Royal Opera House.²⁹ They were discussing how to raise money for the Royal Opera House's refurbishment. Vaughan suggested following the example of the Sydney Opera House, which was built using the proceeds of the New South Wales State Lottery. Vaughan thought further upon the matter, became captivated by his own idea, and began to investigate the possibilities. He lobbied Margaret Thatcher and the Adam Smith Institute concerning the economic

²⁶ Laws, Statutes, etc., *The Lotteries Act, 1975*, 1975, c. 58; and id., *Lotteries and Amusements Act, 1976*, 1976, c. 32.

²⁷ *Final Report of the Royal Commission on Gambling*, p. 194.

²⁸ Ibid., p. 226.

²⁹ David Lister, 'The Founder,' *Independent*, 22 March 1995, p. 17.

benefits a lottery could have for Britain.³⁰ He visited the Home Office, the Treasury and consulted foreign lottery organisers.³¹ By 1990, Vaughan had formed the Lottery Promotion Company, which included Lord Birkett (vice-president of the British Board for Film Classification from 1994 and formerly associated with the National Theatre and Royal Philharmonic Orchestra) and Sir Richard Luce (Minister for the Arts in Great Britain from 1985-90). In 1990, despite the fact that Vaughan had succeeded in enlisting the support of such prominent members of the arts world, lotteries could not be permitted under existing legislation.

In 1991, a private members' bill introduced by Mr Ivan John Lawrence QC, Conservative MP for Burton, proposed the possibility of changing legislation to allow the creation of a British national lottery. According to *The Law-Making Process* by Michael Zander, 'many bills derive from the recommendations of independent advisory commissions and committees', suggesting Vaughan and the Lottery Promotion Company as its originators.³² In *Legislation*, a book written by David Miers and Alan Page, private members' bills are grouped into three classes, the third of which 'attracts most public interest. It covers those controversial measures, usually of a social or moral nature, on which the government prefers not to express a collective view'.³³ The Conservative government of the time may therefore have tolerated or even encouraged the initiation of the bill, but not acknowledged their involvement to avoid affiliation with a debatable proposal. The proposal succeeded and led to the drafting of a white paper, *A National Lottery: Raising Money for Good Causes*, which the Stationary Office published in March 1992. Green or white papers may precede bills, and the author of *The Labour Government 1964-70* wrote that white papers indicated firm government policy, while green papers issued tentative proposals for discussion.³⁴ The white paper was the first display of positive intent by any government to change the policy on state lotteries since 1823.

³⁰ The Adam Smith Institute is an independent body that focuses on economic policy and promotes economic reform ideas to government leaders. Adam Smith Institute Home Page; <http://www.cyberpoint.co.uk/asi/> (accessed 1 December 1997).

³¹ Lister, 'The Founder,' p. 17.

³² Michael Zander, *The Law-Making Process*, 3rd edn. (London: Wiedenfeld & Nicolson, 1989), p. 2.

³³ David Miers and Alan Page, *Legislation*, 2nd edn. (London: Sweet & Maxwell, 1990), pp. 98-99.

³⁴ Harold Wilson, *The Labour Government 1964-70: a personal record* (London: Weidenfeld & Nicolson, 1971), p. 380.

The white paper stated that the Lottery's main purpose would be to raise money for good causes.³⁵ On the subject of what these good causes should be it explained that 'the Government considers that the arts, sport (including major international events), heritage and charities should benefit from the national lottery'.³⁶ There was no mention at this time of the Millennium Fund, a later addition to the list of causes.

Parliament suggested in the white paper that the new National Lottery should be subject to a lottery tax, giving as its reasons:

Expenditure on a lottery will be diverted from other forms of taxed activity . . . So if stakes in lottery bore no tax, Government revenues would fall and would have to be made up from other forms of taxation. The Government, therefore, believes that stakes in the national lottery should be subject to a new lottery tax; the rate would be decided at the relevant time.³⁷

Since the shares of lottery revenue given to the lottery licensee, winners, and retailers were fixed at particular rates, the amount taxed by the government reduced only the share given to the good causes, which were to receive the remainder. The possible implications of taxation removing funds from only the good causes were not mentioned in the paper, despite constant references throughout of the Lottery being introduced for their benefit.

A month after Parliament issued the white paper, the Conservative Party published their manifesto and stated, under the rubric 'Towards the Millennium', that the Conservatives would start a national lottery if re-elected. Their justification for introducing a lottery was that:

Fourteen years ago, a Royal Commission recommended the creation of a National Lottery in Britain to provide extra money for deserving causes. The case has become even stronger as British people gain more opportunities to participate in foreign lotteries - thus increasing the risk that funds which we could put to good use in Britain will be diverted abroad.³⁸

³⁵ *The National Lottery: Raising Money for Good Causes*, vol. 45, Cmd. 1861 (1992), par. 4, 12, 22 and 32.

³⁶ *Ibid.*, par. 50.

³⁷ *Ibid.*, par. 40.

³⁸ *The Conservative Manifesto 1992: The Best Future for Britain* (London: Conservative Central Office, 1992), p. 44.

The white paper had also suggested that without a British lottery, difficulties in preventing the illegal sale of foreign lottery tickets would escalate.³⁹ The possibility of losing money to other countries could be a real threat, as indicated by previous experience with the Irish Sweepstakes, and provided a reason for the government to set up a national lottery. However, their statement indicated a fourteen-year delay in acting upon the recommendations of the Royal Commission. The reason for referring to the delay is unclear, as the Conservatives had been in power for some time, meaning that implications of time wasting could not be passed to the opposition. One possibility is that the Conservatives may have been attempting to emphasise the urgency for this course of action. Nevertheless the message remains muddled.

Concerning the Good Causes, the manifesto states:

People who enjoy the arts, sport, Britain's heritage and fine countryside could all benefit from the proceeds of the National Lottery. Charities, right across the country and covering such areas as medical research, will also be potential beneficiaries.⁴⁰

This statement covers the four Good Causes mentioned in the white paper, but the manifesto continues to discuss the benefits created for five sectors: 'Millennium Fund' (mentioned for the first time), 'The Arts', 'Sport', 'Heritage' and 'Broadcasting', but not charities. There is, however, some clarification within the 'Millennium Fund' section, where a highlighted passage states:

We therefore propose to introduce a National Lottery from 1994, which would help provide funds for a number of good causes in the artistic, sporting, heritage and charitable fields - and from which some funds would be put aside for a Millennium Fund.⁴¹

Although this statement finally identifies the five Good Causes that first benefited from the National Lottery, it indicates that the 'Millennium Fund' was not initially intended to receive an equal fifth share of the Good Cause funds. The manifesto does not state whether the 'Millennium Fund' should receive more or less funds than the

³⁹ *The National Lottery: Raising Money for Good Causes*, par. 8-10. In the past, the Irish Sweepstakes shipped many lottery tickets to Britain, America and other countries, proclaiming that the Sweepstake Company would send prizes to any country. Irish Sweepstake sales boomed, but because lotteries were illegal in these countries, enforcing bodies attempted, with little success, to prevent lottery sales. According to George Sullivan, the best prevention in America was the introduction of legal state lotteries. George Sullivan, *By Chance a Winner: The History of Lotteries* (New York: Dodd, Mead, 1972), pp. 94-101.

⁴⁰ *The Conservative Manifesto 1992*, p. 44.

⁴¹ *Ibid.*, p. 44.

other four Causes, and seems somewhat confused about the purpose of this latest addition. For example, many of the proposed millennium projects fall under the remit of the other chosen Causes. Examples included restoring 'our great inheritance of buildings', which comes under heritage, as do 'canals and rivers', other examples of proposed sponsorship. The Conservative Party also suggested that the Millennium Fund could support the 2000 Olympics, if these were to be held in Manchester, even though here the sport distributor would have been an appropriate awarding body.⁴² It therefore appears from their manifesto that the Conservatives were unclear about the intended use of the 'Millennium Funds'.

The approval of the lottery white paper led to the preparing and publishing of the *National Lottery Bill* in December 1992.⁴³ The bill, a preliminary version of the *National Lottery etc. Act 1993*, had to pass through five stages in each of the houses of Parliament for corrections and amendments before becoming an act.⁴⁴ The bill began in the House of Commons with the first reading, which gave formal notice of the proposed measure and led to the second reading, which concerned the approval of the principle of the bill.⁴⁵ Once the principle was approved, a standing committee considered the details of the bill and debated amendments ready for the report stage. At the report stage the details of the bill were considered in their revised form, ready for the third reading. The third reading provided the last opportunity for the approval or rejection of the final version of the bill.⁴⁶ The bill was then passed through the same procedures in the House of Lords for their amendments, and once approved,

⁴² Ibid., p. 44.

⁴³ Laws, Statutes, etc., *The National Lottery Bill*, 1992, c. 16.

⁴⁴ The Bill had to pass through the House of Commons rather than the House of Lords because 'Bills which contain many clauses providing for fresh expenditure and Bills which consist largely of provisions imposing "charges on the people", whether by way of rates or taxes, may not be introduced in the House of Lords because, although there are various expedients for enabling that House to avoid questions of privilege where such provisions appear only as minor and subsidiary features of a Bill, legislation which is substantially of that character cannot be dealt with by the Lords without infringing the privileges of the Commons'. Sir Granville Ram, 'The Improvement of the Statute Book,' *Journal of the Society of Public Teachers of Law*, N.S., 1951, pp. 447-9; quoted in Zander, *The Law-Making Process*, p. 10.

⁴⁵ *Hansard Parliamentary Debates*, Commons, 6th ser., vol. 216 (1992), col. 446 (first reading of the *National Lottery Bill* on 16 December 1992); and *Hansard Parliamentary Debates*, Commons, 6th ser., vol. 217 (1993), cols. 714-819 (second reading of the *National Lottery Bill* on 25 January 1993).

⁴⁶ *Hansard Parliamentary Debates*, Commons, 6th ser., vol. 223 (1993), cols. 964-1125 (report and third reading of the *National Lottery Bill* on 28 April 1993).

presented for Royal Assent.⁴⁷ The granting of Royal Assent converted the bill into an act.⁴⁸

The *National Lottery etc. Act 1993* was passed in October of that year. The publication of the act was the final step in changing existing legislation to permit state lotteries, and the act amended both the *Revenue Act of 1898* and the *Lotteries and Amusements Act, 1976*.⁴⁹ The *National Lottery etc. Act 1993* stipulated the procedures and regulations concerning the design, running, and distribution of the net proceeds of the National Lottery.⁵⁰ Part I made provisions for lotteries that formed part of the National Lottery, and laid down the duties of the regulatory bodies charged with ensuring that the Lottery was run correctly. Part II specified the method of 'Distribution of the Net Proceeds of the National Lottery'.⁵¹ Parts III, IV and V contained the amendments, pool betting and supplementary sections.

The 1978 report of the Royal Commission on Gambling claimed that many problems associated with lotteries would be eradicated by having one regulating body, referred to in the report as the 'National Lottery Board'.⁵² The instigators of the 1993 act adopted this suggestion, requiring that a regulatory body named the Office of the National Lottery (OFLOT) be created as a non-ministerial government department.⁵³ OFLOT was not required to run the Lottery, but to regulate the body licensed to do so by the director general (the head of OFLOT). The first director general was appointed by the secretary of state for national heritage. It was the duty of OFLOT and the secretary of state to ensure that the licensed body promoted and ran the Lottery properly. They protected the interests of the participants, and sought to maximise the net proceeds raised by the National Lottery for the Good Causes.⁵⁴ It was the responsibility of the director general and OFLOT to monitor the day-to-day progress

⁴⁷ *Hansard Parliamentary Debates*, Commons, 6th ser., vol. 230 (1993), cols. 322-363 (Lords amendments to the *National Lottery Bill* presented on 20 October 1993); and *Hansard Parliamentary Debates*, Commons, 6th ser., vol. 230 (1993), col. 413 (Royal Assent granted on 21 October 1993).

⁴⁸ Miers and Page, *Legislation*, pp. 68-87

⁴⁹ Laws, Statutes, etc., *The Revenue Act, 1898*, 61 & 62 Vict, c. 46; and id., *Lotteries and Amusements Act, 1976*, c. 32.

⁵⁰ Laws, Statutes, etc., *The National Lottery etc. Act 1993*, 1993, c. 39, sec. 66, schedules 1-10. In the case of *The National Lottery etc. Act 1993*, 'etc.' indicates pools and betting.

⁵¹ *Ibid.*, p. 1.

⁵² *Final Report of the Royal Commission on Gambling*, p. 227.

⁵³ *National Lottery etc. Act 1993*, sec. 3.

⁵⁴ Peter Davis, *OFLOT Annual Report 1996/97* (London: Stationary Office, 1997), p. 2; and *National Lottery etc. Act 1993*, sec. 4.

and development of the National Lottery under the care of the licence holder chosen under section 6 of the act: 'Licensing of bodies to promote lotteries'. The secretary of state for national heritage was solely responsible for the distribution of money to the Good Causes.⁵⁵

The Purpose of the National Lottery

From the start of the legislative changes, the most often quoted reason for starting a national lottery was the support of 'good' or 'deserving causes'. For example, the 1973 report by the Interdepartmental Working Party on Lotteries pointed out that 'lotteries should be promoted only for what may be broadly described as "deserving causes"', although the Working Party also mentioned the possibility of an added income for government.⁵⁶ The 1978 Royal Commission on Gambling, also stated:

Despite the serious abuses we have discovered, some of these larger [foreign] lotteries do good work and a number of voluntary organisations and sports clubs are now said to be heavily dependent on them for funding. Our general approach will, therefore, be to recommend reform of the present system rather than its complete replacement.⁵⁷

No other positive points were mentioned about the foreign lottery systems investigated by the Commission, but they still concluded 'that there should be a single national lottery for 'good causes', run by a National Lottery Board'.⁵⁸ The support of unspecified 'good causes' was, therefore, held in high regard by the Commission if their funding was sufficient reason to justify instituting a system they otherwise found to be 'scandalous . . . inadequate and confused'.⁵⁹

The 1992 white paper gave much weight to the institution of the National Lottery for Good Causes; for example, 'the main benefit of a national lottery is to raise money for good causes. The Government can see no justification for extending the already wide range of commercial gambling opportunities'.⁶⁰ The white paper,

⁵⁵ *National Lottery etc. Act 1993*, sec. 26-29.

⁵⁶ *Report of the Interdepartmental Working Party on Lotteries*, pp. 7 and 29.

⁵⁷ *Final Report of the Royal Commission on Gambling*, p. 194.

⁵⁸ *Ibid.*, p. 227.

⁵⁹ *Ibid.*, p. 194.

⁶⁰ *National Lottery: Raising Money for Good Causes*, par. 4. For further examples see par. 12 and 32.

however, went a little further in clarifying the idea and purpose of 'good causes' by introducing the need for benefit within the community:

As the primary purpose of a national lottery would be to raise money for Good Causes, the government believes that there should similarly be a requirement for a minimum proportion to be available for this purpose to ensure there is a real benefit to the community.⁶¹

The paper stated that distributors should spend at least 'a minimum proportion' of funds on the community, with the remainder presumably being spent on national projects. The initial view of Good Cause distribution was of benefit to the community, and not necessarily of total regional equity in the distribution of funds across Britain.

The Conservatives' election manifesto, published a month after the white paper, stated:

The National Lottery we propose to introduce can be used to restore our heritage and promote projects which will become a source of national pride... We believe a well-run, carefully controlled form of national lottery would be popular, while raising money for good causes... We believe that the funds generated by a National Lottery should be used to enhance the life of our nation.⁶²

Although the Conservative Party used the National Lottery and its potential benefits to sell their image, their use of terms implies their perception of Good Cause projects. For example, 'projects which will become a source of national pride' suggests the funding of large scale national projects, while 'enhance the life of our nation' indicates benefit for all. These statements coincide with the dual purposes indicated in the white paper.

The *National Lottery Bill* and the *National Lottery etc. Act 1993* made provisions for the Good Causes, but did not mention them as the purpose of the National Lottery. This may be because the Good Causes were accepted beneficiaries, and by this time the idea of a lottery no longer needed to be sold to Parliament, only legislation created to ensure its efficient running.⁶³ The act did not clarify the government's stance on equity of distribution, 'benefit to the community' or give directions on these subjects to the distributors. The government therefore did not clarify these issues before or during the introduction of legislation. The equitable

⁶¹ Ibid., par. 22.

⁶² *The Conservative Manifesto 1992*, p. 44.

⁶³ *National Lottery Bill 1992*; and *The National Lottery etc. Act 1993*.

division of funds and public access to the benefits was, therefore, not of primary consideration before the start of the Lottery.

The law reports show that the actual 'good causes' remained something of a mystery until the Conservative manifesto in 1992, and as pointed out in the 1973 report "'deserving causes" . . . are legion'. It seems probable that the phrase 'good causes' was first introduced as a political instrument to counterbalance the initial objections to involving the state in a practice of questionable morality. MPs opposed on principle to gambling might have been persuaded to agree to a lottery if its purposes were wholly virtuous and its intended consequences were clearly to do nothing but good. Anyone who voted against such a proposal was voting against virtue. Any attempt to define the phrase, however, would militate against its political effectiveness, as it was unlikely that any two persons would agree on concrete suggestions. Yet even when it became necessary to specify particular examples, they would have some benefit from the aura of virtue by their inclusion among the 'good causes'.

Licensing a Body to Run the National Lottery

The *National Lottery etc. Act 1993* gave the director general of OFLOT the authority to select and license a single body or consortium to run the National Lottery. The licensee was to be responsible for all of the Lottery's operational functions, including its design and implementation, ticket selling, verification of winning tickets, and the payment of prizes. The procedure for selecting a licensee was for bids to be submitted by formal written application, and for the director general to choose one body from the bidders that was believed to be a 'fit and proper' body to run and benefit from the Lottery.⁶⁴ To show this, the successful applicant had to demonstrate that they could run a lottery well and honestly with maximum funds going to the Good Causes and be able to design and initiate a lottery at very short notice. Once the director general made a choice, OFLOT granted a licence for a specified length of time, during which time the holder of the licence was subject to a set of conditions set out in sections 7 and 8 of the act. The director general and secretary of state had the power to include further conditions within the provisions of the licence, if deemed

⁶⁴ *The National Lottery etc. Act 1993*, sec. 5.

appropriate. Once the body was in control of the National Lottery, OFLOT and its director general had the task of ensuring that the licensed body observed the conditions of the act. If the body failed to abide by them, the director general could reprimand the body through a court action or could, as a last resort, revoke their licence.⁶⁵

On 25 October 1993, Sir Peter Davis, a chartered accountant and Deputy Chairman at Sturge Holdings Plc until 1994, was appointed for a five-year term as the first director general of OFLOT by Peter Brooke (then secretary of state for national heritage).⁶⁶ In 1994, at the director general's invitation, eight consortia entered bids into a competitive tendering process for the licence to run the National Lottery. These bidders included Vaughan's Lottery Promotion Company, the Camelot Group plc, the UK Lottery Foundation (Richard Branson and IBM) and the GBLC plc (the Great British Lottery Company - Granada and Vodafone).⁶⁷ On 25 May 1994, after examining all the bids, the consortia and their shareholders, Sir Peter Davis granted the lottery licence to the Camelot Group plc for a period of seven years terminating on 30th September 2001.⁶⁸

The Camelot Group plc consisted of five shareholding companies, all of which had some degree of knowledge and experience appropriate for the running of a National Lottery. Camelot's shareholders were Cadbury Schweppes plc, a confectionery company with experience in dealing with retail outlets; De La Rue plc, a company that manufactures bank notes and was able to provide high-security printing to help prevent fraud; GTECH UK Ltd., a subsidiary of the GTECH Corporation, which runs lotteries world-wide; ICL plc, a computer company that provided lottery computer gaming terminals and retailer training; and Racal Electronics plc, a data communications company with the ability to link the UK-wide lottery terminals.⁶⁹ Four of the five companies owned a 22.5% stake in Camelot, and ICL plc had 10%. The total raised by the five companies to fund Camelot was £49.5 million, with a further £75 million loaned from the Royal Bank of Scotland. Their total start-up

⁶⁵ Davis, *OFLOT Annual Report 1996/97*, p.6; and *National Lottery etc. Act 1993*, sec. 10.

⁶⁶ OFLOT, *The Director General of the National Lottery* (London: OFLOT, n.d.), p. 1.

⁶⁷ OFLOT, *The National Lottery: The Applicants* (London: OFLOT, n.d.), p. 1, background note.

⁶⁸ OFLOT, *The National Lottery: Evaluation of Applicants* (London: OFLOT, n.d.), p. 1, background note.

⁶⁹ Howard Hurd, *A Guide to the National Lottery: A practical handbook for applicants* (London: Directory of Social Change, 1995), p. 7.

account for use in the tendering process and installation of the National Lottery was £124.5 million.⁷⁰

Camelot set up the National Lottery in just under six months. In this time, they recruited and trained five hundred staff members to help with the tasks of selecting outlets in shops and supermarkets and connecting ten thousand lottery ticket terminals to be fully functional, complete with trained staff.⁷¹ Camelot trained thirty-seven thousand shop staff to use the lottery terminals in their twenty-seven training centres, which had the capacity to train up to a total of 1,300 people a day. After much investment and one of the biggest training programmes ever undertaken in Europe, the first lottery tickets went on sale on 14 November 1994, for the first lottery draw on 19 November.

Over 24 million people took part in the first lottery draw.⁷² Since then, Camelot has developed many new strategies to keep the British public spending their money on the National Lottery, including 'Instant's' scratch cards, a game won by uncovering matching pre-printed symbols on a ticket (launched on 21 March 1995); and the 'Lucky Dip', an alternative way of playing the standard game in which players' numbers are chosen by the lottery computer terminal (introduced on 17 March 1996).⁷³ In order to maximise their potential market, Camelot introduced the 'Winsday' mid-week draw, first drawn on 5 February 1997, which gave people the opportunity to win money on the Lottery twice a week.⁷⁴ They also increased the number of ticket outlets from the initial 10,000 in November 1994 to over 35,000 by June 1997.⁷⁵

Distribution of Lottery Ticket Money

According to the *National Lottery Fact Pack*, produced by the Camelot Group plc, money raised by lottery ticket sales was initially divided as shown in figure 1.⁷⁶

⁷⁰ Hamish Champ and David Hellier, 'Who wins the wheel of fortune?', *Independent on Sunday*, 26 March 1995, Business sec., p. 3.

⁷¹ The government prohibited the sale of lottery tickets at outlets used mainly for gambling, despite the lottery being a form of gambling in its own right. *National Lottery: Raising Money for Good Causes*, par. 28.

⁷² Camelot Group plc, *National Lottery Fact Pack* (London: Camelot, 1997), p. 5.

⁷³ Ibid., pp. 7-8.

⁷⁴ Ibid., p. 8.

⁷⁵ Davis, *OFLOT Annual Report 1996/97*, p. 3. Further games have been introduced since, including Thunderball and a game show called National Lottery Winning Lines.

⁷⁶ Ibid., p. 2.

The lottery game winners received half of the total receipts, and 28% went to the Good Causes via the National Lottery Distribution Fund.⁷⁷ The Treasury claimed 12% for lottery duty, tax and VAT and the ticket retailers had a commission rate of 5%. Camelot took the last 5%; 4% to cover the costs of running the National Lottery and 1% in profit.⁷⁸

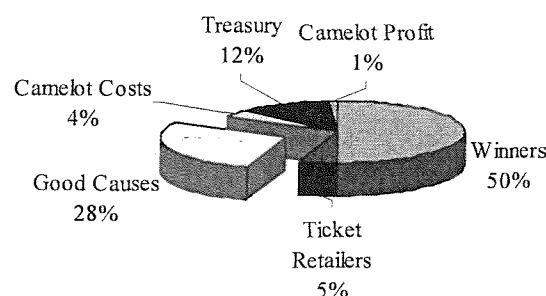


Figure 1. *The distribution of lottery income according to Camelot.*

Figure 1 shows Camelot's simplified version of the figures that were specified for them by OFLOT. Before the start of the Lottery, it was impossible to forecast accurately the popularity of the Lottery, and OFLOT had to provide different proportional figures to cover various eventualities. OFLOT also had to allow for inaccuracies caused by unclaimed prizes and shortfalls in the allocation of prizes. OFLOT set boundaries to ensure that the percentages given to each sector remained within certain limits (see figure 2).

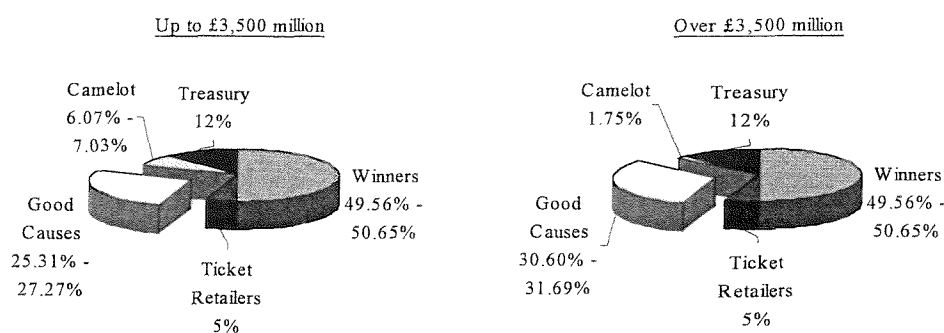


Figure 2. *The distribution of lottery income according to OFLOT guidelines.*

⁷⁷ The National Lottery Distribution Fund is an account where all of the funds waiting to be allocated to the Good Causes are held. The account is managed by the secretary of state for national heritage, who releases the funds to the Good Causes.

⁷⁸ Camelot, *National Lottery Fact Pack*, p. 10; and Hurd, *A Guide to the National Lottery*, p. 10.

OFLOT specified that the proportion of funds used for prizes had to be between 49.56% and 50.65% of the yearly total. Any shortfalls and unclaimed prize-money were awarded to the Distribution Fund for the Good Causes. The lottery duty and retailers' percentages were fixed, but the amount to be claimed by Camelot and the Good Causes depended on the success of the Lottery. Of the first £3,500 million worth of ticket sales each year, between 25.31% and 27.27% had to go into the Distribution Fund, but for additional sales this percentage would rise to between 30.60% and 31.69%. Camelot could retain between 6.07% and 7.03% of the first £3,500 million sales, but once this target was achieved their percentage would be reduced to 1.75%. Therefore, if sales averaged £5,000 million per year, Camelot earned 5% of the total and the Good Causes received 27.5% (= £1,375 million), and if sales reached £7,000 million per year, Camelot kept 4% and the Good Causes received 28.5% (= £1,995 million).⁷⁹ OFLOT expected ticket sales to settle between £5-7,000 million, giving the Good Causes approximately 28% of the lottery ticket revenue, with each Cause receiving approximately 5.6%. According to a later estimate (in 1997), the Department of National Heritage expected the Lottery to raise £9 billion for the Good Causes by 2001, resulting in a gain of approximately £1.8 billion for each Cause.⁸⁰

The Distribution of Funds to the Good Causes

When the Lottery began, lottery funds allocated to the Good Causes were first placed into the National Lottery Distribution Fund until the distributors were ready.⁸¹ At the start of distribution, the secretary of state then released the money to the Good Causes' distributors. The act assigned the secretary of state the task of monitoring the distribution of funds and intervening should any awards be inconsistent with the content of the act. According to section 22, a portion of the money was paid into a Consolidation Fund for the expenses of the secretary of state in upholding these duties. The rest of the money, including any interest accrued while the money had been held, was divided between the distributing agencies of the five Good Causes.

⁷⁹ OFLOT, *Guide to the National Lottery* (London: OFLOT, n.d.), p. 2.

⁸⁰ Department of National Heritage, *National Lottery Good Cause* (London: Department of National Heritage, 1997), p. 1.

⁸¹ *National Lottery etc. Act 1993*, sec. 21.

The distributing agencies then selected the project applications that met their award criteria and awarded grants accordingly.

The five Good Causes identified in the *National Lottery etc. Act 1993* were the arts, sport, heritage, charities, and projects to mark the beginning of the new millennium. The act stated that each Good Cause would initially receive 20% of the Good Cause allocation, but that the secretary of state had the power to vary these percentages provided that they remain above a 5% minimum.⁸²

Although projects under the five Good Causes benefited from money raised by the Lottery, the act specified that only particular types of projects and applicants were eligible for funding. These were specified in a set of policy directions issued by the secretary of state for national heritage, as directed under sections 26 and 27 of the act. The directions determined the types of projects that could receive funds, and specified to whom, for what purposes and under what circumstances money could be awarded. The policy directions were intended to help the distributing agencies select projects that would both succeed and improve amenities in the local, regional and national areas.⁸³ The secretary of state's directions were an extension of the act, which was law, and if a distributing body contravened these directions they could have faced legal action.

The act required that the secretary of state adapt the policy directions to suit each Good Cause, and consult the distributing bodies to ensure that the directions were appropriate. The policy directions for each Cause were based on the same principles, but contained elements that were specific. For example, the policy directions given to the arts at the start of distribution in 1995 were as follows:

- 1) All applications should be assessed fairly and on their individual merits.
- 2) Applications should be considered for any type of art.
- 3) Money must be distributed for public good and not private gain.
- 4) Only capital projects are funded.
- 5) Appropriate resources should be available to support the organisation for a reasonable period after completion of the project.
- 6) A percentage of the project's funding must be found from sources other than the Arts Council. (For projects greater than £100,000 other funding must be over 25%, for less it must be over 10%.)
- 7) All available information, including independent assessments, must be considered before a decision is made.

⁸² Ibid., sec. 28.

⁸³ *The National Lottery: Raising Money for Good Causes*, par. 4.

- 8) An organisation's day-to-day running must not fall under the Arts Council's control.
- 9) Film projects must be considered under the arts heading.
- 10) Consideration must also be given to crafts under the arts sector.⁸⁴

The first eight directions could have been applied to any of the Good Causes provided that the name of the Cause and any other relevant information were exchanged. The last two policy directions were, however, specific to the arts.

The policy directions required the distributing bodies to award grants to particular types of project within each field. The four Sports Councils of England, Scotland, Wales and Northern Ireland distribute the money to the sport Good Cause. Their task at the start of lottery fund distribution was to allocate money to capital projects that encouraged the public use of recreation and sports facilities by funding the construction and equipping of sports centres and events. The Heritage Lottery Fund is responsible for distributing heritage funds across all of Britain. Their initial objective was to award grants to capital projects to protect and promote public access to collections and areas of historical interest. Beneficiaries included countryside preservation groups, buildings, museums, industrial heritage (bridges, piers, lighthouses etc.), archives and parks. The National Lottery Charities Board is also responsible for the allocation of funds across all of Britain, and they initially distributed money to charitable organisations whose goal was to help improve the quality of life in the community. The Board awarded funds to projects to help relieve poverty, low income and health problems, including funding for disability and care, and also those concerned with youth issues. The Millennium Commission distributed its designated funds to assist projects that marked, and would be seen by future generations as marking, the year 2000.⁸⁵ The Arts Councils of England (ACE), Scotland (SAC), Wales (ACW) and Northern Ireland (ACNI) are the specified distributors of arts funds to institutions in their respective countries. At the start of distribution, the arts councils used lottery money to fund capital projects such as the building and renovation of arts venues, the purchase of equipment and instruments, and also used funds to commission public works of art, such as murals and sculptures.

⁸⁴ Arts Council of England, *National Lottery: Detailed guidance to applicants* (London: Arts Council of England, 1996), pp. 1-2.

⁸⁵ Department of National Heritage, *National Lottery Good Cause*, p. 2.

The Arts Councils

As the arts allocations are the focus of this thesis, I examine the ACE, SAC, ACW and ACNI in more depth than the distributors of the other Good Causes. From this point on, therefore, I narrow the discussion to the distributors, applicants, assessment procedures and distribution of the arts Good Cause.

The four arts councils, like OFLOT, are independent, non-political bodies that are accountable to central government. The arts councils have been responsible for the distribution of grant-in-aid funds for the arts, supplied by central government and funded by public taxation, since the foundation of the original Arts Council of Great Britain in 1946. The arts councils have the power to distribute funds as they see fit, but may be called upon by government to account for their decisions at any time. Grant-in-aid continues to be allocated to arts organisations through an established system of both regular and one-off grants. According to its Royal Charter, the ACE awards grant-in-aid funds with the aim of furthering at least one of three objectives:

- to develop and improve the knowledge, understanding and practice of the arts
- to increase the accessibility of the arts to the public
- to advise and co-operate with departments of the Government, local authorities, the Arts Councils for Wales, Scotland and Northern Ireland, and other bodies on matters concerned, whether directly or indirectly, with the foregoing objects.⁸⁶

The other arts councils have similar objectives, and distribute money with similar motives.⁸⁷

The arts councils primarily look after the national interests of the arts. Regional interests are in general more the responsibility of the various arts boards and local authorities within the four countries. For example, ten regional arts boards cover England, whilst Northern Ireland has twenty-five local authority areas. The arts councils and regional arts boards are constitutionally independent from one another, but as a leaflet provided by the Arts Council of England states, 'In practice their successful operation relies on close working relationships and their roles are

⁸⁶ Arts Council of England, *The arts funding system: An introduction to the components of the UK arts funding system*, 2nd edn. (London: Arts Council of England, 1997), p. 9.

⁸⁷ Scottish Arts Council, *Annual Report 1994/95* (Edinburgh: Scottish Arts Council, 1995), p. 1; and Arts Council of Wales, *94/95 Annual Report* (Cardiff: Arts Council of Wales, 1995), p. i.

complementary and independent'.⁸⁸ The purpose of the regional arts boards is to be aware of, encourage and help fund local projects and initiatives. They fund these objectives using government money issued to them by their arts council and their local authority, and also using money raised within their regions. Local government also plays an important part in the regional funding of the arts and provides both venues and direct funding in support local arts. The regional arts boards therefore work together with the arts councils and local and central government to provide an integrated method of distributing money for the development and encouragement of the arts.

Bids for Arts Lottery Funds

All projects offered lottery grants had to satisfy the conditions of the act and also the policy directions of the secretary of state. These conditions were not guidelines for the assessment of the organisations and applications, but solid requirements for the assigning of funds. The policies ensured that the distributors assessed each application on similar issues, particularly concerning the project's viability and benefit to the public, regardless of its genre or geographical area. It was the task of the secretary of state for national heritage to monitor and enforce the policies and conditions, requesting justification for awards if necessary. Any awards not meeting the conditions could be withdrawn under section 27 of the act, with future distribution to the particular organisation prohibited.

According to the arts councils' interpretation of policy direction 3, which refers to 'the need to distribute money for projects which promote the public good', successful grant applications had to be of maximum benefit to the relevant geographical area and public.⁸⁹ Adequate provisions had to be made within the project outline for the audience, artists and employees, with disabled people considered in all aspects of the project. The regional arts boards and local authorities also had to be satisfied as to the importance of the project locally, regionally and nationally, and convinced of the community's dedication to the project.

⁸⁸ Arts Council of England, *The Arts Funding System in England* (London: Arts Council of England, 2000), p. 4.

⁸⁹ Arts Council of England, *National Lottery: Detailed guidance to applicants*, pp. 1-3.

Initially, under the secretary of state's direction 4, only capital grant applications were eligible for lottery grants. Capital projects included large-scale building and renovation projects, such as the Royal Opera House grant, and also smaller projects such as the purchase of office equipment, the buying of sewing and washing machines for wardrobe departments, the procurement of video, sound and lighting equipment and the commissioning of art work for public places. The confinement of lottery grants to capital projects originated from a principle set out in the white paper *A National Lottery: Raising money for Good Causes*:

The Government is firmly of the view, however, that the proceeds should not be directed towards the main areas of public expenditure, and that it would be inappropriate for the lottery to be seen as a way of funding the National Health Service, education or similar major programmes.⁹⁰

There is some clarification of this principle in the *National Lottery etc. Act 1993*: 'It was not the government's purpose to direct how the money from the Lottery is spent on particular applications, but rather to ask the distributing bodies to treat it differently from ordinary programme expenditure [grant-in-aid]'.⁹¹ This became known as the 'additionality' principle, where lottery grants were considered an additional source of funding, rather than as a replacement for the support supplied by the government.⁹² Legislation for the British National Lottery thus separated treasury and lottery expenditure by confining lottery awards to capital projects, whilst the government continued their revenue grant-in-aid support for the arts. A further restriction within the confines of capital awards to protect 'additionality' was that the arts councils could not award lottery money to projects normally funded by other sources. Examples of such projects include the building of libraries and schools, which fall under the statutory responsibility of local authorities. The addition of arts facilities to these buildings for the benefit of the community, however, could be considered for

⁹⁰ *National Lottery: Raising Money for Good Causes*, par. 7.

⁹¹ *National Lottery etc. Act 1993*, sec. 26, general note.

⁹² The government of Ireland defined 'additionality' in terms of lottery spending by saying that 'the Lottery would not substitute for spending already undertaken by the exchequer'. Government of Ireland, *Report on the Review Group on the National Lottery* (Dublin: Government of Ireland, 1997), p. 17. The 'additionality' principle is also discussed in Luke FitzHerbert, Faisal Rahman and Stan Harvey, *The National Lottery Yearbook 1999* (London: Directory of Social Change, 1999), p. 7; and Graeme Evans, 'The National Lottery: planning for leisure or pay up and play the game?' *Leisure Studies*, 1 October 1995, p. 236.

lottery grants.⁹³ The 'additionality' principle therefore set parameters for the use of Good Cause funds.

Further requirements specified the types of applicant eligible for funding, and the financial thresholds for awards. Applicants could be either profit-making or non-profit-making art organisations provided that their proposed project benefited the public and the arts. Individuals, however, could not apply for lottery money under any circumstances. Requests could be for almost any sum over £5,000 in England and Scotland, and over £2,000 in Wales and Northern Ireland. Organisations had to apply to the appropriate geographical arts council, and had to supply a certain percentage of the total project cost from sources other than the arts councils and the Lottery, a requirement referred to as partnership funding.

In the *Detailed guidance to applicants* booklet issued to the applicants by the ACE, the policy directions were explained in terms of their relevance to the applicant.⁹⁴ The booklet stipulated that any individual project outline had to be clearly set out with timetables and budgets, and that building projects were required to be complementary to the surroundings, demonstrating quality of design and a high standard of environmentally-friendly construction. Value for money was also explained to be a consideration, but only to the limitation of extravagance, not to the detriment of good work. Long-term projections were required to include: the quality of arts activities that would take place; any plans for marketing and education; and a well-founded speculation on the long-term financial stability of the organisation.⁹⁵

Once received, the arts council assigned capital lottery project applications to a named lottery officer from within the lottery department, whose task was to collect a dossier on the application by approaching the applicant, the regional arts board and any other relevant bodies. If the application requested more than £100,000, an independent lottery assessor was appointed to discuss the project with the applicant and other relevant bodies, and in the light of these discussions prepare a report. After they had collected the information, the lottery officer presented a case for or against

⁹³ Voluntary Arts Network, *Lottery Arts Capital Funding: First steps with your lottery application* (London: Arts Council of England, 1996), p. 13.

⁹⁴ Arts Councils of England, *National Lottery: Detailed guidance to applicants*, pp. 1-5.

⁹⁵ Hurd, *A Guide to the National Lottery*, pp. 19-25.

the application to the arts council's lottery board.⁹⁶ The board (and assessor if one was required) advised the members of the arts council who then made a decision. If the grant proposal was accepted the organisation was given a 'soft commitment', which was an offer of the requested money, which became a 'hard commitment' when the organisation had fulfilled all the conditions of the award, such as the procurement of the necessary partnership funding, and accepted the offer.⁹⁷

The four arts councils accepted their first applications for lottery grants in January 1995, and made their first grant allocations in March and April 1995. The experience of the arts councils in distributing government arts money made it possible for them to set up arts lottery money distribution procedures quickly. The arts councils together with the sports councils (which were in a similar position regarding government funding) were the first distributing bodies to start allocating lottery funds. In the first year of lottery distribution, the four arts councils allocated over £250 million in hard commitments, and by the end of the third year, they had allocated over £1 billion in lottery arts awards.

The 1996 Pilot Schemes

In 1996, the ACE introduced five new pilot schemes aimed at different types of project. The ACE named the schemes Art for Everyone Main, Arts for Everyone Express, Stabilisation, Film Franchise and Grants for Dance and Drama Students. The objective of the Arts for Everyone schemes was to offer one-off revenue grants to both amateur and professional organisations for projects that encouraged public participation in the arts; the Stabilisation scheme targeted struggling arts companies; Film Franchises attempted to improve the film industry and Dance and Drama Student Grants were instituted to fill a gap in government funding.

When the arts councils introduced the pilot schemes, many of the policy directions already discussed ceased to apply. For example, the Arts for Everyone schemes failed to conform to the capital project requirement, Stabilisation applicants failed to meet the organisational stability requirement, while grants to students

⁹⁶ At the start of lottery distribution, members of the Lottery Department at the Arts Council of England staffed the Arts Council of England National Lottery Board. A similar structure was in place for the other three arts councils.

⁹⁷ Arts Council of England, *National Lottery: What is the National Lottery?* (London: Arts Council of England, 1996), pp. 2-3.

constituted awarding grants to individuals. The secretary of state therefore had to alter the directions to accommodate the new schemes. The 'additionality' principle, however, continued to apply.

These schemes created a change in the perceived uses of arts lottery funding. The significance of the five pilot schemes and their distribution is discussed in detail in chapter 5.

Changes in Arts Distribution

At the end of the three years of distribution investigated in this thesis, fundamental changes occurred in the allocation of funds to the Good Causes. I discuss these changes in chapter 6, and it is these changes which required 1997-98 to be the final year investigated in this thesis. These changes, therefore, require some initial discussion to clarify the overall shape of the thesis.

In 1998, the Labour government established a sixth Good Cause called the New Opportunities Fund, responsible for distributing lottery funds to health, education and environmental projects. Since the total percentage of funds assigned to the Good Causes remained at 28%, Parliament had to amend the *National Lottery etc. Act 1993* to reallocate the funds and add amendments specific to the new Cause. The *National Lottery Act 1998* announced the changes in allocations: the arts, sport, heritage and charities percentages were reduced from 20% to 16.7% of the Good Cause funds, while the New Opportunities fund was awarded 13.3% and the Millennium Fund remained at 20%. When the Millennium Fund ended in 2001, the New Opportunities Fund would gain the extra 20%, elevating its percentage to 33.3%. The introduction of the sixth Good Cause therefore permanently reduced the amount of lottery money awarded to the existing Causes.

Further significant changes within the distribution methods employed by the arts councils also affected the distribution of arts funds, and prevented the continued use of the types of analysis utilised in this thesis. Funding was decentralised away from the arts councils, with the councils no longer responsible for the equitable dissemination of funds. Examples of decentralisation include the allocation of £10 million to a new Youth Music Trust, the transferral of responsibility for all film spending to a new organisation called British Film, and £6.5 million given to the regional arts boards for allocation to capital projects with values below £100,000. The

arts councils also changed their strategies to take into account their distribution by region and genre, giving priority to projects that:

- Are in areas that have had few or low awards so far;
- Are for types of arts activity that have had low awards;
- Contribute to national or regional strategies;
- Are in areas of social deprivation;
- Address social exclusion;
- Are to refurbish existing facilities (as opposed to 'new build').⁹⁸

The arts councils could therefore judge an award on its genre and geographical region as opposed to only its merits as a project regardless of type. The *National Lottery Act 1998* also allowed the arts councils to solicit grants from particular regions and genres, giving them the ability to alter their patterns of distribution in a way that they had been unable to do in the past. These changes put subsequent distribution on a different basis to that of the first three years; distribution statistics would therefore have to be analysed in a different way, and the new strategies and distributors taken into account.

Summary

The British National Lottery began in November 1994, and was initiated to raise funds for five Good Causes (arts, heritage, sport, the millennium and charities); distribution to the arts Good Cause being the focus of this thesis. The government have funded the arts since World War II, but in recent years subsidies have failed to rise with inflation, and coupled with the fact that central government subsidies only support revenue needs, many arts institutions and their capital assets have fallen into disrepair. Lottery funds directed at the arts aimed to respond to such discrepancies by awarding approximately 5.6% of total lottery revenue to each cause (28% of total lottery income to the five Good Causes). The National Lottery thus became a new public patron of the arts. This was considered by some quarters to be a dubious method of raising money, due to its status as a form of gambling and also because the last state lottery in 1826 was stopped due to illegal betting and other social side-effects.

During the early design and legislative stages of the National Lottery, the Good Causes were frequently mentioned as being the purpose for its introduction.

⁹⁸ FitzHerbert, Rahman and Harvey, *The National Lottery Yearbook 1999*, p. 35.

Government proclaimed that the Good Causes would benefit the public, and nicknamed the Lottery, the 'People's Lottery', and the 'National Lottery for Good Causes'.⁹⁹ The ways in which the Good Causes would benefit the public were, however, rarely mentioned. The Good Causes were usually discussed as a single entity and only sketchy references to community benefit and national pride gave any indication of their intended purpose. Before the Lottery, there were no provisions or declarations concerning regional equity or public access to the benefits of the Lottery.

The *National Lottery etc. Act 1993* appointed the ACE, SAC, ACW and ACNI as the bodies responsible for the distribution of the arts lottery money. The arts councils also distributed government funding, and were therefore experienced in the allocation of public funding. The act and the secretary of state for national heritage provided the arts councils with guidelines and directions for the assessment of lottery grant applications. Parliament instituted the 'additionality' principle, which required that the arts councils consider lottery funds as separate from the government grant-in-aid revenue funds. This was implemented to prevent government using lottery funds to replace government subsidy, and 'additionality' was achieved by restricting lottery awards to capital projects, while grant-in-aid continued to support revenue needs.

The distribution of lottery funds to the arts began in March 1995. In 1996, the ACE introduced five new pilot schemes that altered the perception of arts distribution. The secretary of state's directions had to be changed, and the new schemes funded projects that did not fit under the capital project restriction. These schemes ran alongside the Capital scheme. Further changes occurred in 1998, including the addition of a sixth Good Cause and a radical restructuring of the arts distribution process, including decentralising decisions and altering allocation principles. These changes have restricted the scope of this thesis to the three financial years April 1995 to March 1998.

⁹⁹ For example, see *National Lottery: Raising Money for Good Causes*, and *The Conservative Manifesto 1992*, p. 44.

CHAPTER 2

THE GEOGRAPHICAL DISTRIBUTION OF ARTS LOTTERY FUNDS

After five years of the National Lottery, patterns in financial distribution are beginning to emerge. It is now possible to examine the distribution statistics of the five Good Causes and measure the effects of the strategies employed by the distributing bodies. From these observations and an examination of the distribution methods utilised in the first three years, it is possible to draw conclusions on the equity of distribution over this period.

The purpose of this chapter is to investigate the equity of geographical distribution of the grants awarded by the four arts councils during the first three years of allocations and to discover the factors that affected distribution. To begin, I discuss methods for measuring equity of distribution by region, and declare the caveats of the methods used in this thesis. I then examine the policies and directions of the government, secretary of state and arts councils concerning the geographical distribution of arts grants, and question whether they helped or hindered in developing a distribution system that could be considered regionally equitable. Using information supplied by the arts councils and the Department of Culture, Media and Sport, I then analyse the distribution statistics of the capital scheme of each arts council over the first three years to discover how equitable the distribution was during this time.¹ The statistics of the four councils are then compared to show differences and similarities of distribution. At the end of the chapter, factors including the correlation between low average earnings in a region and the amount received from the arts councils, and the availability of partnership funding in the different regions over the three years are examined to show whether they may have affected distribution.

¹ Department of National Heritage was renamed the Department of Culture, Media and Sport in July 1997.

The Analysis of Regional Equity

In this thesis, the term 'equity' is used to represent an equal apportionment of funds to various regions or genres, as is predetermined by certain factors. Although the words 'equity' or 'equitable' can carry moral values, these are not the purpose of using this term. 'Equity' is used, in this context, as a data-driven term with a very narrow view of morality that is based on each member of the population having the same amount of money or grants awarded to their region. What is determined as equitable in this thesis does not necessarily mean that equity was achieved, as regional factors such as the numbers of cities, town and villages were not taken into account and the types of awards in each region and relative access for the public was not calculated. However, the incorporation of these factors did not prove workable and would add a far greater margin of error, as it is impossible to predict the relative access of different art forms, and because cities, towns and villages vary greatly in size.

In order to examine the equity of geographical distribution, it became necessary to develop a method by which relative equity could be measured. A gauge had to be found, and in this chapter, I compare the proportion of the population resident within a region with the proportion of arts lottery funds received by that region.² I use the percentage of the population as a gauge because of the supposition that each member of the public should receive an approximately equal benefit from lottery funds. Per-capita distribution is not the only method of measuring regional equity, and it does not necessarily follow that funds should be divided with reference to the population, but as the purpose of this chapter is to determine geographical equity this system is at least a measurable one. Luke FitzHerbert and his co-authors employ this as a method for determining equity of distribution in their annual *National Lottery Yearbooks*, as do some journalists.³ I follow this method by analysing the results of each arts council, in order to see what results and anomalies it reveals.

Comparing the relative proportion of funding with the percentage of the population as a method of analysis should be preceded by a few caveats. Though

² Population includes the population in its entirety, not just the adult population. See Office for National Statistics, *Regional Trends 32: 1997 Edition* (London: Stationary Office, 1997), pp. 165-73.

³ For example, Luke FitzHerbert and Lucy Rhoades, *National Lottery Yearbook: 1997 Edition* (London: Directory of Social Change, 1997), p. 63.

extremely useful as an approximate gauge of equity, this is a relatively rough tool. For example, it does not take into account that arts institutions do not necessarily flourish in proportion with the population; that relative income, house prices and other regional differences may affect attendance and interest in the arts; and that the encouragement and enthusiasm of the regional arts boards in advertising and motivating organisations may affect application numbers. Schemes are also likely to suit the artistic needs of one region better than those of another. Furthermore, absolute regional equality would be impossible to achieve without refusing worthy applications in oversubscribed areas, or allowing ill-prepared projects through in others. A slight unevenness in distribution may therefore indicate an attempt by the arts councils to distinguish between worthy and inferior projects. The analysis also fails to address many issues, such as whether the number of lottery tickets sold per head of population is uniform for different areas and if not, whether this should affect distribution. The varying eligibility to lottery benefits through residency and lottery spending is outside the remit of this study, but could perhaps be considered should this information become available.

I address some of these problems, such as those relating to cities and capitals within the four countries, through an examination of the relative distribution of the four arts councils. If the nature of allocations is similar for the four capitals, a comparative analysis will reveal something of the requirements of these areas. The comparison of application figures can also indicate the ability and readiness to apply of arts institutions from different areas, and can show whether the arts councils neglected applications from some regions despite companies submitting a high number. Furthermore, an examination of the business sponsorship and regional earning figures can clarify the varying financial dynamics of different regions.

I am assuming, for the purpose of this study, that members of the British public will attend arts events predominantly within their own region, providing that such arts provision is adequate. The arts councils use the regional arts board or local authority areas for their own analyses and, as I compare my results with theirs, I

present information using the same regions.⁴ The areas encompassed by England's regional arts boards, excluding London, range from 7,882 km² for North West Arts to 25,041 km² for Eastern Arts.⁵ The large area covered by any single arts board makes travel to an arts venue outside of it less likely. As most areas contain cities that house arts venues and companies, such as Nottingham (East Midlands), Manchester (North West), Birmingham (West Midlands) and Leeds, Sheffield and York (Yorkshire and Humber), people attend these rather than travelling a greater distance. People do travel into other regional arts board areas, especially if they live on the border, but these movements are predicted to have a negligible effect on the above presumption.

Tourism, however, does affect the presumption that people attend arts events in their region, because people may occasionally travel to regions such as London for renowned or prestigious events. London, and other cultural centres, therefore have more people flow into their regions to attend arts events than out. This movement provides the reasoning for assuming that people only 'predominantly' stay within their resident arts boards. However, this represents a small proportion of the British public on a minority of occasions and does not justify the Lottery supporting London's arts alone.

The existence of many national touring companies, which offer benefits throughout the United Kingdom, may also affect arts allocations. The location of touring companies within a region could suggest that the arts councils should allow more funds to be awarded to that region, because the whole of Britain benefits despite funds appearing to be distributed to one area. For reasons such as these, London and other cities that house touring companies may receive greater quantities of funds, without receiving a disproportionate share. This complicates the analysis by making a slight raise in allocations to cities acceptable, but touring awards will not generally be

⁴ The four arts councils' areas subdivide into either regional arts board or local authority areas. (For more information on regional arts boards and local authorities, see chapter 1, 'The Arts Councils' p. 24.) These are the regional subdivisions used in the arts councils' annual report. For examples see Arts Council of England, *Second Annual Report 1995/96* (London: Arts Council of England, 1996), pp. 95-98; Scottish Arts Council, *Lottery Review 1995/96* (Edinburgh: Scottish Arts Council, 1996), p. 6; Arts Council of Wales, *Annual Report 95/96* (Cardiff: Arts Council of Wales, 1996), p. 36; and Arts Council of Northern Ireland, *1997 - 1998 Annual Report* (Belfast: Arts Council of Northern Ireland, 1998), p. 14.

⁵ Office for National Statistics, *Regional Trends 32*, pp. 165-73. The regional arts board areas were calculated using the figures for the individual counties, because the areas registered as being East, South West etc. by the Office for National Statistics are not the same geographical areas encompassed by the regional arts boards.

of greatest financial magnitude as they are not for renovating buildings, and although allowances may be made for their exceptional circumstances, the extents of these cities' benefits are compared.

Sources of Lottery Distribution Figures

There are two sources providing details of the distribution results of the four arts councils: data distributed by the arts councils themselves and the set released by the Department of Culture, Media and Sport (DCMS). The arts councils provide distribution analyses within their annual reports, including an analysis of the distribution of lottery grants by region and art form. The DCMS has an on-line database of all the grants awarded by the National Lottery's distributing bodies; it includes detailed information on all arts grants including the distributing body, award date, amount, county and, in the case of England's arts grants, art form.⁶

In this thesis, I use the database provided by the DCMS because all calculations can be supported by the full grant information. The arts councils do not provide details of how they calculate the figures released in their annual reports and their regional analyses all contain a non-regional category, such as 'Film', 'National' or 'Other'.⁷ The DCMS also provide details about every grant, where the arts councils provide information for grants over £100,000 only, and supply no separate geographical or genre information.⁸ The DCMS database makes a full analysis possible, although awards have to be reallocated into regional arts board areas using the county, local authority, postal town and electoral ward information provided for each award.

There are some differences between the results calculated from the DCMS database and those provided by the arts councils. The arts councils presumably provided the DCMS with their figures and the database should therefore correspond to the analyses in the annual reports. This is not the case. The differences reflect that the

⁶ Department of Culture, Media and Sport website <http://www.lottery.culture.gov.uk/>. The DCMS database does not include the art form information for the arts grants distributed by the Arts Councils of Scotland, Wales and Northern Ireland.

⁷ See any of the arts councils' annual reports, for example Arts Council of England, *Second Annual Report 1995/96*, pp. 95-98; Scottish Arts Council, *Lottery Review 1995/96*, p. 6; Arts Council of Wales, *Annual Report 95/96*, p. 36; and Arts Council of Northern Ireland, *1997 – 1998 Annual Report*, p. 14.

⁸ For example Arts Council of England, *Annual Report 1996/97* (London: Arts Council of England, 1997), pp. 128-30.

figures in the annual reports are not as up-to-date as the DCMS results because they are drawn from previously printed annual reports. The DCMS, on the other hand, can update information at any point. For example, an applicant who withdrew despite receiving a soft commitment from the Arts Council of England (ACE) would account for lower total values in the information calculated from the DCMS database. Project expenses may also have changed during the course of projects so that applicants claimed for slightly more or less than originally requested. This can occur because the arts councils require applicants to submit estimates with their applications. They then make awards according to that information, but the invoices may differ from the estimates, causing inconsistencies between the two data sets. The ACE *Key Facts - Lottery Capital Programme: Buildings and Equipment* fact sheet for March 1995 to March 1998 contains different figures to those printed in the ACE annual reports.⁹ The fact sheet values range between the DCMS and ACE annual reports' results and show that there were changes after publication, resulting in a closer similarity to those of the DCMS. These differences indicate that the DCMS figures are more accurate than those of the ACE.

Policies Concerning Regional and National Distribution

The *National Lottery etc. Act 1993* made the Arts Council of Great Britain and the Arts Council of Northern Ireland (ACNI) the distributing bodies for the lottery funds allocated to the arts.¹⁰ The original division of lottery funds between these two bodies was 97.2% to the Arts Council of Great Britain and 2.8% to the ACNI. In 1994, the Arts Council of Great Britain split into the three Arts Councils of England, Scotland (SAC) and Wales (ACW), and the National Lottery Distribution Fund divided the lottery money as follows:

Arts Council of England	83.3%
Scottish Arts Council	8.9%
Arts Council of Wales	5.0%
Arts Council of Northern Ireland	2.8% ¹¹

⁹ Arts Council of England, *Key Facts - Lottery Capital Programme: Buildings and Equipment* (London: Arts Council of England, 1998), p. 1.

¹⁰ Laws, Statutes, etc., *The National Lottery etc. Act 1993*, c. 39, sec. 23.

¹¹ The percentages are the same as for the sports councils, *National Lottery etc. Act 1993*, sec. 23.

According to Howard Hurd, the author of *A Guide to the National Lottery*, 'These proportions were determined by the Secretary of State in the *National Lottery etc. Act 1993*, and are based on the UK population in each nation'.¹² The population figures of the four countries show that this statement is probably true, as the figures are very similar (see table 1).¹³

Table 1. Population and arts lottery allocations for Great Britain.

Country	Population (000s)	Population (%)	Act allocations (%)
England	48,903	83.44	83.30
Scotland	5,137	8.77	8.90
Wales	2,917	4.98	5.00
Northern Ireland	1,649	2.81	2.80
Total	58,606	100.00	100.00

Sources: Office for National Statistics, *Regional Trends* 32, pp. 166, 199, 205 and 211; and *The National Lottery etc. Act 1993*, sec. 23.

Notes: Percentages calculated to two decimal places.

There is no mention within the arts and sports councils' directions, issued by the secretary of state, of a need to ensure national coverage. This is because there is one council distributing funds within each country, ensuring a population-related share under the terms of the act. The heritage, charities and millennium causes each have only one distributor. Directions issued to the National Heritage Memorial Fund and the National Lottery Charities Board, place them in a similar position to the arts and sports councils: heritage must ensure 'an overall balance of funds for projects related to the relative populations of each country'; while the Charities Board:

Need to have regard from the outset to: the interests of the UK as a whole; the interests of the different parts of the UK; and the relative population sizes of, and appropriate socio-economic factors applicable to, the different parts of the UK.¹⁴

¹² Howard Hurd, *A Guide to the National Lottery: A practical handbook for applicants* (London: Directory of Social Change, 1995), p. 19.

¹³ In his book, Hurd set the percentage for Wales at 3% rather than 5%. This appears to be an error because it disagrees with the Act and the figures total only 98%, rather than the usual 100%. It is possible that the missing 2% is the money attributed to the secretary of state's expenses, but it would seem unfair for Wales to be the only country penalised by this. Hurd, *A Guide to the National Lottery*, p. 5.

¹⁴ National Heritage Memorial Fund, *1995-1996 Annual Report and Accounts* (London: National Heritage Memorial Fund, 1996), p. 53; and National Lottery Charities Board, *Annual Report 96/97: Helping overcome disadvantage* (London: National Lottery Charities Board, 1997), p. 45.

The direction concerning regional divisions issued to the Millennium Fund, however, does not specify the allocation of funds according to population figures: 'the objective of ensuring that major projects are supported in each country of the United Kingdom'.¹⁵ This lack of exactitude allowed the Commission to allocate vast sums to projects in London, such as the Millennium Dome and the London Eye.¹⁶

No regional distribution requirements were included within the specifications of the *National Lottery etc. Act 1993*, despite the directions concerning geographical allocations to England, Scotland, Wales and Northern Ireland. The directives and policies made by government concerning the equitable distribution of lottery grants to each of the regional arts boards are included only as a general note to section 24 of the act, where it is stated:

An amendment which would have required the distributing bodies to ensure that the funds paid to it were fairly distributed between the regions was unsuccessfully moved at the Report stage in the Lords. For the Government, Viscount Astor confirmed that should a regional bias be discerned in the decisions taken by a distributing body, the Secretary of State could, under the powers confirmed on him in [section] 27, give appropriate directions to the distributing body.¹⁷

At the time that this act was annotated, Parliament did not consider the inclusion of amendments concerning the equal regional distribution of Good Cause money necessary. This was despite the secretary of state for national heritage having based the national grant percentages on population figures, thus demonstrating a concern (or a method) for providing some kind of equity.

Despite the lack of a regional geographical distribution clause in the act, its importance had not been disregarded in the act's inauguration. The Report stage mentioned above included a debate over a proposed amendment, which, had it been successful, would have read: 'A body shall, for the purposes of distributing any money paid to it under section 22, ensure that it has set up a structure to enable it to apply that money on a regional basis'.¹⁸ The amendment would have required that the arts

¹⁵ Department of National Heritage, *Directions issued to the Millennium Commission under section 26(1) of the National Lottery etc. Act 1993* (London: Department of National Heritage, 1994), p. 2.

¹⁶ For further discussion on the millennium projects see Graeme Evans, 'The National Lottery: planning for leisure or pay up and play the game?' *Leisure Studies*, 1 October 1995, pp. 225-44.

¹⁷ *National Lottery etc. Act 1993*, sec. 24, general note. The amendment which 'was unsuccessfully moved at the Report stage in the Lords' was amendment No. 13 to the *National Lottery Bill*. This is discussed in *Hansard Parliamentary Debates*, Lords, 5th ser., vol. 548 (1993), cols. 432-508.

¹⁸ *Hansard Parliamentary Debates*, Lords, 5th ser., vol. 548 (1993), col. 463.

councils consider the individual regions within their jurisdiction, as well as their area as a whole.

In the debate over the proposed amendment, Lord Holme of Cheltenham made the point that people from all parts of the country would spend money on the lottery, and it would therefore be reasonable for money to be distributed back to all parts of the country. He warned of the possible unconscious focusing of the distributing agencies on particular regions, and maintained that this was his reason for creating a component in the bill that would ensure a level of regional equality.

The amendment was challenged by Viscount Astor who said in reply:

The noble Lord proposes a statutory requirement that the distributors should establish a structure which enables them to make sure funds are fairly distributed between the regions. We are quite clear that the lottery should benefit the whole nation. We are quite clear that when we speak of England we mean all of England and not just London and the home counties. The Secretary of State will, in those sectors where it is necessary, be able to stipulate the need to ensure national coverage in directions to the distributors, and their performance on this matter can be judged through their annual reports.

We cannot accept any suggestion that funds, once allocated for distribution by a particular body, should then be allocated on a regional basis before applications are considered. A strict geographical allocation would interfere with the distributors' ability to consider projects on the basis of quality and priority. It would be possible for a certain type of project not to receive funding purely because there was no money left in the regional budget, even though it was every bit as good as one for which funds were available in the neighbouring region.¹⁹

Viscount Astor agreed with Lord Holme that there was a need for all of Britain to benefit and not just London, but undermined the proposal by making it appear too obvious a requirement to need annotating. That he used the word 'We' three times suggests that he was speaking for all concerned in the matter. His certainty that the distributing agencies would, without any direction, be absolutely clear about the importance of the Lottery benefiting everyone, appears to be merely an assumption. Given the lack of direction the distributors could have implemented lottery distribution in a very different fashion. For example, they might believe that London should be the main benefactor so that it could compete effectively with other cultural cities in Europe. The ACE's members might consider this beneficial because

¹⁹ Ibid., col. 464.

London's arts would then bring more foreign revenue into Britain and therefore benefit the British public, albeit in an indirect manner. It seems likely that Viscount Astor was speaking only of his own perception of future events, which he possibly considered to be so obvious that it would be impossible for anyone to have an opposing view. If Viscount Astor was speaking for the distributing agencies in this matter, however, it seems improbable that he could comprehend their reading of the situation.

Viscount Astor's main argument against a regional distribution policy was that the distribution of lottery money on a strictly regional basis would interfere with the distributing agencies' ability to select projects 'on the basis of quality and priority'. Quality and priority are certainly important factors, but they need not work independently of an equitable regional distribution system. Quality is necessary in any project, but especially so in the case of capital projects, for there is little point in funding a project that will be closed or need refurbishing after a few years. Quality should therefore be a fundamental requirement of any project supported by the Lottery regardless of geographical placement. Priority is a little more difficult to define. Arts venues and companies that are on the point of closure could be marked as in urgent need, but these are everywhere.

Viscount Astor's statements do not, in my view, present a clear argument against at least some regional division of funds. All of his arguments could be as easily applied to the division of lottery funds between the four countries as they have to the regions, and no move was made to object to the exact percentages settled on the Sports and Arts Councils of England, Scotland, Wales and Northern Ireland. It is unclear whether this was a demonstration of double standards, but, as Viscount Astor himself acknowledged, an examination of the distribution statistics will show whether regional apportionment was achieved, and whether regional divisions of funds were needed.

The closing statement on the proposed amendment was made by Lord Holme who warned that:

As we see the effects of the lottery in future years, it will be important to see that severe regional distortions in distribution do not develop. It is certainly true that the Secretary of State would be able to deal with such a problem by instruction, but that is possibly a less satisfactory solution than the distributing bodies being under such an obligation from the beginning.

However, the clear terms in which the Government have stated their position on this matter will help to set a pattern. I am happy to beg leave to withdraw the amendment.²⁰

The Secretary of State's Directions

The secretary of state's intervention over the distribution of arts lottery grants, up until 1 April 1998, consisted of two sets of policy directions issued to the distributing bodies. Of these directions, only one indicated any need for regional consideration, stating: 'The Arts Council must distribute money for projects which promote the public good (including wider public access) or charitable purposes, and which are not intended primarily for private purposes'.²¹ The arts councils could have interpreted the section '(including wider public access)' as signifying a need to make the arts available to the entire British public by awarding grants to companies within each region. The ACE's statement of compliance with the policy and financial directions show that this was not how the direction was interpreted. The projects cited as stimulating 'wider public access' included individual grants for training, education, public participation programmes and disability awareness.²² Although these forms of public access are important, they do not necessarily improve regional equity or prevent the ACE awarding a disproportionate quantity of money to London at the expense of the rest of England.

Some of the secretary of state's directions established a subtle bias against equity. For example, arts policy direction 6 states that 'projects must include a significant element of partnership funding and/or contribution in kind from other sources'.²³ Partnership funding helps stretch lottery arts funds further, but creates a positive bias towards renowned companies who can find partnership funding more easily than smaller companies. Small companies in both urban and rural locations do not possess the same attractions of advertising and prestige for business sponsors, and may therefore have more difficulty in meeting the partnership funding requirement. The arts councils cannot offer partnership funds to companies unable to meet the funding requirements, as assistance from the arts councils cannot be considered as

²⁰ Ibid., col. 465.

²¹ Policy direction 3, Arts Council of England, *Annual Report 1995/96*, p. 100.

²² Ibid., p. 100.

²³ Ibid., p. 101.

partnership funding. The potential result of the partnership funding requirement is a lower total number of applications received from smaller companies and educational projects, suggesting that the partnership funding requirement could generate significant inequalities. Again, the first policy direction required the arts councils to judge each application 'on its own individual merits against published criteria'.²⁴ This direction prevented the arts councils from turning away applications because there were too many from a given area. This principle leads to an equal chance of any single submitted application receiving an award, but does not take into account regional equity. Areas submitting the greatest number of applications are therefore likely to receive most grants. This could lead, in theory, to London receiving all of the available lottery money. The arts councils were the only safeguards to ensure that cities such as London were not the only areas to benefit from arts lottery funding.

Some of the directions issued by the secretary of state made it difficult for the arts councils to rectify or limit the extent of any inequalities that appeared. Policy direction 1, issued by the secretary of state before distribution to the arts, states that 'the Arts Council must ensure that it does not solicit particular applications'.²⁵ This direction prevents the arts councils from requesting applications from companies in under-represented areas. The arts councils therefore have to rely on the regional arts boards' advertising to attract applicants. Finally, policy direction 8 states that 'the Arts Council must not, if so instructed by the Secretary of State for National Heritage, distribute money to an organisation over which it has material influence or control'.²⁶ This meant that the arts councils could not set up their own venues or education programmes in deprived areas using lottery money. Moreover, the direction required that the arts councils withdraw from any influential roles in companies over which they had any influence or control, if these wished to apply for lottery funding.

The secretary of state's directions thus demonstrated an inherent bias towards well-known arts companies and cities. From the influence of the directions alone, areas such as London, with large numbers of well-known arts companies, were destined to receive a greater proportion of the lottery money and to continue to improve their arts provision at a greater rate than less prosperous areas.

²⁴ Ibid., p. 99.

²⁵ Ibid., p. 99.

²⁶ Ibid., p. 102.

The Arts Councils' Policies

The arts councils, in their various organisational forms, have distributed the government's arts allocation since the foundation of the Arts Council of Great Britain in 1946.²⁷ The arts councils have developed their own tried and tested procedures for the distribution of arts funds, which have been criticised and amended over the last fifty years. The arts councils' procedures for the distribution of government money are relevant to the distribution of arts lottery grants because both are essentially considered to be public funds. The arts councils' own distribution principles and procedures may therefore be examined with respect to geographical distribution, because despite the differences between the types of projects supported, there is similar necessity for an equitable distribution of arts grants across the whole population.

The ACE web page states that 'the Arts Council of England's mission is to enable everyone to enjoy and derive inspiration from the arts': the implication being anyone regardless of age, race, sex, income, geographical location or ability. Their second objective specifies that the ACE aims 'to increase the accessibility of the arts to the public' and 'to encourage as many people as possible to experience and participate in the arts'.²⁸ The SAC *Annual Report 1996/97* emphasises the importance of 'supporting innovation in the arts, widening access and participation, and developing the artists and audiences of the future'.²⁹ An objective issued by the ACW also states that they wish 'to develop and improve the accessibility of the arts to the public'.³⁰ None of the statements of objectives refer directly to a balanced method of distribution across the whole of Britain, or to any particular areas. However, the message bespeaks the conviction that everyone should be able to benefit from, and have access to, the arts. This can be interpreted in a very fundamental way as being one and the same thing, as it seems logical to assume that 'the public' includes the public in its entirety, and that 'as many people as possible' means everyone in the nation and not just those in London, Edinburgh or Cardiff. It is therefore important

²⁷ See chapter 1, 'The National Lottery as a Patron', p. 3.

²⁸ Arts Council of England Home Page, <http://www.artscouncil.org.uk/Intro.html#aims> (accessed 24 August 1997).

²⁹ Scottish Arts Council, *Annual Report and Accounts 1996/97* (Edinburgh: Scottish Arts Council, 1997), p. 5.

³⁰ Arts Council of Wales, *Annual Report 95/96*, p. 2.

that areas other than the cities receive grants, because although many may assume that any member of the public could travel to their capital to see arts productions, this is not always the case. Travel is an expense that many cannot afford, whilst the elderly, families with small children and the disabled often find travel difficult. There is no simple solution to this, because even though funding should be allocated to the various regions, the economic and skills infrastructures necessary for the maintenance of large-scale artistic projects are not necessarily immediately available in these regions. Money should, however, be available for projects suitable to the regions, and it is a matter for the arts councils and other responsible bodies to find ways in which these regions may benefit from lottery funding.

The arts councils' mission statements, stated aims and objectives, are the only declarations issued by any organisation involved in the distribution of arts lottery grants to express any hint of concern about public access to the arts. Access is in turn an indication of concern regarding the geographical distribution of funding. These statements do not directly influence the distribution of lottery arts grants, and are certainly not legally binding as are the policy directions issued by the secretary of state, but because they reflect the underlying principles of the arts councils, it is possible that they still influence the distribution of arts lottery grants.

Overall, despite the evidence that there was concern for the mechanisms of geographical distribution during the preparation stages for the National Lottery, this was not translated into the legislation issued at the start of distribution to the arts. The *National Lottery etc. Act 1993* made the secretary of state for national heritage responsible for the monitoring of grant distribution, but this remains the only real safeguard against preferential allocation by the distributing bodies. For the first three years of distribution, the lottery allocations to the arts relied on the integrity and principles of the arts councils, which were placed in a reactive, rather than proactive, position by the secretary of state's policy directions.

The Analysis of Regional Distribution Statistics

The lack of rules and regulations concerning the equity of geographical distribution of lottery money could have spelled disaster for regional equity, but most areas in Britain did receive lottery grants in the first year of distribution. Table 2 shows that the arts councils awarded lottery grants to more areas than just those that

included the capitals of each country. However, there were some geographical anomalies, as will become apparent in the analysis of the allocations to each country.

In the next five sections, the arts distribution statistics of each of the four arts councils are examined, with the analysis following a similar pattern for each country, and then the main trends of all the four countries' statistics compared. The distribution statistics of each country are first examined as the percentages of money and numbers of grants that each region received compared to the percentage of resident population.³¹ The relative grant per head of population distributed to the different regions in each of the three years is then compared to show how the regions fared within each year. I then examine the proportion of money and grants received by each region compared to that considered equitable by the proportion of the population resident in that region, which shows relative distribution between different years. The cumulative statistics over a three-year period are then analysed and finally application success rates compared. The aim of these analyses is to show whether there are any elements of bias in evidence and to determine what trends, if any, are revealed. I then compare distribution between the four arts councils to see if certain trends are common in all four countries, to discover any anomalies in their distribution statistics and try to determine why these occurred.

³¹ The numbers of grants are analysed as well as the percentage of funds because the number of beneficiaries in a region is also relevant to the equitable distribution of lottery benefits.

Table 2. Capital arts grants by region and country (1995-98).

Country	Region	No. of grants awarded	Total value of grants (£)	% of country's grant (%)
England	East Midlands	176	36,308,248	4.2
	Eastern	105	15,173,426	1.8
	London	380	356,432,660	41.4
	North West	161	81,865,699	9.5
	Northern	208	108,357,026	12.6
	South East	161	38,806,447	4.5
	South West	148	62,852,364	7.3
	Southern	118	25,205,562	2.9
	West Midlands	220	89,548,901	10.4
	Yorkshire & Humber	192	45,522,750	5.3
	Other ^a	5	672,054	0.1
	Total	1,874	860,745,137	100.0
Scotland	Borders	2	81,893	0.1
	Central	25	790,906	0.9
	Dumfries & Galloway	22	1,889,279	2.2
	Fife	21	3,658,792	4.2
	Grampian	42	2,099,122	2.4
	Highland	62	5,062,267	5.8
	Lothian	148	22,888,315	26.2
	Strathclyde	207	40,969,776	46.9
	Tayside	33	9,039,721	10.3
	Other ^a	3	948,498	1.1
	Total	565	87,428,569	100.0
Wales	North ^b	189	11,679,219	24.3
	South East ^b	344	28,737,965	59.7
	West ^b	169	7,726,227	16.0
	Total	702	48,143,411	100.0
N. Ireland	East ^c	163	6,607,425	39.2
	North ^c	45	1,371,743	8.1
	South ^c	49	4,918,421	29.2
	West ^c	59	3,937,075	23.4
	Total	316	16,834,664	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Percentages calculated to one decimal place.

^a Grants that cannot be allocated to any particular region.

^b For the Welsh unitary authorities see figure 15, p. 72.

^c For the districts of Northern Ireland see figure 21, p. 83.



1. Eastern Arts Board - Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Lincolnshire, Norfolk & Suffolk.
2. East Midlands Arts Board - Derbyshire (excluding High Peak), Leicestershire, Northamptonshire & Nottinghamshire.
3. London Arts Board - 32 London Boroughs & the City of London.
4. Northern Arts Board - Cleveland, Cumbria, Durham, Newcastle, Northumberland, Sunderland & Tyneside.
5. North West Arts Board - Lancashire, Cheshire, Merseyside, Greater Manchester & High Peak District of Derbyshire.
6. Southern Arts Board - Berkshire, Buckinghamshire, Hampshire, Isle of Wight, Oxfordshire, Wiltshire & South East Dorset.
7. South East Arts Board - Kent, Surrey, East & West Sussex.
8. South West Arts Board - Avon, Cornwall, Devon, Dorset (except South East), Gloucestershire & Somerset.
9. West Midlands Arts Board - Hereford & Worcester, Shropshire, Staffordshire, Warwickshire & West Midlands.
10. Yorkshire & Humber Arts Board - Humberside, North, South & West Yorkshire.

Figure 3. *The ten English regional arts boards.*

England

Table 2 shows that London did receive what appears to be a disproportionately large share of the funds distributed in England, but it is not clear from these statistics whether the ACE was justified in awarding London 41% of the first three years' funds. Analysis over the three years reveals more of the trends, as do the distribution percentages compared to the percentage of population residing in each area. Tables 3 and 4 show this information together with the total values and numbers of grants, and the amounts of money allocated to a region per member of its population.

The statistics for the first year of arts lottery awards, show that three regions gained over 10% of the available lottery funds (London, North West and Southern regions), and five over 10% of the number of grants (Eastern, London, North West, West Midland and Yorkshire and Humber regions).³² London received most with 47.4% of the total amount of arts lottery money allocated in England, and 18.5% of the number of awards. The region that received the lowest number of grants and least money in this year was the South East region (with 4.6% and 1.5% respectively).³³

In the second year of allocations, only two regions gained over 10% of the total money (London and the West Midlands), compared to three in the first year, and the number of regions with over 10% of the number of awards reduced from five regions to two (also London and the West Midlands). The financial allocation to London reduced slightly in the second year to 45.6%, while the percentage of the number of awards to London increased to 23.1%. The East Midlands region received least funds and grants in the second year.

In the third year, the ACE awarded only two-thirds of the amount of money under the Capital scheme, compared to that allocated in previous years. In this year, three regions received over 10% of the funds (London, the North West and Northern regions), and as with the first year, five regions gained more than 10% of the number of grants (London, North West, South West, West Midlands and Yorkshire and Humber). London's financial allocation was reduced to a third of what it had received

³² There has to be a cut-off point for comparisons and 10% is the chosen barrier because allocations for below 10% could be considered to be insignificant due to their frequency. Conversely, allocations of over 10% are considered to be a significant allocation. The years are also divided into financial years unless otherwise stated (financial year begins in April and ends in March).

³³ This was ironic as FitzHerbert, Giussani and Hurd stated that 'the fears that grants would be centred on London and the south east of England were justified in 1995 in the case of the arts'. Luke FitzHerbert, Cecilia Giussani and Howard Hurd, *National Lottery Yearbook: 1996 Edition* (London: Directory of Social Change, 1996), p. 8.

in the previous year, but its total grant value percentage was 26.3% of that year's funds (over half the size of previous years). The East Midlands received least money in the third year (and also received least in the second year), while the South East received the smallest number of grants (as in the first year). These statistics show that there were similarities in the allocations to certain regions over the three years.

The numbers of grants, and values of those grants when expressed as a percentage, vary significantly from region to region (see table 3). For example, in the first year London received 18.5% of the total number of grants, amounting to 47.4% of the total money available, while the Yorkshire and Humber region received 10.9 % of the total number of grants, which amounted to 3.6% of the lottery funds in that year. Similar trends are exhibited in the following two years, which indicate that the ACE had allocated a financially wide range of grant sizes to the different regions. The regions that received higher than average grant sizes over the three years (based on the number and value of grants per head of population) were London, the North West and Northern regions. There is a correlation between this and the regions receiving most funds overall; for example, though London publicly dominated the results, the North West and West Midlands also received more than 10% of the total number and value of arts lottery grants issued over the first three years of distribution. It is not surprising then, that Manchester and Birmingham, the two largest cities in England after London, fall within the umbrellas of North West and West Midlands respectively. These results suggest that the largest cities in England succeeded in drawing similar portfolios of grants to London, but to a lesser extent given their geographical sizes. This may account for the larger than average values of grants being awarded to these regions.

Even a cursory inspection of the distribution figures reveals that London received nearly as much money as the rest of England together (see table 3). This might be expected given London's position as the cultural capital; however, the extent to which London benefited over the rest of Britain was disproportionately great, particularly when considering the share of lottery grant per head of population. In 1995-96, London's grant per head of population was £21.10, but had the money been distributed in proportion with the population, London's share would have been £6.38 per head (see table 4). London therefore received over three times the amount of lottery money it would have done had the money been allocated on a strictly per head of population basis.

Table 3. Capital grants distributed in England by region (1995-98).

Region	1995-96				1996-97				1997-98				Total			
	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%
East Midlands	6,369,578	2.0	35	6.7	5,393,522	1.6	33	4.3	3,410,326	1.6	37	6.3	15,173,426	1.8	105	5.6
Eastern	13,896,838	4.5	59	11.2	12,486,083	3.8	66	8.7	9,925,327	4.6	51	8.7	36,308,248	4.2	176	9.4
London	147,859,339	47.4	97	18.5	151,717,820	45.6	176	23.1	56,855,501	26.3	107	18.2	356,432,660	41.4	380	20.3
North West	52,683,231	16.9	64	12.2	22,529,117	6.8	75	9.8	33,144,678	15.3	69	11.8	108,357,026	12.6	208	11.1
Northern	14,830,911	4.8	47	9.0	18,552,156	5.6	72	9.4	48,482,632	22.4	42	7.2	81,865,699	9.5	161	8.6
South East	4,652,867	1.5	24	4.6	14,916,810	4.5	66	8.7	5,635,885	2.6	28	4.8	25,205,562	2.9	118	6.3
South West	12,551,546	4.0	43	8.2	9,776,483	2.9	59	7.7	16,478,418	7.6	59	10.1	38,806,447	4.5	161	8.6
Southern	31,650,226	10.1	37	7.0	13,348,186	4.0	56	7.3	17,853,952	8.3	55	9.4	62,852,364	7.3	148	7.9
West Midlands	16,542,002	5.3	61	11.6	56,815,401	17.1	86	11.3	16,191,498	7.5	73	12.4	89,548,901	10.4	220	11.7
Yorkshire & Humber	11,159,473	3.6	57	10.9	26,455,065	8.0	71	9.3	7,908,212	3.7	64	10.9	45,522,750	5.3	192	10.2
Other	7,220	0.0	1	0.2	583,236	0.2	2	0.3	81,598	0.0	2	0.3	672,054	0.1	5	0.3
Total	312,203,231	100.0	525	100.0	332,573,879	100.0	762	100.0	215,968,027	100.0	587	100.0	860,745,137	100.0	1,874	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: See figure 3 for the regional arts boards and the counties that they cover. Percentages calculated to one decimal place.

Table 4. Capital grants per head of population in England by region (1995-98).

Region	Population		1995-96			1996-97			1997-98			Total		
	No. (000s)	%	Value (£)	%	Grant/ Pop. (£)	Value (£)	%	Grant/ Pop. (£)	Value (£)	%	Grant/ Pop. (£)	Value (£)	%	Grant/ Pop. (£)
East Midlands	3,424	7.0	6,369,578	2.0	1.86	5,393,522	1.6	1.58	3,410,326	1.6	1.00	15,173,426	1.8	4.43
Eastern	5,870	12.0	13,896,838	4.5	2.37	12,486,083	3.8	2.13	9,925,327	4.6	1.69	36,308,248	4.2	6.19
London	7,007	14.3	147,859,339	47.4	21.10	151,717,820	45.6	21.65	56,855,501	26.3	8.11	356,432,660	41.4	50.87
North West	6,497	13.3	52,683,231	16.9	8.11	22,529,117	6.8	3.47	33,144,678	15.3	5.10	108,357,026	12.6	16.68
Northern	3,095	6.3	14,830,911	4.8	4.79	18,552,156	5.6	5.99	48,482,632	22.4	15.66	81,865,699	9.5	26.45
South East	4,057	8.3	4,652,867	1.5	1.15	14,916,810	4.5	3.68	5,635,885	2.6	1.39	25,205,562	2.9	6.21
South West	3,895	8.0	12,551,546	4.0	3.22	9,776,483	2.9	2.51	16,478,418	7.6	4.23	38,806,447	4.5	9.96
Southern	4,723	9.7	31,650,226	10.1	6.70	13,348,186	4.0	2.83	17,853,952	8.3	3.78	62,852,364	7.3	13.31
West Midlands	5,306	10.9	16,542,002	5.3	3.12	56,815,401	17.1	10.71	16,191,498	7.5	3.05	89,548,901	10.4	16.88
Yorkshire & Humber	5,031	10.3	11,159,473	3.6	2.22	26,455,065	8.0	5.26	7,908,212	3.7	1.57	45,522,750	5.3	9.05
Other	0	-	7,220	0.0	-	583,236	0.2	-	81,598	0.0	-	672,054	0.1	-
Total	48,903	100.0	312,203,231	100.0	6.38 ^a	332,573,879	100.0	6.80 ^a	215,968,027	100.0	4.42 ^a	860,745,137	100.0	17.60 ^a

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and Office for National Statistics, *Regional Trends* 32, pp. 165-73.

Notes: Population figures calculated from the Office for National Statistics figures for each district. The total population figure does not add up to the exact figure shown because of the rounding process used by the statistical office. Grant per head of population is a value calculated by dividing the amount of money awarded to a region by the number of its inhabitants. Percentages calculated to one decimal place. 'Grant/Pop.' calculated to two decimal places.

^a Average capital grant per head of population in England.

The amount of money awarded to London per head of population in the first year was greater than the amount allocated to the rest of England, the average of other regions' grant per head of population equating to approximately 20% of that awarded per head in London. A similar outcome is shown by the 1996-97 distribution figures; the ACE awarded London £21.65 per head of population compared to an average of £6.80 for the whole of England, which gave rise to an average grant of £4.32 per head of population for the rest of England, again approximately 20% of that received per head in London. The third year, however, shows a very different picture, with London realising £8.11 per head and the Northern region receiving almost 200% of this figure, with £15.66 awarded per head of population. Although the ACE awarded less money to the Capital scheme in 1997-98, the changes in the statistics show a significant reversal of fortunes for the London and Northern regions. London received double the average allocation for England, average grant sizes for the other regions were £3.80 (approximately 50%, rather than 20%, of the money received by the population of London). Overall, distribution was therefore heading in a more equitable direction by the third year of lottery distribution.

Statistics detailing grant per head of population maintain the image that the largest grants over the three years were awarded to the London, Northern, North West and West Midland regions (see figure 4).

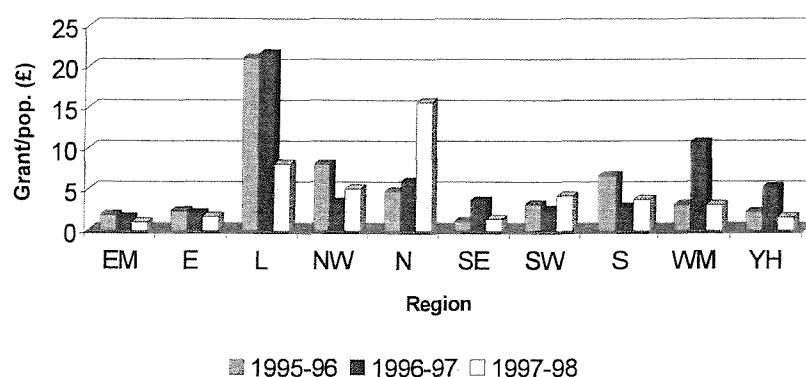


Figure 4. *Value of capital grants per head of population in England by region (1995-98).*

E = Eastern, EM = East Midlands, L = London, N = Northern, NW = North West, S = Southern, SE = South East, SW = South West, WM = West Midlands, YH = Yorkshire and Humber.

The Northern region received its highest grant per head of population from awards made in the third year, the West Midlands gained their highest grant per population

statistic in the second year, but London received very high allocations in both 1995-96 and 1996-97 (see figure 4). There were, therefore, significant variances in the quantities of funds, and possibly the numbers of grants, received by each region in each of the different years.

Figure 5 shows each region's grant numbers with reference to theoretical equitable distribution by head of population (shown as 100% on the y-axis).

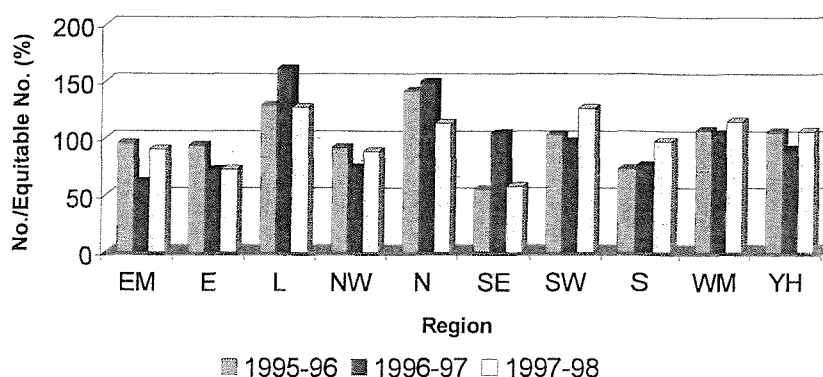


Figure 5. *Number of capital grants distributed in England compared to equity by region (1995-98).*

These statistics are very different from those shown in figure 4, but do show that each region received over 50% of the theoretical allocation of the number of grants due to it in any one year. London received over 150% of its theoretical allocation of grants in 1996-97, and the Northern, South West, West Midlands and Yorkshire and Humber regions also received at least approximately 100% of the theoretical number of grants due to them. The number of grants awarded to the remaining regions over the three years was at least 75% of their theoretical per head of population figure. Furthermore, only London's 1996-97 statistic was further than 50% from its equitable grant number per population figure.

The monetary value of the grants allocated compared to equity shows a very different image of distribution to that of the number of grants allocated because of the varying sizes of individual grants (see figures 5 and 6). Figure 6 bears a far closer resemblance to the grant per head of population statistics in figure 4, than to the number of grants in figure 5, because figures 4 and 6 both relate to the values of awards. Where figures 4 and 6 differ is figure 4 shows the amount of money received per person in a region regardless of the total amount of money distributed in each year, in order that the relative equity of distribution to the regions can be compared across

an individual year. Figure 6, however, takes into account the total amount of money distributed in each year (significant because of the large drop in 1997-8), making comparisons between the financial distribution over the three years possible. So, for example, if every region gained five pounds per head of population in one year, that could be considered equitable, but if the Southern region gained five pounds per head of population in each year, its value of capital grants compared to equity in each of the three years would vary in figure 6 from 73-113%.

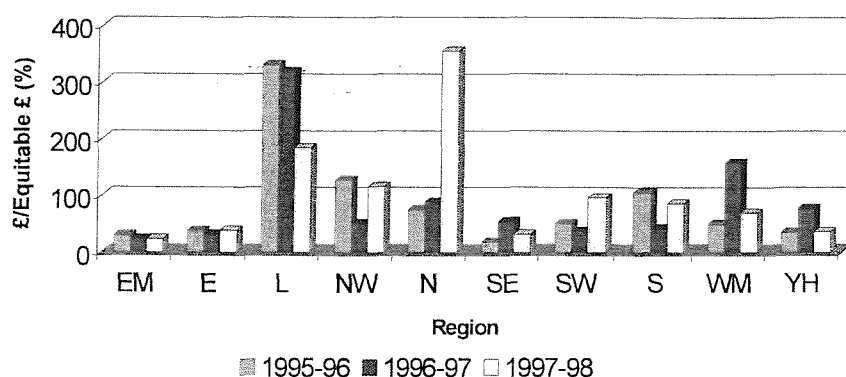


Figure 6. *Value of capital grants distributed in England compared to equity by region (1995-98).*

Though figures 5 and 6 are derived from the same data set, a more disproportionate allocation system is demonstrated in figure 6 than in figure 5. The sum totals of the capital funds awarded to the regions, expressed as a percentage of their mean equitable distribution, range from below 20% to over 350%, where number of awards range from 50% to 160%. This indicates that the factors creating disproportionate results in figures 4 and 6 (and also in other statistics) are related to the sizes of awards rather than their number. The third year statistics for the Northern region show that this can indeed be the case. Figure 5 shows that the Northern region received fewer grants in the third year than in the previous two, but figure 6 shows that far more funds were awarded by the ACE to the Northern region in that year, than to any other region. The DCMS database shows that a single grant for the conversion of the Baltic Flour Mill in Gateshead, at a cost of £37.9 million, accounted for three quarters of the total amount awarded to the Northern region, and significantly changed the statistics for that year. This suggests that the actual values of larger awards may be the source of much of the discontent surrounding London's allocation of lottery funds. Further investigation of the DCMS results show that over the first three years of

distribution the ACE awarded a total of fifteen grants with values over £10 million. Of these grants, London received nine during the first two years, the North West and West Midlands received two each and the Northern and Southern regions received one apiece. The regions (shown in figure 6) that received more than 100% of the theoretically equitable values of grants were all recipients of the fifteen high-value grants. The database also shows that London did not receive any awards worth more than £10 million in the third year, which significantly reduced its overall grant value allocation in that year, thus creating more equitable long-term statistics. This absence of grants worth over £10 million could have been a response to public criticism, but it could also have been caused by applicants for such amounts having submitted their applications in 1995, leaving none to be granted in the third year. These statistics show, however, that the larger awards had a significant effect on the regional statistics, with one large award being able to change the appearance of fortune within an entire region despite it benefiting only one institution.

The statistics from individual years can show what appears to be considerable inequity of distribution, but the long-term statistics frequently even out these anomalies. Tables 5 and 6 show cumulative numeric and financial statistics for the ACE's awards over the first three years of distribution.

Table 5. Cumulative summary of the number of capital grants distributed in England by region (1995-98).

Region	1995-96		1995-97		1995-98		Equity (%)
	No.	%	No.	%	No.	%	
East Midlands	35	6.7	68	5.3	105	5.6	7.0
Eastern	59	11.2	125	9.7	176	9.4	12.0
London	97	18.5	273	21.2	380	20.3	14.3
North West	64	12.2	139	10.8	208	11.1	13.3
Northern	47	9.0	119	9.2	161	8.6	6.3
South East	24	4.6	90	7.0	118	6.3	8.3
South West	43	8.2	102	7.9	161	8.6	8.0
Southern	37	7.0	93	7.2	148	7.9	9.7
West Midlands	61	11.6	147	11.4	220	11.7	10.9
Yorkshire & Humber	57	10.9	128	9.9	192	10.2	10.3
Other	1	0.2	3	0.2	5	0.3	0.0
Total	525	100.0	1,287	100.0	1,874	100.0	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Bold text entries indicate an improvement in the equity of distribution on that of the previous year. 'Equity' is a theoretical quantity calculated from the proportion of population residing in each area. Percentages calculated to one decimal place.

The bold text entries in table 5 show the number of grants statistics that have moved closer to equitable distribution over the previous year. In the second year, four regions saw greater equity, while six became more disparate and in the third year five improved. Figure 7 compares data in table 5 with the theoretical equitable figure (per head of population). In figure 7, 100% represents the theoretical equitable grant distribution based on demographics.

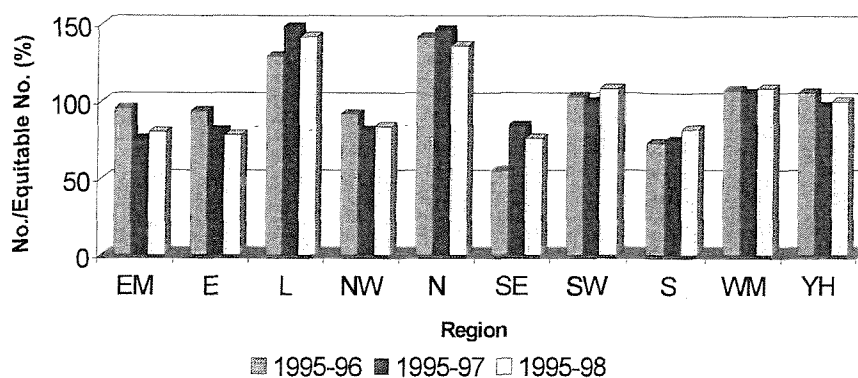


Figure 7. *Cumulative summary of the number of capital grants distributed in England compared to equity by region (1995-98).*

Over the distribution period, four regions gained a higher number of awards than they would have had distribution been based on population statistics (London, Northern, South West and West Midlands) and six less (East Midlands, Eastern, North West, South East, Southern and Yorkshire and Humber). The percentages of distribution for the three years varied from 76% to 142%, with the London and Northern regions gaining the highest percentages. Figure 7 suggests that the presence of large cities within a region did not always correlate with large numbers of grants allocated to the region. For example, the London and Northern regions received most, while the West Midlands (containing Birmingham) received an equitable number of grants, and the North West (containing Manchester) received below 100% of its theoretical equitable allocation.

In terms of absolute financial values of grant allocations in each of the second and third years, six regions showed improved financial equity on the previous year (see table 6).

Table 6. Cumulative summary of the value of capital grants distributed in England by region (1995-98).

Region	1995-96		1995-97		1995-98		Equity (%)
	Value (£)	%	Value (£)	%	Value (£)	%	
East Midlands	6,369,578	2.0	11,763,100	1.8	15,173,426	1.8	7.0
Eastern	13,896,838	4.5	26,382,921	4.1	36,308,248	4.2	12.0
London	147,859,339	47.4	299,577,159	46.5	356,432,660	41.4	14.3
North West	52,683,231	16.9	75,212,348	11.7	108,357,026	12.6	13.3
Northern	14,830,911	4.8	33,383,067	5.2	81,865,699	9.5	6.3
South East	4,652,867	1.5	19,569,677	3.0	25,205,562	2.9	8.3
South West	12,551,546	4.0	22,328,029	3.5	38,806,447	4.5	8.0
Southern	31,650,226	10.1	44,998,412	7.0	62,852,364	7.3	9.7
West Midlands	16,542,002	5.3	73,357,403	11.4	89,548,901	10.4	10.9
Yorkshire & Humber	11,159,473	3.6	37,614,538	5.8	45,522,750	5.3	10.3
Other	7,220	0.0	590,456	0.1	672,054	0.1	0.0
Total	312,203,231	100.0	644,777,110	100.0	860,745,137	100.0	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Bold text entries indicate an improvement in the equity of distribution on that of the previous year. 'Equity' is a theoretical quantity calculated from the proportion of population residing in each area. Percentages calculated to one decimal place.

These cumulative financial distribution statistics, when compared with demographic distribution, were still highly disparate, ranging from 25% to 289% of the financially equitable distribution by region set at 100% (see figure 8).

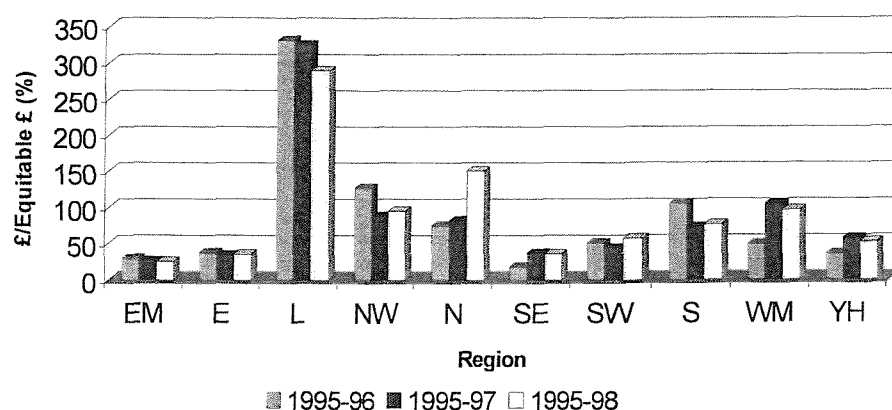


Figure 8. Cumulative summary of the value of capital grants distributed in England compared to equity by region (1995-98).

Figure 8 shows a slight preference for regions with the largest cities, such as London, the North West and the West Midlands, and the Northern region shows a peak of 150% in year three, due to the restoration of the Baltic Flour Mill. The other six regions (East Midlands, Eastern, South East, South West, Southern and Yorkshire and Humber) received less than the 100% level, herein defined as regionally equitable.

The number and values of applications received by each arts council had a great effect on the distribution statistics. For example, if the number of applications submitted is low, it only requires a few of them fail to satisfy the necessary criteria to create a high failure ratio that would result in the arts council's allocations appearing biased. A single grant can also significantly influence an entire region's statistics, as seen in the case of the Baltic Flour Mill. The average value of applications submitted from a single area therefore affects its overall statistics and partially dictates distribution statistics. This reasoning does not discount the possibility that the arts councils may have simply accepted a higher number of awards from one region than another.

In order to decide whether some regions were allocated comparatively more awards than others, comparison of the numbers of successful awards with the numbers of applications per region is necessary. The numbers of applications, amounts of money applied for and their outcome by region as of 19 May 1997 are shown in tables 7 and 8.³⁴ These data show whether the ACE accepted or rejected a higher proportion of applications from one region than from another. The total number of applications submitted by each region, consists of the number pending adjudication, and numbers of successful and rejected applications. Table 7 shows that London submitted most applications (415), while the East Midlands submitted least (166), but both areas had the same success rate (42.2%), and very similar rejection rates (29.9% and 31.1% respectively). Applications from both London and the East Midlands had an equal chance of being accepted or rejected at this time.

³⁴ This was the only date for which the Arts Council of England could supply a suitable snapshot within the period of this study. It is important that the date is noted because these figures do not directly relate to those in previous tables.

Table 7. Number of capital grants accepted, rejected and pending in England by region on 19 May 1997.

Region	No. of apps. pending	No. of apps. rejected	No. of apps. awarded	Total no. of apps.	% of apps. awarded grants	% of apps. rejected
East Midlands	46	50	70	166	42.2	30.1
Eastern	57	97	123	277	44.4	35.0
London	116	124	175	415	42.2	29.9
North West	63	113	138	314	43.9	36.0
Northern	43	38	121	202	59.9	18.8
South East	30	64	79	173	45.7	37.0
South West	80	94	110	284	38.7	33.1
Southern	64	70	97	231	42.0	30.3
West Midlands	83	83	153	319	48.0	26.0
Yorkshire & Humber	74	109	129	312	41.3	34.9
<i>Subtotal</i>	<i>656</i>	<i>842</i>	<i>1195</i>	<i>2693</i>	<i>44.4</i>	<i>31.3</i>
National	4	-	134	138	97.1	0.0
Film Production	50	93	68	211	32.2	44.1
Total	710	935	1,397	3,042	45.9^a	30.7^a

Sources: England's application numbers were supplied by the Arts Council of England (unpublished typescript received 26 June 1998).

Notes: Percentages calculated to one decimal place. Application numbers may include both initial failed applications and resubmitted applications from the same applicants.

^a Average success/ rejection rate for England's capital applications.

The ACE transcript figures show that the average success and rejection rates for applications in England were 45.9% and 30.7% respectively. The region whose applications were most successful was the Northern region at 59.9%. Although these figures show results only as at 19 May 1997, if they are extrapolated to the subsequent years of lottery distribution they portray a situation that may explain the success of the Northern region's applications in the third year. This shows apparent bias, but may be due to a relatively low number of high quality applications received from the North. The well-publicised criticism of inequalities due to a North-South divide, however, may also have influenced the allocations, causing an over-compensation by the ACE to award to the North. The South East and East Midlands, which received least from the ACE, have not been neglected according to their application figures.

Table 8 shows the value of lottery grants awarded, value of applications rejected and the value pending consideration in the different regions. London's success rate at realising the money its applicants applied for was lower than the average percentage for England (34.0% compared to 44.6%), and in terms of rejected

grants it fared worse than the average; with the value of grants rejected at 16.8% (compared to the mean 14.6%).

Table 8. Value of capital grants accepted, rejected and pending in England by region on 19 May 1997.

Region	Value of apps. pending (£'000)	Value of apps. rejected (£'000)	Value of apps. awarded (£'000)	Total Value of apps. (£'000)	% value of apps. awarded grants (%)	% value of apps. rejected (%)
East Midlands	20,699	8,372	12,740	41,811	30.5	20.0
Eastern	20,399	20,337	26,373	67,109	39.3	30.3
London	214,678	73,059	147,901	435,638	34.0	16.8
North West	28,104	11,490	30,452	70,046	43.5	16.4
Northern	47,626	3,379	27,542	78,547	35.1	4.3
South East	32,194	10,431	16,801	59,426	28.3	17.6
South West	102,680	16,355	25,287	144,322	17.5	11.3
Southern	44,513	10,094	44,522	99,129	44.9	10.2
West Midlands	44,131	14,877	50,952	109,960	46.3	13.5
Yorkshire & Humber	48,343	24,466	39,820	112,629	35.4	21.7
Subtotal	603,367	192,860	422,390	1,218,617	34.7	15.8
National	26,232	-	262,131	288,363	90.9	0.0
Film Production	28,875	41,915	33,785	104,575	32.3	40.1
Total	658,474	234,775	718,306	1,611,555	44.6^a	14.6^a

Sources: England's application statistics were supplied by the Arts Council of England (unpublished typescript received 26 June 1998).

Notes: Percentages calculated to one decimal place. Application values may include both initial failed applications and resubmitted applications from the same applicants.

^a Average success/ rejection rate for the values of England's capital applications.

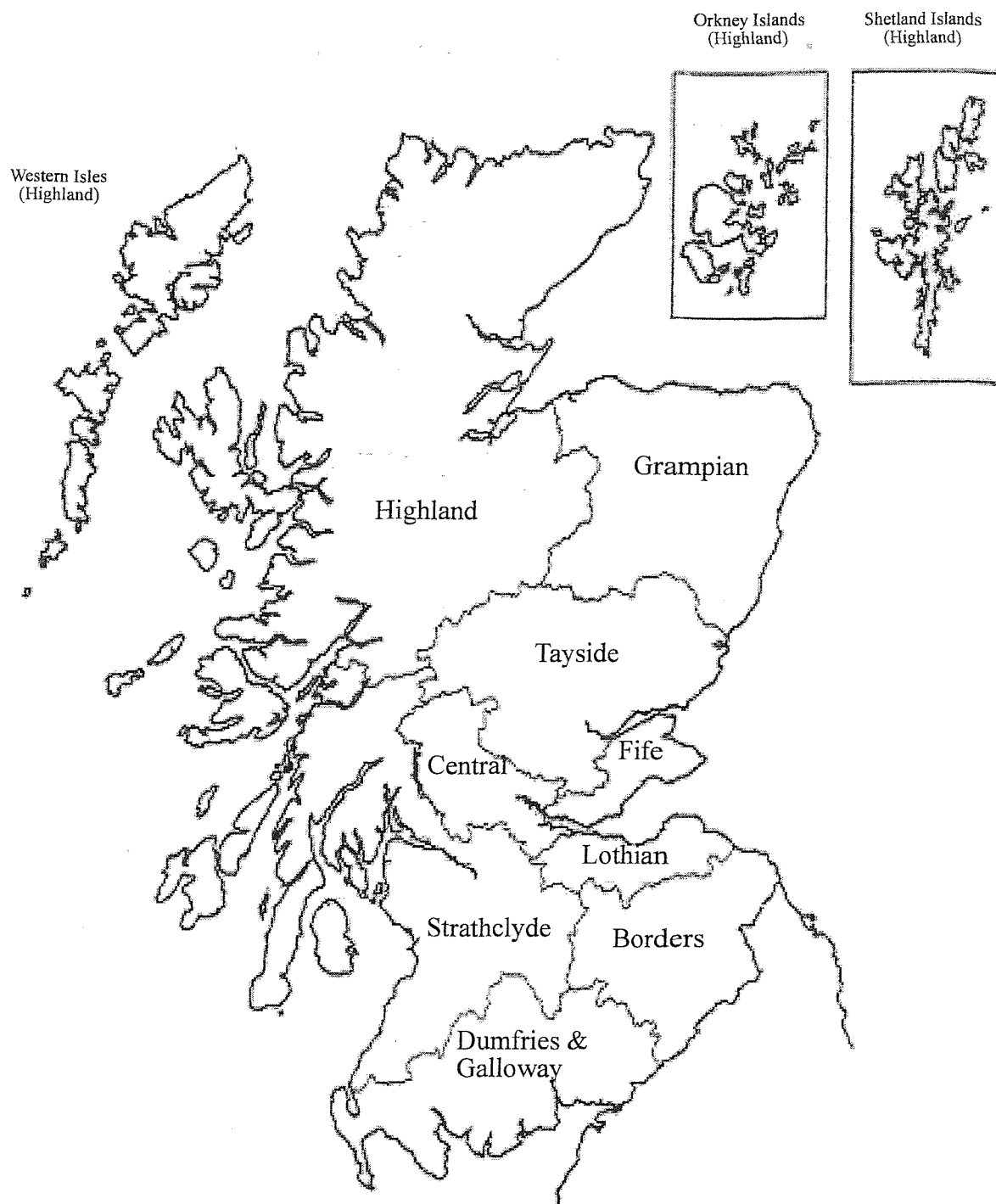
London's success rates are either consistent with, or below the average success rates for other parts of the country (shown as subtotals in tables 7 and 8). The 'national' projects are considered separately in tables 7 and 8, whereas in the ACE annual reports and in the DCMS results, they are included within their resident regions. As the ACE has produced no information regarding the exact awards, it cannot be determined whether 'national' companies should rightly be awarded their own category. A more concise understanding of what the ACE considers to be a 'national' company is indicated in a statement in their *Annual Report 1995/96* concerning 'national companies: the Royal Shakespeare Company, Royal Opera House, English National Opera, Royal National Theatre and the South Bank Board'.³⁵ This quotation

³⁵ Arts Council of England, *Annual Report 1995/96*, p. 20.

includes only London-based companies that received some of the largest lottery grants, but the ACE has supplied no definitions within the transcript. The assumption that 'national' and London can mean one and the same thing may therefore still be valid. There are a number of arguments both for and against considering 'national' projects within their localities' figures. It can be argued that people local to the region will derive most benefit from the awards (so that the projects should be allocated to their region), it is also true that if 'national' companies tour internationally they enhance Britain's artistic reputation (and so benefit the whole country). Had the 'national' awards been amalgamated in these figures, London would have experienced artificially higher success rates. It may be that London's institutions represent a large subset of the class 'national', though it must be borne in mind that all 'national' awards do not necessarily represent institutions only in London.

Overall, the statistics demonstrate that non-'national' applications received from the London Arts Board area had no greater chance of being successful than those received from the rest of England. Indeed, some of the publicised less 'well-off' regions, such as the northern regions, had higher success rates. However, the data in tables 7 and 8 also show that applications most likely to be successful were those for 'national' projects. With these considerations in mind, it would be prudent to treat the London data with some scepticism.³⁶

³⁶ It should be noted that these tables represent a single point in time and grants awarded and rejected before or since may have dramatically changed the statistics.



1. Borders - Scottish Borders.
2. Central - Clackmannanshire, Falkirk & Stirling.
3. Dumfries & Galloway - Dumfries & Galloway.
4. Fife - Fife.
5. Grampian - Aberdeen City, Aberdeenshire & Moray.
6. Highland - Highland, Orkney Islands, Shetland Islands & Western Isles.
7. Lothian - Edinburgh, East, Mid & West Lothian.
8. Strathclyde - Argyll & Bute, East, North & South Ayrshire, East & West Dunbarton, Glasgow, Inverclyde, North & South Lanark & Renfrewshire.
9. Tayside - Angus, Dundee & Perth & Kinloss.

Figure 9. *The nine Scottish regions.*

Scotland

The focusing of grants on particular regions was not exclusive to England. Table 9 shows that, out of the nine regions, the SAC distributed a comparatively high level of grants (both in number and value) to Lothian and Strathclyde, the regions containing Edinburgh and Glasgow. In the first year, three regions received 87.9% of the total value of awards distributed in Scotland. Strathclyde received most (41.6%), followed by Lothian (31.8%) and Fife (14.5%). Three regions also received 70.8% of the total number of capital grants, which were Strathclyde (34.7%), Lothian (25.2%) and Highland (10.9%). The region that received least was the Borders, which had no grants awarded to it during the first year. Tayside, which received 0.5% of the money in the first year, saw a greatly increased allocation in the second year with 21.6% of the funds. Strathclyde had slightly increased proportions of funds and numbers of grants over the first year (41.8% and 35.1% respectively), and Lothian was the only other region to gain over 10% of awards or funds (with 20.4% of funds and 27.5% of the number of grants). The Borders again received least funds and numbers of grants in the second year, with one award for 0.1% of the funds. The third year compounded the trends of the first two years with Lothian and Strathclyde gaining most funds and awards and the Borders receiving least with only one further award.

In each of the first three years of distribution, Strathclyde received most money from the SAC, and its per cent statistics increased year on year. Strathclyde houses 44.4% of the population of Scotland (see table 10), so even though it was awarded a high percentage of the number of grants and funds, the grant per population figures were actually lower than those of Highland, Tayside and Lothian. Lothian (containing Edinburgh) was awarded most grant money per person from the SAC (£29.88), with Tayside (including Dundee) and Highland gaining the second and third highest amounts respectively per head of population (£22.83 and £18.08). These data suggest that regions containing large cities (Edinburgh (Lothian), Dundee (Tayside) and Glasgow (Strathclyde)) attracted high value awards. This was not the case for all cities, as is demonstrated by Grampian, which received very little despite having Aberdeen within its boundaries (Grampian's grant per population for the three years was £3.94, while the average for Scotland was £17.02). The Central and Borders regions house small proportions of the population, and gained the lowest grant values per person in Scotland (£0.77 and £2.89 respectively).

Table 9. Capital grants distributed in Scotland by region (1995-98).

Region	1995-96				1996-97				1997-98				Total			
	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%
Borders	-	-	-	-	33,143	0.1	1	0.6	48,750	0.1	1	0.4	81,893	0.1	2	0.4
Central	139,108	0.6	7	4.8	389,647	1.4	10	5.8	262,151	0.7	8	3.2	790,906	0.9	25	4.4
Dumfries & Galloway	1,026,995	4.3	9	6.1	636,585	2.3	8	4.7	225,699	0.6	5	2.0	1,889,279	2.2	22	3.9
Fife	3,451,558	14.5	8	5.4	72,638	0.3	7	4.1	134,596	0.4	6	2.4	3,658,792	4.2	21	3.7
Grampian	376,974	1.6	12	8.2	711,100	2.6	14	8.2	1,011,048	2.8	16	6.5	2,099,122	2.4	42	7.4
Highland	1,199,067	5.0	16	10.9	2,559,554	9.4	14	8.2	1,303,646	3.6	32	13.0	5,062,267	5.8	62	11.0
Lothian	7,563,070	31.8	37	25.2	5,568,391	20.4	47	27.5	9,756,854	26.8	64	25.9	22,888,315	26.2	148	26.2
Strathclyde	9,893,370	41.6	51	34.7	11,399,369	41.8	60	35.1	19,677,037	54.0	96	38.9	40,969,776	46.9	207	36.6
Tayside	123,407	0.5	7	4.8	5,878,872	21.6	10	5.8	3,037,442	8.3	16	6.5	9,039,721	10.3	33	5.8
Other	-	-	-	-	-	-	-	-	948,498	2.6	3	1.2	948,498	1.1	3	0.5
Total	23,773,549	100.0	147	100.0	27,249,299	100.0	171	100.0	36,405,721	100.0	247	100.0	87,428,569	100.0	565	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: See figure 9 for the regions and counties that they cover. Percentages calculated to one decimal place.

Table 10. Capital grants per head of population in Scotland by region (1995-98).

Region	Population		1995-96			1996-97			1997-98			Total		
	No. (000s)	%	Value (£)	%	Grant/ Pop. (£)	Value (£)	%	Grant/ Pop. (£)	Value (£)	%	Grant/ Pop. (£)	Value (£)	%	Grant/ Pop. (£)
Borders	106	2.1	-	-	-	33,143	0.1	0.31	48,750	0.1	0.46	81,893	0.1	0.77
Central	274	5.3	139,108	0.6	0.51	389,647	1.4	1.42	262,151	0.7	0.96	790,906	0.9	2.89
Dumfries & Galloway	148	2.9	1,026,995	4.3	6.94	636,585	2.3	4.30	225,699	0.6	1.52	1,889,279	2.2	12.77
Fife	352	6.9	3,451,558	14.5	9.81	72,638	0.3	0.21	134,596	0.4	0.38	3,658,792	4.2	10.39
Grampian	533	10.4	376,974	1.6	0.71	711,100	2.6	1.33	1,011,048	2.8	1.90	2,099,122	2.4	3.94
Highland	280	5.5	1,199,067	5.0	4.28	2,559,554	9.4	9.14	1,303,646	3.6	4.66	5,062,267	5.8	18.08
Lothian	766	14.9	7,563,070	31.8	9.87	5,568,391	20.4	7.27	9,756,854	26.8	12.74	22,888,315	26.2	29.88
Strathclyde	2,283	44.4	9,893,370	41.6	4.33	11,399,369	41.8	4.99	19,677,037	54.0	8.62	40,969,776	46.9	17.95
Tayside	396	7.7	123,407	0.5	0.31	5,878,872	21.6	14.85	3,037,442	8.3	7.67	9,039,721	10.3	22.83
Other	-	-	-	-	-	-	-	-	948,498	2.6	-	948,498	1.1	-
Total	5,137	100.0	23,773,549	100.0	4.63 ^a	27,249,299	100.0	5.30 ^a	36,405,721	100.0	7.09 ^a	87,428,569	100.0	17.02 ^a

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and Office for National Statistics, *Regional Trends* 32, pp. 204-05.

Notes: Population figures calculated from the Office for National Statistics figures given for each district. The total population figure does not add up to the exact figure shown because of the rounding process used by the statistical office. Grant per head of population is a value calculated by dividing the amount of money awarded to a region by the number of its inhabitants. Percentages calculated to one decimal place. 'Grant/Pop.' calculated to two decimal places.

^a Average capital grant per head of population in Scotland.

Figure 10 shows the grant per head of population statistics for the different regions in Scotland. The variable distribution of maxima show that the same region did not receive most money per head of their population in each year. In 1995-96, Lothian and Fife gained the highest grants per head, but in 1996-97, the populations of Tayside and Highland gained most funds per person. In the third year, Lothian again received most per head of population, and in total received most over three years according to this method of evaluation.

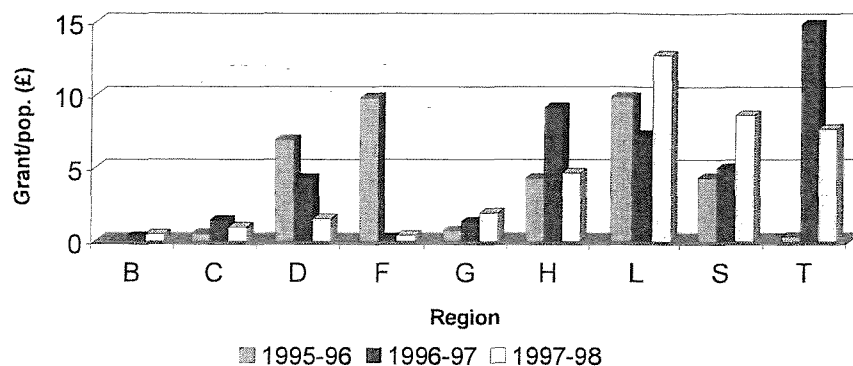


Figure 10. *Value of capital grants per head of population in Scotland by region (1995-98).*

B = Borders, C = Central, D = Dumfries & Galloway, F = Fife, G = Grampian, H = Highland, L = Lothian, S = Strathclyde, T = Tayside.

Figure 11 shows the number of grants as a percentage of equitable distribution, where 100% represents equity. The most successful regions, in terms of receiving a greater number of grants than an equitable share of the total, were Dumfries and Galloway, Highland, and Lothian.

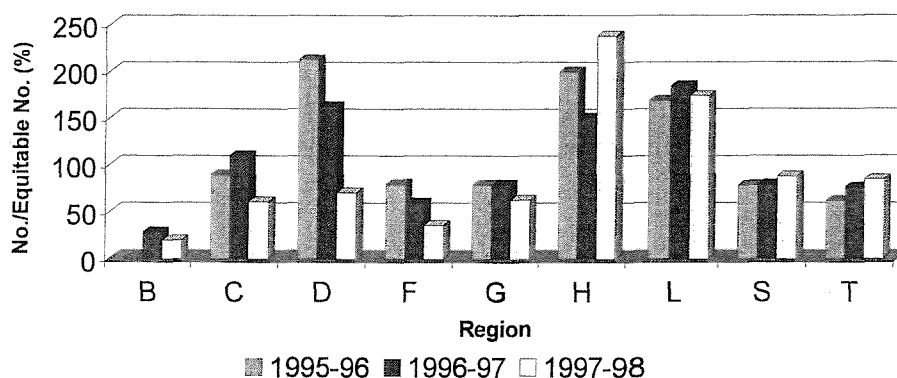


Figure 11. *Number of capital grants distributed in Scotland compared to equity by region (1995-98).*

Over the three years, the other regions (Borders, Central, Fife, Grampian, Strathclyde and Tayside) received below 100% (with the exception of Central in the

second year). The Borders received a comparatively small number of grants, but since the SAC do not supply information regarding the number of applications they receive, it is not possible to infer if this was due to a lack of grant applications or whether submitted applications had very low success rates.

The statistics showing the amounts of lottery money awarded to each Scottish region compared with an equitable spread of funds are more disproportionate than those for the numbers of grants awarded, and suggest a very irregular distribution system over the three years (see figure 12). For example, the Borders, rather than gaining 20%-30% of the money that was theoretically due to them (as with the number of grants), received only 5% of the funds in the second and third years. These values suggest that the SAC may not have been monitoring the distribution of funds across Scotland. However, Tayside's award in year two may almost be viewed as compensation for apparent neglect imposed in 1995-96.

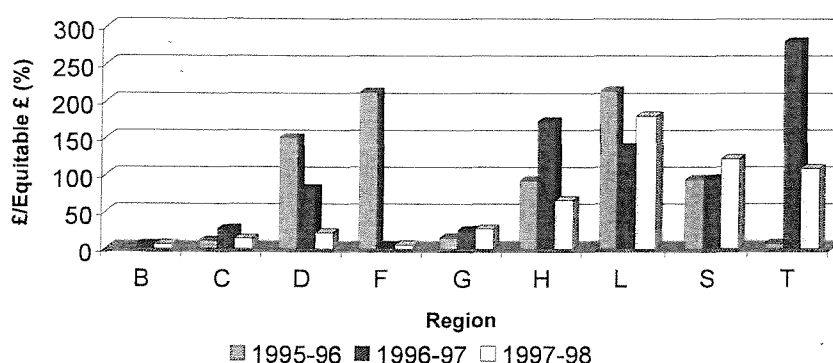


Figure 12. *Value of capital grants distributed in Scotland compared to equity by region (1995-98).*

The data in figure 12 show that Borders, Central and Grampian received very little money, while Highland, Lothian, Strathclyde and Tayside gained comparatively large amounts. Fife received a large grant in the first year, for £3.4 million for the rebuilding of the Byre Theatre in St Andrews.³⁷ The presence of such a large grant can be inferred by the large difference in the percentage of grants received per head of population and their value. Conversely, Dumfries and Galloway's awards, shown in figures 11 and 12, indicate that the region received a higher proportion of the number of grants than it did money, and therefore gained many small grants.

³⁷ DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Although individual results show distribution at a particular point in time, the cumulative results show the overall trends and therefore better represent the success of the distribution system in reducing the effect of anomalies of previous years. Table 11 shows the distribution of the number of capital arts grants year-on-year over the first three years of distribution. These statistics show that, up to the second year, six of the nine regions received proportions of awards more consistent with their populations than in the results of the previous year. Up to the third year, four of those regions became closer still (indicated by bold text entries). Lothian's distribution had also moved closer to equity in the third year, despite having moved further away in the second year. Most of the regions, at some point, tended towards attaining the ideal of equitable distribution.

Table 11. Cumulative summary of the number of capital grants distributed in Scotland by region (1995-98).

Region	1995-96		1995-97		1995-98		Equity (%)
	No.	%	No.	%	No.	%	
Borders	0	0.0	1	0.3	2	0.4	2.1
Central	7	4.8	17	5.3	25	4.4	5.3
Dumfries & Galloway	9	6.1	17	5.3	22	3.9	2.9
Fife	8	5.4	15	4.7	21	3.7	6.9
Grampian	12	8.2	26	8.2	42	7.4	10.4
Highland	16	10.9	30	9.4	62	11.0	5.5
Lothian	37	25.2	84	26.4	148	26.2	14.9
Strathclyde	51	34.7	111	34.9	207	36.6	44.4
Tayside	7	4.8	17	5.3	33	5.8	7.7
Other	0	0.0	0	0.0	3	0.5	-
Total	147	100.0	318	100.0	565	100.0	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Bold text entries indicate an improvement in the equity of distribution on that of the previous year. 'Equity' is a theoretical quantity calculated from the proportion of population residing in each area. Percentages calculated to one decimal place.

Figure 13 shows the extent to which the improvements brought the allocation of the number of grants closer to equity as calculated by percentage of the population. The Borders, Dumfries and Galloway, Strathclyde and Tayside's distribution moved closer to equity over the three years, while the remaining five regions' (Central, Fife, Grampian, Highland and Lothian) moved away from equity. Overall, the margin

between the highest and lowest percentages compared to equity reduced from 213% in the first year, to 184% in the third year.

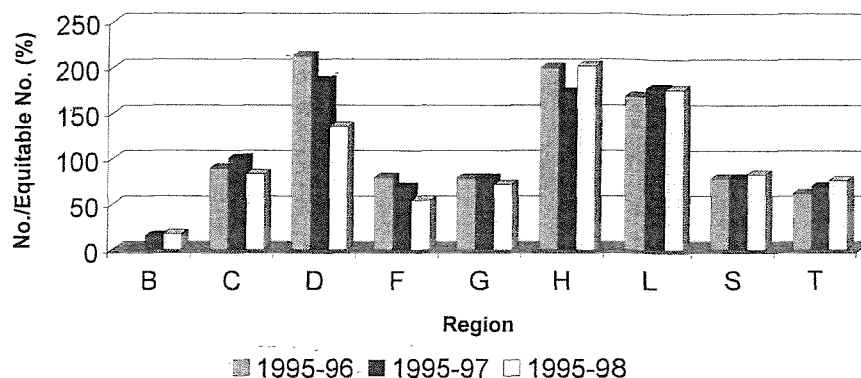


Figure 13. Cumulative summary of the number of capital grants distributed in Scotland compared to equity by region (1995-98).

Table 12 shows the cumulative values of awards over the three years. Eight regions improved their proximity to equity in the second year and five improved in the third year (as shown by the bold text entries).

Table 12. Cumulative summary of the value of capital grants distributed in Scotland by region (1995-98).

Region	1995-96		1995-97		1995-98		Equity (%)
	Value (£)	%	Value (£)	%	Value (£)	%	
Borders	0	0.0	33,143	0.1	81,893	0.1	2.1
Central	139,108	0.6	528,755	1.0	790,906	0.9	5.3
Dumfries & Galloway	1,026,995	4.3	1,663,580	3.3	1,889,279	2.2	2.9
Fife	3,451,558	14.5	3,524,196	6.9	3,658,792	4.2	6.9
Grampian	376,974	1.6	1,088,074	2.1	2,099,122	2.4	10.4
Highland	1,199,067	5.0	3,758,621	7.4	5,062,267	5.8	5.5
Lothian	7,563,070	31.8	13,131,461	25.7	22,888,315	26.2	14.9
Strathclyde	9,893,370	41.6	21,292,739	41.7	40,969,776	46.9	44.4
Tayside	123,407	0.5	6,002,279	11.8	9,039,721	10.3	7.7
Other	0	0.0	0	0.0	948,498	1.1	-
Total	23,773,549	100.0	51,022,848	100.0	87,428,569	100.0	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Bold text entries indicate an improvement in the equity of distribution on that of the previous year. 'Equity' is a theoretical quantity calculated from the proportion of population residing in each area. Percentages calculated to one decimal place.

The cumulative statistics show significant changes in the financial allocations for Fife and for Tayside (see table 12). The Byre Theatre award greatly affected Fife's

financial allocation in the first year giving it 14.5%, but awards were minimal in subsequent years, significantly reducing the region's overall percentage. Tayside, however, received grants of low financial value in the first year, and despite only minor rises in the number of grants per head of population awarded over the three years, received larger awards compared to equity in years two and three (see figures 13 and 14).

Figure 14 shows the relative proportions of funds distributed by the SAC compared to equitable distribution.

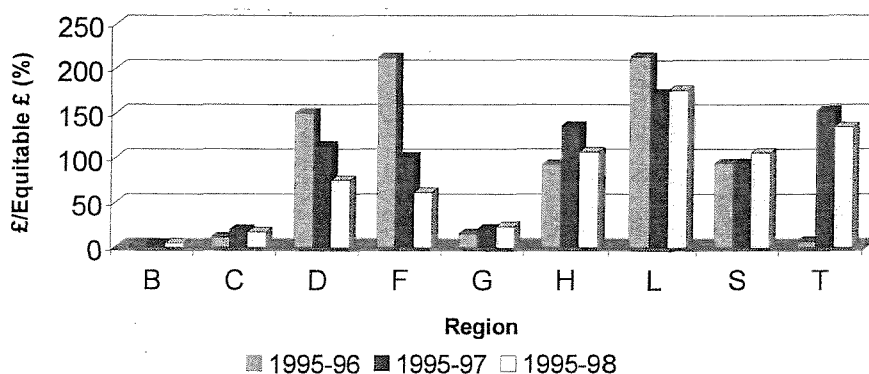
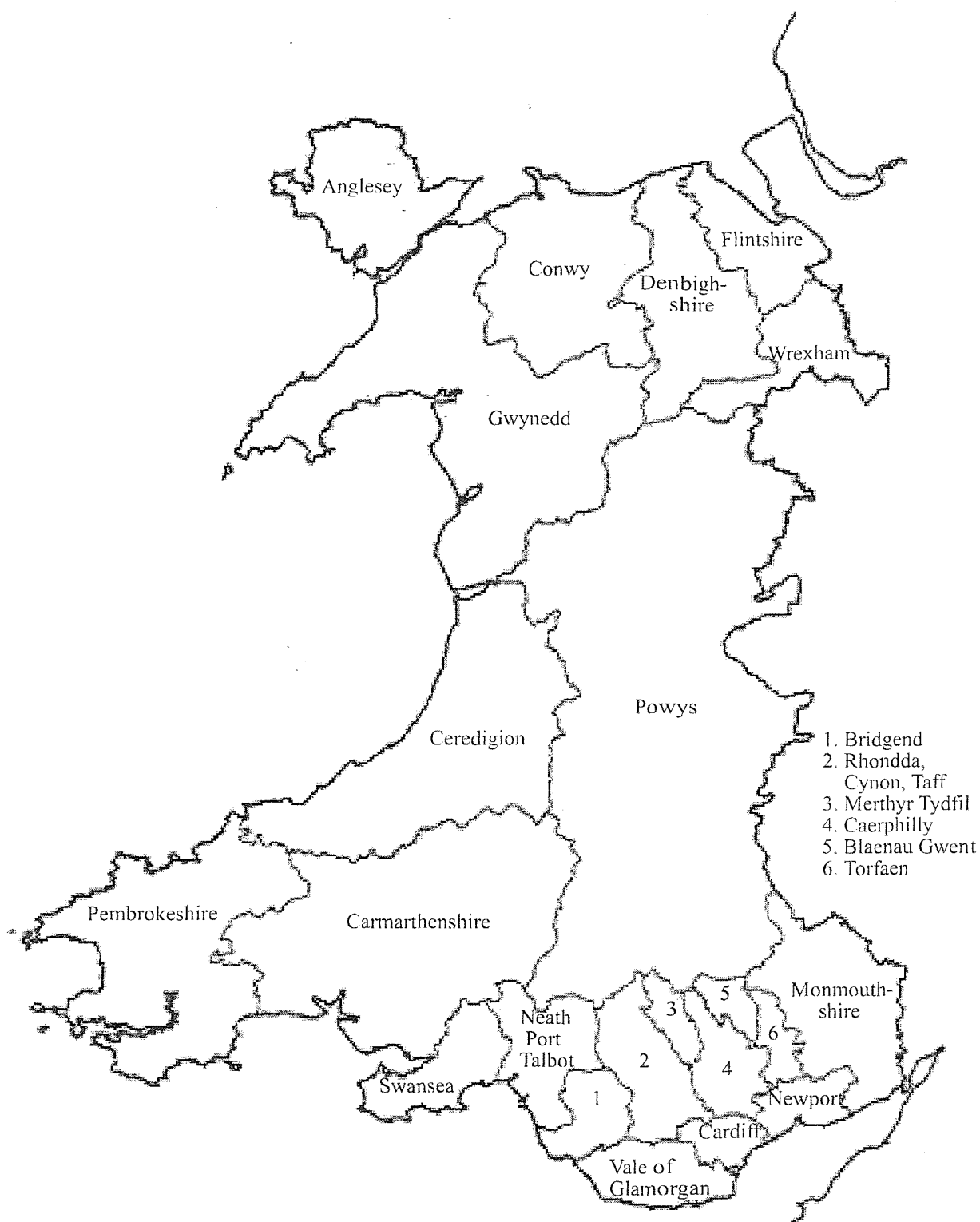


Figure 14. *Cumulative summary of the value of capital grants distributed in Scotland compared to equity by region (1995-98).*

Five of the nine regions had achieved a more equitable financial distribution year on year at the end of the three years. Every region showed improved equity of distribution for the full three years compared to at least one individual year, which demonstrates that cumulative distribution did help to smooth out the anomalies of individual years. This may in part be due to a deviation to the mean, but the sharp changes in some regions also suggest that the arts council did not continue to favour particular regions over others. Lothian attained the highest proportion of funds per head at the end of the three years with 176%, approximately matching the percentage of the number of grants per head, although in absolute terms the total value of awards and funds distributed by the SAC to Lothian was significantly less than to Strathclyde. Although the SAC awarded a high percentage of the lottery funds to companies in the Strathclyde region, the region sustained an equitable quantity of funds by head of population. This shows that regions that had visibly received most money from the Lottery were sometimes justified by the proportion of the population resident in that area.



North - Anglesey, Conwy, Denbighshire, Flintshire, Gwynedd, Powys (x ½) & Wrexham.
 South East - Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Merthyr Tydfil, Monmouth, Newport, Powys (x ½), Rhondda, Cynon, Taff, Torfaen & Vale of Glamorgan.
 West - Carmarthenshire, Ceredigion, Neath - Port Talbot, Pembrokeshire & Swansea.

Figure 15. *The twenty-two Welsh unitary authorities.*

Wales

In annual reports produced by the ACW, all grants are categorised into the three regions of North, South East, and West Wales. Geographically, these regions are of a more comparable area to England's regional arts boards than the individual districts, so I represent the lottery grants, which the DCMS categorise as individual districts, in these divisions (see tables 13 and 14).³⁸ A problem with presenting the figures in this way is that in the annual reports Powys featured in both North and South East Wales. As there appears to be no clear indication of how the ACW divided Powys, I have halved the figures, and rounded up the quotient in the North, because of Welshpool and Newtown's location, and conversely rounded down the quotient in the South East. The resulting figures, whilst not strictly accurate, do provide a reasonable indication of the distribution of grants across Wales.

In the first year, ACW's financial distribution to North Wales was close to its proportion of the population, with 26.3% of funds awarded to its 24.6% of the population (see table 13). The South East (containing Cardiff) received more than an equitable share of the funds with 66.8% awarded to 50.6% of the population in the South East. The West, however, received only 7.0% of the funds for its 24.9% of the population. Cardiff and Powys together received over 60% of the value of grants even though these regions house approximately 15% of the population. The financial amount attributed to Cardiff is perhaps unsurprising (being the capital of Wales with 10.6% of the population), but Powys' population of only 4.2% of the total received £21.17 per head of population without obvious reason (see table 14). The county has no large cities, but one of the factors that may have influenced the amount of lottery money given to Powys is its large geographical area, of approximately 5,196km², whereas the second largest county is Gwynedd at half the size (2,548km²).³⁹ Because of its large area, the likelihood of there being a greater number of communities applying for awards is increased.⁴⁰ The types of awards received show that Powys gained most of its grants for community projects, such as those relating to bands,

³⁸ North Wales is 8,770 km², the South East is 5,407 km² and the West is 6,600 km². Office for National Statistics, *Regional Trends* 32, pp. 198-199.

³⁹ Ibid., pp. 198-199.

⁴⁰ The issue of whether geographical area, as well as population statistics, should be accounted for when allocating lottery grants is raised in these arguments. The practical and logistical disadvantages of incorporating this consideration preclude considering this as a viable analysis method.

theatres, arts centres, festivals, schools, clubs and societies. This rural district therefore applied successfully for awards that suited a rural area.

In the second year, the ACW's distribution of lottery grants for the South East and West areas was more consistent with their population percentages compared with the previous year. North Wales received 42.5% of the value of grants with 24.6% of the population, the South East received 44.1% of the lottery money for its 50.6%, and the West's allocation increased to 13.4% for its 24.9% of the population. Cardiff, in the South East, received over 25% of the total funding for Wales, and Powys received 7.6%, a significant decrease from the 24.5% in the previous year, though this was still a relatively high percentage of the lottery money for Powys with 4.2% of the population. In 1996-97, the districts that were awarded significant amounts of money per head of population were Wrexham, which gained the highest with £18.79, Gwynedd, which received £15.62 and Cardiff, which received £12.37 per head of population. In this second year, the lowest grant per head reduced from £0.18 in Newport to £0.11 for Bridgend, but the highest was reduced from £21.17 to £18.79, thus reducing the extent of the grant per head of population range by £2.21.

In the third year of distribution the West received a financial allocation that was almost in line with its population, with 21.0% of the funds for its 24.9% of the population. The South East received approximately the same proportion as in its first year (50.5%), but North Wales received significantly less in the third year than in the second (13.3% in year three, compared to 42.5% in year two). North Wales therefore received 50% rather than 200% of its defined equitable allocation. In this third year, Powys received a negligible amount (£3.31 per head), compared to Cardiff, which was awarded £39.72 per head, and also Ceredigion, which received £42.51 per head. The ACW awarded a £2.5 million grant to Ceredigion in the West, to the University of Wales (Aberystwyth) for the redevelopment of an arts centre. This large allocation caused the overall figures for the West to finally reflect a percentage similar to its calculated equitable share by head of population. In year three, the margin between the highest and lowest grant per head of population was increased to £42.15 from its previous high of £20.99. These statistics suggest varying benefits for the different regions from year to year, but give little real indication as to the equity of distribution.

Table 13. Capital grants distributed in Wales by region (1995-98).

Region	1995-96				1996-97				1997-98				Total			
	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%
Anglesey	277,676	2.6	9	5.1	151,180	1.1	4	1.8	302,178	1.2	13	3.5	731,034	1.5	26	3.4
Conwy	107,393	1.0	6	3.4	105,244	0.8	7	3.2	354,272	1.4	9	2.4	566,909	1.1	22	2.9
Denbighshire	329,113	3.1	9	5.1	819,388	6.0	6	2.7	169,756	0.7	9	2.4	1,318,257	2.6	24	3.1
Flintshire	159,615	1.5	5	2.8	84,030	0.6	1	0.5	628,371	2.4	8	2.2	872,016	1.7	14	1.8
Gwynedd	561,499	5.3	17	9.6	1,843,348	13.4	20	9.0	1,558,940	6.1	24	6.5	3,963,787	7.9	61	7.9
½ Powys	1,291,071	12.3	13	7.3	520,455	3.8	9	4.1	202,030	0.8	17	4.6	2,013,556	4.0	39	5.1
Wrexham	36,084	0.3	4	2.3	2,311,517	16.8	9	4.1	197,582	0.8	8	2.2	2,545,183	5.1	21	2.7
North	2,762,451	26.3	63	35.6	5,835,162	42.5	56	25.3	3,413,129	13.3	88	23.8	12,010,742	24.1	207	27.0
Blaenau Gwent	259,591	2.5	8	4.5	329,046	2.4	4	1.8	316,433	1.2	12	3.2	905,070	1.8	24	3.1
Bridgend	167,366	1.6	3	1.7	13,914	0.1	3	1.4	117,811	0.5	7	1.9	299,091	0.6	13	1.7
Caerphilly	171,642	1.6	7	4.0	193,146	1.4	7	3.2	181,153	0.7	8	2.2	545,941	1.1	22	2.9
Cardiff	3,844,056	36.5	29	16.4	3,822,363	27.8	43	19.5	12,273,100	47.8	77	20.8	19,939,519	39.9	149	19.4
Glamorgan	383,779	3.6	6	3.4	191,988	1.4	9	4.1	267,887	1.0	15	4.1	843,654	1.7	30	3.9
Merthyr Tudfil	48,199	0.5	1	0.6	16,618	0.1	3	1.4	21,529	0.1	3	0.8	86,346	0.2	7	0.9
Monmouth	264,652	2.5	5	2.8	116,472	0.8	4	1.8	135,689	0.5	6	1.6	516,813	1.0	15	2.0
Newport	23,987	0.2	2	1.1	155,294	1.1	7	3.2	407,162	1.6	6	1.6	586,443	1.2	15	2.0
½ Powys	1,291,070	12.3	12	6.8	520,455	3.8	8	3.6	202,029	0.8	17	4.6	2,013,554	4.0	37	4.8
Rhondda, Cynon, Taff	479,541	4.6	9	5.1	644,621	4.7	16	7.2	2,582,416	10.1	26	7.0	3,706,578	7.4	51	6.6
Torfaen	93,749	0.9	5	2.8	51,759	0.4	1	0.5	366,090	1.4	10	2.7	511,598	1.0	16	2.1
South East	7,027,632	66.8	87	49.2	6,055,676	44.1	105	47.5	16,871,299	65.7	187	50.5	29,954,607	60.0	379	49.3
Carmarthenshire	95,479	0.9	5	2.8	210,021	1.5	10	4.5	548,912	2.1	17	4.6	854,412	1.7	32	4.2
Ceredigion	288,180	2.7	8	4.5	295,417	2.2	19	8.6	2,975,484	11.6	25	6.8	3,559,081	7.1	52	6.8
Neath – Port Talbot	117,532	1.1	3	1.7	295,415	2.2	9	4.1	426,871	1.7	12	3.2	839,818	1.7	24	3.1
Pembrokeshire	140,322	1.3	6	3.4	188,810	1.4	7	3.2	673,403	2.6	12	3.2	1,002,535	2.0	25	3.3
Swansea	89,726	0.9	5	2.8	853,290	6.2	15	6.8	769,667	3.0	29	7.8	1,712,683	3.4	49	6.4
West	731,239	7.0	27	15.3	1,842,953	13.4	60	27.1	5,394,337	21.0	95	25.7	7,968,529	16.0	182	23.7
Total	10,521,322	100.0	177	100.0	13,733,791	100.0	221	100.0	25,678,765	100.0	370	100.0	49,933,878	100.0	768	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: In ACW's annual reports, Powys is divided between North and South East Wales. The exact division is unknown, so each area has been allocated a 50% share. The figures in the North have been rounded up and the ones in the South East rounded down. Percentages calculated to one decimal place.

Table 14. Capital grants per head of population in Wales by region (1995-98).

Region	Population		1995-96			1996-97			1997-98			Total		
	No. (000s)	%	Value (£)	%	Grant/ Pop. (£)	Value (£)	%	Grant/ Pop. (£)	Value (£)	%	Grant/ Pop. (£)	Value (£)	%	Grant/ Pop. (£)
Anglesey	67	2.3	277,676	2.6	4.14	151,180	1.1	2.26	302,178	1.2	4.51	731,034	1.5	10.91
Conwy	111	3.8	107,393	1.0	0.97	105,244	0.8	0.95	354,272	1.4	3.19	566,909	1.1	5.11
Denbighshire	92	3.2	329,113	3.1	3.58	819,388	6.0	8.91	169,756	0.7	1.85	1,318,257	2.6	14.33
Flintshire	146	5.0	159,615	1.5	1.09	84,030	0.6	0.58	628,371	2.4	4.30	872,016	1.7	5.97
Gwynedd	118	4.0	561,499	5.3	4.76	1,843,348	13.4	15.62	1,558,940	6.1	13.21	3,963,787	7.9	33.59
½ Powys	61	2.1	1,291,071	12.3	21.17	520,455	3.8	8.53	202,030	0.8	3.31	2,013,556	4.0	33.01
Wrexham	123	4.2	36,084	0.3	0.29	2,311,517	16.8	18.79	197,582	0.8	1.61	2,545,183	5.1	20.69
North	718	24.6	2,762,451	26.3	3.85	5,835,162	42.5	8.13	3,413,129	13.3	4.75	12,010,742	24.1	16.73
Blaenau Gwent	73	2.5	259,591	2.5	3.56	329,046	2.4	4.51	316,433	1.2	4.33	905,070	1.8	12.40
Bridgend	131	4.5	167,366	1.6	1.28	13,914	0.1	0.11	117,811	0.5	0.90	299,091	0.6	2.28
Caerphilly	170	5.8	171,642	1.6	1.01	193,146	1.4	1.14	181,153	0.7	1.07	545,941	1.1	3.21
Cardiff	309	10.6	3,844,056	36.5	12.44	3,822,363	27.8	12.37	12,273,100	47.8	39.72	19,939,519	39.9	64.53
Glamorgan	119	4.1	383,779	3.6	3.23	191,988	1.4	1.61	267,887	1.0	2.25	843,654	1.7	7.09
Merthyr Tudfil	59	2.0	48,199	0.5	0.82	16,618	0.1	0.28	21,529	0.1	0.36	86,346	0.2	1.46
Monmouth	86	2.9	264,652	2.5	3.08	116,472	0.8	1.35	135,689	0.5	1.58	516,813	1.0	6.01
Newport	137	4.7	23,987	0.2	0.18	155,294	1.1	1.13	407,162	1.6	2.97	586,443	1.2	4.28
½ Powys	61	2.1	1,291,070	12.3	21.17	520,455	3.8	8.53	202,029	0.8	3.31	2,013,554	4.0	33.01
Rhondda, Cynon, Taff	240	8.2	479,541	4.6	2.00	644,621	4.7	2.69	2,582,416	10.1	10.76	3,706,578	7.4	15.44
Torfaen	90	3.1	93,749	0.9	1.04	51,759	0.4	0.58	366,090	1.4	4.07	511,598	1.0	5.68
South East	1,475	50.6	7,027,632	66.8	4.76	6,055,676	44.1	4.11	16,871,299	65.7	11.44	29,954,607	60.0	20.31
Carmarthenshire	170	5.8	95,479	0.9	0.56	210,021	1.5	1.24	548,912	2.1	3.23	854,412	1.7	5.03
Ceredigion	70	2.4	288,180	2.7	4.12	295,417	2.2	4.22	2,975,484	11.6	42.51	3,559,081	7.1	50.84
Neath- Port Talbot	140	4.8	117,532	1.1	0.84	295,415	2.2	2.11	426,871	1.7	3.05	839,818	1.7	6.00
Pembrokeshire	114	3.9	140,322	1.3	1.23	188,810	1.4	1.66	673,403	2.6	5.91	1,002,535	2.0	8.79
Swansea	231	7.9	89,726	0.9	0.39	853,290	6.2	3.69	769,667	3.0	3.33	1,712,683	3.4	7.41
West	725	24.9	731,239	7.0	1.01	1,842,953	13.4	2.54	5,394,337	21.0	7.44	7,968,529	16.0	10.99
Total	2,917	100.0	10,521,322	100.0	3.61 ^a	13,733,791	100.0	4.71 ^a	25,678,765	100.0	8.80 ^a	49,933,878	100.0	17.12 ^a

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and Office for National Statistics, *Regional Trends* 32, pp. 198-199.

Notes: In ACW's annual reports, Powys is divided between North and South East Wales. The exact division is unknown, so each area has been allocated a 50% share. The figures in the North have been rounded up and those in the South East rounded down. Grant per head of population is a value calculated by dividing the amount of money awarded to a region by the number of its inhabitants. Percentages calculated to one decimal place. 'Grant/Pop.' calculated to two decimal places.

^a Average capital grant per head of population in Wales.

In the following figures and tables I discuss Wales in terms of North, South East and West, and also include separate information for Cardiff. The inclusion of Cardiff within the analyses is necessary in order to examine the prominence and effect of capital cities within the distribution statistics of the arts councils. Cardiff and the South East (whose statistics also include Cardiff's grants) are considered separately because Cardiff's statistics are frequently absorbed into the South East's statistics, masking information concerning the capital cities' supposed monopolisation of lottery funds. All statistics presented for the South East include awards to Cardiff.

Figure 16 shows the grant per head of population values for Wales for the first three years of distribution.

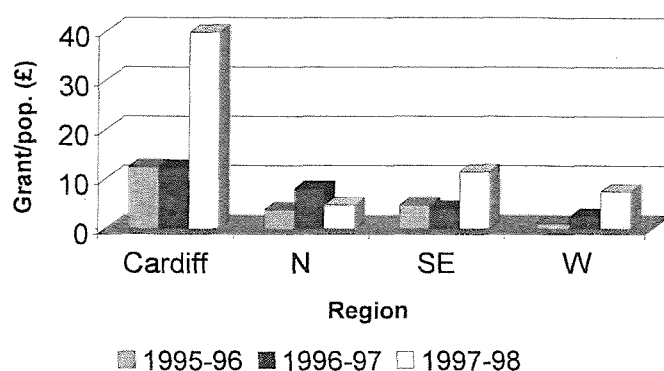


Figure 16. *Value of capital grants per head of population in Wales by region (1995-98).*

N = North Wales, SE = South East Wales, W = West Wales.

The most outstanding value in figure 16 is for Cardiff in the third year. The increase in grant per population value in Cardiff (to £39.72) is manifested in the South East's data, increasing grant per population data by over 200% on the previous year. As with many anomalies investigated thus far, the increase was attributable to a single award. In this case the award was for £8.5 million to the Wales Millennium Centre (previously known as the Cardiff Bay Opera House). The award did not have as pronounced an effect on the South East region (with its larger population), which increased by £7.33, as it did on Cardiff, which increased by £27.35 per head.

The statistics in figure 17, which show the number of awards received in each year compared to equity, show that the South East received just under the number of awards due to it according to equitable distribution by head of the population. This was despite Cardiff receiving twice its allocation by this method of analysis. In the

third year, all three regions showed distribution close to the 100% mark, representing equitable distribution by head of population. The Wales Millennium Centre grant, being a single award, had very little effect on the overall number of awards received by the regions.

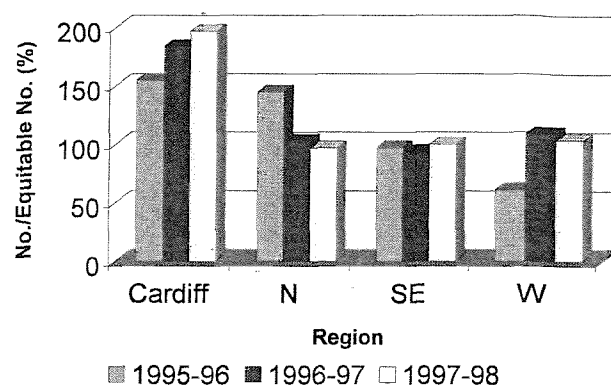


Figure 17. *Number of capital grants distributed in Wales compared to equity by region (1995-98).*

Consideration of the value of grants awarded highlights more clearly the effects of the Wales Millennium Centre's grant, than with the previous analysis (see figure 18). Cardiff gained 451% of its share of funding in the third year, but only a slight rise is shown in the South East's results in the third year, despite Cardiff's high allocation. This implies that a lack of awards to other parts of the region, therefore, compensated for the amounts that the ACW had awarded to Cardiff.

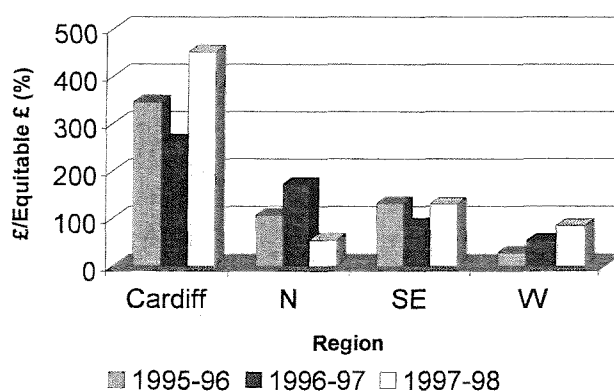


Figure 18. *Value of capital grants distributed in Wales compared to equity by region (1995-98).*

The cumulative data for the number of grants received by each region show that Cardiff received greater percentages in each subsequent year of distribution, consistently moving it away from equity by percentage of the population (see table 15). The North, South East and West, however, were generally awarded numbers

closer to equity per head of population in each year, except in the case of the South East in the second year.

Table 15. Cumulative summary of the number of capital grants distributed in Wales by region (1995-98).

Region	1995-96		1995-97		1995-98		Equity (%)
	No.	%	No.	%	No.	%	
Cardiff	29	16.4	72	18.1	149	19.4	10.6
North	63	35.6	119	29.9	207	27.0	24.6
South East	87	49.2	192	48.2	379	49.3	50.6
West	27	15.3	87	21.9	182	23.7	24.9
Total	177	100.0	398	100.0	768	100.0	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Bold text entries indicate an improvement in the equity of distribution on that of the previous year. 'Equity' is a theoretical quantity calculated from the proportion of population residing in each area. Percentages calculated to one decimal place.

The statistics in table 15, when presented as a percentage compared to equity (100%), show the cumulative summary of the regions for the three years as Cardiff 183%, North 110%, South East 98% and West 95% (see figure 19). The margin between the three regions was therefore very narrow at 15%.⁴¹ This indicates that the distribution of the numbers of awards across Wales, other than to Cardiff, was equitable.

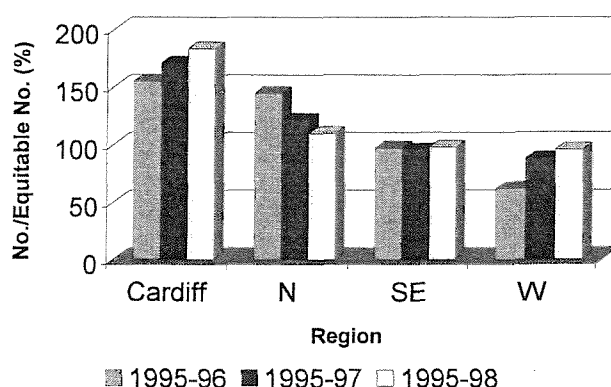


Figure 19. Cumulative summary of the number of capital grants distributed in Wales compared to equity by region (1995-98).

Table 16 shows cumulative information concerning the amount of lottery funds (rather than the number of grants) awarded to the different regions. The bold

⁴¹ As Cardiff is a subsection of the South East region, it is not included in the calculation of the margin between the percentages of awards allocated across Wales compared to equity.

text entries indicate allocations closer to equity than in the previous year. While all but the North improved in terms of equitable allocation in the second year, only North and West Wales increased their proximity to equity in the third year. Cardiff's 7.8% rise in the third year helped create a 6.1% increase in the South East's values, taking both further away from equity.

Table 16. Cumulative summary of the value of capital grants distributed in Wales by region (1995-98).

Region	1995-96		1995-97		1995-98		Equity (%)
	Value (£)	%	Value (£)	%	Value (£)	%	
Cardiff	3,844,056	36.5	7,666,419	31.6	19,939,519	39.9	10.6
North	2,762,451	26.3	8,597,613	35.5	12,010,742	24.1	24.6
South East	7,027,632	66.8	13,083,308	53.9	29,954,607	60.0	50.6
West	731,239	7.0	2,574,192	10.6	7,968,529	16.0	24.9
Total	10,521,322	100.0	24,255,113	100.0	49,933,878	100.0	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Bold text entries indicate an improvement in the equity of distribution on that of the previous year. 'Equity' is a theoretical quantity calculated from the proportion of population residing in each area. Percentages calculated to one decimal place.

Figure 20 shows the statistics from table 16 compared to equitable distribution (set to 100%). In the third year, the Cardiff's lottery funding brought the South East's percentage for funding compared to equitable distribution to 119%. This was the highest cumulative percentage of the three regions for the entire three year period, as the North had 98% and the West gained 64% over the three years (see figure 20). Compared to the financial statistics of other countries, these results were close to regional equity with a margin of 65% between the highest and lowest percentages.

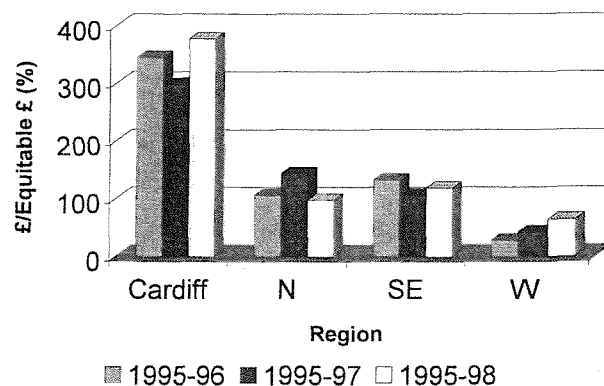


Figure 20. Cumulative summary of the value of capital grants distributed in Wales compared to equity by region (1995-98).

The ACW provided information concerning the number of applications received and awarded for two full years of distribution, but no information regarding the actual financial values of grants accepted and rejected over this time. All conclusions concerning application figures therefore relate to only the numbers of awards and their success rates.

Table 17 shows that Powys received 25 grants in the first year from 45 applications, and Cardiff received 29 grants from 60 applications. These two areas, which received most grants in the first year, were the same two that submitted most applications. This again suggests that, if the arts councils had assessed each application on its own merit, submitting a greater number of applications was more likely to yield successful grants than a smaller number of applications.

In the second year, the total number of applications received by the ACW increased from 333 to 413. The ACW was also permitted to consider unsuccessful and late applications from the previous year. It is therefore misleading to assess the second year of allocations independently from the first due to this possible crossover in the ACW's assessment of applications. This problem has been overcome by considering the two years together and representing successful applications as a percentage. This is less deceptive than considering the second year separately, because the same grant could not have been accepted twice.

Over the two years, the overall success rate of applications in North, South East and West Wales ranged from 52.7% to 59.5%. The statistics demonstrate that more than half of the applications were successful, and that the success of each region in receiving awards was relatively similar. The North, South East and West of Wales therefore each contained districts that had variable success rates in gaining awards, showing no obvious trend or bias on the part of the ACW. For example, Gwynedd, Blaenau Gwent and Ceredigion had the highest success rates (between 73% and 75%), while Flintshire, Bridgend and Swansea had the lowest success rates (between 35% and 43%). Cardiff and Powys, which received substantial amounts of funding, saw approximately half of their applications rewarded, which is consistent with the average. This indicates that, despite the large value of funds given to these areas, there were many unsuccessful applicants. The West received least funds and submitted the lowest number of applications, which may be due to the lack of major cities within the region, possibly indicating a lower number of arts venues and companies.

Table 17. Numbers of capital applications and grants in Wales by region (1995-97).

	Unitary Authorities	1995-96		1996-97		Totals		Success rate (%)
		No. of apps.	No. of grants	No. of apps.	No. of grants	No. of apps.	No. of grants	
North	Anglesey	11	9	10	4	21	13	61.9
	Conwy	9	6	12	7	21	13	61.9
	Denbighshire	10	9	12	6	22	15	68.2
	Flintshire	8	5	7	1	15	6	40.0
	Gwynedd	26	17	24	20	50	37	74.0
	Powys^a	23	13	26	9	49	22	44.9
	Wrexham	12	4	10	9	22	13	59.1
	Regional total	99	63	101	56	200	119	59.5
South East	Blaenau Gwent	8	8	8	4	16	12	75.0
	Bridgend	10	3	7	3	17	6	35.3
	Caerphilly	12	7	9	7	21	14	66.7
	Cardiff	60	29	68	43	128	72	56.3
	Merthyr Tydfil	3	1	3	3	6	4	66.7
	Monmouth	6	5	11	4	17	9	52.9
	Newport	9	2	8	7	17	9	52.9
	Powys^a	22	12	26	8	48	20	41.7
	Rhondda, Cynon, Taff	23	9	25	16	48	25	52.1
	Torfaen	8	5	4	1	12	6	50.0
	Vale of Glamorgan	6	6	15	9	21	15	71.4
	Regional total	167	87	184	105	351	192	54.7
West	Carmarthen-shire	10	5	20	10	30	15	50.0
	Ceredigion	9	8	28	19	37	27	73.0
	Neath - Port Talbot	14	3	14	9	28	12	42.9
	Pembrokeshire	12	6	11	7	23	13	56.5
	Swansea	12	5	35	15	47	20	42.6
	Regional total	57	27	108	60	165	87	52.7
	Other^b	10	-	20	-	30	-	-
Total		333	177	413	221	746	398	53.4 ^c

Sources: Wales' application numbers were supplied by the Arts Council of Wales (unpublished typescript received 9 March 1998).

Notes: Percentages calculated to one decimal place. Application numbers may include both initial failed applications and resubmitted applications from the same applicants.

^a In ACW's annual reports, Powys is divided between North and South East Wales. The exact division used by the ACW is unknown, so each area has been allocated a 50% share. Decimals occurring from the division of Powys are rounded up in the North, and down in the South East.

^b Grants which have not been allocated to any particular unitary authority.

^c Average success/ rejection rate for Wales' capital applications.



North - Antrim, Ballymena, Carrickfergus, Coleraine, Cookstown, Larne, Magherafelt, Moyle & Newtownabbey.
 East - Ards, Belfast, Castlereagh, Down, Lisburn & North Down.
 South - Armagh, Banbridge, Craigavon, Dungannon & Newry & Mourne.
 West - Derry, Fermanagh, Limavady, Omagh, Strabane.

Figure 21. *The twenty-five districts of Northern Ireland.*

Northern Ireland

The local authorities that make up Northern Ireland are geographically very small in area, so I have divided them into North, South, East and West to show comparable areas of access alongside those considered for England, Scotland and Wales.⁴² Tables 18 and 19 show the grant statistics of both individual and combined area totals for the North, South, East and West regions of Northern Ireland.

The district that received most funds and the greatest number of awards over the three years in Northern Ireland was Belfast. In 1995-96, however, Northern Ireland's arts grant statistics were dominated by the large amount of money awarded to the Armagh region (in the South). Armagh, housing only 3.2% of Northern Ireland's population, received four grants worth 56.5% of the total arts lottery money awarded in that year. Cookstown (in the North) also received a high grant value percentage (14.2%), with only 1.9% of the population (see table 19). Comparisons of the grant per head of population for Armagh, Cookstown and other districts highlight the large disparity between these two areas and the rest of Northern Ireland. Newtownabbey, Omagh and Strabane, for example, received no grants in the first year of lottery awards, while Armagh received £57.39 per head of population and Cookstown received £24.61 in this first year. Due to the large amount of money awarded to Armagh, the South was the beneficiary of the majority of the arts funds during the first year. These examples show that Northern Ireland exhibited a prominent case of unequal financial distribution in the first year.

In the second year, Cookstown and Armagh's arts lottery grants as a percentage of the total for Northern Ireland fell dramatically. These two districts, which had formerly secured nearly three-quarters of Northern Ireland's arts lottery funds, received only 2.3% of funds between them in the second year. The three districts allocated no lottery money in 1995-96, all received awards in 1996-97, but the award percentages were not in line with their population percentages. Moyle received only one grant in the second year (see table 18) which, although superficially low, appears more acceptable when compared with its population statistics (15,000

⁴² The geographical area of districts in Northern Ireland range from only 81 km² to 1,699 km². When the areas have been attributed to North, South, East and West, the areas are between 1,751 km² to 4,658 km².

residents, see table 19). The overall grant per head of population for Moyle was therefore of the same order as several larger districts in Northern Ireland.

The statistics for the third year of distribution show a scarcity of awards to the North and South compared with the previous year, because approximately only 20% of the number of awards were given to these regions in 1997-98. Belfast, however, retained a significant portion of the funds and awards, with 41 of the 86 awards going to the capital. The distribution in the third year had a great effect on the statistics for the three years, as the average grant per head of population in the North was £0.08 compared to the West's £5.40, which was over 67 times more. The grant per head of population for the full three years for North, East, South and West ranged from £3.32 in the North to £15.92 in the South, suggesting inequity in the distribution of funds across Northern Ireland, and that Armagh's large award in the first year had a significant effect on the results over the entire three years.

Table 18. Capital grants distributed in Northern Ireland by region (1995-98).

Region	1995-96				1996-97				1997-98				Total			
	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%
Ards	10,000	0.2	1	1.4	149,453	2.2	9	5.8	-	-	-	-	159,453	0.9	10	3.2
Belfast	602,361	11.2	22	29.7	2,537,202	36.7	46	29.5	1,938,008	42.7	41	47.7	5,077,571	30.2	109	34.5
Castlereagh	55,953	1.0	3	4.1	20,000	0.3	1	0.6	500,275	11.0	4	4.7	576,228	3.4	8	2.5
Down	27,715	0.5	3	4.1	107,466	1.6	6	3.8	86,000	1.9	2	2.3	221,181	1.3	11	3.5
Lisburn	8,534	0.2	1	1.4	82,846	1.2	7	4.5	108,380	2.4	3	3.5	199,760	1.2	11	3.5
North Down	18,356	0.3	3	4.1	67,200	1.0	5	3.2	287,676	6.3	6	7.0	373,232	2.2	14	4.4
East	722,919	13.4	33	44.6	2,964,167	42.9	74	47.4	2,920,339	64.3	56	65.1	6,607,425	39.2	163	51.6
Antrim	10,000	0.2	1	1.4	18,000	0.3	2	1.3	6,825	0.2	1	1.2	34,825	0.2	4	1.3
Ballymena	16,250	0.3	1	1.4	114,514	1.7	7	4.5	2,260	0.0	1	1.2	133,024	0.8	9	2.8
Ballymoney	20,000	0.4	1	1.4	11,400	0.2	1	0.6	-	-	-	-	31,400	0.2	2	0.6
Carriekfergus	18,116	0.3	1	1.4	73,482	1.1	2	1.3	-	-	-	-	91,598	0.5	3	0.9
Coleraine	67,434	1.3	2	2.7	7,000	0.1	1	0.6	23,725	0.5	2	2.3	98,159	0.6	5	1.6
Cookstown	762,851	14.2	4	5.4	49,876	0.7	5	3.2	-	-	-	-	812,727	4.8	9	2.8
Larne	18,000	0.3	1	1.4	20,000	0.3	1	0.6	-	-	-	-	38,000	0.2	2	0.6
Magherafelt	36,166	0.7	3	4.1	35,732	0.5	3	1.9	-	-	-	-	71,898	0.4	6	1.9
Moyle	2,700	0.1	1	1.4	-	-	-	-	-	-	-	-	2,700	0.0	1	0.3
Newtownabbey	-	-	-	-	56,400	0.8	3	1.9	1,012	0.0	1	1.2	57,412	0.3	4	1.3
North	951,517	17.7	15	20.3	386,404	5.6	25	16.0	33,822	0.7	5	5.8	1,371,743	8.1	45	14.2
Armagh	3,041,527	56.5	4	5.4	113,835	1.6	9	5.8	21,432	0.5	2	2.3	3,176,794	18.9	15	4.7
Banbridge	42,430	0.8	4	5.4	16,500	0.2	1	0.6	-	-	-	-	58,930	0.4	5	1.6
Craigavon	23,250	0.4	2	2.7	963,963	13.9	6	3.8	4,600	0.1	1	1.2	991,813	5.9	9	2.8
Dungannon	42,525	0.8	4	5.4	31,100	0.5	3	1.9	-	-	-	-	73,625	0.4	7	2.2
Newry & Mourne	421,244	7.8	4	5.4	101,815	1.5	7	4.5	94,200	2.1	2	2.3	617,259	3.7	13	4.1
South	3,570,976	66.3	18	24.3	1,227,213	17.8	26	16.7	120,232	2.6	5	5.8	4,918,421	29.2	49	15.5
Derry	47,963	0.9	3	4.1	2,056,089	29.8	11	7.1	429,499	9.5	12	14.0	2,533,551	15.0	26	8.2
Fermanagh	84,278	1.6	4	5.4	140,982	2.0	9	5.8	1,018,325	22.4	5	5.8	1,243,585	7.4	18	5.7
Limavady	4,388	0.1	1	1.4	18,717	0.3	1	0.6	-	-	-	-	23,105	0.1	2	0.6
Omagh	-	-	-	-	60,081	0.9	5	3.2	8,201	0.2	2	2.3	68,282	0.4	7	2.2
Strabane	-	-	-	-	56,552	0.8	5	3.2	12,000	0.3	1	1.2	68,552	0.4	6	1.9
West	136,629	2.5	8	10.8	2,332,421	33.8	31	19.9	1,468,025	32.3	20	23.3	3,937,075	23.4	59	18.7
Total	5,382,041	100.0	74	100.0	6,910,205	100.0	156	100.0	4,542,418	100.0	86	100.0	16,834,664	100.0	316	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Percentages calculated to one decimal place.

Table 19. Capital grants per head of population in Northern Ireland by region (1995-98).

Region	Population		1995-96			1996-97			1997-98			Total		
	No. (000s)	%	Value (£)	%	Grant/ Pop. (£)	Value (£)	%	Grant/ Pop. (£)	Value (£)	%	Grant/ Pop. (£)	Value (£)	%	Grant/ Pop. (£)
Ards	67	4.1	10,000	0.2	0.15	149,453	2.2	2.23	-	-	-	159,453	0.9	2.38
Belfast	297	18.0	602,361	11.2	2.03	2,537,202	36.7	8.54	1,938,008	42.7	6.53	5,077,571	30.2	17.10
Castlereagh	63	3.8	55,953	1.0	0.89	20,000	0.3	0.32	500,275	11.0	7.94	576,228	3.4	9.15
Down	61	3.7	27,715	0.5	0.45	107,466	1.6	1.76	86,000	1.9	1.41	221,181	1.3	3.63
Lisburn	106	6.4	8,534	0.2	0.08	82,846	1.2	0.78	108,380	2.4	1.02	199,760	1.2	1.88
North Down	74	4.5	18,356	0.3	0.25	67,200	1.0	0.91	287,676	6.3	3.89	373,232	2.2	5.04
East	668	40.5	722,919	13.4	1.08	2,964,167	42.9	4.44	2,920,339	64.3	4.37	6,607,425	39.2	9.89
Antrim	49	3.0	10,000	0.2	0.20	18,000	0.3	0.37	6,825	0.2	0.14	34,825	0.2	0.71
Ballymena	58	3.5	16,250	0.3	0.28	114,514	1.7	1.97	2,260	0.0	0.04	133,024	0.8	2.29
Ballymoney	25	1.5	20,000	0.4	0.80	11,400	0.2	0.46	-	-	-	31,400	0.2	1.26
Carrickfergus	35	2.1	18,116	0.3	0.52	73,482	1.1	2.10	-	-	-	91,598	0.5	2.62
Coleraine	54	3.3	67,434	1.3	1.25	7,000	0.1	0.13	23,725	0.5	0.44	98,159	0.6	1.82
Cookstown	31	1.9	762,851	14.2	24.61	49,876	0.7	1.61	-	-	-	812,727	4.8	26.22
Larne	30	1.8	18,000	0.3	0.60	20,000	0.3	0.67	-	-	-	38,000	0.2	1.27
Magherafelt	37	2.2	36,166	0.7	0.98	35,732	0.5	0.97	-	-	-	71,898	0.4	1.94
Moyle	15	0.9	2,700	0.1	0.18	-	-	-	-	-	-	2,700	0.0	0.18
Newtownabbey	79	4.8	-	-	-	56,400	0.8	0.71	1,012	0.0	0.01	57,412	0.3	0.73
North	413	25.0	951,517	17.7	2.30	386,404	5.6	0.94	33,822	0.7	0.08	1,371,743	8.1	3.32
Armagh	53	3.2	3,041,527	56.5	57.39	113,835	1.6	2.15	21,432	0.5	0.40	3,176,794	18.9	59.94
Banbridge	37	2.2	42,430	0.8	1.15	16,500	0.2	0.45	-	-	-	58,930	0.4	1.59
Craigavon	78	4.7	23,250	0.4	0.30	963,963	13.9	12.36	4,600	0.1	0.06	991,813	5.9	12.72
Dungannon	47	2.9	42,525	0.8	0.90	31,100	0.5	0.66	-	-	-	73,625	0.4	1.57
Newry & Mourne	94	5.7	421,244	7.8	4.48	101,815	1.5	1.08	94,200	2.1	1.00	617,259	3.7	6.57
South	309	18.7	3,570,976	66.3	11.56	1,227,213	17.8	3.97	120,232	2.7	0.39	4,918,421	29.2	15.92
Derry	55	3.3	47,963	0.9	0.87	2,056,089	29.8	37.38	429,499	9.5	7.81	2,533,551	15.0	46.06
Fermanagh	31	1.9	84,278	1.6	2.72	140,982	2.0	4.55	1,018,325	22.4	32.85	1,243,585	7.4	40.12
Limavady	103	6.2	4,388	0.1	0.04	18,717	0.3	0.18	-	-	-	23,105	0.1	0.22
Omagh	47	2.9	-	-	-	60,081	0.9	1.28	8,201	0.2	0.17	68,282	0.4	1.45
Strabane	36	2.2	-	-	-	56,552	0.8	1.57	12,000	0.3	0.33	68,552	0.4	1.90
West	272	16.5	136,629	2.5	0.50	2,332,421	33.8	8.58	1,468,025	32.3	5.40	3,937,075	23.4	14.47
Total	1,649	100.0	5,382,041	100.0	3.26 ^a	6,910,205	100.0	4.19 ^a	4,542,418	100.0	2.75 ^a	16,834,664	100.0	10.21 ^a

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and Office for National Statistics, *Regional Trends* 32, pp. 210-211.

Notes: Population figures calculated from the Office for National Statistics figures for each district. The total population figure does not add up to the exact figure shown because of the rounding process used by the statistical office. Grant per head of population is a value calculated by dividing the amount of money awarded to a region by the number of its inhabitants. Percentages calculated to one decimal place. 'Grant/Pop.' calculated to two decimal places.

^a Average capital grant per head of population in Northern Ireland.

As with Wales' statistics, Belfast, the capital of Northern Ireland, is considered separately as well as within its own region (East) in order to assess its effect on its host (see figure 22). Due to the finite nature of total funds, Armagh's (South) very high grant per head of population left little for the other regions in the first year. Belfast (East) and the West received the highest grant per head of population in the second and third years. Of the remaining regions, Belfast had a positive effect on the East's statistics, but the North received reducing amounts of money per head of population in each year.

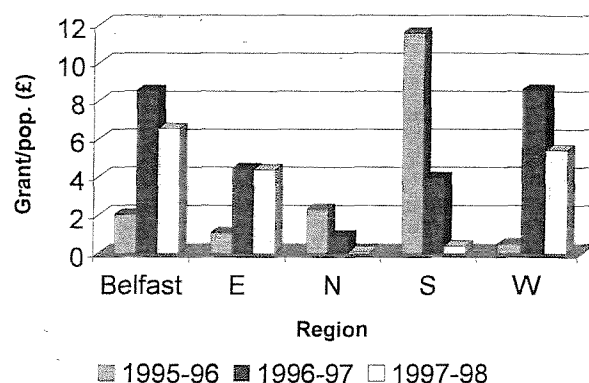


Figure 22. *Value of capital grant per head of population in Northern Ireland by region (1995-98).*

E = East, N = North, S = South, W = West.

The numbers of awards show less extreme variances in distribution, particularly with regard to the first year (see figure 23). Belfast received a high percentage of the number of awards for its percentage of the population, but this attracting of grants to the capital is not exclusive and is seen in the other three countries. Figure 23 shows that the North received below 100% of an equitable allocation of the number of awards for each of the three years, while all the other regions surpassed this percentage in at least one year. What is exceptional in Northern Ireland's data is that each region's statistics either fell or rose over the three years and did not seem to find a balance. This suggests that the ACNI had no systematic regional distribution procedure strong enough to over power the strength of the applications as they came in.

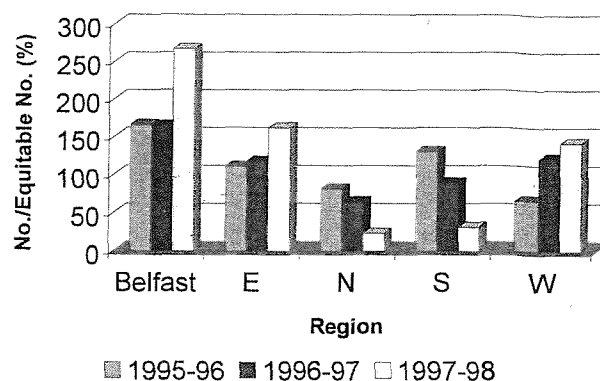


Figure 23. Number of capital grants distributed in Northern Ireland compared to equity by region (1995-98).

The grant values, when expressed as a percentage of equity as in figure 24, also show dramatic trends in particular directions, with the North and South's allocations decreasing with time, and the other regions' allocations rising (with a slight exception in year two in the West). None of the distributions settled around the 100% mark, which would have indicated a trend towards equitable distribution (see figure 24).

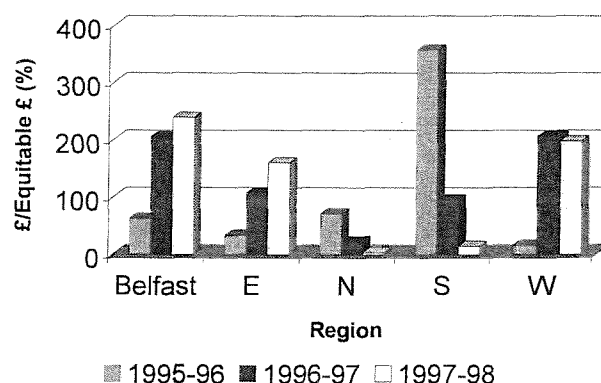


Figure 24. Value of capital grants distributed in Northern Ireland compared to equity by region (1995-98).

Table 20 illustrates the cumulative results for the number of awards over the three years, and shows the directional effects of the awards year on year. Three regions had improved distribution by percentage of the population in the second year (bold text entries), but none improved over the three years. The East and North regions' allocations became less equitable with each year.

Table 20. Cumulative summary of the number of capital grants distributed in Northern Ireland by region (1995-98).

Region	1995-96		1995-97		1995-98		Equity (%)
	No.	%	No.	%	No.	%	
Belfast	22	29.7	68	29.6	109	34.5	18.0
East	33	44.6	107	46.5	163	51.6	40.5
North	15	20.3	40	17.4	45	14.2	25.0
South	18	24.3	44	19.1	49	15.5	18.7
West	8	10.8	39	17.0	59	18.7	16.5
Total	74	100.0	230	100.0	316	100.0	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Bold text entries indicate an improvement in the equity of distribution on that of the previous year. 'Equity' is a theoretical quantity calculated from the proportion of population residing in each area. Percentages calculated to one decimal place.

Figure 25 shows each region's cumulative data for the number of grants received compared to the equitable grant number based on population size. The distribution to Belfast, the South and West was most equitable after the second year. The East and North, however, had their most equitable period in the first year, and gradually attained less equitable grant allocations over the remaining two years. The cumulative span of the four regions for the full three years of distribution was between 57% and 128%. For the first year the span was between 66% and 131%, showing no real improvement (reduction of span) in equity of award distribution over the three years.

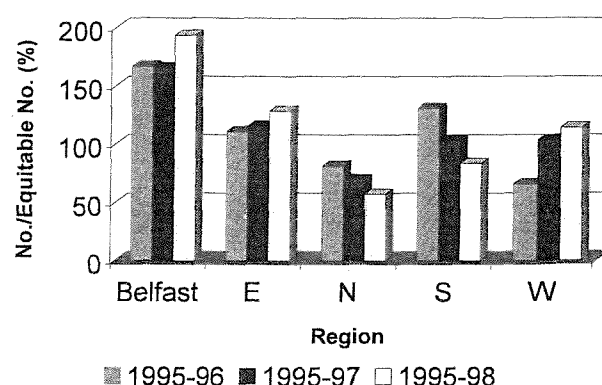


Figure 25. Cumulative summary of the number of capital grants distributed in Northern Ireland compared to equity by region (1995-98).

The financial statistics show a greater improvement across the time-span of this study (see table 21 and figure 26). Three regions (East, South and West) attained improved equity in the second year, and two (East and West) improved in the third

year. The effect of the large grant to Armagh in the first year, was diluted by the cumulative regional statistics of the following two years (see table 21).

Table 21. Cumulative summary of the value of capital grants distributed in Northern Ireland by region (1995-98).

Region	1995-96		1995-97		1995-98		Equity (%)
	Value (£)	%	Value (£)	%	Value (£)	%	
Belfast	602,361	11.2	3,139,563	25.5	5,077,571	30.2	18.0
East	722,919	13.4	3,687,086	30.0	6,607,425	39.2	40.5
North	951,517	17.7	1,337,921	10.9	1,371,743	8.1	25.0
South	3,570,976	66.3	4,798,189	39.0	4,918,421	29.2	18.7
West	136,629	2.5	2,469,050	20.1	3,937,075	23.4	16.5
Total	5,382,041	100.0	12,292,246	100.0	16,834,664	100.0	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Bold text entries indicate an improvement in the equity of distribution on that of the previous year. 'Equity' is a theoretical quantity calculated from the proportion of population residing in each area. Percentages calculated to one decimal place.

The distribution of funds to the four regions changed dramatically over the three years (see figure 26). Belfast had an increased financial allocation, but this did not exaggerate the East's values beyond the quota considered equitable by head of population. Financial equity across Northern Ireland was therefore not affected by large grants awarded to the capital. The South's cumulative financial grant values per head of population reduced over the three years from 357% to 157%. This reduced the span of regional awards based on grant size compared to population size from 341% in the first year, to 125% in the third year. This decreased the overall span by 216% suggesting an overall more equitable set of financial statistics by the end of the third year.

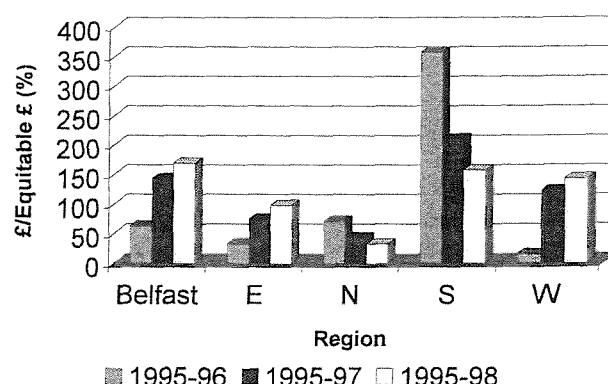


Figure 26. Cumulative summary of the value of capital grants distributed in Northern Ireland compared to equity by region (1995-98).

The number of awards received by a region are frequently dependent on the number of applications, and table 22 shows the ACNI's application numbers compared to the DCMS distribution statistics for the first two years of distribution.⁴³ Analysing the numbers of applications shows only the proportion of applications turned down, indicating whether applications from particular areas had been discriminated against. For example, the three districts (Newtownabbey, Omagh and Strabane) who were awarded no grants in the first year, only applied for between one and three grants, limiting their chances of success. The financial size of the grants accepted and rejected is not considered in this data. For example, in the first year Armagh received four of the seven grants for which it applied, which were worth more than half of the total amount of money allocated to Northern Ireland. These results demonstrate that, even though Armagh was successful at receiving awards in general terms, three of its applications (42%) were rejected.

In the second year, even though Cookstown's financial allocation was low in the previous year, it appears to have received all the grants for which it applied, as did Ards, Larne and Limavady.⁴⁴ The two districts that had least success with their applications were Castlereagh and Antrim with 25% and 30% respectively. This appears to be echoed by Antrim's relatively low grant per head of population value (£0.37), although, as has been demonstrated by Armagh, it does not necessarily follow that these data are connected. Castlereagh's grant per head of population is, however, just below the average, despite its poor application success rates (see table 19).

Overall, the four regions' success rates span between 52.2% and 60.3%, which is a relatively narrow margin as it is below 10%. It does not appear that applications from any particular region were rejected because of regional preferences within the ACNI.

⁴³ ACNI supplied application results for only the number of awards, and not the values.

⁴⁴ Some of the 'Other' applications may belong to these regions so this is not a certainty.

Table 22. Numbers of capital applications and grants in Northern Ireland by region (1995-97).

	District	1995-96		1996-97		Total		Success rate (%)
		No. of apps.	No. of grants	No. of apps.	No. of grants	No. of apps.	No. of grants	
East	Ards	6	1	4	9 ^b	10	10	100.0
	Belfast	56	22	78	46	134	68	50.7
	Castlereagh	6	3	10	1	16	4	25.0
	Down	11	3	6	6	17	9	52.9
	Lisburn	4	1	6	7 ^b	10	8	80.0
	North Down	9	3	9	5	18	8	44.4
	Regional total	92	33	113	74	205	107	52.2
North	Antrim	6	1	4	2	10	3	30.0
	Ballymena	7	2	7	8 ^b	14	10	71.4
	Carrickfergus	2	1	2	2	4	3	75.0
	Coleraine^a	8	2	4	1	12	3	25.0
	Cookstown	5	4	2	5 ^b	7	9 ^c	128.6
	Larne	1	1	1	1	2	2	100.0
	Magherafelt	7	3	7	3	14	6	42.9
	Moyle	1	1	1	0	2	1	50.0
	Newtownabbey	3	0	5	3	8	3	37.5
	Regional total	40	15	33	25	73	40	54.8
South	Armagh	7	4	12	9	19	13	68.4
	Banbridge	5	4	3	1	8	5	62.5
	Craigavon	7	2	7	6	14	8	57.1
	Dungannon	8	4	9	3	17	7	41.2
	Newry & Mourne	8	4	7	7	15	11	73.3
	Regional total	35	18	38	26	73	44	60.3
West	Derry	11	3	14	11	25	14	56.0
	Fermanagh	11	4	11	9	22	13	59.1
	Limavady	1	1	1	1	2	2	100.0
	Omagh	3	0	5	5	8	5	62.5
	Strabane	1	0	9	5	10	5	50.0
	Regional total	27	8	40	31	67	39	58.2
	Other^d	4	0	12	0	16	0	n/a
Total		198	74	236	156	434	230	53.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and Northern Ireland's application numbers were supplied by the Arts Council of Northern Ireland (unpublished typescript received 8 April 1998).

Notes: Percentages calculated to one decimal place. Application numbers may include both initial failed applications and resubmitted applications from the same applicants.

^a ACNI's lottery distribution figures for Ballymoney have been amalgamated with Coleraine, as it is the closest regional arts board.

^b ACNI could assess applications from the first year in the second year.

^c Cookstown appears to have received more grants than it applied for, which is unlikely to be the case because the procedures and directives do not allow for grants to be awarded without applications. It is therefore assumed that this is either a mistake in the figures given by the ACNI or the DCMS, or that some of Cookstown's grants have been included under the 'Other' heading.

^d Grants included under the 'Other' heading are those which cannot reasonably be divided by district.

The Four Countries

The capitals of England, Scotland, Wales and Northern Ireland accommodate a large proportion of Britain's arts companies and venues. Theoretically, therefore, the regions containing these cities could submit a large number of the applications for lottery funds, thus being likely to receive more money and grants than other regions. This was found to be the case, with London, Edinburgh, Cardiff and Belfast, which all received high grants per head of population, with only Belfast not receiving the highest amount in its country. Other regions with large cities within England and Scotland also exhibited these same features, but to a lesser extent, suggesting the significance of cities to the distribution statistics: for example Manchester in the North West and Birmingham in the West Midlands exhibited similar trends.

The amount of money distributed to each region per member of population varied dramatically within the regions and countries. The average grant per head of population over the three years was very similar in England, Scotland and Wales, between £17 and £18, while the average grant per population distributed in Northern Ireland was far lower at £10.21. The National Lottery Distribution Fund divided lottery money between the four arts councils according to their relative share of the population, so these values should have been roughly equal. The ACNI did not have to allocate all of its funds within a year, however, so it is possible that the remainder was to be allocated in later years. The capitals of the four countries generally received higher amounts than other regions, and Cardiff received most over the three years with £64.53 per member of its population (London £50.87, Edinburgh in Lothian £29.88 and Belfast £17.10).⁴⁵ The regions that received least by this method of evaluation were the Borders and Central regions in Scotland (£0.77 and £2.89 respectively). Northern Ireland had the next lowest grant per head of population figure for the three years with the North receiving £3.32, while the lowest value in England was the East Midlands with £4.43, but Wales' region with the lowest grant per head of population was far higher with the West gaining £10.99. These regions have fewer large cities, which confirms the conclusion that the location and size of cities affects the distribution and size of awards.

The number of awards distributed by the four arts councils to their collective

⁴⁵ See tables 4, 10, 14 and 19.

regions varied significantly. When these numbers were compared to equity (proportion of grants compared to proportion of the population per region), the margin either side of 100% (equity) gave indications of the success of each arts council at achieving equitable regional distribution. The narrower the margin around the 100% mark, the more equitable the distribution. In England, each region received between 76%-142% of its equitable allocation to beneficiaries by proportion of the population over the three years. This margin for the SAC's distribution was between 17%-201%, for ACW between 95%-110% and for Northern Ireland between 57%-128%. These statistics indicate that Wales had the narrowest margin and was the closest to 100%, and therefore had the most equitable distribution of grants (by number) followed by England, Northern Ireland and Scotland.

The relative equity of the allocation of arts lottery money across each country was analysed in the same way as the number of grants. The statistics for the ACE show that the regions in England received between 25%-289% of their equitable share of funds, with London receiving most and the East Midlands least. This was the widest range of percentages for any country and indicates that the financial distribution in England was the least equitable, despite England being the second most equitable country in terms of the numbers of grants awarded. The SAC awarded between 5%-176% of an equitable share of funds, while the ACW awarded between 64%-119% of funds and the ACNI allocated between 32%-157%. The ACW therefore had the most equitable regional allocation of money as well as numbers of grants of the four arts councils, despite Cardiff's high grant per head of population, which surpassed that achieved by any other region including London.

The margins between the financial percentages compared to equity were far greater than the margins between the number percentages compared to equity. This was partially because anomalous grants, such as the Cardiff Millennium Centre and the Royal Opera House, had a great affect on the financial statistics awarded to a particular region, but increased the grant occurrences by just one. Each country's statistics exhibit examples of large grants which greatly affected the financial statistics, indicating that it is not an element specific to the distribution of one arts council, but common to all four. The effects of these large awards were gradually absorbed by distribution in subsequent years, suggesting that later allocations tended to relieve rather than compound financial inequity in distribution. This shows that

large awards do not necessarily indicate that a region will continually receive such grants, and therefore does not necessarily represent bias. This is confirmed by the application data, which show no indication of bias towards particular regions, and in turn suggests that the arts councils were acting reactively.

The differences in distribution therefore appear to be caused by the number (or lack) of applications from each region and the location of cities and thus art companies. The time scale of the study can also give alternate results, as the longer the period of time under investigation, the greater the likelihood of representative statistics, because of graduation towards the mean of statistics and because less weight is given to individual awards.

Economically Disadvantaged Areas

FitzHerbert, Giussani and Hurd commented in the *National Lottery Yearbook 1996* that, in 1995, the poorest areas in England did not receive an equal share of lottery grants from any of the arts, heritage or sports sectors.⁴⁶ In the *National Lottery Yearbook 1997*, FitzHerbert and Rhoades wrote again that the arts and heritage sectors were penalising economically disadvantaged areas:

It continues to be the case that some of the distributing bodies are not achieving, or perhaps not even setting out to achieve, a fair distribution of their grants around the country. Richer areas are still being favoured over poorer ones by some distributors and London is still being grossly favoured by the Arts and Heritage boards at the expense of the rest of England.⁴⁷

This seems particularly remiss when, in an article in the *Economist*, under the rubric 'Redistribution to the Rich', it is claimed that the most likely purchasers of lottery tickets are those from the socio-economic groups C2, D and E.⁴⁸

People from the lower socio-economic groups are resident all over Britain, with many in London, but some areas are considered to be less well-off because of their low average weekly earnings. According to figures gathered by the Office for

⁴⁶ FitzHerbert, Giussani and Hurd, *National Lottery Yearbook 1996*, p. 8.

⁴⁷ Luke FitzHerbert and Lucy Rhoades, *The National Lottery Yearbook & Grant-seekers' Guide: 1997 Edition* (London: Directory of Social Change, 1997), p. 38.

⁴⁸ These definitions come from a six-step scale in which group A contains affluent professionals, though B, C1 (white collar workers), C2 (blue collar workers), and D through to E refer to unskilled labourers. N.a. 'Redistribution to the rich,' *Economist*, 5 November 1994, pp. 25-6. For further discussion of the participation of different socio-economic groups in arts, sport and heritage see Evans, 'The National Lottery: planning for leisure or pay up and play the game?' pp. 225-44.

National Statistics, the average weekly earnings of a person in the UK in 1997 was approximately £350.⁴⁹ I have assumed that regions with average weekly earnings of below £320 are the poorer areas referred to by FitzHerbert and his co-writers.⁵⁰ In 1997, these areas of England were identified as being the North West, Yorkshire and Humber and the East Midlands regions.

The lottery grants per head of population for these 'poorer' areas show that these regions did not all receive the lowest grants per head from the ACE (see table 4). The North West, for example, received higher grants per head of population over the first three years of distribution (£16.68), than the Southern (£13.31), South East (£6.21) or South West (£9.96) regions, frequently considered more prosperous.⁵¹ The Northern region received the second highest grant per head of population (£26.45) next to London (£50.87), so if FitzHerbert and Rhoades considered 'poorer' areas in terms of a North-South divide, the distribution statistics disprove this interpretation. The Yorkshire and Humber region also received more than the South East, Eastern and East Midlands. The East Midlands did receive least in terms of grant per head of population. However, if the 'distribution of grants around the country' is considered in terms of numbers of grants awarded to each region, figure 7 shows that grant numbers were reasonably well distributed, with each region receiving 75% or more of its theoretical due over the first three years. These results show that there was no real underlying connection between the numbers or values of arts lottery grants awarded to the regions and their average weekly earning statistics. FitzHerbert and Rhoades' summary of this situation is therefore misleading, as all of the regions received arts grants, although not necessarily on the same financial scale as those awarded to the North West and London regions.

Partnership Funding

At the start of lottery distribution to the arts, the partnership funding requirements for arts lottery grants were 10% of the total project costs for applications that cost the Lottery less than £100,000, and 25% for projects requiring amounts over

⁴⁹ Office for National Statistics, *Regional Trends* 32, p. 73.

⁵⁰ Average weekly earnings of below £320 were chosen as this identified just three of the ten regions as being less well-off.

⁵¹ See table 4.

£100,000.⁵² Arts council grant-in-aid awards did not count as partnership funding, but donations, support in kind and financial agreements could be included.

Partnership funding requirements within lottery applications affected the distribution of arts lottery grants across the country, and the statistics concerning business sponsorship highlighted this influence. Some companies found the partnership funding requirements easier to meet than others. In particular, larger arts companies tended to have the reputation and prestige that would help to attract partnership funding from investing companies. This suggests that arts centres in economically deprived or remote communities had a more difficult task of winning partnership funding than well-known companies, because these often afforded comparatively little prestige and advertising advantage.⁵³ Sponsoring companies were also likely to be based in cities, and their clients, at whom the advertising is aimed, are also likely to be based in cities. Partnership funding may therefore be more available in the cities, and this supposition is supported by the business sponsorship data in table 23.

According to the Association for Business Sponsorship of the Arts (ABSA), the total business support for the arts in 1995-96 was estimated at £79.8 million.⁵⁴ That included five different categories of business sponsorship, referred to by ABSA as general sponsorship, corporate membership, corporate donations, capital projects and sponsorship in kind. Both the general sponsorship (money given to promote the business' name and products) and the corporate membership (annual subscriptions entitling companies to free seats) categories have been excluded from my calculations. I have excluded them because these types of funding are more often used for the sponsorship of particular events or concerts rather than capital projects, and are therefore less likely to be used as partnership funding when obtaining lottery grants. Corporate donations (money given by companies with nothing expected in return)

⁵² Hurd, *A Guide to the National Lottery*, p. 21.

⁵³ FitzHerbert, Giussani and Hurd said of lottery funding that 'only to them that hath, shall be given'. In other words, the way that the lottery distribution process had been designed dictated that only those with access to partnership funding could acquire lottery grants. FitzHerbert, Giussani, and Hurd, *National Lottery Yearbook 1996*, p. 8. Dr. Johnson wrote in a letter to Lord Chesterfield in reply to his offer of patronage, 'Is not a patron, my lord, one who looks with unconcern on a man struggling for life in water, and when he has reached ground encumbers him with help?' Werner Gundersheimer, quoting *Boswell's Life of Johnson* (Oxford, 1924), I, 174, in 'Patronage in the Renaissance: An Exploratory Approach,' in *Patronage in the Renaissance* (Princeton: Princeton University Press, 1981), p. 11.

⁵⁴ Association for Business Sponsorship of the Arts, *Business Support for the Arts 1995/96: National Research Survey* (London: Association for Business Sponsorship of the Arts, 1996), p. 3.

capital projects, and sponsorship in kind (the provision of materials and labour instead of money) are the three categories that are accepted by the arts councils as partnership funding, and have therefore been included in table 23.

Table 23. Business sponsorship compared to ACE lottery funding by region (1995-98).

Regions & Countries	Population		1995-96		1996-97		1997-98		Total Arts Sponsorship	
	000s	%	£'000	%	£'000	%	£'000	%	£'000	%
East Midlands	3,424	7.0	279	2.2	218	0.9	214	0.8	711	1.1
Eastern	5,870	12.0	91	0.7	219	0.9	106	0.4	416	0.6
London	7,007	14.3	7,003	54.5	18,415	73.3	16,115	57.0	41,533	62.7
North West	6,497	13.3	505	3.9	861	3.4	1,127	4.0	2,493	3.8
Northern	3,095	6.3	592	4.6	380	1.5	583	2.1	1,555	2.3
South East	4,057	8.3	908	7.1	695	2.8	323	1.1	1,926	2.9
South West	3,895	8.0	181	1.4	439	1.7	432	1.5	1,052	1.6
Southern	4,723	9.7	2,104	16.4	2,364	9.4	3,446	12.2	7,914	11.9
West Midlands	5,306	10.9	931	7.2	983	3.9	4,771	16.9	6,685	10.1
Yorkshire & Humber	5,031	10.3	256	2.0	563	2.2	1,151	4.1	1,970	3.0
Subtotal	48,903	100.0	12,851	100.0	25,137	100.0	28,268	100.0	66,256	100.0
England	48,903	83.4	12,851	81.0	25,137	88.1	28,268	80.9	66,256	83.5
Scotland	5,137	8.8	1,244	7.8	1,806	6.3	5,304	15.2	8,354	10.5
Wales	2,917	5.0	587	3.7	430	1.5	414	1.2	1,431	1.8
N. Ireland	1,649	2.8	138	0.9	144	0.5	245	0.7	527	0.7
Other	-	-	1,056	6.7	1,014	3.6	715 ^a	2.0	2,785	3.5
Total	58,606	100.0	15,875	100.0	28,532	100.0	34,946	100.0	79,353	100.0

Sources: Office for National Statistics, *Regional Trends* 32, pp. 165-73, 199, 205 and 211; ABSA, *Business Support for the Arts 1995/96*, pp. 18-20; id., *Business Support for the Arts 1996/97: National Research Survey* (London: ABSA, 1997), pp. 12-14; and id., *Business Investment in the Arts 1997/98: Arts & Business National Research Survey* (London: ABSA, 1998), pp. 21-23.

Notes: The figures for 'General Sponsorship' and 'Corporate Membership' are not applicable to partnership funding and have therefore been excluded from the 'Total Arts Sponsorship' column. The 'Total Arts Sponsorship' figures therefore differ from those found in the ABSA reports. Financial values and population figures rounded to the nearest thousand. Percentages calculated to one decimal place.

^a Classified as 'National' grants.

The exclusion of 'General Sponsorship' and 'Corporate Membership' from the calculations significantly reduced the amount of business sponsorship considered to be likely partnership funding, from approximately £80 million a year to £78.8 million over the first three years of arts lottery distribution. However, it is the proportion of business sponsorship available to each region and not the values that influence the relative availability of capital grants to arts companies in different regions. Figure 27

shows business sponsorship statistics for the three years with the relative distribution of the ACE's arts lottery funds over the same period.

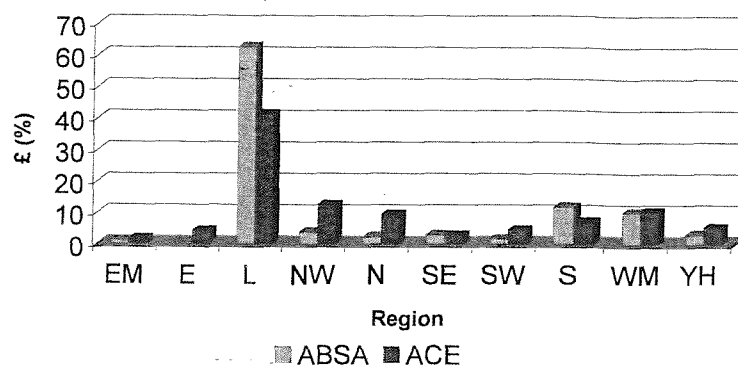


Figure 27. *Business sponsorship compared to ACE lottery funding by region (1995-98).*

As with the ACE's lottery distribution, London received the greater part of business sponsorship, which is not surprising given London's position as the social and cultural capital. The Southern and West Midlands regions also received more than or approximately equal amounts of business sponsorship to lottery funding. These results suggest that arts companies within the London, and (to a much lesser degree) Southern and to some extent the West Midlands Arts Boards, were able to apply for partnership funding with a greater possibility of success than other regions. Arts companies in these areas therefore found partnership funding more available and were also more likely to fulfil the partnership funding requirements, than those in other areas.

As business sponsorship was one of a number of factors that favoured London and prestigious national projects, the question may be raised of whether the arts councils should have requested differing percentages of partnership funding from arts companies in particular regions. This could be problematic, however, as smaller companies would be penalised within the regions with higher partnership funding requirements, purely because of the presence of larger companies. It would also have been difficult for the arts councils to set the percentages, because business sponsorship, and particularly the support of capital projects, is a variable asset. As stated within ABSA's report, 'this sector is notoriously prone to annual fluctuation', so for any allowance to be made for varying partnership funding availability, business

sponsorship would require constant monitoring and the funding requirements would have to be amended accordingly.⁵⁵

Summary

Parliament allocated arts lottery funds according to the spread of the population in England, Scotland, Wales and Northern Ireland, but no policies were made regarding the division of lottery money between the countries' different regions. According to a House of Lords debate, the Lords rejected inserting a clause in the act concerning specific regional allocations because projects were to be considered 'on the basis of quality and priority', not geographical area.⁵⁶ They stated that the secretary of state would safeguard against inequitable distribution. The policy directions issued by the secretary of state at the start of distribution to the arts, although unbiased concerning the assessment of individual applications, restricted the arts councils' ability to rectify any inequity in distribution. The first policy direction prevented the arts councils from soliciting applications, placing them in a reactive rather than proactive position. They could therefore only award funds to the applications that they received and could not attempt to attract applications from under-funded regions, regardless of the level of inequity in distribution. Other restrictions, concerning partnership funding and allocating funds to institutions over which the councils had control, gave preference to large institutions and further prevented the rectification of inequities in distribution. Partnership funding was also found to be more available in some regions, making it a biasing factor.

The geographical distribution statistics show that, while all of Britain benefited to some degree, London received far more lottery money per head of population over the first three years than any other region in England. Other financial centres within the four countries, such as Birmingham (West Midlands), Cardiff (South East), Edinburgh (Lothian), Glasgow (Strathclyde) and Belfast (East), also attracted a large quantity of high value grants. The reverse was found to be true for the regions without major cities, for they received far less grant money per person, as in the East Midlands, the Borders, Merthyr Tydfil (South East) and Limavady (West). Despite the inequalities of financial distribution, the ACE's numeric allocation of awards revealed

⁵⁵ Ibid., p. 2.

⁵⁶ *Hansard Parliamentary Debates*, Lords, 5th ser., vol. 548 (1993), col. 464.

that each region received at least 75% of the number of awards considered equitable by head of population over the three years. The distribution of the number of awards was generally found to be more equitable than the distribution of funds (except in Northern Ireland). The allocation of funds tended to be affected far more by anomalies than the numbers of awards. The high values of awards, rather than a lack of beneficiaries in particular regions, therefore created most of the visible differences between the allocations. Grant values per head of population varied from year to year, but the cumulative distribution figures gradually absorbed anomalies and smoothed the overall geographical spread of awards and funds, which although this was due to some extent to the gradual deviation of statistics to the mean, revealed that distribution was not becoming more extreme with each passing year. Overall, according to this method of analysis, the ACW was found to have the most equitable regional distribution of the four councils over the first three years.

The application figures show that each region in England gained approximately the same proportion of successful and rejected awards as London, showing that applications from any region had a relatively equal chance of being accepted. The results also show that there was no particular penalisation of economically disadvantaged areas. Overall, the arts councils achieved a relatively unbiased distribution of arts lottery grants by region in an environment in which they could only respond to applications and fund the purchase and renovation of buildings and equipment, rather than being proactive in suppressing distribution disparities.

CHAPTER 3

LOTTERY ARTS DISTRIBUTION BY GENRE

This chapter examines the distribution of arts lottery grants to the different genres (or art forms) for the period April 1995 to March 1998. The aims of this chapter are to provide an independent analysis of the distribution of arts lottery grants by genre, to examine what factors affected distribution and to discover whether there are any indications of bias towards particular genres within the distribution of the four arts councils.

During the course of this chapter, I first examine the policies that govern the arts councils and their assessment procedures. I then determine which art forms received most grants and funds, and identify the five most successful art forms in each country. These five genres are then separated, and their projects categorised into their underlying project types. The purpose of investigating the project types is to discover factors that affected the distribution to the various genres, and to determine the differing extents to which these factors affected the distribution to the art forms in each country. Having identified the underlying factors within the distribution statistics, I examine the top ten grants of each country in each year to see how they influenced distribution. These high value awards often attracted most publicity, and I determine whether they represented distribution or offered a different image of the arts councils' allocations.

As demonstrated in chapter 2, the numbers of applications and the partnership funding levels affected the arts councils' distribution of lottery grants. These aspects are therefore examined at the end of the chapter with regard to the different genres.

Methods Employed to Analyse Distribution by Genre

The approach in this chapter differs from that of the last, for whereas chapter 2 uses grant per head of population to measure geographical spread, genre has no such reliable unit of measurement. Genre's equivalent factor to Britain's population figures would be the number of arts companies in each art form category. Attempting to collect and use these figures, however, would create inaccurate results. Data collection

is problematic because no database currently contains details of all artists or companies whether big, small, regional, national, long-term or short term. Companies can also vary dramatically in size, which means that the employment figures and the product generated by each company also varies and would have to be taken into account. There are other problems involved in the analysis of genre categorisation because some genres, such as 'Architecture', do not directly relate to any group of arts companies. 'Architecture' might include rebuilding projects, such as the Royal Opera House application, or indeed most of the capital projects involving buildings, but does not always do so. In the arts councils' analyses there are also ill-defined categories such as 'Other' and 'Combined Arts' that contain many ambiguous project-types. Facilities such as theatres also complicate the issue, because many different art forms use them, including 'Film', 'Dance', 'Drama' and 'Music'; theatres thus become a portmanteau term inaccessible to analysis. These factors, therefore, prohibited the use of arts company figures, and obliged me to employ a different method to examine the distribution of lottery grants by genre.

The cultural traditions of England, Scotland, Wales and Northern Ireland are similar, despite the differences in geographical area. The proportional distribution of arts companies is therefore roughly commensurate in each country. It is therefore possible, even though the arts councils are four separate entities, to compare each individual set of results with those of the other three councils to reveal the anomalies and similarities within each country's distribution. From this information, it is possible to arrive at conclusions about the factors that affected distribution to the different genres.

In order to compare the figures of the four arts councils, I have generated equivalent distribution results for each arts council over the first three years of allocations (see tables 24 to 27). For the same reasons as explained in chapter 2, these statistics were generated using the information in the Department of Culture, Media and Sport (DCMS) database.¹ The problem with using the DCMS figures for the genre analysis is that the database does not provide art form classifications for the grants distributed by the Arts Councils of Scotland (SAC), Wales (ACW) and Northern Ireland (ACNI). I have, therefore, provided my own category analysis by allocating

¹ See chapter 2, 'Sources of Lottery Distribution Figures', p. 36; and DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

grants to art forms by examining the applicant's title and project description, and by using the DCMS's database for England as a guide for classification. This analysis may not be absolutely accurate in all details, but gives sufficient general indications about where the arts councils awarded grants to be able to compare the distribution statistics of the four countries.

After comparing the distribution results of the four countries, I separate out the five art forms with most awards and the highest proportions of lottery funds (generally 'Combined Arts', 'Drama', 'Film', 'Music' and 'Visual Arts'). These top five art forms have a sufficiently wide variety of grants for it to be possible to compare averages, and reveal major trends in distribution. I redistribute the five most successful art forms' grants into subsections to reveal the types of projects that attracted most grants and money. I then draw conclusions from the resulting information about each arts council's distribution of grants and about the types of projects that attracted the majority of lottery arts grants and funds in each country.²

Government Legislation on Genre Distribution

There are no directives within the main body of text of the *National Lottery etc. Act 1993* that state which art forms the arts councils were to consider under the arts heading. There are, however, three references within the general notes, which indicate there were debates in the House of Lords about a specific film allocation.³ These debates, although mainly concerned with film, suggest reasons why none of the distributors for the Good Causes were directed as to the genres they should support. The debates also clarify the secretary of state's role concerning the distributing bodies and the distribution of lottery funds.

The general note to section 23 of the act refers to a debate about the need for film to receive a specific proportion of each arts council's annual provision:

² The subsections that represent the different grant types are particular to an art form. The 'Combined Arts', for example, include subsections for arts centres and village halls, while 'Drama' includes grants for drama groups and theatres. Commonly used subsection headings are subject specific because of their context; for example, a feasibility study in 'Visual Arts' could relate to galleries, while one in 'Music' might apply to a concert hall. There are also subsections that do not strictly apply under the category heading; examples include 'Video' and 'Visual Arts' in the 'Combined Arts' table, and 'Dance', 'Drama' and 'Visual Arts' in the 'Music' table. These occur in England's statistics because the DCMS occasionally allocated awards to genres without obvious explanations in the project descriptions.

³ Laws, Statutes, etc., *The National Lottery etc. Act 1993*, 1993, c. 39, sec. 23, 25 and 26, general notes.

An amendment was unsuccessfully moved at the Committee stage in the Lords to specify a proportion to be distributed by the Arts Council to benefit the film industry. The Government resisted this on the ground that it did not wish to tie the distributing bodies' discretion to a fixed percentage. Nevertheless, the Secretary of State will, under his powers in s.26 [section 26 of the act], direct the Arts Council "to take into account the need to fund film applications" (*Hansard*, H.L. Vol. 547, cols. 1569-1575).⁴

The *Hansard* debate cited in the quotation concerned Amendment 63 to the *National Lottery Bill*, which read 'as to 15 per cent. for distribution by a sub-committee of the Arts Council of Great Britain, for expenditure on or connected with film'.⁵ The two issues put forward in this amendment were the allocation of 15% of each arts council's funds to the film industry and the creation of a film 'sub-committee' to distribute the funds allotted to film.

Baroness Birk, an opposition frontbencher in the House of Lords for arts, libraries, heritage and broadcasting, said that film needed a specific allocation because:

Each year over 90 per cent. of adults in the UK watch films at home or in the cinema, and that does not include the many children who get enormous pleasure from films and videos. It is the most popular and accessible art form of the late 20th century.⁶

Baroness Birk claimed that, despite the popularity of film as a genre, the number of British films made in 1993 had decreased, and that the reason for this decline was the discontinuation of previous forms of film investment, such as capital allowances and the Eady levy.⁷ Baroness Birk said that if the British film industry continued on its existing course it would 'be lost for ever'.⁸

Although there was much sympathy for the needs of the film industry, there was opposition to the idea of naming a particular percentage of lottery funds for any genre. Lord Birkett argued:

Whether or not we can say, "And 15 per cent. to films please", I somehow doubt. I fancy that as soon as one put that in the Bill, all the other art forms

⁴ *The National Lottery etc. Act 1993*, sec. 23, general note.

⁵ *Hansard Parliamentary Debates*, Lords, 5th ser., vol. 547 (1993), col. 1569.

⁶ *Ibid.*, col. 1569.

⁷ The 'Eady levy' was 'an obligatory deduction from cinema exhibitors' box-office receipts intended to support home [British] film production'. Hugh Jenkins, *The Culture Gap: An Experience of Government and the Arts* (London: Marion Boyars, 1979), p. 133.

⁸ *Hansard Parliamentary Debates*, Lords, 5th ser., vol. 547 (1993), col. 1570.

would say, "And 15 per cent. for me". By the time that they had finished, that would add up to 225 per cent.⁹

In her speech, Baroness Birk supported the case for a film subcommittee by arguing against the suitability of the arts councils as distributors of film funds. She said that their distribution trends demonstrated that film was not a priority, and that the arts councils would not understand the needs of the film industry because of its different commercial environment. She also implied that the division of the Arts Council of Great Britain into the Arts Councils of England (ACE), Scotland and Wales would diminish their ability to act on a national scale.

The committee discussed the possibility of introducing a separate distributing body and of establishing an advisory film board, to be called the National Film Corporation, but they did not discuss the methodology of implementation with regard to lottery funds. Viscount Astor, who answered the proposed amendment on behalf of the government, said of the separate distributing body proposal that:

If we did so [create a distributing body] for film in the arts sector there would be no reason why we should not multiply the number of distributing bodies in other sectors, too . . . That would lead to increased bureaucracy, each with its own penny packet of lottery funds to dole out. The distributors would not be able to take a strategic view.¹⁰

According to Viscount Astor, the government intended to guard against the neglect of film by directing the arts councils to consider film applications.¹¹ A secondary precaution would be the inclusion of a direction recommending that the arts councils contact advisory bodies in any areas where they lacked knowledge.¹² There would also be at least one film expert on the lottery board of each arts council. Viscount Astor said that there was a possibility of introducing a special advisory committee to deal only with projects relating to film, but whether or not this committee might come into existence, the arts councils could still call upon existing bodies, such as the British Film Institute, for advice.

Baroness Birk withdrew her amendment, but returned with a similar amendment eight days later (16 July 1993), which read:

⁹ Ibid., col. 1572.

¹⁰ Ibid., col. 1574.

¹¹ This refers to the Conservative government of the time.

¹² *Hansard Parliamentary Debates*, Lords, 5th ser., vol. 547, col. 1574.

The Arts Council of Great Britain shall comply with any directions given to it by the Secretary of State to remit a fixed amount annually direct to the film industry for the purpose of establishing a fund to assist British film production, distribution and exhibition.¹³

Although this amendment omits the controversial 15% figure recommended on the previous occasion, it still required that the secretary of state award a particular percentage to film. Baroness Birk justified raising these issues for the second time by criticising Viscount Astor's reasons for rejecting them on the previous occasion:

He [Viscount Astor] used the argument that is always used on these occasions that if one makes a special case for one thing, one has to do it for all the others. I submit that that does not apply to film, which is a special case. Great commercial factors are attached to it, and it is not like other parts of the arts.

She reiterated her lack of confidence in the arts councils, and argued that the government should firmly commit itself to creating a special advisory committee for film applications.

In answer, Viscount Astor restated the government's intentions of guarding the interests of film via the directions written by the secretary of state, and said:

We cannot accept that the Secretary of State should have the power to decide that, for example, for the purpose of the lottery, film constitutes 15 per cent. of the arts or that the distributors may only distribute money on condition that they use 15 per cent. for a predetermined purpose. The powers to direct the distributors are intended to ensure proper management of money, and to ensure that bodies take relevant matters into account. There is no intention of allowing the Secretary of State to set out policy priorities in the arts or any other sector.¹⁴

This second amendment also failed to pass.

The final reference to this matter within the act appears in the general note to section 26, which clarifies the government's considered position on their role in directing the distributing bodies:

The minister said that it was not the Government's purpose to direct how the money from the lottery is spent on particular applications, but rather to ask the distributing bodies to treat it differently from ordinary programme expenditure. For example, the Arts Council could be directed to fund craft and film but would not be directed to fund any particular craft or film.¹⁵

¹³ *Hansard Parliamentary Debates*, Lords, 5th ser., vol. 548, col. 468.

¹⁴ *Ibid.*, col. 470.

¹⁵ *National Lottery etc. Act 1993*, sec. 26, general note.

The result of these debates was that film did not receive a specific allocation, and the secretary of state did direct the arts councils to consider film and craft projects. The secretary of state did not obtain the power to instruct that specific amounts be given to any subsection of a Good Cause. The government's reason for this was that they 'did not wish to tie the distributing bodies' discretion to a fixed percentage'.¹⁶ The arts councils were therefore free to distribute as much or as little to one subsection as to any other, provided that they considered all applications regardless of their genre. The secretary of state followed these judgements in the directions.

The Secretary of State's Directions¹⁷

The directions issued by the secretary of state to the arts councils at the start of the National Lottery which are relevant to the genre analysis of distribution are:

1. The Arts Council must ensure that it does not solicit particular applications.
2. The Arts Council must consider applications across the full range of activities for which it has the authority to distribute money.
- ...
7. The Arts Council must obtain the information necessary to make decisions. This includes taking independent expert advice where required.
- ...
9. The Arts Council must address the needs of projects related to film and the moving image.
10. The Arts Council must address the needs of projects related to the crafts.¹⁸

The first direction has the potential to cause similar problems to those described in chapter 2, for this direction prevented the arts councils from requesting applications from under-represented genres, and made it very difficult to redress any imbalances.¹⁹

The second direction contains the caveat that the arts councils need only 'consider' applications from the full range of activities and not necessarily award grants. This is in keeping with Viscount Astor's assertion that the secretary of state

¹⁶ Ibid., sec. 26, general note.

¹⁷ The secretary of state issued new directions linked with the *National Lottery Act 1998*, but these did not apply within the time-span of this study. The 1998 Act was released in July 1998, and came into force later in the year. Laws, Statutes, etc., *National Lottery Act, 1998*, 1998, c. 22.

¹⁸ Arts Council of England, *Second Annual Report 1995/96* (London: Arts Council of England, 1996), pp. 99-102.

¹⁹ See chapter 2, 'The Secretary of State's Directions', p. 42.

may only urge the arts councils to consider applications from the relevant categories, and not instruct whom or what should receive funding. The arts councils demonstrate in their annual reports that they have complied with the second direction by presenting tables that show the financial sums awarded to each art form. Each of the arts councils presented this information, but the art form categories often differed. According to the ACE annual reports, the full range of activities considered to be within their jurisdiction were as follows:²⁰

Architecture	Film Other
Broadcasting	Literature
Circus	Music
Combined Arts	Opera
Crafts	Other
Dance	Video
Drama	Visual Arts ²¹
Film Production	

The ACE supplied financial information under fifteen different categories, whereas the SAC used only ten. The SAC excluded 'Broadcasting', 'Circus', 'Film Production', 'Opera' and 'Other', although 'Music' could include 'Opera' and 'Film Other' could include 'Film Production', but the 'Broadcasting', 'Circus' and 'Other' categories were omitted. The category names used by the ACW were different from those above, but in essence excluded 'Architecture' and 'Other'. The ACNI excluded the 'Architecture', 'Broadcasting', 'Circus' and 'Other' categories, but included two new categories: 'Public Art' and 'Community Arts'. The use of different categories makes it difficult to compare the information provided by each of the arts councils, as they provide distinct possibilities for variation both in the categorisation of awards and the interpretation of statistics. The individual categories are also difficult to compare with each other: 'Combined Arts' and the 'Visual Arts' are very broad, while others, such as 'Opera' and 'Circus', are very narrow. The success of each arts council in considering all applications under the various art forms is disguised by the limited information provided in the annual reports. These categories do not show whether, for

²⁰ The exceptions to this are in the *National Lottery Report 1997-98* where the two film categories have been amalgamated into one called 'Film', and the 'Opera' category became 'Opera/ Music Theatre'. Arts Council of England, *National Lottery Report 1997/98* (London: Arts Council of England, 1998), p. 5.

²¹ Arts Council of England, *Annual Report 1995/96*, p. 99; id., *National Lottery Report 1996/97* (London: ACE, 1997), p. 7; and id., *National Lottery Report 1997/98*, p. 5. The presentation of tables and the categories used vary for each of the four arts councils.

example, modern dance or photography received grants, or whether 'Circus' received only two applications for funds in 1997-98 in England.²² The arts councils' tables show only whether they awarded at least one application to the specific category, but little else.

Policy directions 7, 9 and 10 fulfil Viscount Astor's promises in the *Hansard Parliamentary Debates* of 8 and 16 July 1993. Policy direction 7 addressed Baroness Birk's fears of the arts councils' lack of film industry knowledge. The direction instructed the councils to seek assistance from experts, and required that the arts councils gather all available information concerning a project before making an informed decision. In their 1995-96 annual report, the ACE suggested their compliance to direction 7 by referring to the reports commissioned over the year, and to the authorities from which they had received independent advice.²³ The statement of compliance does not express how comprehensive these reports were required to be, or whether they contained everything necessary for an informed decision. This statement of compliance therefore conveyed little beyond the numbers of reports and the names of the bodies approached by the ACE.

Policy directions 9 and 10 instructed the arts councils to 'address the needs of projects' relating to film and crafts. The arts councils could have interpreted this as a need to examine only the requirements of film and craft projects, but the implication, when considered along side direction 2, was that they should include them in the full range of activities. The arts councils demonstrated their compliance to these directions by listing the grants made to these two art forms over the previous year.²⁴ This, in a sense, answered the requirement, but did not project whether the ACE judged film and

²² Subdivisions within broad categories are discussed later in the chapter. Arts Council of England, *National Lottery Report 1997/98*, p. 5.

²³ According to their annual report, the ACE commissioned 2,380 assessment reports from the regional arts boards, local authorities, the British Film Institute, the London Film and Video Development Agency, the Crafts Council and the Arts Council's own departments. Independent assessors examined all applications for amounts over £100,000, which produced 332 reports, and the Arts Council took advice from the Association of British Theatre Technicians, the Theatres Trust and the Brass Band Federation. The Arts Council also set up two film panels called the Independent Film Advisory Panel and the British Screen Advisory Panel to provide advice on film applications. Other panels that were introduced include the Cultural Diversity Advisory and Monitoring Committee and the Arts and Disability Advisory and Monitoring Committee. Arts Council of England, *Annual Report 1995/96*, p. 101.

²⁴ Arts Council of England, *National Lottery Report 1996/97* (London: Arts Council of England, 1997), pp. 12-13.



craft applications in the same way as other applications, or whether they were made a special case.

The Arts Councils' Criteria for Assessment

The ACE sent a publication with the application form called *Detailed guidance to applicants*, which supplied information about the eight criteria developed by the ACE to assess lottery applications. These criteria differed from the secretary of state's directions and, although they were not legally binding, still had to be met for an applicant to receive funding. The criteria stated that the ACE lottery assessors would investigate:

- 1 the benefit to the public (including maximum access for disabled people)
- 2 the long-term effect on the organisation's financial stability
- 3 the amount of partnership funding
- 4 the quality of design and construction
- 5 the quality of artistic activities planned
- 6 the relevance of the project to local, regional and national Plans [*sic*] for developing the arts
- 7 the contribution of artists, craftspeople and film and video makers
- 8 the quality of the organisation's plans for education and marketing.²⁵

Criteria 6 and 7 both affect the distribution of grants to the different genres. Criterion 6 affects different art forms in various ways. If few companies represent an art form, as in the case of 'Circus', the relevance of a project to local, regional and national plans may be highly significant. For more commonly available art forms, however, their significance within national, and perhaps even regional, plans may be difficult to demonstrate.

In order to clarify what the arts councils required from an applicant, I contacted the ACE regarding their local, regional and national development plans for the arts. The ACE, although willing to discuss individual applications, was still in the process of writing their national plans for the arts. The Southern Arts Board, however, was able to supply copies of their regional strategies for 'Dance', 'Music', 'Theatre' and the 'Visual Arts'.²⁶ The strategies consist of five sections: 'Art Form Strategy

²⁵ Arts Council of England, *Detailed guidance to applicants* (London: Arts Council of England, 1996), pp. 3-5. A detailed break-down of each of these criteria is included in the publication.

²⁶ Southern Arts, *Dance strategy* (Winchester: Southern Arts, 1997); id., *Music strategy* (Winchester: Southern Arts, 1997); id., *Theatre strategy* (Winchester: Southern Arts, 1997); and id., *Visual Arts strategy* (Winchester: Southern Arts, 1997).

Additional Principles'; 'Art Form Planning Context'; 'Strategic Objectives and Tasks'; 'Capital Issues'; and 'Resources'. All of the sections apart from 'Capital Issues' were either explanatory or presented general objectives, but 'Capital Issues' identified the shortfalls in funding in the Southern region. Examples included: for 'Dance', 'Few spaces in the region have been developed with dance specifically in mind and few are ideal for small scale dance'; for 'Music', 'the most pressing need is to upgrade facilities which already programme music activity'; for 'Theatre' 'the lack of any venues in the middle scale range (400-600 seats) in Buckinghamshire may need to be addressed'; and for the 'Visual Arts', 'Southern Arts will encourage capital developments which address gaps in provision for particular areas of practice - e.g. photography, new technology, artists studio spaces'. Within the 'Capital Issues' section, the Southern Arts Board attempted to identify the types of project that would make all art forms, and their many subsections, available in each area. Applications that fulfilled the needs identified in a region would therefore probably have a higher chance of receiving grants than those that did not. This could help to ensure that under-represented art subsections, such as projects for opera, mime, puppets and hospital murals, received grants as well as the more popular ones. These strategies aimed to provide greater access to all art forms, and could do so provided that the regional arts boards regularly reviewed the artistic needs of each region.

Criterion 7 encouraged the use of 'artists, craftspeople and film and video makers' within projects. The potential effect of including this criterion, although minimal to the arts councils because of a general resistance to increase project costs, was to provide work for artists, thereby encouraging the spread of benefits from each individual award.

Overall, there appears to be very little bias inherent in the governing and assessment procedures used to distribute lottery money to the different art forms. The main purposes of the 1993 act, the secretary of state's directions and the ACE's criteria were to ensure that the arts councils considered all genres, gathered all the available information and consider local, regional and national arts requirements. The minor biases that were present attempted to ensure that the arts councils distributed lottery money to arts projects that brought benefit to each local area, and encouraged the employment of artists. Certain art forms may have profited from these criteria

more than others, such as under-represented art forms and artists, which helped make a variety of art forms available in each region and thereby benefited the public.

The Art Forms

In this section, I examine how grant values and numbers varied in each country and compare the genre distribution statistics of the four countries to draw conclusions about their distribution methods. Tables 24 to 27 illustrate comparable breakdowns of the awards distributed in each country during the first three years of the Lottery. The DCMS categorised the ACE's awards by genre, although I have amalgamated some of the categories where there were no perceivable differences, such as 'Other' and 'Other: Other'. Multiple categories, such as 'Other: Crafts' and 'Film: Film' were also recategorised, thus creating a clearer data set.²⁷ I categorised the awards of the remaining arts councils having established the award types under each heading in the DCMS database for England.

In the subsequent analysis, the five art forms that received the highest proportions of funds and the five that received the highest percentages for the numbers of awards in each country in each year are compared in order to interpret the distribution methods of the four arts councils (see tables 28-35). Having established which five art forms received most awards across the four countries, these art forms are then used for further in-depth analysis into grant types in the following sections of thesis. I use only the top five art forms from the fifteen genres for further analysis because they received the majority of the total funds and awards (between 82% and 95%).²⁸ The remaining ten genres contained insufficient source data to obtain reliable generalised information on the arts councils' distribution methods.

²⁷ I incorporated the 'Libraries', 'Museums & Galleries' and 'Other' categories into their subdivisions, for example 'Other: Crafts' is under the 'Crafts' heading. The exceptions to this are the 'Film' headings because the money had a higher chance of going to 'Film' than to its subdivisions, and all awards are therefore categorised under 'Film'.

²⁸ The top five art forms are in most cases the 'Combined Arts', 'Drama', 'Film', 'Music' and 'Visual Arts' categories (not necessarily in that order).

Table 24. Capital grants awarded in England by genre (1995-98).

Art form	1995-96				1996-97				1997-98				Total			
	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%
Architecture	837,600	0.3	11	2.1	988,250	0.3	6	0.8	1,168,387	0.5	13	2.2	2,994,237	0.3	30	1.6
Broadcasting	641,195	0.2	5	1.0	7,113,253	2.1	10	1.3	122,909	0.1	3	0.5	7,877,357	0.9	18	1.0
Circus	150,139	0.0	3	0.6	160,072	0.0	3	0.4	135,986	0.1	2	0.3	446,197	0.1	8	0.4
Combined Arts	21,914,624	7.0	83	15.8	52,377,947	15.7	105	13.8	22,409,113	10.4	75	12.8	96,701,684	11.2	263	14.0
Crafts	6,774,501	2.2	13	2.5	5,059,349	1.5	16	2.1	2,253,944	1.0	22	3.7	14,087,794	1.6	51	2.7
Dance	30,491,043	9.8	30	5.7	5,304,480	1.6	38	5.0	12,179,318	5.6	23	3.9	47,974,841	5.6	91	4.9
Drama	124,092,611	39.7	132	25.1	116,565,743	35.0	171	22.4	56,797,689	26.3	122	20.8	297,456,043	34.6	425	22.7
Film Production	11,270,591	3.6	29	5.5	46,092,747	13.9	67	8.8	26,716,281	12.4	49	8.3	84,079,619	9.8	145	7.7
Film Other	151,827	0.0	3	0.6	6,738	0.0	1	0.1	911,577	0.4	1	0.2	1,070,142	0.1	5	0.3
Literature	511,900	0.2	7	1.3	1,167,811	0.4	14	1.8	232,391	0.1	6	1.0	1,912,102	0.2	27	1.4
Music	42,582,239	13.6	147	28.0	54,216,189	16.3	222	29.1	33,063,501	15.3	195	33.2	129,861,929	15.1	564	30.1
Opera	56,533,800	18.1	4	0.8	64,260	0.0	1	0.1	511,276	0.2	8	1.4	57,109,336	6.6	13	0.7
Other	1,712,847	0.5	2	0.4	1,534,930	0.5	7	0.9	307,401	0.1	6	1.0	3,555,178	0.4	15	0.8
Video	87,639	0.0	2	0.4	813,137	0.2	7	0.9	808,748	0.4	4	0.7	1,709,524	0.2	13	0.7
Visual Arts	14,450,675	4.6	54	10.3	41,108,973	12.4	94	12.3	58,349,506	27.0	58	9.9	113,909,154	13.2	206	11.0
Total	312,203,231	100.0	525	100.0	332,573,879	100.0	762	100.0	215,968,027	100.0	587	100.0	860,745,137	100.0	1,874	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Percentages calculated to one decimal place.

Table 25. Capital grants awarded in Scotland by genre (1995-98).

Art form	1995-96				1996-97				1997-98				Total			
	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%
Architecture	-	-	-	-	-	-	-	-	2,118,910	5.8	3	1.2	2,118,910	2.4	3	0.5
Broadcasting	-	-	-	-	123,576	0.5	2	1.2	-	-	-	-	123,576	0.1	2	0.4
Circus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Combined Arts	5,757,638	24.2	36	24.5	9,159,667	33.6	36	21.1	16,180,878	44.4	54	21.9	31,098,183	35.6	126	22.3
Crafts	275,000	1.2	6	4.1	-	-	-	-	247,228	0.7	5	2.0	522,228	0.6	11	1.9
Dance	13,853	0.1	2	1.4	52,539	0.2	2	1.2	5,455,545	15.0	9	3.6	5,521,937	6.3	13	2.3
Drama	8,136,460	34.2	31	21.1	9,141,714	33.5	20	11.7	1,828,128	5.0	39	15.8	19,106,302	21.9	90	15.9
Film Production	-	-	-	-	3,256,850	12.0	18	10.5	3,276,409	9.0	15	6.1	6,533,259	7.5	33	5.8
Film Other	2,460,560	10.3	9	6.1	688,899	2.5	3	1.8	660,000	1.8	3	1.2	3,809,459	4.4	15	2.7
Literature	620,643	2.6	4	2.7	83,100	0.3	3	1.8	357,836	1.0	14	5.7	1,061,579	1.2	21	3.7
Music	772,673	3.3	29	19.7	942,763	3.5	33	19.3	2,028,077	5.6	61	24.7	3,743,513	4.3	123	21.8
Opera	4,611,400	19.4	2	1.4	-	-	-	-	1,566,750	4.3	2	0.8	6,178,150	7.1	4	0.7
Other	16,850	0.1	2	1.4	360,773	1.3	9	5.3	372,043	1.0	8	3.2	749,666	0.9	19	3.4
Video	177,424	0.7	5	3.4	625,737	2.3	8	4.7	183,462	0.5	3	1.2	986,623	1.1	16	2.8
Visual Arts	931,048	3.9	21	14.3	2,813,681	10.3	37	21.6	2,130,455	5.9	31	12.6	5,875,184	6.7	89	15.8
Total	23,773,549	100.0	147	100.0	27,249,299	100.0	171	100.0	36,405,721	100.0	247	100.0	87,428,569	100.0	565	100.0

Source: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Lottery grants categorised into art forms by E. R. Webb. Percentages calculated to one decimal place.

Table 26. Capital grants awarded in Wales by genre (1995-98).

Art form	1995-96				1996-97				1997-98				Total			
	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%
Architecture	23,963	0.2	1	0.6	-	-	-	-	-	-	-	-	23,963	0.0	1	0.1
Broadcasting	68,199	0.6	2	1.1	-	-	-	-	10,000	0.0	1	0.3	78,199	0.2	3	0.4
Circus	52,195	0.5	1	0.6	6,205	0.0	1	0.5	105,122	0.4	2	0.5	163,522	0.3	4	0.5
Combined Arts	3,086,870	29.3	43	24.3	6,237,875	45.4	54	24.4	17,127,155	66.7	109	29.5	26,451,900	53.0	206	26.8
Crafts	58,546	0.6	4	2.3	471,557	3.4	8	3.6	39,715	0.2	5	1.4	569,818	1.1	17	2.2
Dance	276,345	2.6	3	1.7	461,152	3.4	10	4.5	434,949	1.7	13	3.5	1,172,446	2.3	26	3.4
Drama	2,564,007	24.4	32	18.1	1,792,310	13.1	39	17.6	2,392,934	9.3	63	17.0	6,749,251	13.5	134	17.4
Film Production	-	-	-	-	256,442	1.9	4	1.8	855,715	3.3	9	2.4	1,112,157	2.2	13	1.7
Film Other	68,115	0.6	2	1.1	209,192	1.5	4	1.8	195,887	0.8	6	1.6	473,194	0.9	12	1.6
Literature	2,146,100	20.4	4	2.3	850,539	6.2	6	2.7	191,464	0.7	12	3.2	3,188,103	6.4	22	2.9
Music	1,806,789	17.2	70	39.5	2,020,573	14.7	76	34.4	2,822,399	11.0	105	28.4	6,649,761	13.3	251	32.7
Opera	181,323	1.7	2	1.1	237,097	1.7	1	0.5	318,591	1.2	7	1.9	737,011	1.5	10	1.3
Other	96,051	0.9	5	2.8	313,417	2.3	10	4.5	599,142	2.3	16	4.3	1,008,610	2.0	31	4.0
Video	-	-	-	-	-	-	-	-	6,300	0.0	1	0.3	6,300	0.0	1	0.1
Visual Arts	92,819	0.9	8	4.5	877,432	6.4	8	3.6	579,392	2.3	21	5.7	1,549,643	3.1	37	4.8
Total	10,521,322	100.0	177	100.0	13,733,791	100.0	221	100.0	25,678,765	100.0	370	100.0	49,933,878	100.0	768	100.0

Source: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Lottery grants categorised into art forms by E. R. Webb. Percentages calculated to one decimal place.

Table 27. Capital grants awarded in Northern Ireland by genre (1995-98).

Art form	1995-96				1996-97				1997-98				Total			
	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%	Value (£)	%	No.	%
Architecture	6,050	0.1	2	2.7	49,779	0.7	4	2.6	-	-	-	-	55,829	0.3	6	1.9
Broadcasting	16,043	0.3	1	1.4	27,150	0.4	2	1.3	75,296	1.7	3	3.5	118,489	0.7	6	1.9
Circus	-	-	-	-	64,280	0.9	2	1.3	75,000	1.7	1	1.2	139,280	0.8	3	0.9
Combined Arts	4,163,705	77.4	9	12.2	4,160,631	60.2	15	9.6	1,379,473	30.4	15	17.4	9,703,809	57.6	39	12.3
Crafts	-	-	-	-	-	-	-	-	8,250	0.2	1	1.2	8,250	0.0	1	0.3
Dance	14,145	0.3	1	1.4	7,000	0.1	1	0.6	325,345	7.2	4	4.7	346,490	2.1	6	1.9
Drama	166,970	3.1	7	9.5	194,153	2.8	13	8.3	1,028,198	22.6	17	19.8	1,389,321	8.3	37	11.7
Film Production	200,000	3.7	1	1.4	653,528	9.5	13	8.3	90,000	2.0	3	3.5	943,528	5.6	17	5.4
Film Other	35,050	0.7	1	1.4	37,336	0.5	2	1.3	-	-	-	-	72,386	0.4	3	0.9
Literature	7,500	0.1	1	1.4	-	-	-	-	15,900	0.4	1	1.2	23,400	0.1	2	0.6
Music	588,061	10.9	39	52.7	1,232,163	17.8	88	56.4	470,661	10.4	16	18.6	2,290,885	13.6	143	45.3
Opera	11,275	0.2	1	1.4	89,315	1.3	2	1.3	40,300	0.9	1	1.2	140,890	0.8	4	1.3
Other	11,880	0.2	1	1.4	126,075	1.8	3	1.9	401,270	8.8	11	12.8	539,225	3.2	15	4.7
Video	74,853	1.4	1	1.4	-	-	-	-	-	-	-	-	74,853	0.4	1	0.3
Visual Arts	86,509	1.6	9	12.2	268,795	3.9	11	7.1	632,725	13.9	13	15.1	988,029	5.9	33	10.4
Total	5,382,041	100.0	74	100.0	6,910,205	100.0	156	100.0	4,542,418	100.0	86	100.0	16,834,664	100.0	316	100.0

Source: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Lottery grants categorised into art forms by E. R. Webb. Percentages calculated to one decimal place.

Particular art forms dominate both the financial allocations and the percentage statistics of the number of grants awarded. In England, 'Drama' received a large percentage in all years in both categories, whereas 'Circus' received below 1% for each appearance, most likely reflecting the numbers of companies and institutions within both genres (see table 24).²⁹ This may lead to the conclusion that there is a correlation between the number of companies and the number and value of grants awarded. Though this is certainly a contributing factor, other variables contribute to the differences between the categories. For example, some art forms attract a few large grants, such as 'Opera', while others attract many small grants, such as brass bands. In this way, a genre receiving only a few grants can represent a high overall percentage of the lottery funds. The representative project types within an art form therefore, to a certain extent, dictate the number and value of awards in that category.

Tables 28 and 29 highlight the five art forms with the highest value awards, and the five with the most grants for the first three years of distribution in England. Over 80% of the allocated funds went to five of the fifteen art forms. The table hierarchies vary slightly, but, with very few exceptions, they contain the same art forms in each year (see table 28). The order of hierarchy in grant values changed from year to year, while the order with respect to the number of grants did not (see table 29). The uniformity of these statistics supports either the conclusion that there was a premeditated system of allocation, or that the number of applications received dictated these relatively constant proportions.

In England, 'Drama' received the highest value of grants, while 'Music' received the greatest number of grants. Table 29 shows small variances in the percentages of each art form, but are otherwise consistent from year to year. The financial statistics show many anomalies (see table 28), with 'Dance' and 'Opera' ranking in the top five in the first year, but making no other appearance in the table in subsequent years. 'Opera' and 'Dance' appear to have displaced 'Film' and the 'Visual Arts' from their otherwise usual placing in the top five. 'Dance' was ranked sixth in the grant value allocation figures of the final two years. There were therefore many annual fluctuations in the grant value allocations.

²⁹ All four countries show similar statistics for the 'Circus' and 'Drama' categories (see tables 24 to 27).

Table 28. The five genres that received most capital funds in England (1995-98).

Placing	1995-96		1996-97		1997-98		1995-98	
	art form	(value) %	art form	(value) %	art form	(value) %	art form	(value) %
1	Drama	39.7	Drama	35.0	V. Arts	27.0	Drama	34.6
2	Opera	18.1	Music	16.3	Drama	26.3	Music	15.1
3	Music	13.6	C. Arts	15.7	Music	15.3	V. Arts	13.2
4	Dance	9.8	Film	13.9	Film	12.8	C. Arts	11.2
5	C. Arts	7.0	V. Arts	12.4	C. Arts	10.4	Film	9.9
	Total	88.3	Total	93.3	Total	91.8	Total	84.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and table 24.

Notes: 'C. Arts' = 'Combined Arts' and 'V. Arts' = 'Visual Arts'. The 'Film Production' and 'Film Other' percentages have been added together to create 'Film'. '1995-98' percentages include the categories' averages over the three years, regardless of whether they were in the top five in all three years. 'Total' does not equal 100% because only the top five art forms are considered. Percentages calculated to one decimal place.

Table 29. The five genres that received most capital grants in England (1995-98).

Placing	1995-96		1996-97		1997-98		1995-98	
	art form	(no.) %	art form	(no.) %	art form	(no.) %	art form	(no.) %
1	Music	28.0	Music	29.1	Music	33.2	Music	30.1
2	Drama	25.1	Drama	22.4	Drama	20.8	Drama	22.7
3	C. Arts	15.8	C. Arts	13.8	C. Arts	12.8	C. Arts	14.0
4	V. Arts	10.3	V. Arts	12.3	V. Arts	9.9	V. Arts	11.0
5	Film	6.1	Film	8.9	Film	8.5	Film	8.0
	Total	85.3	Total	86.6	Total	85.2	Total	85.8

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and table 24.

Notes: 'C. Arts' = 'Combined Arts' and 'V. Arts' = 'Visual Arts'. The 'Film Production' and 'Film Other' percentages have been added together to create 'Film'. '1995-98' percentages include the categories' averages over the three years, regardless of whether they were in the top five in all three years. 'Total' does not equal 100% because only the top five art forms are considered. Percentages calculated to one decimal place.

Tables 30 and 31 show the five art forms that received the greatest amount of money and most numerous grants in Scotland. The 'Combined Arts' category dominated Scotland's grant statistics, while 'Drama' came second in the overall financial statistics and 'Music' came in second place on the number of grants. 'Opera' displaced 'Music' from the top five financial rankings in first year, while 'Dance' and 'Architecture', not appearing during the first two years, replaced 'Music' and 'Drama' in the third year (see table 30). 'Opera', 'Dance' and 'Architecture' did not appear in the top five art forms for the full three years or make any further appearances in the tables for Scotland.

Scotland has the same overall highest ranking art forms as England but with slightly different priorities. The 'Combined Arts' took first position for the highest number of grants, but the order of the rest of the art forms in table 31 is otherwise the same as in England (see table 29). Scotland's results showed a marked decline in the proportion of grants and funds awarded to the top five art forms in the third year (see tables 30 and 31), whereas in England this trend did not occur (see tables 28 and 29).

Table 30. The five genres that received most capital funds in Scotland (1995-98).

Placing	1995-96		1996-97		1997-98		1995-98	
	art form	(value) %	art form	(value) %	art form	(value) %	art form	(value) %
1	Drama	34.2	C. Arts	33.6	C. Arts	44.4	C. Arts	35.6
2	C. Arts	24.2	Drama	33.5	Dance	15.0	Drama	21.9
3	Opera	19.4	Film	14.5	Film	10.8	Film	11.8
4	Film	10.3	V. Arts	10.3	V. Arts	5.9	Music	7.1
5	V. Arts	3.9	Music	3.5	Arch.	5.8	V. Arts	6.7
	Total	92.1	Total	95.4	Total	81.7	Total	83.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and table 25.

Notes: 'Arch' = 'Architecture', 'C. Arts' = 'Combined Arts' and 'V. Arts' = 'Visual Arts'. The 'Film Production' and 'Film Other' percentages have been added together to create 'Film'. '1995-98' percentages include the categories' averages over the three years, regardless of whether they were in the top five in all three years. 'Total' does not equal 100% because only the top five art forms are considered. Percentages calculated to one decimal place.

Table 31. The five genres that received most capital grants in Scotland (1995-98).

Placing	1995-96		1996-97		1997-98		1995-98	
	art form	(no.) %	art form	(no.) %	art form	(no.) %	art form	(no.) %
1	C. Arts	24.5	V. Arts	21.6	Music	24.7	C. Arts	22.3
2	Drama	21.1	C. Arts	21.1	C. Arts	21.9	Music	21.8
3	Music	19.7	Music	19.3	Drama	15.8	Drama	15.9
4	V. Arts	14.3	Film	12.3	V. Arts	12.6	V. Arts	15.8
5	Film	6.1	Drama	11.7	Film	7.3	Film	8.5
	Total	85.7	Total	86.0	Total	82.2	Total	84.2

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and table 25.

Notes: 'C. Arts' = 'Combined Arts' and 'V. Arts' = 'Visual Arts'. The 'Film Production' and 'Film Other' percentages have been added together to create 'Film'. '1995-98' percentages include the categories' averages over the three years, regardless of whether they were in the top five in all three years. 'Total' does not equal 100% because only the top five art forms are considered. Percentages calculated to one decimal place.

Tables 32 and 33, showing statistics for the ACW, have two new categories in the top five: 'Literature' and 'Other'. 'Literature' received over 20% of the funds

available in the first year, and over 6% of the funds in the second, putting it in fourth place overall. 'Literature' might have greater prominence in Wales because of the active preservation of the Welsh language.

Grants that are difficult to allocate are entered in the 'Other' category. Wales had many such grants (see table 33). Examples of 'Other' grants include:

Coedcae Comprehensive School - Celebration of World Faiths - £520
 Marchweil Community Council - Creation of Peace Garden - £5,659
 North Wales Council on Drug Misuse - Keep Safe - £85,744
 Save the Children Fund - Refugee Week - £3,510
 Tredegar Town Council - Centenary Memorial Plaques - £12,420.³⁰

These examples show that it can be difficult to categorise grants into any of the fourteen more specific headings. The DCMS do not provide complete details for each project, so it is difficult to speculate how these grants fit into any arts category. Because of this, they have been classified as 'Other'. The prominence of the 'Other' category in Wales shows that there are more grants given to diverse projects in Wales than by the other arts councils.

As with Scotland's statistics, the fiscally most dominant art form in Wales over the three years was the 'Combined Arts'. In tables 32 and 33, however, the proportions awarded to the 'Combined Arts' are far higher than in the statistics for Scotland (see tables 30 and 31).

Table 32. The five genres that received most capital funds in Wales (1995-98).

Placing	1995-96		1996-97		1997-98		1995-98	
	art form	(value) %	art form	(value) %	art form	(value) %	art form	(value) %
1	C. Arts	29.3	C. Arts	45.4	C. Arts	66.7	C. Arts	53.0
2	Drama	24.4	Music	14.7	Music	11.0	Drama	13.5
3	Lit.	20.4	Drama	13.1	Drama	9.3	Music	13.3
4	Music	17.2	V. Arts	6.4	Film	4.1	Lit.	6.4
5	Dance	2.6	Lit.	6.2	Other	2.3	V. Arts	3.1
	Total	93.9	Total	85.8	Total	93.4	Total	89.3

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and table 26.

Notes: 'C. Arts' = 'Combined Arts', 'Lit.' = 'Literature' and 'V. Arts' = 'Visual Arts'. The 'Film Production' and 'Film Other' percentages have been added together to create 'Film'. '1995-98' percentages include the categories' averages over the three years, regardless of whether they were in the top five in all three years. 'Total' does not equal 100% because only the top five art forms are considered. Percentages calculated to one decimal place.

³⁰ DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Table 33. The five genres that received most capital grants in Wales (1995-98).

Placing	1995-96		1996-97		1997-98		1995-98	
	art form	(no.) %	art form	(no.) %	art form	(no.) %	art form	(no.) %
1	Music	39.5	Music	34.4	C. Arts	29.5	Music	32.7
2	C. Arts	24.3	C. Arts	24.4	Music	28.4	C. Arts	26.8
3	Drama	18.1	Drama	17.6	Drama	17.0	Drama	17.4
4	V. Arts	4.5	Dance	4.5	V. Arts	5.7	V. Arts	4.8
5	Other	2.8	Other	4.5	Other	4.3	Other	4.0
	Total	89.3	Total	85.5	Total	84.9	Total	85.8

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and table 26.

Notes: 'C. Arts' = 'Combined Arts' and 'V. Arts' = 'Visual Arts'. The 'Film Production' and 'Film Other' percentages have been added together to create 'Film'. '1995-98' percentages include the categories' averages over the three years, regardless of whether they were in the top five in all three years. 'Total' does not equal 100% because only the top five art forms are considered. Percentages calculated to one decimal place.

The rankings for Northern Ireland's top five art forms with regard to the values of awards are similar to those of Wales (see tables 32 and 34). The exceptions are the 'Music' and 'Drama' categories, which are reversed in the financial statistics, and Wales' 'Literature' and 'Other' categories are replaced by Northern Ireland's 'Film' category.

Tables 34 and 35 show the same large reduction in total percentages awarded to the five art forms in the third year as occurred in Scotland, thereby reducing the overall average for the three years. This trend was not particularly evident in England and Wales' statistics.

Table 34. The five genres that received most capital funds in Northern Ireland (1995-98).

Placing	1995-96		1996-97		1997-98		1995-98	
	art form	(value) %	art form	(value) %	art form	(value) %	art form	(value) %
1	C. Arts	77.4	C. Arts	60.2	C. Arts	30.4	C. Arts	57.6
2	Music	10.9	Music	17.8	Drama	22.6	Music	13.6
3	Film	4.4	Film	10.0	V. Arts	13.9	Drama	8.3
4	Drama	3.1	V. Arts	3.9	Music	10.4	Film	6.0
5	V. Arts	1.6	Drama	2.8	Other	8.8	V. Arts	5.9
	Total	97.4	Total	94.7	Total	86.1	Total	91.4

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and table 27.

Notes: 'C. Arts' = 'Combined Arts' and 'V. Arts' = 'Visual Arts'. The 'Film Production' and 'Film Other' percentages have been added together to create 'Film'. '1995-98' percentages include the categories' averages over the three years, regardless of whether they were in the top five in all three years. 'Total' does not equal 100% because only the top five art forms are considered. Percentages calculated to one decimal place.

Table 35. The five genres that received most capital grants in Northern Ireland (1995-98).

	1995-96		1996-97		1997-98		1995-98	
Placing	art form	(no.) %	art form	(no.) %	art form	(no.) %	art form	(no.) %
1	Music	52.7	Music	56.4	Drama	19.8	Music	45.3
2	C. Arts	12.2	C. Arts	9.6	Music	18.6	C. Arts	12.3
3	V. Arts	12.2	Film	9.6	C. Arts	17.4	Drama	11.7
4	Drama	9.5	Drama	8.3	V. Arts	15.1	V. Arts	10.4
5	Arch./Film ^a	2.7	V. Arts	7.1	Other	12.8	Film	6.3
	Total	91.9	Total	91.0	Total	83.7	Total	86.1

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and table 27.

Notes: 'Arch.' = 'Architecture', 'C. Arts' = 'Combined Arts' and 'V. Arts' = 'Visual Arts'. The 'Film Production' and 'Film Other' percentages have been added together to create 'Film'. '1995-98' percentages include the categories' averages over the three years, regardless of whether they were in the top five in all three years. 'Total' does not equal 100% because only the top five art forms are considered. Percentages calculated to one decimal place.

^a Architecture and Film received the same percentage of grants and therefore share fifth place.

Tables 28 to 35 show that, with few exceptions, the same five art forms ('Combined Arts', 'Drama', 'Film', 'Music' and 'Visual Arts') received the majority of the grants and most of the funds in each of the four countries. Over the first three years, these five art forms received over 82% of the grants and funds, leaving 18% or less for the remaining ten categories. These statistics also show that the arts councils did not neglect the 'Film' category as Baroness Birk feared they might, because 'Film' is one of the top five categories.³¹

The top five rankings for the number of awards in England (see table 29) are very similar to those found for Scotland (see table 31), Wales (see table 33) and Northern Ireland (see table 35). The only exceptions are the 'Combined Arts' category, which changes priority, and the 'Other' category, which replaces 'Film' in Wales. This suggests that the four countries do indeed have similar cultural traditions concerning the arts. These trends also indicate a similarity in the distribution methods, and possibly in the proportion of applications received from each art form category. There is no unifying theme in the financial statistics (tables 28, 30, 32 and 34), but the prevailing art forms are the 'Combined Arts', 'Drama', 'Film', 'Music' and the 'Visual Arts' (but not necessarily in that order).

³¹ For Baroness Birk's comments see chapter 3, 'Government Legislation on Genre Distribution', p. 105.

Project Types

A notable feature in tables 28 to 35 is that the art form that received the highest number of grants usually did not receive most money overall. 'Music' received most grants in England, Wales and Northern Ireland, but this did not coincide with the statistics for the greatest amounts of money. The 'Combined Arts' received a far higher percentage of the money than its proportion of grants in Scotland, Wales and Northern Ireland. There is therefore no direct relationship between the number of grants awarded and the amount of money received.

The analysis of the project-types under each of the five art forms examines the relationship between the numbers and values of grants in each art form and helps to highlight similarities and differences in the distribution of the four arts councils. Table 36 shows the total numbers and values of grants distributed to all fifteen art forms in each country over the first three years of distribution, and gives the statistics for the whole of Britain, showing the size of the margin between the top five art forms and the remaining ten. The chosen five art forms received 84.3% of all the lottery money, and 85.6% of the number of grants awarded by all the arts councils in the first three years of arts distribution. The five art forms included in the analysis therefore span the majority of the grants awarded over the three years.

In the next five sections, tables 37 to 41 show in turn the grants of the 'Combined Arts', 'Drama', 'Film', 'Music', and 'Visual Arts' categories divided into project types. Each table contains three sets of art form statistics: value; number; and grant per head of population. This is presented so that there is a main column for each country and three column headings used within each country ('Value/No'; '%'; and 'Av. grant'). The 'Value/No' column shows the financial amount awarded to that art subdivision, and the total number of grants awarded to the subdivision in the next row. The '%' column shows the percentage of the value and number of grants compared to the entire amount awarded to that art form. 'Av. grant' stands for the average grant size, calculated from the value of grants divided by the number of grants awarded. Average grant size is in the form of a currency value and shown in the '£' row. From these tables it is possible to show the predominant project types in terms of the number of grants, values of grants and average grant size, and these factors are compared to show how they affected the art form's allocation.

Table 36. Capital distribution by country and genre (1995-98).

Art form	England		Scotland		Wales		N. Ireland		Total			
	Value (£)	No.	Value (£)	No.	Value (£)	No.	Value (£)	No.	Value (£)	%	No.	%
Architecture	2,994,237	30	2,118,910	3	23,963	1	55,829	6	5,192,939	0.5	40	1.1
Broadcasting	7,877,357	18	123,576	2	78,199	3	118,489	6	8,197,621	0.8	29	0.8
Circus	446,197	8	-	-	163,522	4	139,280	3	748,999	0.1	15	0.4
Combined Arts	96,701,684	263	31,098,183	126	26,451,900	206	9,703,809	39	163,955,576	16.2	634	18.0
Crafts	14,087,794	51	522,228	11	569,818	17	8,250	1	15,188,090	1.5	80	2.3
Dance	47,974,841	91	5,521,937	13	1,172,446	26	346,490	6	55,015,714	5.4	136	3.9
Drama	297,456,043	425	19,106,302	90	6,749,251	134	1,389,321	37	324,700,917	32.0	686	19.5
Film Production	84,079,619	145	6,533,259	33	1,112,157	13	943,528	17	92,668,563	9.1	208	5.9
Film Other	1,070,142	5	3,809,459	15	473,194	12	72,386	3	5,425,181	0.5	35	1.0
Literature	1,912,102	27	1,061,579	21	3,188,103	22	23,400	2	6,185,184	0.6	72	2.0
Music	129,861,929	564	3,743,513	123	6,649,761	251	2,290,885	143	142,546,088	14.0	1081	30.7
Opera	57,109,336	13	6,178,150	4	737,011	10	140,890	4	64,165,387	6.3	31	0.9
Other	3,555,178	15	749,666	19	1,008,610	31	539,225	15	5,852,679	0.6	80	2.3
Video	1,709,524	13	986,623	16	6,300	1	74,853	1	2,777,300	0.3	31	0.9
Visual Arts	113,909,154	206	5,875,184	89	1,549,643	37	988,029	33	122,322,010	12.1	365	10.4
Total	860,745,137	1,874	87,428,569	565	49,933,878	768	16,834,664	316	1,014,942,248	100.0	3,523	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and tables 24-27.

Notes: The top five art forms' percentages are in bold type ('Film Production' and 'Film Other' represented one art form). Percentages calculated to one decimal place.

Combined Arts Awards

'Arts Centres' dominate England's 'Combined Arts' category with 73.2% of funds and 27.0% of the total number of awards. 'Theatres' received the next highest percentage of funds with 6.1%, a sharp contrast that highlights the significance of 'Arts Centres' in this category. 'Feasibility Studies' received nearly as many grants as 'Arts Centres' with 23.6% of the awards, but received only 5.2% of the total money. 'Arts Centres' high financial awards created an average grant two and a half times larger than any other subsection in England, and approximately twelve times larger than the average grants for 'Feasibility Studies'. The large number of 'Feasibility Studies' therefore helped lower England's average grant size for the 'Combined Arts' category. 'Arts Groups' received 11.8% of the number of grants, but the majority of subsections received less than 10% of the value or quantity of grants. The ACE awarded only one subsection more than 10% of the money and three with more than 10% of the number of grants. The 'Video' and 'Visual Arts' grants appear to have been misallocated by the DCMS, as they should have perhaps been placed under an art form category of their own name.

The SAC allocated the smallest percentages of the four arts councils to 'Arts Centres', with 55.5% of the funds and 19.0% of the number of grants. Consequently, other subsections received greater proportions from the SAC, such as 'Education' with 21.0% of the lottery money and 13.5% of the number of grants, and 'Festivals' with 14.7% of funds and 9.5% of the awards. 'Community Facilities' and 'Feasibility Studies' also received proportionally high grant number statistics with 16.7% and 25.4% respectively. The SAC gave three subsections over 10% of the money and four subsections more than 10% of the total number of grants, causing a greater spread of funds over the 'Combined Arts' subsections than found in England over this period of time. Despite this, the 'Arts Centres' still had the highest average grant size in Scotland, as in England.

The 'Arts Centres' in Wales received most money from the ACW, but the average grant size is significantly lower than that of the other three countries. The high percentages given to 'Village Halls' may redress the difference, for although 'Village Halls' and 'Arts Centres' are not identical, they both imply buildings intended for community use. Six subsections received over 10% of the number of grants in Wales compared to three in England and four in Scotland, implying a greater spread.

'Education' received 12.1% of the funds, although this is not as high as the SAC's percentage, it still doubles that given by the ACE. Generally, there is a far wider spread of grants in Wales across the subsections than in England.

The ACNI awarded nearly three-quarters of the money given to 'Combined Arts' grants to 'Arts Centres'. The 'Arts Centre' average grant was £720,933, which is close to Scotland's £718,785, and substantially more than Wales' £455,376. The overall average grant is also higher than that found in the SAC's and ACW's statistics. The ACNI awarded only thirty-nine grants to 'Combined Arts', which is 33% of that awarded by the SAC and 20% of the ACW's distribution. 'Arts Centres', 'Arts Groups', 'Commissions', 'Education' and 'Feasibility Studies' all won over 10% of the number of grants, but only 'Arts Centres' received over 10% of the money. Grants to 'Commissions' had a greater prominence in Northern Ireland than in any other country.

Table 37 shows that 'Arts Centres' received the majority of the money awarded to the 'Combined Arts' category (the average financial percentage given over the four countries was approximately 65%).³² 'Arts Centres' had a high average grant size in all four countries because the projects involved mainly building and refurbishment work. 'Feasibility Studies' tended to be low-cost projects mainly involving research, and the 131 grants awarded under this heading lowered the overall average grant size in each country. The spread of grants varied in each country, with many small differences between the four countries' distribution. The ACE gave the smallest percentages of grants to 'Education' and 'Festivals' and only very few of its subsections received over 10% of the number or values of awards. Particular national project preferences are demonstrated by the SAC awarding the highest percentages of the four countries to 'Community Facilities' and 'Feasibility Studies'. The ACW gave most, of the four countries, to 'Village Halls', and ACNI awarded more grants to 'Commissions' than any other country. Wales had the lowest average grant size for 'Combined Arts', while the ACNI gave a small number of large grants to the 'Combined Arts'.

³² This value is a mean of the four percentages and does not take into account the proportions of lottery money allocated to each country.

Table 37. Capital 'Combined Arts' grants by country and project type (1995-98).

Project type	£/No	England			Scotland			Wales			Northern Ireland		
		Value/No	%	Av.grant	Value/No	%	Av.grant	Value/No	%	Av.grant	Value/No	%	Av.grant
Arts Centre	£	70,821,335	73.2	997,484	17,250,835	55.5	718,785	15,482,779	58.5	455,376	7,209,334	74.3	720,933
	No.	71	27.0		24	19.0		34	16.5		10	25.6	
Arts Group	£	2,049,159	2.1	66,102	596,321	1.9	59,632	883,025	3.3	31,537	404,455	4.2	101,114
	No.	31	11.8		10	7.9		28	13.6		4	10.3	
Arts Services	£	558,887	0.6	69,861	131,219	0.4	26,244	51,095	0.2	17,032	19,296	0.2	19,296
	No.	8	3.0		5	4.0		3	1.5		1	2.6	
Commission	£	-	-	-	36,000	0.1	36,000	-	-	-	202,801	2.1	40,560
	No.	-	-		1	0.8		-	-		5	12.8	
Community Facilities	£	2,105,910	2.2	110,837	1,427,274	4.6	67,965	2,572,765	9.7	151,339	911,120	9.4	455,560
	No.	19	7.2		21	16.7		17	8.3		2	5.1	
Education	£	5,285,124	5.5	240,233	6,543,557	21.0	384,915	3,195,343	12.1	93,981	106,556	1.1	21,311
	No.	22	8.4		17	13.5		34	16.5		5	12.8	
Festival	£	246,569	0.3	41,095	4,573,308	14.7	381,109	387,070	1.5	18,432	10,400	0.1	10,400
	No.	6	2.3		12	9.5		21	10.2		1	2.6	
Feasibility Study	£	5,036,922	5.2	81,241	459,784	1.5	14,368	493,306	1.9	17,011	58,756	0.6	7,345
	No.	62	23.6		32	25.4		29	14.1		8	20.5	
Multi-Cultural	£	2,741,753	2.8	182,784	9,450	0.0	9,450	494,856	1.9	61,857	-	-	-
	No.	15	5.7		1	0.8		8	3.9		-	-	
Theatre	£	5,865,900	6.1	391,060	-	-	-	170,116	0.6	56,705	781,091	8.0	260,364
	No.	15	5.7		-	-		3	1.5		3	7.7	
Video	£	44,916	0.0	44,916	-	-	-	-	-	-	-	-	-
	No.	1	0.4		-	-		-	-		-	-	
Village Hall	£	1,620,925	1.7	135,077	70,435	0.2	23,478	2,721,545	10.3	93,846	-	-	-
	No.	12	4.6		3	2.4		29	14.1		-	-	
Visual Arts	£	324,284	0.3	324,284	-	-	-	-	-	-	-	-	-
	No.	1	0.4		-	-		-	-		-	-	
Total	£	96,701,684	100.0	367,687	31,098,183	100.0	246,811	26,451,900	100.0	128,407	9,703,809	100.0	248,816
	No.	263	100.0		126	100.0		206	100.0		39	100.0	

Source: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: 'Combined Arts' grants = ACE's 'Combined Arts' = DCMS 'Comb. Arts' and 'Other: Comb. Arts'. SAC, ACW and ACNI's 'Combined Arts' grants categorised by E. R. Webb. All 'Combine Arts' grants categorised into project types by E. R. Webb. Percentages calculated to one decimal place. 'Av.grant' = average grant size = value of grants/ number of grants. Average grant size calculated to zero decimal places.

Drama Awards

The majority of England's 'Drama' grants were awarded to 'Theatres', with 67.5% of the funds and 44.0% of the number of grants awarded in this category (see table 38). 'Arts Centres' received 17% of the funds, and 'Drama Groups' and 'Feasibility Studies' won more than 10% of the total number of grants. 'Arts Centres' had the highest average grant size in England's 'Drama' category, at £3,892,163, which was nearly four times the average grant for both 'Theatres' and for 'Combined Arts' 'Arts Centres' (see table 37). As with the 'Combined Arts' category, 'Theatres' and 'Arts Centres' dominate the financial statistics. A grant that helped create the high average grant for 'Arts Centres' was a £41 million grant awarded to the Salford City Council for the Lowry Centre. The DCMS may have an undisclosed knowledge of this grant's suitability to 'Drama', but the project descriptions do not substantiate this concept. 'Arts Centres', 'Arts Venues' and 'Church' grants, are subdivisions from other art form headings, but the DCMS categorised them under 'Drama' suggesting some unspecified relevance to this category.

'Theatres' also dominate Scotland's figures with 88.6% of the money and 33.3% of the total number of grants allocated to their construction. Only 'Theatres' received more than 10% of the money in Scotland, while 'Drama Groups', 'Education', and 'Feasibility Studies' each received over 10% of the number of grants. One 'Arts Centre' was also categorised in the 'Drama' category in Scotland, because the application requested funds for the Arran Theatre and Arts Trust, to convert a church into a theatre and arts centre. There is no definitive category for this grant, as it is equally appropriate in either of the 'Drama' or 'Combined Arts' categories.

Wales' 'Theatres' received 80.0% of the money and 38.8% of the number of grants, which is consistent with the allocations in England and Scotland. 'Drama Groups' received the same number of grants as 'Theatres', showing equal priority for both types of project, although 'Drama Groups' average grant was approximately ten times smaller than those for 'Theatres'. The relative proportions of these subdivisions are similar to those of the 'Drama Groups' and 'Theatres' in England, but the actual grant sizes in England were ten times the size.

The ACNI's priorities appear to have been different from those of the other three countries. The statistics show that 'Theatres' received only 15.6% of funds and 21.6% of the number of awards, and the main beneficiaries of lottery funds were

'Drama Groups', with 64.3% of the money and 29.7% of the number of grants, and 'Commissions' with 17.0% and 37.8% respectively. This selection implies a shift in distribution from building projects towards projects involving people in the arts industry. The ACNI awarded only thirty-seven grants to 'Drama' projects, compared to 134 'Drama' grants in Wales.

'Theatres' dominated the 'Drama' categories in England, Scotland and Wales in the same way as 'Arts Centres' dominated the 'Combined Arts'. The ACNI's results did not show this because it supported grants relating to people, rather than building construction. A possible reason for this difference was that the ACNI received less money for the arts than the other arts councils. The total amount of lottery money awarded by ACNI to 'Drama' was just above an average grant given to a theatre in England. The ACNI therefore had to award smaller grants to achieve a reasonable spread, as shown by the average grant statistics of the four arts councils. The ACNI's average grant size was £37,549, whereas the ACE's was over eighteen times greater at £699,897. All the countries' arts councils received differing amounts and all showed diminishing average grant sizes in line with the overall National Lottery Distribution Fund grant proportions.³³

³³ Percentages of lottery money given for distribution to each arts council: ACE = 83.3%; SAC = 8.9%; ACW = 5%; and ACNI = 2.8%.

Table 38. Capital 'Drama' grants by country and project type (1995-98).

Project type	£/No	England			Scotland			Wales			Northern Ireland		
		Value/No	%	Av.grant	Value/No	%	Av.grant	Value/No	%	Av.grant	Value/No	%	Av.grant
Arts Centre	£	50,598,116	17.0	3,892,163	609,000	3.2	609,000	-	-	-	-	-	-
	No.	13	3.1		1	1.1		-	-		-	-	
Arts Venue	£	393,200	0.1	131,067	-	-	-	-	-	-	-	-	-
	No.	3	0.7		-	-		-	-		-	-	
Broadcasting	£	-	-	-	-	-	-	40,000	0.6	40,000	-	-	-
	No.	-	-		-	-		1	0.7		-	-	
Church	£	89,635	0.0	89,635	-	-	-	-	-	-	-	-	-
	No.	1	0.2		-	-		-	-		-	-	
Commission	£	-	-	-	102,404	0.5	51,202	-	-	-	235,811	17.0	16,844
	No.	-	-		2	2.2		-	-		14	37.8	
Community Facilities	£	841,571	0.3	70,131	39,585	0.2	19,793	56,314	0.8	56,314	-	-	-
	No.	12	2.8		2	2.2		1	0.7		-	-	
Drama Centre	£	318,315	0.1	159,158	8,749	0.0	8,749	-	-	-	-	-	-
	No.	2	0.5		1	1.1		-	-		-	-	
Drama Group	£	8,630,659	2.9	95,896	712,269	3.7	27,395	641,130	9.5	12,329	893,231	64.3	81,203
	No.	90	21.2		26	28.9		52	38.8		11	29.7	
Drama Services	£	29,050	0.0	9,683	4,123	0.0	4,123	40,255	0.6	40,255	-	-	-
	No.	3	0.7		1	1.1		1	0.7		-	-	
Education	£	27,843,557	9.4	928,119	507,725	2.7	46,157	336,252	5.0	25,866	-	-	-
	No.	30	7.1		11	12.2		13	9.7		-	-	
Festival	£	1,729,243	0.6	864,622	30,734	0.2	15,367	8,360	0.1	4,180	-	-	-
	No.	2	0.5		2	2.2		2	1.5		-	-	
Feasibility Study	£	4,837,122	1.6	76,780	166,644	0.9	11,903	173,665	2.6	17,367	43,925	3.2	10,981
	No.	63	14.8		14	15.6		10	7.5		4	10.8	
Theatre	£	200,710,286	67.5	1,073,317	16,925,069	88.6	564,169	5,397,436	80.0	103,797	216,354	15.6	27,044
	No.	187	44.0		30	33.3		52	38.8		8	21.6	
Village Hall	£	1,435,289	0.5	75,542	-	-	-	55,839	0.8	27,920	-	-	-
	No.	19	4.5		-	-		2	1.5		-	-	
Total	£	297,456,043	100.0	699,897	19,106,302	100.0	212,292	6,749,251	100.0	50,368	1,389,321	100.0	37,549
	No.	425	100.0		90	100.0		134	100.0		37	100.0	

Source: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: 'Drama' grants = ACE's 'Drama' = DCMS's 'Drama', 'Museums & Galleries: Drama' and 'Other: Drama'. SAC, ACW and ACNI's 'Drama' grants categorised by E. R. Webb. All 'Drama' grants categorised into project types by E. R. Webb. Percentages calculated to one decimal place. 'Av.grant' = average grant size = value of grants/ number of grants. Average grant size calculated to zero decimal places.

Film Awards

In England's 'Film' category, 'Films' received the highest total sum of money and the largest number of grants from the ACE, but were ranked in sixth place for average grant size (see table 39). The 'Arts Centre', 'Cinemas', 'Community Facilities', 'Education' and 'Media Centres' awards all had higher average grant sizes than 'Films', because they involved building and renovation work.³⁴

The 'Film' category in Scotland included grants mainly to 'Films' and 'Cinemas'. 'Films' received the majority of lottery money and the highest number of grants with 62.5% of the funds and 66.7% of the grants, and 'Cinemas' received 29.7% of the funds and 16.7% of the number of grants. No other category received over 10% from the SAC over the three years. The margins between the average grants of 'Films' and 'Cinemas' in Scotland's results are far closer than they are in England's, and the sizes of awards are generally smaller. 'Education' received a large grant from the SAC, with approximately the same average grant as 'Films', as did the 'Festival', at around £200,000 in each case.

'Film' is not one of the top five art forms in Wales, but its presence in table 39 allows comparison between the four countries' statistics.³⁵ The ACW awarded most grants to 'Films' and 'Cinemas', as in Scotland and England, but 'Cinema's average grant was lower than that of 'Film', and was thirty-six times smaller than the average grant awarded to 'Cinemas' in England. For 'Films' in Wales, the average grant was only six times smaller than in England. The average grant for 'Cinemas' demonstrates how the average grant sizes of building projects could reduce through the countries. These figures also show how the ACW needed to employ different distribution priorities because of the differing initial sums received from the National Lottery Distribution Fund.

The ACNI awarded the highest percentages of the 'Film' money and numbers of grants out of the four arts councils to the production of 'Films', with seventeen films awarded 92.9% of the funds and 85.0% of the grants. The ACNI gave only three other grants under the 'Film' category (one to a 'Cinema' and two to 'Film

³⁴ This includes two grants to 'Education' awarded to refurbish and equip the National Film and Television School.

³⁵ See tables 32 and 33.

Companies'). Despite this, the average grant for 'Films' was lower than for the other three countries.

The majority of 'Film' money and grants went towards projects for the production of 'Films' (see table 39). The average grant size for 'Film' production was relatively low, particularly compared to England's results for 'Cinema' and 'Education'. Again, the average grant size diminishes through the four countries with their lowering allocation. Each table in the series (see tables 37-41) demonstrates that the arts councils to some extent varied their grant sizes according to the amount of lottery money allocated to each country.

Table 39. Capital 'Film' grants by country and project type (1995-98).

Project type	£/No	England			Scotland			Wales			Northern Ireland		
		Value/No	%	Av.grant	Value/No	%	Av.grant	Value/No	%	Av.grant	Value/No	%	Av.grant
Arts Centre	£	911,577	1.1	911,577	-	-	-	-	-	-	-	-	-
	No.	1	0.7	-	-	-	-	-	-	-	-	-	-
Cinema	£	22,653,724	26.6	1,258,540	3,068,592	29.7	383,574	267,861	16.9	44,644	35,050	3.5	35,050
	No.	18	12.0	-	8	16.7	-	6	24.0	-	1	5.0	-
Community Facilities	£	917,360	1.1	917,360	-	-	-	-	-	-	-	-	-
	No.	1	0.7	-	-	-	-	-	-	-	-	-	-
Education	£	5,654,880	6.6	2,827,440	200,000	1.9	200,000	84,853	5.4	84,853	-	-	-
	No.	2	1.3	-	1	2.1	-	1	4.0	-	-	-	-
Feasibility Study	£	1,536,893	1.8	170,766	3,000	0.0	3,000	7,050	0.4	7,050	-	-	-
	No.	9	6.0	-	1	2.1	-	1	4.0	-	-	-	-
Festival	£	-	-	-	424,780	4.1	212,390	33,670	2.1	33,670	-	-	-
	No.	-	-	-	2	4.2	-	1	4.0	-	-	-	-
Film	£	45,735,280	53.7	481,424	6,459,384	62.5	201,856	1,120,252	70.7	80,018	943,528	92.9	55,502
	No.	95	63.3	-	32	66.7	-	14	56.0	-	17	85.0	-
Film Club	£	7,660	0.0	7,660	4,688	0.0	4,688	-	-	-	-	-	-
	No.	1	0.7	-	1	2.1	-	-	-	-	-	-	-
Film Company	£	1,788,205	2.1	137,554	73,875	0.7	73,875	8,950	0.6	8,950	37,336	3.7	18,668
	No.	13	8.7	-	1	2.1	-	1	4.0	-	2	10.0	-
Film Services	£	659,385	0.8	131,877	108,399	1.0	54,200	62,715	4.0	62,715	-	-	-
	No.	5	3.3	-	2	4.2	-	1	4.0	-	-	-	-
Media Centre	£	4,954,702	5.8	1,238,676	-	-	-	-	-	-	-	-	-
	No.	4	2.7	-	-	-	-	-	-	-	-	-	-
Theatre	£	330,095	0.4	330,095	-	-	-	-	-	-	-	-	-
	No.	1	0.7	-	-	-	-	-	-	-	-	-	-
Total	£	85,149,761	100.0	567,665	10,342,718	100.0	215,473	1,585,351	100.0	63,414	1,015,914	100.0	50,796
	No.	150	100.0	-	48	100.0	-	25	100.0	-	20	100.0	-

Source: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: 'Film' grants = ACE's 'Film Production' and 'Film Other' = DCMS's 'Film (Ireland & Scotland)', 'Film: Arts Education', 'Film: Broadcasting', 'Film: Combined Arts', 'Film: Drama', 'Film: Film', 'Film: Music', 'Film: Visual Arts'. SAC, ACW and ACNI's 'Film' grants categorised by E. R. Webb. All 'Film' grants categorised into project types by E. R. Webb. Percentages calculated to one decimal place. 'Av.grant' = average grant size = value of grants/ number of grants. Average grant size calculated to zero decimal places.

Music Awards

The ACE gave most 'Music' funds to 'Concert Venues' (54.7%) and 'Music Centres' (14.7%). The greatest number of grants were allocated to 'Bands', which received 55.7% of the total number of 'Music' awards (see table 40).³⁶ The average grant size for 'Concert Venues' was £1,869,828, while 'Bands' averaged approximately forty-five times smaller, with £41,892. 'Bands' received the majority of the 'Music' grants, and because of their low average grant sizes, 'Music' has a lower overall average grant than the other four principle art forms. For example, England's average 'Music' grant was £230,252, while the average grant for 'Combined Arts' was £367,687, 'Drama' was £699,897 and 'Film' was £567,665. This is the case because the ACE awarded proportionally fewer grants to building projects within the 'Music' category than in the other three categories already analysed.

The SAC gave most 'Music' grants and funds to 'Bands' (48.8% and 33.3% respectively), while the building projects, which were prominent in England's statistics, each account for less than 3% of the funds and grants in Scotland. The overall average grant is therefore much lower than in England. The SAC awarded higher percentages of funds and numbers of grants to 'Education' and 'Music Societies' than the ACE. 'Church Organs' received the largest average grant in the 'Music' category in Scotland, but as the SAC awarded only two grants to this category compared to 60 to 'Bands', these did not greatly affect the overall statistics for the 'Music' category. The SAC gave the smallest number of 'Music' grants out of the four arts councils, and awarded less money to this category than the ACE and ACW, showing that 'Music' had a lower ranking in Scotland than in the other four countries.

The ACW awarded most grants and funds to 'Bands', but also gave far higher percentages to 'Choirs' than any other country. 'Choirs', like 'Bands', have a very low average grant size, so the ACW was able to give a great number of grants instead of investing in a few high-cost building projects. The ACW awarded 50% of the number of grants distributed by ACE with 5% of the money.

The ACNI awarded the highest percentages of the number of grants and amounts of money out of the four countries to 'Bands', and awarded nothing to building-related projects such as 'Concert Halls', and 'Music Centres'. The ACNI

³⁶ The 'Bands' subsection includes any type of band including brass, rock, steel, flute and accordion.

gave more grants to people-related projects than the SAC, and awarded less money overall. 'Education' received the highest financial percentage after 'Bands' and had the highest average grant size. The ACNI awarded least funds overall, with the lowest average grants of the four countries, but still awarded more grants than the SAC. The ACNI again gave the most out of the four countries to 'Commissions'.

'Bands' received the majority of grants in all four countries, and in Scotland, Wales and Northern Ireland, 'Bands' received more funds than any other subsection. Because of the low average grant sizes of 'Bands' and 'Choirs', and because companies under the other art forms had a tendency of applying for a higher proportion of building awards, the 'Music' category received most grants, even though 'Music' was not highest in the financial rankings. 'Music' had the lowest average grants of the five art forms, which confirms the reason for the differing rankings between the numbers and values of awards in tables 28 to 35.

Table 40. Capital 'Music' grants by country and project type (1995-98).

Project type	£/No	England			Scotland			Wales			Northern Ireland		
		Value/No	%	Av.grant	Value/No	%	Av.grant	Value/No	%	Av.grant	Value/No	%	Av.grant
Arts Centre	£	1,967,776	1.5	281,111	-	-	-	14,276	0.2	14,276	-	-	-
	No.	7	1.2		-	-		1	0.4		-	-	
Band	£	13,153,959	10.1	41,892	1,248,105	33.3	20,802	3,806,911	57.2	37,692	1,553,209	67.8	13,745
	No.	314	55.7		60	48.8		101	40.2		113	79.0	
Choir	£	443,262	0.3	15,831	68,838	1.8	17,210	839,525	12.6	13,763	4,460	0.2	4,460
	No.	28	5.0		4	3.3		61	24.3		1	0.7	
Church & Organ	£	4,501,464	3.4	214,355	365,500	9.8	182,750	955,754	14.4	63,717	-	-	-
	No.	21	3.7		2	1.6		15	6.0		-	-	
Commission	£	-	-	-	197,952	5.3	39,590	4,060	0.1	4,060	159,509	7.0	19,939
	No.	-	-		5	4.1		1	0.4		8	5.6	
Concert Venue	£	71,053,472	54.7	1,869,828	90,756	2.4	30,252	57,021	0.9	11,404	-	-	-
	No.	38	6.7		3	2.4		5	2.0		-	-	
Education	£	7,131,075	5.4	216,093	712,475	19.0	54,806	224,618	3.4	17,278	254,167	11.1	36,310
	No.	33	5.9		13	10.6		13	5.2		7	4.9	
Festival	£	718,922	0.6	79,880	43,417	1.2	6,202	228,514	3.4	20,774	-	-	-
	No.	9	1.6		7	5.7		11	4.4		-	-	
Feasibility Study	£	5,822,938	4.5	242,622	50,513	1.3	16,838	15,000	0.2	15,000	-	-	-
	No.	24	4.3		3	2.4		1	0.4		-	-	
Jazz	£	241,996	0.2	34,571	113,993	3.0	28,498	225,376	3.4	11,269	27,306	1.2	27,306
	No.	7	1.2		4	3.3		20	8.0		1	0.7	
Music Centre	£	19,120,690	14.7	831,334	81,164	2.2	40,582	13,500	0.2	13,500	-	-	-
	No.	23	4.1		2	1.6		1	0.4		-	-	
Music Services	£	265,164	0.2	66,291	118,220	3.2	16,889	88,217	1.3	22,054	-	-	-
	No.	4	0.7		7	5.7		4	1.6		-	-	
Music Society	£	724,256	0.6	42,603	375,915	10.0	62,653	84,257	1.3	7,660	163,810	7.2	27,302
	No.	17	3.0		6	4.9		11	4.4		6	4.2	
Orchestra	£	2,991,196	2.3	103,145	276,665	7.4	39,524	92,732	1.4	15,455	128,424	5.6	18,346
	No.	29	5.1		7	5.7		6	2.4		7	4.9	
Other	£	1,725,759	1.3	172,576	-	-	-	-	-	-	-	-	-
	No.	10	1.8		-	-		-	-		-	-	
Total	£	129,861,929	100.0	230,252	3,743,513	100.0	30,435	6,649,761	100.0	26,493	2,290,885	100.0	16,020
	No.	564	100.0		123	100.0		251	100.0		143	100.0	

Source: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: 'Music' grants = ACE's 'Music' = DCMS's 'Museums & Galleries: Music', 'Music' and 'Other: Music'. SAC, ACW and ACNI's 'Music' grants categorised by E. R. Webb. All 'Music' grants categorised into project types by E. R. Webb. 'Other' category includes grants from other art forms e.g. 'Dance'. Percentages calculated to one decimal place. 'Av.grant' = average grant size = value of grants/ number of grants. Average grant size calculated to zero decimal places.

Visual Arts Awards

The majority of England's 'Visual Arts' money went to 'Galleries' and 'Visual Arts Centres', but the highest number of grants went to 'Public Art' projects (see table 41). The 'Public Art' subsection includes grants for projects such as artworks and sculptures in public places, and also for less familiar projects such as the construction of sensory gardens and the provision of artworks and murals for hospitals. 'Public Art' projects can either be low or high-cost depending on the type of project, the artist's fee and the materials. For example, awards range from £5,000 for a Bedford Borough Council public art project, to £3.9 million for a London Borough public art programme on the A13 trunk road. However, these projects do not usually require as much money as buildings, so 'Art Centres', 'Art Studios' and 'Galleries' dominate the average grant size column, while the 'Public Art' grants reduce the overall average grant figure.

The SAC distributed the majority of its 'Visual Arts' grants to 'Galleries' and 'Public Art' projects. 'Galleries' received 40.6% of the funds and 23.6% of the number of grants, while 'Public Art' projects received 40.3% of the funds with 41.6% of the number of grants. Both types of project received a significantly higher proportion of the funds than the same subsections in England, but the average grants are eight times lower. Scotland's other subsections all received less than 7% of the number of grants and money.

In Wales, the grants appear more evenly spread across the subdivisions, as a greater number received over 10% of the total funds. These subdivisions include 'Arts Groups', 'Art Studios', 'Artists in Residence', 'Feasibility Studies', 'Galleries' and 'Public Art' projects. Of these awards, 'Art Studios' and 'Galleries' had comparatively high average grants because grants to 'Galleries' and 'Art Studios' typically involve building and refurbishment. Although there appears to be a more even spread of grants in Wales, 'Galleries' received 53.1% of the funds, with an average grant that was higher than the SAC's. 'Public Art' projects received only four grants in Wales and this subsection's average grant was less than half the average size of Northern Ireland's 'Public Art' projects.

The ACNI awarded 83.6% of their allocation and 66% of the number of grants to 'Public Art' projects. 'Galleries' still received the highest average grant, but the grants were for smaller amounts than awarded in other countries, and funded

equipment rather than refurbishment. The only subsection to receive more than 10% of the grants, other than 'Public Art', was 'Art Groups' with 18.2% of the number of grants. 'Arts Group' grants are more people-related projects than buildings, and the dominance of people-related grants in ACNI's distribution is consistent with the ACNI's 'Drama' and 'Music' statistics.

The 'Visual Arts' projects went towards both 'Galleries' (building projects) and 'Public Art' (people-related projects). It is again evident that as the amount of lottery funds decreases through the four countries, the people projects tend to benefit more and the building projects less. With the 'Visual Arts', however, 'Galleries' received an increased proportion in Scotland and Wales only to dip dramatically within the statistics for Northern Ireland. This indicates that the ACNI adapted most efficiently to providing the maximum number of grants from limited resources.

The Five Art Forms

The projects that received most funds and grants under each of the five art forms, were 'Arts Centres' ('Combined Arts' and 'Drama'), 'Theatres' ('Combined Arts' and 'Drama'), 'Film Production' and 'Cinemas' ('Film'), 'Bands' and 'Concert Venues' ('Music') and 'Galleries' and 'Public Art' ('Visual Arts'). These types of projects were not specific to large cities and could flourish in both urban and rural surroundings. The most popular ones, such as 'Theatres' and 'Films', were accessible to all, allowing the funds awarded to the arts to be available to all socio-economic groups.

Table 41. Capital 'Visual Arts' grants by country and project type (1995-98).

Project type	£/No	England			Scotland			Wales			Northern Ireland		
		Value/No	%	Av.grant	Value/No	%	Av.grant	Value/No	%	Av.grant	Value/No	%	Av.grant
Art Group	£	3,292,757	2.9	274,396	103,616	1.8	34,539	186,574	12.0	14,352	70,226	7.1	11,704
	No.	12	5.8		3	3.4		13	35.1		6	18.2	
Art Services	£	-	-	-	385,605	6.6	77,121	7,391	0.5	7,391	-	-	-
	No.	-	-		5	5.6		1	2.7		-	-	
Art Studio	£	1,182,905	1.0	131,434	90,542	1.5	15,090	250,524	16.2	125,262	10,570	1.1	5,285
	No.	9	4.4		6	6.7		2	5.4		2	6.1	
Artists in Residence	£	-	-	-	178,688	3.0	44,672	83,944	5.4	20,986	-	-	-
	No.	-	-		4	4.5		4	10.8		-	-	
Community Facilities	£	2,132,252	1.9	236,917	17,625	0.3	17,625	-	-	-	-	-	-
	No.	9	4.4		1	1.1		-	-		-	-	
Education	£	868,877	0.8	289,626	204,319	3.5	51,080	64,333	4.2	21,444	-	-	-
	No.	3	1.5		4	4.5		3	8.1		-	-	
Festival	£	40,000	0.0	40,000	22,000	0.4	22,000	-	-	-	-	-	-
	No.	1	0.5		1	1.1		-	-		-	-	
Feasibility Study	£	2,006,125	1.8	62,691	47,168	0.8	9,434	72,228	4.7	18,057	-	-	-
	No.	32	15.5		5	5.6		4	10.8		-	-	
Gallery	£	33,553,274	29.5	1,082,364	2,383,217	40.6	113,487	823,252	53.1	137,209	79,991	8.1	39,996
	No.	31	15.0		21	23.6		6	16.2		2	6.1	
Multi-Cultural	£	7,917	0.0	7,917	72,381	1.2	36,191	-	-	-	-	-	-
	No.	1	0.5		2	2.2		-	-		-	-	
Public Art	£	24,460,238	21.5	274,834	2,370,023	40.3	64,055	61,397	4.0	15,349	825,569	83.6	37,526
	No.	89	43.2		37	41.6		4	10.8		22	66.7	
Village Hall	£	6,800	0.0	6,800	-	-	-	-	-	-	-	-	-
	No.	1	0.5		-	-		-	-		-	-	
Visual Arts Centre	£	46,358,009	40.7	2,575,445	-	-	-	-	-	-	1,673	0.2	1,673
	No.	18	8.7		-	-		-	-		1	3.0	
Total	£	113,909,154	100.0	552,957	5,875,184	100.0	66,013	1,549,643	100.0	41,882	988,029	100.0	29,940
	No.	206	100.0		89	100.0		37	100.0		33	100.0	

Source: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: 'Visual Arts' grants = ACE's 'Visual Arts' = DCMS's 'Libraries: Vis. Arts', 'Museums & Galleries: Vis. Arts', 'Other: Vis. Arts' and 'Vis. Arts'. SAC, ACW and ACNI's 'Visual Arts' grants categorised by E.R. Webb. All 'Visual Arts' grants categorised into project types by E. R. Webb. Percentages calculated to one decimal place. 'Av.grant' = average grant size = value of grants/ number of grants. Average grant size calculated to zero decimal places.

Building and renovation projects strongly influenced the relationship between the number and value of grants awarded to the different art forms. Building projects, such as 'Arts Centres' and 'Theatres', had high average grants, whereas the people-related projects, such as awards to 'Bands' and 'Public Art' projects had low average grants. The proportion of building compared to people projects under an art form therefore, to an extent, determined whether the arts councils funded many projects with comparatively little money, as in the 'Music' category, or distributed a smaller number of high-value grants, as with the 'Drama' category. This relationship between grant types and funds does not necessarily mean that 'Music' grants were a more effective use of funds, because the distribution depends on the type and the number of companies applying in each field. For example, 'Music' has many 'Bands' that use community facilities such as 'Village Halls' or 'Arts Centres', so they rely partly on grants allocated to the 'Combined Arts' category, while many art forms benefit from awards such as those given to 'Theatres', which help to provide rehearsal and performance space.

The four arts councils received differing amounts of money from the National Lottery Distribution Fund, which they distributed among the arts in their country. Each arts council therefore had to adapt its distribution to the arts according to the amount of funds it had to distribute. For example, the ACE awarded some large grants that would require more than the other arts councils' total allocations, and it was therefore capable of awarding the highest percentage of money and grants to high-cost building projects. As a result, the average grants in England are far higher than any other country's. The SAC, ACW and ACNI, however, distributed grants with far lower average sizes, gave less money and fewer grants to high-cost building projects, and allocated more of their money to people projects. Consequently, the average grants, as calculated from the 'Total' figures in table 36, were £459,309 in England, £154,741 in Scotland, £65,018 in Wales and £53,274 in Northern Ireland. This is consistent with the arts councils' decreasing proportions of lottery funds.

The Ten Highest Value Grants in Each Year

The aim of examining the top ten grants distributed by the arts councils in each year is to explore whether they reflected the total genre distribution statistics to any degree, to show whether building projects were the main beneficiaries of the large awards, and to reveal the prominent art forms at this funding level. I also look for indications as to how the financial size of awards changed over the three years.³⁷

In England, out of each top ten financial grants for the three years, twenty-seven were awarded for the purchase and refurbishment of buildings such as theatres (see table 42). The three awards not directly related to building work were the smallest grant in 1996-97, for upgrading Malvern's winter gardens, and the two smallest in 1997-98, for film equipment and the design development of a Centre for Performing Arts.³⁸

The percentages of funds allocated to the genres of the top ten awards in the first three years were as follows:

Crafts	£5,951,000	(1.3%)
Combined Arts	£24,693,849	(5.6%)
Dance	£28,581,200	(6.5%)
Drama	£199,824,268	(45.3%)
Film	£14,491,705	(3.3%)
Music	£58,762,067	(13.3%)
Opera	£55,000,000	(12.5%)
Visual Arts	£53,655,000	(12.2%) ³⁹

The majority of awards in table 42 were for projects categorised within the five art forms investigated in the previous section. The ACE awarded the remainder to 'Crafts', 'Opera' and 'Dance' projects. These percentages show that, even though the Royal Opera House received 25.1% of England's art funds in the first year from its two awards, the 'Opera' category received 12.5% of the top ten awards over the three years, and only 6.6% of all the money distributed in the first three years. The overall distribution therefore absorbed the large grant because, apart from the Royal Opera House grant, the 'Opera' category received very little from the ACE. These statistics show that the Royal Opera House grants and the top ten grants are not necessarily

³⁷ I chose the top ten awards because this number provides an unbiased cut-off point between the majority of awards that received average amounts and the minority that received exceptional amounts.

³⁸ DCMS website <http://www.lottery.culture.gov.uk/>

³⁹ See table 42.

representative of how the ACE distributed its funds, as the inclusion of the statistics for the smaller awards and subsequent years can reveal a different set of results.

Table 42. The ten awards that received most capital funds in each year in England (1995-98).

Placing	Recipient's Name	Art form	Subsection	Value (£)	% of total
1995-96					
1	Royal Opera House	Opera	Opera House	55,000,000	17.6
2	Lowry Centre	Drama	Arts Centre	41,000,000	13.1
3	Royal Opera House	Dance	Opera House	23,500,000	7.5
4	Royal Albert Hall	Music	Concert Venue	20,200,000	6.5
5	Milton Keynes Theatre Fund	Drama	Theatre	19,671,485	6.3
6	English Stage Company	Drama	Theatre	15,803,505	5.1
7	Shakespeare Globe Trust	Drama	Theatre	12,400,000	4.0
8	Cambridge Arts Theatre Trust	Drama	Theatre	6,640,000	2.1
9	National Glass Centre	Crafts	Craft Centre	5,951,000	1.9
10	Contact Theatre Company	Drama	Theatre	4,456,392	1.4
Total (1995-96)				204,622,382	65.5
1996-97					
1	Royal National Theatre Board	Drama	Theatre	31,590,000	9.5
2	RADA (building)	Drama	Education	22,752,283	6.8
3	Walsall Museum & Art Gallery	Visual Arts	Gallery	15,750,000	4.7
4	Victoria Hall & Regent Theatre	Music	Concert Venue	14,866,000	4.5
5	London Borough of Newham	Combined Arts	Arts Centre	13,744,599	4.1
6	IMAX Cinema	Film	Cinema	10,000,000	3.0
7	Music Heritage Ltd.	Music	Music Centre	9,500,000	2.9
8	Dovecot Arts Centre	Combined Arts	Arts Centre	6,256,750	1.9
9	Wolverhampton Grand Theatre	Drama	Theatre	5,885,000	1.8
10	Malvern Festival Theatre Trust ^a	Drama	Theatre	5,087,640	1.5
Total (1996-97)				135,432,272	40.7
1997-98					
1	Baltic Flour Mill Conversion	Visual Arts	Arts Centre	37,905,000	17.6
2	The Royal Exchange	Drama	Theatre	17,110,250	7.9
3	Ocean Music Trust	Music	Concert Venue	9,850,067	4.6
4	The Empire Theatre Trust Ltd.	Drama	Theatre	7,630,000	3.5
5	Norden Farm Centre Trust Ltd.	Drama	Arts Centre	5,295,000	2.5
6	The Place	Dance	Dance Studio	5,081,200	2.4
7	Chicken Shed Property Company	Combined Arts	Arts Centre	4,692,500	2.2
8	Soho Theatre Company	Drama	Theatre	4,502,713	2.1
9	National Film & TV School ^a	Film	Education	4,491,705	2.1
10	Centre for the Performing Arts ^a	Music	Feasibility Study	4,346,000	2.0
Total (1997-98)				100,904,435	46.7
Combined top ten total (1995-98)				440,959,089	51.2

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: '% of total' refers to the percentages that these grants contributed to the amount awarded to arts grants in that year by the arts council concerned. Total capital lottery funds awarded by the ACE in 1995-96 = £312,203,231; total capital funds awarded by the ACE in 1996-97 = £332,573,879; and total capital funds awarded by the ACE in 1997-98 = £215,968,027. Total value of capital lottery grants awarded by the ACE over the three years = £860,745,137. Percentages calculated to one decimal place.

^a Grants not awarded to building projects.

In England, the total value of the top ten grants of the first year was greater than the total value of the top ten awards in each of the subsequent two years. In the second year, the proportion of the lottery money awarded to the top ten grants was 25% less, and in the third year it was approximately 20% lower than in the first year. These are significant differences, which could suggest that the ACE tended towards smaller grant sizes following the initial year of distribution, although the differences may also be due, in part, to applicants requesting smaller sums of money in later years.

In Scotland, five of the thirty top ten grants were for 'Film Production', and the rest were for building-related projects, showing again that building grants received the highest values (see table 43).

The distribution of grants between the art forms for the top ten highest value grants over the three years were as follows:

Architecture	£2,100,000	(3.5%)
Combined Arts	£25,052,777	(42.2%)
Dance	£4,914,823	(8.3%)
Drama	£14,689,904	(24.7%)
Film: Production	£4,400,000	(7.4%)
Film: Other	£1,347,500	(2.3%)
Opera	£6,163,150	(10.4%)
Visual Arts	£760,875	(1.3%)

The list includes four of the art forms analysed in the previous section, but does not include any 'Music' awards. The other art forms present in the top ten awards are 'Architecture', 'Dance' and 'Opera'.⁴⁰ 'Opera' achieved one top ten award in each of the three years, and overall gained four awards over the three-year period. 'Opera' would therefore appear to be a genre that required very few, but high value grants. 'Combined Arts' projects received most money, reinforcing the conclusions drawn from table 25, but 'Opera', even though it had the third highest grant value percentage here, did not gain a place in Scotland's five most financially successful art forms over the three years. Scotland's 'Opera' figures have, therefore, been absorbed into the overall distribution because of the low number of awards given to this genre.

Unlike the ACE, the percentage awarded to the top ten grants by the SAC increased over the three years. As a result, Scotland's top ten grants in each year for all three years received a percentage over 16% greater than England's.

⁴⁰ These three art forms all reached the list of the top five art forms in at least one year in Scotland's results (see table 30), but none made it into the top five for the statistics concerning the full three years.

Table 43. The ten awards that received most capital funds in each year in Scotland (1995-98).

Placing	Recipient's Name	Art form	Subsection	Value (£)	% of total
1995-96					
1	Byre Theatre	Drama	Theatre	3,385,000	14.2
2	Edinburgh Festival Society	Combined Arts	Festival	3,000,000	12.6
3	Royal Academy of Music & Dram	Opera	Education	2,500,000	10.5
4	Brunton Theatre Trust	Drama	Theatre	1,185,200	5.0
5	University of Glasgow	Combined Arts	Arts Centre	900,000	3.8
6	Citizens' Theatre Ltd.	Drama	Theatre	876,719	3.7
7	Royal Lyceum Theatre Co. Ltd.	Drama	Theatre	786,355	3.3
8	Glasgow Film Theatre	Film: Other	Cinema	710,000	3.0
9	Queen's Hall (Edinburgh) Ltd.	Combined Arts	Community Fac.	678,317	2.9
10	Arran Theatre & Arts Trust Ltd.	Drama	Arts Centre	609,000	2.6
Total (1995-96)				14,630,591	61.5
1996-97					
1	City of Dundee Council	Combined Arts	Arts Centre	5,380,756	19.7
2	Tron Theatre Ltd.	Drama	Theatre	4,378,000	16.1
3	Arches Theatre	Drama	Theatre	3,469,630	12.7
4	Scottish Opera Ltd.	Opera	Opera Studio	2,111,400	7.7
5	Queen Margaret College	Combined Arts	Education	1,500,000	5.5
6	Lake Film Production Ltd. ^a	Film: Prod.	Film	1,000,000	3.7
7	Antonine Green Bridge Ltd. ^a	Film: Prod.	Film	900,000	3.3
8	Aros (Isle of Skye) Ltd.	Combined Arts	Arts Centre	802,000	2.9
9	Stills Gallery	Visual Arts	Gallery	760,875	2.8
10	Orkney Islands Council	Film: Other	Cinema	637,500	2.3
Total (1996-97)				20,940,161	76.8
1997-98					
1	Centre for Contemporary Arts	Combined Arts	Arts Centre	7,491,704	20.6
2	Dance Base Ltd.	Dance	Dance Studio	4,914,823	13.5
3	City of Glasgow Council	Combined Arts	Education	2,300,000	6.3
4	Dundee College	Combined Arts	Education	2,300,000	6.3
5	Glasgow 1999 Festival Co. Ltd.	Architecture	Arch. Centre	2,100,000	5.8
6	Scottish Opera Ltd.	Opera	Theatre	1,551,750	4.3
7	Película Films Ltd. ^a	Film: Prod.	Film	900,000	2.5
8	Bronco Films Ltd. ^a	Film: Prod.	Film	850,000	2.3
9	Kismet Film Co. Ltd. ^a	Film: Prod	Film	750,000	2.1
10	Edinburgh Festival Centre Ltd.	Combined Arts	Festival	700,000	1.9
Total (1997-98)				23,858,277	65.5
Combined top ten total (1995-98)				59,429,029	68.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: '% of total' refers to the percentage that these grants contributed to the amount awarded to arts grants in that year by the arts council concerned. Total capital lottery funds awarded by the SAC in 1995-96 = £23,773,549; total capital funds awarded by the SAC in 1996-97 = £27,249,299; and total capital funds awarded by the SAC in 1997-98 = £36,405,721. Total value of capital lottery grants awarded by SAC over the three years = £87,428,569. Percentages calculated to one decimal place.

^a Grants not awarded to building projects.

In Wales' top ten grant statistics, an eleventh grant has been included in year three because two grants came in equal tenth place (see table 44). The calculations do not include the figures in parentheses, so the calculations include only ten grants from each year.

In table 44, five of the thirty grants were not allocated to building projects: equipment for the Welsh National Opera and Cyngor Llyfrau Cymraeg, an organ for St. David's Cathedral and two 'Film' grants. Building purchase and renovations therefore accounted for twenty-six of the thirty-one grants. The highest-ranking non-building grant gained seventh place in table 44, showing that building grants predominated in Wales' statistics.

The distribution of arts grants to the different art forms in the top ten were as follows:

Crafts	£315,582	(1.1%)
Combined Arts	£19,363,970	(67.7%)
Dance	£218,700	(0.8%)
Drama	£3,575,504	(12.5%)
Film: Production	£250,000	(0.9%)
Literature	£2,843,000	(9.9%)
Music	£824,421	(2.9%)
Opera	£137,093	(0.5%)
Other	£337,800	(1.2%)
Visual Arts	£720,000	(2.5%)

The 'Combined Arts' had the highest percentage of the money, with the other art forms all receiving significantly less, leading to a slightly distorted version of the statistics shown in table 26. The greater amount awarded to the 'Literature' category, and the low percentage awarded to the 'Film' category, are also reflected in table 44. This analysis does not include small grants and therefore art forms that received a large proportion of small grants, such as 'Music', are not represented as being significant beneficiaries.

The ACW gave their largest grant at the end of the three years to the Wales Millennium Centre (four times the size of their existing largest grant).⁴¹ The ACE, however, awarded their largest grant at the start of the three years.

⁴¹ The Wales Millennium Centre is the redesigned and renamed Cardiff Bay Opera House, the new home for the Welsh National Opera and the Urdd (a Welsh festival). For further discussion surrounding the controversy of the Royal Opera House and Cardiff Bay Opera House grants see chapter 4, p. 160.

Table 44. The ten awards that received most capital funds in each year in Wales (1995-98).

Placing	Recipient's Name	Art form	Subsection	Value (£)	% of total
1995-96					
1	Cardiff Old Library Trust	Literature	Library	2,000,000	19.0
2	Brecon Theatre	Drama	Theatre	1,677,879	15.9
3	Welsh College of Music & Drama	Combined Arts	Education	1,180,500	11.2
4	St. Donats Arts Centre Ltd.	Combined Arts	Arts Centre	330,000	3.1
5	Penrhys Partnership Trust	Combined Arts	Arts Centre	326,000	3.1
6	Powys Dance	Dance	Dance Studio	218,700	2.1
7	Caldicot Male Voice Choir	Music	Choir	163,620	1.6
8	Community Centre Porthmadog	Combined Arts	Arts Centre	150,000	1.4
9	Welsh National Opera ^a	Opera	Opera Co.	137,093	1.3
10	Cyngor Llyfrau Cymraeg ^a	Literature	Book Prod.	120,000	1.1
Total (1995-96)				6,303,792	59.9
1996-97					
1	Stiwt Arts & Leisure Community	Combined Arts	Community F.	2,237,792	16.3
2	Brolï Cymraeg	Combined Arts	Arts Centre	790,163	5.8
3	Cardiff Old Library Trust	Literature	Library	723,000	5.3
4	Cwmni Plas Glyn-Y-Weddw	Visual Arts	Gallery	720,000	5.2
5	Grand Theatre - Swansea	Drama	Theatre	486,000	3.5
6	Willows High School	Combined Arts	Arts Centre	401,149	2.9
7	Llanfyllin High School	Combined Arts	Education	318,970	2.3
8	Tarddiad Origin Gwynedd	Crafts	Crafts Centre	315,582	2.3
9	Llanederyn Community Devt.	Combined Arts	Education	292,199	2.1
10	Barmouth Community Assoc.	Drama	Theatre	282,586	2.1
Total (1996-97)				6,567,441	47.8
1997-98					
1	Wales Millennium Centre	Combined Arts	Arts Centre	8,325,000	32.4
2	University College of Wales	Combined Arts	Arts Centre	2,498,297	9.7
3	Cwmaman Public Hall	Combined Arts	Village Hall	1,850,000	7.2
4	Butetown Artists	Combined Arts	Arts Centre	663,900	2.6
5	Criccieth Memorial Hall	Drama	Theatre	579,039	2.3
6	Theatre Clwyd	Drama	Theatre	550,000	2.1
7	St. David's Cathedral ^a	Music	Church/Organ	397,437	1.5
8	Carmarthenshire County Council	Other	Mill	337,800	1.3
9	Seindorf Arian Deiniolen	Music	Band	263,364	1.0
10	Cartwn Cymru Cyfyngedig ^a	Film: Prod.	Film	250,000	1.0
	(Bloom Street Productions ^{ab})	Film: Prod.	Film	250,000	1.0
Total (1997-98)				15,714,837	61.2
Combined top ten total (1995-98)				28,586,070	57.2

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: '% of total' refers to the percentage that these grants contributed to the amount awarded to arts grants in that year by the arts council concerned. Total capital lottery funds awarded by the ACW in 1995-96 = £10,521,322; total capital funds awarded by the ACW in 1996-97 = £13,733,791; and capital total funds awarded by the ACW in 1997-98 = £25,678,765. Total value of capital lottery grants awarded by the ACW over the three years = £49,933,878. Percentages calculated to one decimal place.

^a Grants not awarded to building projects.

^b 'Total' includes only the first ten grants. This grant is included for information purposes.

In the ACNI's top ten statistics, the third year shows information for a total of sixteen grants, because eight grants came in equal ninth place (see table 45). The grants in ninth place are sorted alphabetically and therefore do not show any order of priority. Confining this table to just the top ten would necessitate excluding six grants, which, for example, could include the grants in parentheses.

The ACNI's distribution differed from the other three countries' allocations in that it gave far fewer grants to building projects. The top two grants in each year are still for building-related projects, but only thirteen of the thirty-six awards in table 45 are for such projects, compared to twenty-five or more in the case of other countries. This appears to confirm the conclusion of the previous section: that the ACNI could not give as much lottery money to expensive projects because of its smaller initial allocation.⁴²

The figures below summarise the overall performance of each art form for all twenty top ten grants from the first two years, and the first eight from year three.⁴³

Combined Arts	£9,161,377	(78.3%)
Dance	£300,250	(2.6%)
Drama	£865,765	(7.4%)
Film: Production	£610,000	(5.2%)
Film: Other	£35,050	(0.3%)
Music	£267,988	(2.3%)
Other	£68,340	(0.6%)
Video	£74,853	(0.6%)
Visual Arts	£316,989	(2.7%)

The 'Combined Arts' projects dominate table 45 to the point that no other art form received over 10% of the funds. Table 27 (showing the complete breakdown of ACNI's distribution by art form 1995-98) also shows that the 'Combined Arts' dominated, but the percentage of funds awarded to this art form in each year decreased from 77.4% in the first year, to 60.2% in year two and to 30.4% in year three. The two highest value grants of each year in table 45 show that the top grants went to 'Combined Arts' applications, but that the highest award amounts reduced in each subsequent year. This type of reduction is demonstrated not only by the ACNI

⁴² See chapter 3, 'The Five Art Forms', p. 140.

⁴³ These figures do not include the many grants in ninth place because they complicate the divisions between the art forms and thus confuse the analysis.

awarding smaller grants than the other arts councils, but also by a trend of reducing grant sizes over the three years.

The percentage of funds given to the top thirty grants is higher than that awarded by other arts councils. The ACNI awarded an average of 70.4% of the funds to the top ten grants of each year over the three-year period, despite having the lowest values for these awards. These results show that the ACNI had to maintain the financially small grant allocations, as their total allocation would not permit anything greater without significantly limiting the number of beneficiaries. These statistics therefore reveal how regional equity might not necessarily be promoted by the per-capita distribution of lottery funds between the four arts councils.

The top ten grants of each arts council show that building projects received the highest grants regardless of art form. The art forms that boasted the highest grants in each country follow the trends of the total distribution shown in tables 24 to 27. For example, in the first year, the ACE awarded 525 grants, and the top ten received 65.5% of the money, so these top ten grants were fundamental to the distribution statistics. However, an examination of the highest grants offers only a distorted view of the spread of grants by art form, as the smaller awards also change the balance of funds, particularly in the case of the 'Music' category.

Large one-off grants, such as the Royal Opera House and the Wales Millennium Centre grants, had an important impact on the statistics in the year of the award, but have a diminished effect over the three years. Large awards have been absorbed into the increasing amounts of money awarded to the arts, and become less prominent in successive years. This is in part due to a convergence to the mean as more grants were awarded, but also suggests that trends from individual years were not continually repeated, and so figures from a single year were not representative of the true state of an arts councils' distribution.

Table 45. The ten awards that received most capital funds in each year in Northern Ireland (1995-98).

Placing	Recipient's Name	Art form	Subsection	Value (£)	% of total
1995-96					
1	Armagh City & District Council	Combined Arts	Arts Centre	3,000,000	55.7
2	Cookstown District Council	Combined Arts	Arts Centre	745,000	13.8
3	Ti Chulainn	Combined Arts	Arts Group	350,000	6.5
4	Footprint TV / Eclipse Prod. ^a	Film: Prod.	Film	200,000	3.7
5	Northern Visions Ltd. ^a	Video	Video Co.	74,853	1.4
6	Riverside Theatre	Drama	Theatre	58,515	1.1
7	Grand Opera House Trust ^a	Drama	Theatre	50,000	0.9
8	Best Cellars Music Collective ^a	Music	Music Society	48,753	0.9
9	Drake Music Project Ireland ^a	Music	Education	48,000	0.9
10	Queen's Film Theatre	Film: Other	Cinema	35,050	0.7
Total (1995-96)				4,610,171	85.7
1996-97					
1	The Verbal Arts Centre	Combined Arts	Arts Centre	1,151,310	16.7
2	Portadown 2000	Combined Arts	Arts Centre	912,000	13.2
3	Belfast City Council	Combined Arts	Community F.	890,000	12.9
4	Grand Opera House Trust	Combined Arts	Theatre	689,250	10.0
5	Inner City Trust Ltd.	Combined Arts	Arts Centre	370,274	5.4
6	Northlands Film Production Ltd. ^a	Film: Prod.	Film	200,000	2.9
7	De Facto Films ^a	Film: Prod.	Film	150,000	2.2
8	The Beat Initiative ^a	Other	Education	68,340	1.0
9	Raw Nerve Productions ^a	Film: Prod.	Film	60,000	0.9
10	Carrick Whitehouse Agnes Brass	Music	Band	58,500	0.8
Total (1996-97)				4,549,674	65.8
1997-98					
1	Registered Company Discovery	Combined Arts	Arts Centre	917,843	20.2
2	Belvoir Players	Drama	Drama Group	475,000	10.5
3	Royal Belfast Hospital ^a	Visual Arts	Public Art	316,989	7.0
4	Grand Opera House Trust ^a	Dance	Commission	300,250	6.6
5	Brian Waddell Productions Ltd. ^a	Drama	Drama Group	200,000	4.4
6	Belfast Festival at Queen's ^a	Combined Arts	Commission	135,700	3.0
7	Belfast Festival at Queen's ^a	Music	Commission	112,735	2.5
8	Ulster Theatre Company ^a	Drama	Commission	82,250	1.8
9	The Beat Initiative ^a	Other	Education	75,000	1.7
	Classical Music Society ^a	Music	Music Society	75,000	1.7
	(Drake Music Project NI ^{ab})	Music	Education	75,000	1.7
	(Linen Hall Library ^{ab})	Combined Arts	Theatre	75,000	1.7
	(Mater Hospital Trust ^{ab})	Other	Funscape	75,000	1.7
	(Prison Arts Foundation ^{ab})	Visual Arts	Public Art	75,000	1.7
	(Streetwise Com. Circus Wkshp. ^{ab})	Circus	Education	75,000	1.7
	(Youth Action NI ^{ab})	Other	Education	75,000	1.7
Total (1997-98)				2,690,767	59.2
Combined top ten total (1995-98)				11,850,612	70.4

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: '% of total' refers to the percentage that these grants contribute to the amount awarded to arts grants in that year by the arts council concerned. Total capital funds awarded by the ACNI in 1995-96 = £5,382,041; total capital funds awarded by the ACNI in 1996-97 = £6,910,205; and total capital funds awarded by the ACNI in 1997-98 = £4,542,418. Total value of capital lottery grants awarded by the ACNI over the three years = £16,834,664. Percentages calculated to one decimal place.

^a Grants not related to building projects.

^b 'Total' includes only the first ten grants. This grant is included for information purposes.

Applications Received by Art Form

Application figures relating to distribution by genre were available from only the ACE and ACW, but a certain amount can be learned from even this limited amount of information. The application figures show the percentage of successful applications within each art form and can indicate whether an art form was particularly neglected or favoured by an arts council. This analysis does not consider the financial amounts, solely the numbers of applications and the numbers of grants awarded.

Table 46 shows the numbers of applications and grants for each year in England.⁴⁴ The application figures show that the five art forms that received most grants and money (see tables 28 and 29) had also submitted most applications. 'Music', having submitted by far the highest number of applications, received most grants, but did not have the highest success rate. 'Mime' grants had the highest success rate at 75.0%, but received only three of four grants, showing that, even if an art form received very few grants, this was not necessarily caused by neglect on the part of the arts council. Grants under the 'Other' category had the lowest success rate at 31.3%. In England, differences in success rates between categories ranged between 56.2% to 31.3% (excluding 'Mime'), a difference of about 25%. The five most successful art forms in terms of accepted applications were the 'Combined Arts', 'Drama', 'Literature', 'Mime' and the 'Visual Arts'. Apart from 'Mime', the success rates of these art forms are not significantly greater than that of any other art form. It does not appear, therefore, that any particular art form was neglected or overtly favoured by the ACE, as the margins between success rates are slim.

⁴⁴ The ACE could only supply these figures for each calendar year, so the grant figures have been recalculated to match the application figures supplied by the ACE.

Table 46. Numbers of capital applications and grants in England by genre (1995-97).

Art Form	1995		1996		1997		Total		
	No of apps.	No of grants	No of apps.	No of grants	No of apps.	No of grants	No of apps.	No of grants	Success rate (%)
Architecture	16	8	18	9	23	11	57	28	49.1
Broadcasting	20	5	24	8	5	3	49	16	32.7
Circus	6	3	8	2	1	2	15	7	46.7
Combined Arts	165	60	205	101	103	92	473	253	53.5
Crafts	35	10	25	16	46	23	106	49	46.2
Dance	66	24	78	32	50	32	194	88	45.4
Drama	296	100	277	178	190	129	763	407	53.3
Film	103	28	141	57	130	51	374	136	36.4
Literature	16	5	24	14	6	6	46	25	54.3
Mime	-	-	3	2	1	1	4	3	75.0
Music & Opera	360	111	449	215	326	219	1135	545	48.0
Other	11	1	8	4	13	5	32	10	31.3
Video	11	1	11	7	7	4	29	12	41.4
Visual Arts	117	38	135	99	113	68	365	205	56.2
Total	1222	394	1406	744	1014	646	3642	1784	49.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and England's application numbers were supplied by the Arts Council of England (unpublished typescript received 3 March 1999).

Notes: The five highest success rates are in a bold type. Percentages calculated to one decimal place.

The breakdown of Wales' applicant numbers shows that projects within the 'Combined Arts', 'Drama', 'Music', 'Opera', and the 'Visual Arts' categories applied for most grants, but the success rates for each of these art forms varied (see table 47). The three art forms with the highest success rates in Wales were 'Drama', with 88.7%, the 'Combined Arts' with 66.5%, and 'Music & Opera' with 54.3%. The 'Visual Arts' success rate was only 29.6% and the success rate for 'Video' was even lower at 12.5%. The margin between the success rates in Wales was therefore very wide (approximately 76%), three times larger than the margin in England. This makes the ACW's distribution appear more biased than the ACE's. The distribution statistics, however, attested to the most equitable geographical allocations of any of the four arts councils. It may therefore be that the ACW were monitoring their allocations in terms of regional spread, and a by-product of this was varying genre success rates.

Table 47. Numbers of capital applications and grants in Wales by genre (1995-98).

Art Form	1995-96		1996-97		1997-98		Total		
	No of apps.	No of grants	No of apps.	No of grants	No of apps.	No of grants	No of apps.	No of grants	Success rate (%)
Architecture	-	1	-	-	-	-	-	1	-
Broadcasting	6	2	5	-	7	1	18	3	16.7
Circus	3	1	3	1	3	2	9	4	44.4
Combined Arts	71	43	101	54	138	109	310	206	66.5
Crafts	16	4	12	8	21	5	49	17	34.7
Dance	7	3	18	10	33	13	58	26	44.8
Drama	41	32	40	39	70	63	151	134	88.7
Film	8	2	19	8	38	15	65	25	38.5
Literature	12	4	15	6	30	12	57	22	38.6
Music & Opera	131	72	156	77	194	112	481	261	54.3
Other	-	5	-	10	-	16	-	31	-
Video	4	-	2	-	2	1	8	1	12.5
Visual Arts	34	8	34	8	57	21	125	37	29.6
Total	333	177	405	221	593	370	1331	768	57.7

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); table 13; and Wales' application numbers were supplied by the Arts Council of Wales (unpublished typescript received 26 February 1999).

Notes: The figures for Wales have some differences in the categorisations for grants going to the 'Architecture' and 'Other' categories, and the percentages are only an indication of the success rate. The five highest success rates are in a bold type. Percentages calculated to one decimal place.

Business Sponsorship

The Association for Business Sponsorship of the Arts (ABSA) publishes business sponsorship figures for the different art forms in the same publications as those used to calculate the geographical spread of business sponsorship in chapter 2.⁴⁵ The same categories for business sponsorship are relevant to both geography and genre distribution analyses, so I exclude general sponsorship (money given to promote the business' name and products) and corporate membership (annual subscriptions entitling the company to free seats), from the business sponsorship figures quoted. Table 48 shows the figures for the remaining sponsorship categories: corporate donations (money given by companies with nothing expected in return); capital projects; and sponsorship in kind (the provision of materials and labour instead of money). Table 48 shows ABSA's figures but, because their art form categories differ from those used in earlier parts of this chapter, I have recalculated the distribution of grants to make the two sets of figures comparable.

⁴⁵ For further details, see chapter 2, 'Partnership Funding', p. 97.

In 1995-96, the art forms receiving over 10% of the available business sponsorship were, in increasing order, the 'Visual Arts/ Crafts', 'Music', 'Drama', 'Museums' and 'Film/ Video' categories. Four of the categories related to the five most financially successful art forms, but 'Museums', although considered an art form by ABSA, was categorised under Heritage by lottery policy.⁴⁶ The 'Combined Arts' received the sixth highest percentage (9.3%), but 'Arts Centres' and 'Community Arts' received very little sponsorship with 1.0% and 1.3% respectively, despite winning most of the lottery money allocated to their art form.⁴⁷ The business sponsorship statistics reveal that the five most prolific art forms received the highest amounts of potential partnership funding in 1995-96.

Table 48. Business sponsorship compared to ACE lottery funding by genre (1995-98).

Art Form	Lottery Grants 1995-98		1995-96		1996-97		1997-98		Total Arts Sponsorship	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Arts Centres	-	-	156	1.0	438	1.5	185	0.5	780	1.0
Comm. Arts	-	-	209	1.3	246	0.9	536	1.5	990	1.2
Festival	-	-	1,117	7.0	1,229	4.3	2,923	8.4	5,270	6.6
C. Arts ^a	96,702	11.2	1,483 ^a	9.3 ^a	1,913 ^a	5.7 ^a	3,645 ^a	10.4 ^a	7,040 ^a	8.8 ^a
Dance	47,975	5.6	1,151	7.3	1,957	6.9	480	1.4	3,588	4.5
Drama	297,456	34.6	1,731	10.9	9,527	33.4	10,048	28.8	21,306	26.8
Film/Video	94,737	11.0	2,262	14.2	2,309	8.1	3,432	9.8	8,002	10.1
Heritage	-	-	666	4.2	1,070	3.8	772	2.2	2,508	3.2
Literature	1,912	0.2	403	2.5	156	0.6	70	0.2	629	0.8
Museums	-	-	2,164	13.6	5,645	19.8	8,693	24.9	16,501	20.8
Music	129,862	15.1	1,634	10.3	1,390	4.0	1,104	3.2	4,128	5.2
Opera	57,109	6.6	1,331	8.4	3,293	11.5	1,761	5.0	6,385	8.0
V.Arts/Crafts	127,997	14.9	1,624	10.2	855	3.0	2,624	7.5	5,103	6.4
Services	-	-	204	1.3	164	0.6	257	0.7	624	0.8
Other	6,996	0.8	1,224	7.7	253	0.9	2,061	5.9	3,539	4.5
Total	860,745	100.0	15,875	100.0	28,532	100.0	34,946	100.0	79,353	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); ABSA, *Business Support for the Arts 1995/96*, pp. 18, 21-22; id., *Business Support for the Arts 1996/97: National Research Survey* (London: ABSA, 1997) pp. 12, 15-16; and id., *Business Investment in the Arts 1997/98: Arts & Business National Research Survey* (London: ABSA, 1998) pp. 21, 24-25.

Notes: The figures for 'General Sponsorship' and 'Corporate Membership' are not applicable to partnership funding and have therefore been excluded from the 'Total Arts Sponsorship' column. The 'Total Arts Sponsorship' figures therefore differ from those found in the ABSA reports. Financial values rounded to the nearest thousand. Percentages calculated to one decimal place.

^a These figures represent the addition of the 'Arts Centre', 'Community Arts' and 'Festival' results to show comparable results with the grants placed in the 'Combined Arts' category in the genre analysis.

⁴⁶ Museums would apply to the Heritage Lottery Fund.

⁴⁷ Partnership funding sources for community projects involved local authorities, public sector funding and fund-raising to a greater extent than business sponsorship.

According to the ABSA reports, capital projects received over three times the amount of business sponsorship in 1996-97, compared to the amount received in 1995-96. The increase in available funds was particularly fortunate for the companies applying for lottery grants in the second year. The 1996-97 results show that the 'Drama', 'Museums' and 'Opera' categories gained over 10% of the business sponsorship money. The amounts of sponsorship awarded to these three genres had increased dramatically compared to the previous year.

In the third year, the amounts awarded to the 'Combined Arts', 'Drama', 'Film', 'Museums' and the 'Visual Arts' all increased. The yearly increase of sponsorship shows that the amount of funds available to the arts increased with the demand created by the Lottery's partnership funding requirements. This increase was in proportion with the types of genre receiving lottery awards (see figure 28). The five most successful art forms ('Combined Arts', 'Drama', 'Film', 'Music' and the 'Visual Arts') and 'Opera' all had greater partnership funding potential at their disposal than the other art forms. The amount of sponsorship available may therefore have had an effect on these art forms, giving them an advantage and making it slightly easier for them to obtain partnership funding and thus lottery awards.

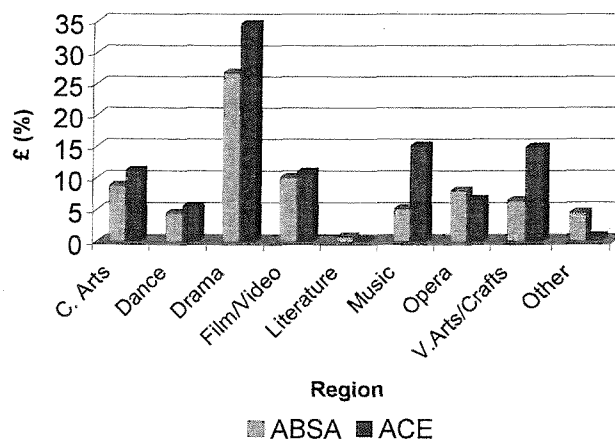


Figure 28. Business sponsorship compared to ACE lottery funding by genre (1995-98).

Summary

There was very little inherent bias in the systems employed to assess and monitor the distribution of awards to the different genres. The *National Lottery etc. Act 1993* did not dictate any rules regarding the distribution by genre, because the government 'did not wish to tie the distributing bodies' discretion to a fixed

percentage', but it did give some guidelines to the secretary of state.⁴⁸ The secretary of state's directions required that the arts councils consider all applications in their field including those for 'Film' and 'Crafts', but did not direct in what way this should be achieved. The arts councils' assessment criteria aimed to fulfil the local needs of each area to achieve greater public access to all art forms and maximise the employment of artists. These criteria inflicted only minor biases that tended towards under-represented art forms and the artistic needs of each particular region.

The genre distribution statistics of the arts lottery grants over the first three years showed that the same five art forms in each country ('Combined Arts', 'Drama', 'Film', 'Music' and the 'Visual Arts') received the majority of funds and grants.⁴⁹ The sequence of art forms receiving the highest number of grants was almost identical in each country, except for the 'Combined Arts' category, which varied its ranking. The rankings of art forms winning the highest financial amounts, however, came in differing orders. The grant frequency rankings highlighted similarities in the distribution of the four arts councils, but also demonstrated that there was only an indirect relationship between the number and value of grants awarded.

An analysis of the different types of projects to be awarded funds under each art form category revealed that building and renovation projects had a great influence on the values of grants awarded to an art form. Typically, a high proportion of building projects lead to high average grant sizes. Conversely, a greater percentage of people-related projects, rather than projects involving building work, lead to far lower average grant sizes. This analysis also revealed that the popular grant-types were 'Theatres', 'Arts Centres' and 'Films', which succeed in both urban and rural settings and helped increase public access to the lottery art funds.

⁴⁸ *The National Lottery etc. Act 1993*, sec. 23, general note.

⁴⁹ An average of 84% of the grants were awarded to the top five art forms over the first three years of distribution, leaving 16% or less for the remaining ten categories. See table 36.

The initial sums awarded to each arts council by the National Lottery Distribution Fund affected the types and values of grants awarded in each country.⁵⁰ For example, the ACE awarded many large grants to renovation projects, but the other three arts councils could not afford to allocate grants of the same magnitude. This issue could perhaps be used as an argument against per-capita distribution to the four countries. However, the arts councils did to a certain extent adapt their distribution to suit the funds at their disposal. The SAC, ACW and ACNI compensated for their lower lottery allocations by awarding smaller awards and fewer building grants, and directed their funds towards low-cost people projects, thereby achieving a broad distribution by genre in their countries. The differences between the ACE and the ACNI's distribution figures show the best example of this adaptation from supporting building projects to assisting more people-orientated projects. The proportion of building grants and the amount received from the National Lottery Distribution Fund accounted for the majority of the differences in the values and numbers of grants awarded by each arts council.

The top ten grants of each year received the majority of money from each arts council and were fundamental to the distribution statistics, but did not necessarily represent the arts council's distribution. Large one-off grants, such as the Royal Opera House grant, looked prominent in the end of year statistics, but were gradually absorbed year by year, and had a greatly reduced effect averaged over a three-year period. A single year of distribution is therefore not representative of an arts council's distribution policy. The distribution of the top ten grants of each country reinforce the conclusions of each subsection analysis, that building projects monopolised the large grants, and that both the grant values and the number of building grants reduced correspondingly with the reduction of the four arts councils' allocations of funding. The ACNI awarded far smaller grants compared to the other arts councils, but its top ten percentages demonstrate how the amount of lottery money it received restricted the amounts that it could award.

The application figures of England and Wales show that most applications were submitted for projects belonging to the top five art forms, which explains why those art forms received most grants. The statistics also show that the top five art

⁵⁰ Lottery money is divided between the four arts councils in the following proportions: ACE = 83.3%; SAC = 8.9%; ACW = 5.0%; and ACNI = 2.8%.

forms were not necessarily the most successful art forms at receiving grants. 'Music', for example, received most grants in England, but had only the seventh highest success rate. The margins between the success rates for England were narrow and indicate that there was very little bias in the ACE's distribution to the different art forms. The ACW, however, facilitated the highest success rates for the art forms that submitted most grant applications, which could indicate some favouritism for those art forms, although this could be a side effect of the attempts to achieve equity of distribution across the regions.

The business sponsorship statistics show an increase in the amounts of business funds available to arts companies over the three years, and show that the most successful art forms in terms of lottery awards and funds also gained high proportions of business sponsorship. This may have, in turn, affected their ability to submit applications, which would have subsequently affected their success at receiving lottery awards.

This study revealed that the arts councils demonstrated little bias in their distribution of arts grants to the different art forms. The same five art forms received the majority of applications, grants and funds. The main factors that affected distribution were the proportion of building grants in a category, the amount received by each arts council from the National Lottery Distribution Fund and the proportion of business sponsorship available to each genre.

CHAPTER 4

A TALE OF TWO OPERA HOUSES

Chapters 2 and 3 do not show that the arts councils distributed lottery funds inappropriately, but anyone reading British newspapers could view the matter in a different light, as there were many reports of regional inequality, 'elitism' and bias for large institutions. Many sources contributed to this impression, including the daily press, periodical publications and television. Here I examine the role of the daily press and explore how journalists shaped material to achieve this perception of arts distribution.

In this chapter, I analyse articles on the arts as a Good Cause before the Lottery began, and the press comment surrounding the Royal Opera House and Cardiff Bay Opera House grants up to the end of 1996. Articles on these topics illustrate a change of opinion towards the arts and show the increasing use of persuasive writing by the journalists throughout the high-publicity build-up to the start of the Lottery and distribution of lottery funds to the arts. The Royal Opera House was the subject of many articles relating to distribution to the arts, and over time it evolved in the press from worthy cause to the representation of biased and 'elitist' distribution. The Cardiff Bay Opera House was afflicted with many similar press reports to the Royal Opera House, but dealt with these issues in a very different way. I examine the press reaction to both of these institutions, their applications and awards and show how articles portrayed differing images of distribution to the arts, and compare the press reports with the results found in chapters 2 and 3 of this thesis.

The main sources for this chapter are the *Times*, *Financial Times*, *Independent*, *Guardian*, *Observer*, *Daily Mail*, *Daily Mirror* and the *Sun*. These newspapers vary in format from broadsheet to tabloid, and have readerships from various social and political backgrounds. Further sources include the *Economist*, the *Daily Express* and the *Electronic Telegraph*, a version of the *Daily Telegraph* available on the Internet.¹

¹ *Electronic Telegraph* website <http://www.telegraph.co.uk>

The Investigation of Bias

A bias, within the confines of this chapter, is considered to be the predisposition or prejudice of a body, such as that of the arts councils, leading to the systematic distortion of the distribution of arts funds between different areas and different art forms. The types of bias raised within the articles investigated in this chapter include regional bias, flagship bias and 'elitism'. Regional bias particularly concerns possible preferences for London and other cities, and flagship bias is a term developed from the word 'flagship' used by journalists to indicate large companies and associations that represent Britain. For example, flagships within the arts include the Royal Opera House (ROH), the Royal Shakespeare Company, the Tate Gallery, the English National Opera and the Royal Ballet. The majority of flagships are resident within the capital and the term is therefore closely related to regional bias, but excludes small companies within the London region.

An 'elitist' bias is more difficult to define as there is no firm definition of the types of art that are 'elitist', and there is the further problem that 'elitist' is a relative term. It is not my intent to determine whether an art form is 'elitist', but to show how the press employ the term to imply that the arts councils were mispending public funds. I have therefore created a working definition of 'elitism', as journalists use the term in the polemic surrounding the distribution of arts lottery funds.

The 'elite', as defined in *The New Oxford Dictionary of English*, are 'a group of people considered to be the best in a particular society or category, especially because of their power, talent, or wealth', and 'elitist' activities are therefore the preserve of the 'elite'.² Journalists use the terms 'elite,' 'elitist' and 'elitism' when discussing art forms that take place in prestigious venues, where ticket prices are considered high. The general consensus is that opera and ballet are 'elitist' art forms, classical music is also to an extent 'elitist', but not in the same league as opera and ballet, whilst theatre comes somewhat further down the list, but is considered 'elitist' compared to most sports. 'Elitist' sports include lacrosse and croquet, with rugby, cricket and tennis slightly less so, but also considered to be 'elitist' on occasion. Football could be considered 'elitist', because cup final tickets can escalate to prices rivalling the most expensive opera seats, but is rarely termed so. Journalists use

² *The New Oxford Dictionary of English* (Oxford: Oxford University Press, 1998), p. 599.

‘elitist’ to mean, ‘not for the general public’ and ‘an occupation of the rich’, and it is a term of opprobrium. A *Times* reporter, having said that the scheme was being accused of ‘elitism’, said that the ROH ‘caters for a minority of the population,’ while a chauffeur quoted in the *Sun* said ‘on my visits I have never spotted anyone you wouldn’t describe as a toff’.³

In contrast, some journalists have written articles on the acceptability of ‘elitism’. Denial frequently served only to strengthen convictions and reinforce negative associations, but Lynda Lee-Potter of the *Daily Mail* attempted to approach the issue from the opposite direction: ‘There is a depressing belief that dancing, great music or fine acting can be enjoyed only by the rich. There is something unpleasant and deeply snobbish in the theory that money spent on the creative arts is an insult to ordinary people’.⁴ Few articles were written from this perspective however, and many art forms were termed ‘elitist’ in a negative sense by the majority of journalists.

The Changing Opinions of the Press before Distribution to the Arts

Arts enthusiasts initiated a drive for a national lottery, which was inspired by the ROH’s need for funds. According to David Lister’s *Independent* article ‘The Founder’, an Australian conductor called Denis Vaughan started the campaign for a National Lottery in 1987.⁵ Vaughan developed the idea of introducing a national lottery and in 1990 formed the Lottery Promotion Company.⁶

As the drive for a National Lottery began, and the houses of Parliament addressed changes in legislation, there were few polemical or editorial articles discussing the Good Causes that were to benefit from the Lottery. Journalists generally adopted a neutral standpoint, but reported on the progress of the Lottery and the views of people involved in the campaign without any overt attempts at forming opinion. There was much scope for articles on the evils of gambling, but the giving of money to charity seemed to relieve fears of its impropriety, so the arts, sport and heritage became the Lottery’s main selling point. Many people quoted in the initial articles supported the Lottery and its Good Causes, but some remained cautious about

³ Alison Roberts, ‘Opera goes ahead with £150m plan,’ *Times*, 15 April 1993, p. 2; and Mark Wood, ‘Handouts for toffs is crazy,’ *Sun*, 22 July 1995, p. 5.

⁴ Lynda Lee-Potter, ‘The art snobs insulting all of us,’ *Daily Mail*, 18 October 1995, p. 9.

⁵ David Lister, ‘The Founder,’ *Independent*, 22 March 1995, p. 17.

⁶ See chapter 1, ‘A Change of Legislation’, p. 9.

appearing to sanction gambling. Peter Palumbo, then chairman of the Arts Council of Great Britain, for example, said when interviewed for the *Times* that 'if this is sinful money, let's put it to virtuous uses'.⁷ Press comment on the Good Causes focused on descriptions of how the arts, sport and environmental groups needed funds. A *Times* journalist quoted Lord Birkett as saying, 'Look around you at what the arts in particular need and what resources there are to provide it. There are none. There is no alternative and that's why I think it [a lottery] will happen sooner rather than later'.⁸ Another *Times* editorial said that 'Mark Fisher, the shadow arts minister, is also known to be strongly in favour of . . . setting up a lottery to raise urgent funds for the arts'.⁹

Active opposition to the Lottery first came from the Lottery's business competitors, the pools companies Littlewoods, Zetters and Vernons. They introduced the Foundation for Sports and the Arts (FSA) which, after the 1991 Budget and up to the start of the National Lottery, raised £60 million a year for sport and art; £40 million from pools profits and £20 million from a 2.5% drop in pools tax.¹⁰ The plan for the redirection of pools tax to sport and the arts was presented to the Chancellor eleven days before the March 1991 Budget, and because the FSA, and not the expected lottery, was present in the Budget, the plan was characterised by Michael Prescott of the *Times* as a 'sabotage plan' and an 'extraordinary secret deal'.¹¹ The *Financial Times* reported the event as 'one of the greatest lobbying coups of recent years', but also as 'a cynical move by the pools promoters to safeguard their interests, with the arts tacked on as a sweetener to persuade the Chancellor', further warning that the 'sports bias suggests that the arts, which hope to get half the money, are likely to be disappointed'.¹²

⁷ Simon Tait, 'Arts Council chief supports national lottery,' *Times*, 3 December 1990, p. 3.

⁸ *Ibid.*, p. 3.

⁹ Sheila Gunn, 'Labour and Tories likely to back state lottery for the arts,' *Times*, 29 October 1991, p. 7. See also *id.*, 'Lamont prepares plan for national lottery,' *Times*, 17 April 1991, p. 7; John Winder, 'Backing for national lottery,' *Times*, 19 April 1990, p. 47; John Young, 'Pollsters suggest 22m back arts lottery,' *Times*, 24 September 1991, p. 4; and Antony Thorncroft, 'Year of Utopian dreams,' *Financial Times*, 9 November 1991, sec. 2, p. 15.

¹⁰ Simon Tait and John Goodbody, 'Foundation will give sport and the arts £60m fillip,' *Times*, 20 March 1991, p. 11.

¹¹ Michael Prescott, 'Lottery campaign defeated by secret offer to Lamont,' *Times*, 26 March 1991, p. 2.

¹² Antony Thorncroft, 'Lottery loses out,' *Financial Times*, 8 April 1991, p. 13.

The introduction of the FSA helped to generate some positive press comment for the Good Causes as a battle of letters began in the *Times* between supporters and promoters of the pools and the Lottery. Colin Tweedy, the director general of the Association for Business Sponsorship of the Arts, said that the FSA 'must be welcomed' because 'new money for the arts, at any time, under any government, is a good thing'.¹³ John Bowis MP wrote that the Lottery 'was fended off by the pools promoters, concerned that people might prefer to put money into the pockets of good causes than into theirs'.¹⁴ Roger Calvert, secretary of the Pools Promoters Association quoted the 1978 Royal Commission report on gambling: "The pools are in a sense a national lottery run on behalf of the Exchequer" - especially now that the Foundation for Sport and the Arts has been established'.¹⁵ This suggests that the pools companies introduced the FSA to remove the need for a national lottery. Lord Birkett's answer to this was that 'the Pool Promoters Association says that there is no convincing case for a national lottery. There is: quite simply the arts and sports and the environment need the money'.¹⁶ This issue provoked many further letters from interested parties, arguing which could better meet the needs of sport and the arts, but never questioning the arts' suitability as a Good Cause.¹⁷

The broadsheets continued to recommend the Good Causes during the debating of the *National Lottery Bill*. In a *Times* article called 'A Good Bet', the author said 'that the gambling habit might be harnessed to community activities of a more marginal nature cannot be objectionable. Mr [Ivan] Lawrence [MP] has a good case in principle and should be allowed his bill'.¹⁸ The Lottery also became a political tool in the election campaign of the Conservative Party. Sheila Gunn predicted that 'both Conservative and Labour election manifestos could include commitments to setting up a national state lottery to fund the arts'.¹⁹ The Conservatives devoted two

¹³ Colin Tweedy, Letter: 'Arts lottery: who should benefit?' *Times*, 14 August 1991, p. 13.

¹⁴ John Bowis, Letter: 'National Lottery for good causes,' *Times*, 10 August 1991, p. 11.

¹⁵ The 1978 Royal Commission report quoted in Roger Calvert, Letter: 'Why sport does not need a lottery,' *Times*, 20 August 1991, p. 15.

¹⁶ Lord Birkett, Letter: 'The tussle for a national lottery,' *Times*, 27 August 1991, p. 13.

¹⁷ John Hart, Letter: 'Time for a ticket,' *Times*, 16 August 1991, p. 13; Tony Christopher, Letter: 'The tussle for a national lottery,' *Times*, 27 August 1991, p. 13; William Christie, Letter: 'The tussle for a national lottery,' *Times*, 27 August 1991, p. 13; Grattan Endicott, Letter: 'National lottery,' *Times*, 30 August 1991, p. 13; and Denis Vaughan, Letter: 'National lottery,' *Times*, 5 September 1991, p. 17.

¹⁸ N.a., 'A Good Bet,' *Times*, 17 January 1992, p. 13. Mr Ivan Lawrence MP presented the *National Lottery Bill* for its first reading in the House of Commons.

¹⁹ Gunn, 'Labour and Tories likely to back state lottery for the arts,' p. 7.

pages of their 1992 election manifesto to the National Lottery, but the Labour Party's manifesto concentrated on other issues such as employment.²⁰

In 1993, as the houses of Parliament were debating the bill, journalists from both tabloids and broadsheets turned against the government as the Treasury considered the percentage of tax it could generate from lottery income, and as government art subsidies were reduced. A journalist from the *Daily Mirror* reported: "Too much cash will be scooped from the new National Lottery by big business and the Treasury", say economists and leading lights of the arts'.²¹ As early as January 1992, Mr Simon Mundy, director of the Campaign for the Arts, suggested that the National Lottery could threaten arts subsidies. A *Times* journalist quoted Mundy as saying: 'It leaves the way open for the Treasury to renege on central government's contribution with the excuse that the money can come from the lottery'.²² By May 1993, journalists, including Antony Thorncroft of the *Financial Times*, reported decreasing subsidies as a reality: 'The money going eventually to the heritage [Good Cause] obviously influenced the government's decision to cut the annual grant of the National Heritage Fund next year from £12m to £8.2m, and may well be responsible for the planned £5m cut in the Arts Council grant for 1994-95'.²³ Thorncroft continued: 'The Government's protestations that the Lottery would provide additional revenue for the arts look increasingly hollow'.²⁴ The daily press pleaded the case for the Good Causes and viewed the government with suspicion.²⁵

Up to this point, press opinion maintained a predominantly neutral stance regarding the suitability of the arts as a Good Cause, but cast a negative light on both the government's potential role and the actions of the pools companies. Journalists presented facts and quotes, with only very few forthright expressions of opinion, as in the 'A Good Bet' quotation above.

²⁰ *The Conservative Manifesto 1992: The Best Future for Britain* (London: Conservative Central Office, 1992) p. 44; and *Labour's election manifesto: It's time to get Britain working again* (London: Labour Party, 1992).

²¹ John Husband, 'Arts plea on lottery tax,' *Daily Mirror*, 11 October 1993, p. 11.

²² Simon Tait, 'Arts cuts feared if lottery succeeds,' *Times*, 17 January 1992, p. 5.

²³ Antony Thorncroft, 'Lottery – a hollow gamble,' *Financial Times*, 22 May 1993, sec. 2, p. 19.

²⁴ *Ibid.*, p. 19.

²⁵ Robin Oakley, 'Mellor to promote sporting excellence with lottery funds,' *Times*, 30 April 1992, p. 5; Antony Thorncroft, 'Sponsorship reaps its own rewards,' *Financial Times*, 12 December 1992, sec. 2, p. 21; n.a., 'Lottery wins bonus,' *Daily Mirror*, 17 March 1993, p. 4; and Vic Robbie, 'Sports View: Over to Lords as Sir Ivan goes in to bat for sport,' *Daily Mail*, 18 May 1993, p. 47.

Indications of a change in perspective began to appear just before the publishing of the act, when letters in the tabloid press, particularly in the *Daily Mirror*, began to show uneasiness regarding the selection of Good Causes. Although letters demonstrate the opinion of some members of the public, they also reveal the attitudes of the editor responsible for the choice of letters. It is the editor's responsibility to set up debates and conflicts of opinion, but he or she may also use the letters to air views without having them attributed to the standpoint of the newspaper. A letter from P. White published in the *Daily Mirror* said that 'profits from the national lottery should be spent on the health system instead of on sport and the arts'.²⁶ This correspondent, and perhaps the editor, believed that funding imperatives should lie with medicine, rather than with the social benefits of sports and the arts. There were other letters aimed at the arts alone, including one from E. Ball: 'Money from the national lottery should go to hospitals and schools as well as the arts'.²⁷ These letters may indicate the editor's dislike of the Causes, a viewpoint endorsed by the lack of letters supporting the arts or sport.

Letters in the *Daily Mirror* suggested the National Health Service and education as more worthy beneficiaries of lottery support. A staff reporter for the *Financial Times* warned of the potential criticisms in the arts verses alternative causes battle:

You can just imagine the picture stories in the popular tabloids - of derelict hospitals wards, prefab schools on the one hand, while great palaces for culture, providing nourishment for the middle classes, arise elsewhere. The arts will have a fight on their hands holding on to the money if life and death public services seem under funded.²⁸

When the act was published in October 1993, press reporting on the arts as a Good Cause changed. The number of anti-arts letters escalated, with proposals for many diverse alternative causes including pensions, medical research and the RSPCA.²⁹ The press began to oppose the arts as a Good Cause. Journalists employed

²⁶ P. White, Letter: 'Killed off by the grey men,' *Daily Mirror*, 1 June 1993, p. 27.

²⁷ E. Ball, Letter: 'Lively Letters Page,' *Daily Mirror*, 14 June 1993, p. 23.

²⁸ Antony Thorncroft, 'One huge gamble,' *Financial Times*, 9 May 1992, Weekend, sec. 2, p. 18.

²⁹ Anti-arts letters included B. Moffat Leigh, Letter: 'Lively Letters Column,' *Daily Mirror*, 30 November 1993, p. 22; P. Harmer, Letter: 'Lively Letters Column,' *Daily Mirror*, 6 January 1994, p. 23; F.R. Ellison, Letter: 'Readers' Letters Page,' *Daily Mirror*, 14 September 1994, p. 21; Helen Lewsey Royston, Letter: 'Readers' Letters Page,' *Daily Mirror*, 25 October 1994, p. 23; and H. Bradford, Letter: 'Readers' Letters to the Daily Mirror,' *Daily Mirror*, 11 November 1994, p. 50.

more overtly persuasive writing, and indicated their personal views on the subject.³⁰ A *Times* article written by Richard Morrison, entitled 'New lottery same old winners' published a few weeks after the act is a good example of how the press' angle and writing style had begun to change.

The by-line of Morrison's article, 'Richard Morrison argues that the arts' slice of the National Lottery cake will end up on London plates - and leave the regions hungry' summarises how his commentary leads the audience through the stages of persuasion.³¹ He invites his readers to identify with his perception of social inequality, stimulating the emotions of anger and pity; and then provides London and the regions as respective targets for those emotions. Morrison's purpose was to influence opinion rather than to establish truth, for, at the time of writing, the Good Causes had not received any funds and no evidence was available to support his claims.

The article begins with a satirical depiction of previous press comment, which trivialises the arts situation by likening it to a Western:

Fort Culture is under siege from the whooping philistines. Casualties are high. Some of the biggest names in theatre and music will not live to see the dawn. Exhausted defenders are down to their last grains of subsidy. Sponsors are fleeing to the hills. All seems lost.

But wait! The thunder of horses' hooves is heard. It is the National Lottery Cavalry galloping to the rescue. And with them come wagons of lolly, levied from the wicked gamblers in the saloon at Britain-up-the-Creek. If only they can reach Fort Culture in time, the battle will turn, the philistines will be repulsed forever, and the Wild West will flow with milk and honey and new opera houses. Treble subsidies all round!³²

This parody serves many purposes: it captures the reader's attention; the over-dramatisation challenges the favourable press comment previously written about the needs of the arts; it acts upon the group instinct and emotions to trigger anger at being part of 'the wicked gamblers' and 'Britain-up-the-Creek' (the 'philistines' later being

³⁰ The difference between 'persuade' and 'argue' according to Cleanth Brooks and Robert Penn Warren, authors of *Modern Rhetoric*, is that 'the end of argument, strictly conceived, is truth - truth as determined by the operation of reason. The end of persuasion, on the other hand, is assent - assent to the will of the persuader.' The basic stages of persuasion according to Brooks and Warren are the identification and establishment of a common ground with the audience; the stirring up of emotions and the provision of a suitable target. Cleanth Brooks and Robert Penn Warren, *Modern Rhetoric* (New York: Harcourt Brace Jovanovich, 1972), pp. 176-195.

³¹ Richard Morrison, 'New Lottery same old winners,' *Times*, 9 November 1993, p. 31.

³² *Ibid.*, p. 31.

identified as the politicians); and ends with the jarring image of a Wild West with milk, honey and inappropriate opera houses.

Further persuasive writing tools used by journalists include the omission of relevant facts; selective examples that prove the point in hand; word associations and the use of inflammatory language; exaggeration; positive and negative labels; misquotation; and the presentation of ideas as facts. Morrison's article exhibits many of these tools as he presents four reasons for a rethink on arts distribution:

First, lottery money cannot possibly satisfy all the hopes presently being loaded on it. It is estimated that about £70 million a year will come to the arts. . . .

Secondly, the organisations that need it most - the excellent regional theatres teetering on insolvency, for instance - won't be helped much at all. They urgently require revenue to meet day-to-day costs, and this is precisely what the government says that lottery money *cannot* provide. . . .

Thirdly, it looks as if the same old crowd that has so comprehensively fouled up current arts policy will also be entrusted with lottery handouts. I wonder how many shipping magnates would say to one of their captains: "Pity about those rocks, old boy, but here's another oil tanker to play with." . . .

Which leads to the fourth point: is it not odd that, years before the lottery raised a penny, everybody was agreed on which "grands projets" would probably be the big beneficiaries? Enter the Royal Opera House redevelopment, the new Tate, the revamped South Bank Centre, the refurbished Coliseum. To them that hath shall be given.³³

Morrison's use of 'cannot possibly' in the first point suggests, as a fact, that the Lottery will not satisfy the arts' demands. He uses this wording to disappoint and to imply that the Lottery will not serve its purpose. This first statement would have been correct had Morrison said that £70 million, rather than the Lottery, could not satisfy the arts' needs, but this would not have implied futility in the situation. The second point about the Lottery distributing only capital grants is a fact, but he uses regional theatres as a selective example, failing to say that all theatres needed subsidy for operating expenses. He thereby elaborates on the starving regions analogy of the by-line, compounding the inequity through labelling the regional theatres 'excellent'. Morrison presents the prediction that they 'won't be helped much at all' as fact, but policies on regional distribution were not yet available. Morrison goes on to label the administrative structure of the arts councils as 'a shrine to vested interests' and 'the

³³ Ibid., p. 31.

arts equivalent of the old-boy network' where 'the fat grants invariably go to the fat cats'.³⁴ He also refers to the councils as a 'tiny elite', and says that they 'comprehensively fouled up current arts policy', giving no examples, but again igniting the emotions by comparing the councils' supposed failures with the devastation caused by oil spills at sea. No mention is made of the new safeguards that were put in place to ensure that the distribution of lottery funds should be monitored by government and the secretary of state, or of the appointment of new staff and unpaid lottery selection committees, which render the 'same old crowd' reference inaccurate. In the fourth point, Morrison wrote that 'everybody was agreed' on which projects would be successful. Morrison did not define 'everybody', but if he referred to the British public, this was an exaggeration, and if he meant the arts councils, he was acting on hearsay, for they had made no decisions. He intimated that the arts councils had chosen the ROH, the Tate, the South Bank Centre and the Coliseum to receive lottery money. True, the national press covered the development plans of the flagships, but Morrison, without providing further evidence, took the fact that they had achieved publicity as proof that they would also receive funding.³⁵

Morrison's article criticised the systems employed in arts distribution, and the tone often weighed against the arts as a Good Cause. For example, he quoted Alan Peacock who he said 'challenges the woolly truism that the arts are "good" for the country as a whole, as opposed to being good for the minority who attend them'. Morrison did, however, suggest alternative methods of arts spending, 'for instance, give four free tickets a year for top class theatre, music and dance companies to everybody under the age of 21: that might do more to build future audiences than any amount of trendy "outreach" work'. In another part of the article Morrison wrote that regional theatres 'urgently require revenue to meet day-to-day costs'.³⁶ If these suggestions were considered to be reasonable alternatives to the allocation of funds to London's institutions, the arts were still on the brink of acceptability, with only the distribution methods being in question.

³⁴ Quotes from Alan Peacock, *Paying the Piper* (Edinburgh: Edinburgh University Press, 1993) in Morrison, 'New Lottery same old winners,' p. 31.

³⁵ Simon Tait, 'New arts centre proposed,' *Times*, 29 June 1992, p. 3; and Antony Thornicroft, 'Shock tactics needed,' *Financial Times*, 18 September 1993, sec. 2, p. 19.

³⁶ Morrison, 'New Lottery same old winners,' p. 31.

Through the use of standard rhetorical techniques, Morrison suggested that London would receive all the lottery money, that the arts councils were corrupt, and that flagship projects had an unfair advantage over other applications. Many other articles written around the same time employed similar tools and metaphors. In November 1994, an article appearing in the *Financial Times* entitled 'Arts face budget blues' contained the passage: 'Can the beleaguered wagon train hold out until the cavalry arrives? "No", says Mary Allen, secretary general of the Arts Council. "Yes", says Stephen Dorrell, the heritage minister'.³⁷ Like Morrison's piece, this article made use of the Western and cavalry associations and used words like 'beleaguered' and 'hold out' to direct sympathy. The analogy concerning a financial slice of cake was also repeated in an article printed in the *Guardian*: 'Arts organisations . . . are queuing up to pester, cajole and chivvy to secure the largest possible slice of what promises to be a fat and tasty cake . . . The Royal Opera House says it could put the odd £45 million to good use'.³⁸ The author used flippancy, repeated emphasis and the suggestion of greed to project his idea of the situation. An author from the *Mail on Sunday* employed an *ad hominem* attack: 'Chancellor Kenneth Clarke is grabbing 12 per cent of the National Lottery income - more than twice as much as charities will receive'.³⁹ This journalist targeted Kenneth Clarke rather than the Treasury or government, and employed the words 'charities' and 'grabbing' to represent the Treasury's portion as taking from the poor.⁴⁰

General opinion on the arts varied between the different newspapers. Over the year between the act becoming law and the start of the National Lottery, the *Financial Times* remained strongly in favour of the arts, but questioned whether the distribution

³⁷ Antony Thorncroft, 'Arts face Budget blues,' *Financial Times*, 26 November 1994, Weekend, sec. 2, p. 19.

³⁸ Ben Laurence, 'Lottery spoils battle begins,' *Guardian*, 21 May 1994, p. 40.

³⁹ Christopher Leake, 'Cut the lottery tax say charity bosses,' *Mail on Sunday*, 20 November 1994, p. 5.

⁴⁰ For further examples see n.a., 'A people's lottery,' *Daily Mail*, 26 May 1994, p. 8; Robert Hewson, 'The losing numbers come up again,' *Sunday Times*, 6 November 1994, sec. 10, p. 19; Raymond Snoddy, 'Lottery? You'd be safer at the Halifax,' *Financial Times*, 12 November 1994, p. 3; Antony Thorncroft, 'Gold rush fever as lottery launched,' *Financial Times*, 12 November 1994, sec. 2, p. 15; and n.a., 'Don't tax the poor to amuse the rich,' *Daily Mail*, 15 November 1994, p. 8.

process would support the arts in time, and in the correct way.⁴¹ The *Times* and *Sunday Times* questioned the arts as a Good Cause, criticised the arts councils' distribution systems, and contained frequent warnings of mismanagement. The letters page of the *Times* contained missives expressing similar misgivings, such as a letter from M. Elliot: 'Is there no one capable of stopping this continued mismanagement of arts funding. . .?'⁴² The *Daily Mail* and *Mail on Sunday* were very much against the arts that appealed to the 'aristocracy', but were often in favour of the arts in general, provided that lottery funds were distributed in moderation to such controversial institutions as the ROH. A *Daily Mail* editorial accepted that 'yes, we should have opera houses. But we should have entertainment centres for the majority of citizens too'.⁴³ Articles in the *Daily Mirror* remained neutral, but the editor's selection of views on the letters page displayed a dislike of the Good Causes. The *Sun*, despite the interests of its audience in sport, displayed little interest in the arts and the Good Causes, but focused its coverage on the lottery game, the winners and how to win.⁴⁴

Although opinion varied on the arts as a Good Cause, there was universal concern about how the arts councils would distribute funds. According to a writer for the *Guardian*, this concern stemmed from 'the sheer size of the funds that will be available from the lottery' because it 'places a huge amount of power in the hands of the few individuals who decide how the money will be spent'.⁴⁵

⁴¹ Simon Tait, 'New arts centre proposed,' *Times*, 29 June 1992, p. 3; Antony Thorncroft, 'Shock tactics needed,' *Financial Times*, 18 September 1993, sec. 2, p. 19; id., 'Curtain rises on the millennium,' *Financial Times*, 23 April 1994, sec. 2, p. 21; id., 'Good times are coming,' *Financial Times*, 7 May 1994, sec. 2, p. 19; id., 'The lottery: will it all end in tears,' *Financial Times*, 26 September 1994, p. 17; and Peter Gummer, Letter: 'Lottery must aid smaller applicants,' *Financial Times*, 27 September 1994, p. 18. See also *Financial Times* references in footnote 33.

⁴² M. Elliott, Letter: 'How arts millions are managed,' *Times*, 4 February 1994, p. 17. See also Anthony Everitt, Letter: 'Arts Council costs,' *Times*, 7 February 1994, p. 17; Jill Sherman, 'Dorrell forswears funding,' *Times*, 20 August 1994, p. 8; n.a., 'A risk for the lottery,' *Times*, 4 November 1994, p. 21; Robert Hewison, 'The losing numbers come up again,' *Sunday Times*, 6 November 1994, sec. 10, p. 19; and n.a., 'The case for art,' *Sunday Times*, 13 November 1994, sec. 10, p. 24.

⁴³ N.a., 'A people's lottery,' *Daily Mail*, 26 May 1994, p. 8. See also Chris Clarke, 'Sorry, we've got a lott on your mind,' *Daily Mail*, 11 November 1994, p. 22; Christopher Leake, 'Cut the lottery tax say charity bosses,' p. 5; and n.a., 'Don't tax the poor to amuse the rich,' *Daily Mail*, 15 November 1994, p. 8.

⁴⁴ N.a., 'Where will the cash go,' *Daily Mirror*, 14 November 1994, p. 7; and n.a., 'Charities in lottery win chaos,' *Daily Mirror*, 23 November 1994, p. 3. For articles in the *Sun* see Lucinda Evans and Lenny Lottery, '42 Spooky! Same lottery number comes up 8 times in a row on TV rehearsal,' *Sun*, 19 November 1994, p. 1; Jamie Pyatt, 'Sun reader Ken scoops £839,254,' *Sun*, 21 November 1994, p. 1; and n.a., 'Come back to work or that's your Lotto,' *Sun*, 6 January 1995, p. 11.

⁴⁵ Laurance, 'Lottery spoils battle begins,' p. 40.

In May 1994, as the daily press continued to publicise the possible bias for London, spokespersons for small London arts companies at the London Arts Conference stated that they were unlikely to receive funds because of the flagships. They said that it was not London's arts companies in general that would monopolise the funds, but the large flagship companies that represent the country.⁴⁶ Ben Laurence of the *Guardian* wrote: 'Within the capital itself, the London Arts Conference, which represents smaller arts bodies, has warned that a few "large and hungry flagship projects" will gobble up most of the lottery funds'.⁴⁷ Press comment began to move more towards the needs of smaller arts companies, and journalists cited the flagships, rather than London in general, as the target on which the arts councils would direct funds. Small companies and minority arts groups feared that they would be forgotten, and institutions such as the British Youth Opera, Museums and Channel 4 declaring their needs for funds in letters and articles in the *Times*. Denis Coe of the British Youth Opera wrote: 'It is a scandal that, year after year, the Arts Council devotes a minute sum to training and performance opportunities for the most outstanding young artistic talents'.⁴⁸ Peter Gummer, Chairman for the National Lottery Advisory Board for Film and the Arts, defended future distribution, and attempted to reassure smaller companies in a letter to the *Financial Times*, under the rubric 'Lottery must aid smaller applicants'.⁴⁹

There was much comment on the likelihood that the arts councils would spend too much on administration and favour their own 'pet causes' regardless of the consequences.⁵⁰ This opinion appeared to be reinforced when the 'Three Graces', a sculpture by Canova which was to be sold to the Getty Museum in California, was 'saved' by a promise of money from the National Lottery, eleven months before the Lottery began. As one writer said at the end of a *Times* article: 'It has always been assumed, however, that decisions on how lottery money will be spent would not be

⁴⁶ Laurence, 'Lottery spoils battle begins,' p. 40.

⁴⁷ *Ibid.*, p. 40.

⁴⁸ Denis Coe, Letter: 'Arts Council grants,' *Times*, 8 February 1994, p. 19; Michael Grade, Letter: 'Cash for filmed arts,' *Times*, 12 May 1994, p. 17; and Dalya Alberge, 'Museums seek end to funds lottery,' *Times*, 28 July 1994, p. 7.

⁴⁹ Gummer, Letter: 'Lottery must aid smaller arts applicants,' p. 18.

⁵⁰ Elliott, Letter: 'How arts millions are managed,' p. 17; and Everitt, Letter: 'Arts Council costs,' p. 17.

made until the game is running. A “premature” decision may well be seen as unfair by other bidders’.⁵¹

Many of these articles aimed to create a lack of confidence in the arts councils, and to direct anger towards the distributors with their wealthy backgrounds. An article that demonstrates this with great zéal appeared in the *Economist* under the rubric ‘Redistribution to the Rich,’ with the byline ‘The national lottery will gather money from the poor to spend on the amusement for the wealthy’.⁵² This article used a visual representation to emphasise its point. In the top right-hand corner of the article there is a picture of a rich couple in their opera box, looking down their opera glasses to the bottom left, where a man is staring back in disbelief as he tears up his lottery tickets (see figure 29). The ironic title on the opera-goers programme is ‘Millennium Opera for the Common Man’.



Figure 29. ‘Redistribution to the rich’.

Illustration from ‘Redistribution to the rich,’ *Economist*, 5 November 1994, p. 25, reprinted by permission of the artist – Chris Riddell.

⁵¹ Alison Roberts and John Shaw, ‘Graces may be saved by lottery,’ *Times*, 28 December 1993, pp. 1-2.

⁵² N.a. ‘Redistribution to the rich,’ *Economist*, 5 November 1994, pp. 25-6.

The article highlights the well-heeled backgrounds of some of the National Heritage Memorial Fund's trustees, referred to as 'an especially elite bunch' and says in a mock-understanding tone that 'the members of these bodies would be only human if, in making their choices, they pandered to their own tastes, rather than to what the public seems to want'.⁵³ The portrayal of power, rather than responsibility, intending to add to the suspicions that the councils' members would abuse the situation and favour London and their own supposedly 'elitist' interests.

The article concedes that 'all the bodies charged with distributing lottery money maintain that they will also favour small, regional and popular projects' but the authors demonstrated their disbelief that this would happen by saying, 'But even if they keep their promise, richer people are still bound to gain most'. The authors argued that sport, arts and heritage are mainly attended by white-collar workers (rather than blue-collar), and argued that '8% of people think refurbishing a theatre or opera house is an excellent or very good cause. Yet 85% of people think the same of medical research or help for the elderly and disabled'.⁵⁴

The *Economist* article's statistics, which came from an NOP survey, depended on the type of questions asked, and the range of people selected as respondents. For example, the article referred to the refurbishment of theatres and opera houses and no other arts initiatives, thereby mentioning only projects represented in the press as undeserving. The chosen charities were those generally considered socially acceptable, with no mention of controversial groups like gay and lesbian support centres, the Men Who Enjoy Sex With Men Action Committee (Mesmac), and public schools that are registered charities.⁵⁵ The location of the researchers would also affect the results of questionnaires. For example, different answers are likely to result if researchers asked these questions outside a hospital in the regions, or outside an opera house in London. Because of the possible bias of the questionnaires, and the lack of information on the sample groups, the statistics may not be reliable.

Criticisms of the distributors increased as the National Lottery began, but distribution was still six months away. The tabloids characterised the distributing

⁵³ Ibid., p. 25.

⁵⁴ Ibid., p. 25.

⁵⁵ Mesmac received a lottery grant from the National Lottery Charities Board in December 1996. See Kirsty Young, 'It could be you, but it's still them who'll decide,' *Daily Express (Scotland)*, 20 December 1996, n.p.

bodies as incompetent do-gooders. For example, a leading article in the *Daily Mail* stated: 'Without wishing to spoil the fun, we must say that the very names of these self-important quangos, with their armies of well-connected lobbyists, fills us with foreboding'.⁵⁶ A journalist for the *Daily Mirror* also expected results six months before time: 'Five good causes picked up more than £2.5 million each from National Lottery bosses – but seemed in disarray on how to spend it. They cannot yet name even one specific project where the money will go'.⁵⁷

The result of the pre-lottery press comment was that the daily press fostered the belief that the arts councils would focus the majority of the arts allocation on London. There are factors that would justify a greater allocation for the London region: London is the capital of Great Britain and houses most of the largest arts associations, such as the Tate, Royal Shakespeare Company, the Royal Opera and Ballet, and the English National Opera. The London region also has the largest population of the ten regional arts boards in England. Some journalists, however, intimated that London would receive, inappropriately, more than even these prerequisites might justify. For example, Antony Thorncroft wrote in the *Financial Times*, a year before distribution began: 'London cannot walk away with much more of the funding than its population deserves, plus perhaps a little more as the nation's showcase'.⁵⁸

The actions of flagship companies and large venues of Britain contributed to the accusations surrounding the National Lottery and the arts councils' distribution of funds, by applying for large sums from the National Lottery for previously undeclared big building projects. These projects focused money on the cities, and more specifically on the capitals of the four countries. For example, the Tate, the South Bank, and the ROH centred money on London, and the Cardiff Bay Opera House (CBOH) Trust requested funds for Cardiff. The daily press contributed to the issue of

⁵⁶ N.a., 'Don't tax the poor to amuse the rich,' *Daily Mail*, 15 November 1994, p. 8.

⁵⁷ N.a., '5 good causes picked up more than £2.5 million each from the lottery,' *Daily Mirror*, 23 November 1994, p. 3.

⁵⁸ Thorncroft, 'Curtain rises on the millennium,' sec. 2, p. 21.

flagship bias by publicising only the large institutions' projects. The press intimated that the arts councils were going to favour 'elitist' arts and London so that the flagships would receive most of the funds. They also suggested that the regions would lose out, have far less chance of receiving funds and that the poor, who would spend more on the Lottery, would see no benefits from arts funds, whilst the rich reaped the rewards.

The Royal Opera House Grant

In July 1995, the ROH received a lottery grant for £55 million towards the redevelopment of its Covent Garden site. It later received a further £23.5 million to assist with the rehousing of the Royal Opera and Royal Ballet companies, while the Opera House site was closed. The total cost of the redevelopment was estimated at £214 million, 37% of which was provided by the National Lottery. Building work began in the spring of 1996 with expected completion in the autumn of 1999. New EEC safety regulations made approximately £30 million of the work essential to keep the Opera House open into the new millennium. In its publicity material for the appeal for sponsorship, the ROH claimed that the remainder of the funds would facilitate an increase in the number of performances, provide greater comfort for the audience, and secure a home for the Royal Ballet at Covent Garden.⁵⁹ The ROH applications and awards attracted much publicity and became in the press, and thus in the public eye, the embodiment of the arts councils' policy towards the distribution of lottery funding. The press used the award to confirm their worst predictions, that 'elitism', bias towards large, high-profile institutions, along with regional inequality, would mar the distribution system.

The National Lottery arose from an idea of how to raise funds for the ROH, and the ROH was initially put forward in the *Times* as one of the Good Causes that would benefit: 'the money would pay to refurbish theatres, establish three new dance centres and renovate the Royal Opera House'.⁶⁰ A later article by the same author elaborated: 'The Royal Opera House would be restored and modernised to give better

⁵⁹ Royal Opera House, *The Royal Opera House Development Appeal* (London: Royal Opera House, 1996), pp. 2-6.

⁶⁰ Tait, 'Arts Council chief supports national lottery,' p. 3.

acoustics, backstage facilities, storage space and front of house services at a cost of £45 million'.⁶¹

As with the arts in general, journalists in the daily press soon turned against the ROH. Even before the act was published, the issue of 'elitism' in the distribution of arts lottery funds began with criticisms of the proposed ROH application. Alison Roberts of the *Times* reported the ROH's reaction to the first challenges to its redevelopment: 'The directors of the Royal Opera House yesterday expressed determination to press on with the £150 million development of the Covent Garden site, rebuffing planning difficulties, critical appraisals of the scheme and accusations of elitism'.⁶² According to Roberts, 'detractors claim that lottery money would be misspent on the opera house, which caters for a minority of the population'.⁶³ As criticisms of the Opera House started before the act was published, and before the press turned against the arts councils, the implication is that there was greater opposition to this grant in particular than to the arts as a Good Cause overall.

After the act was passed, the press portrayed the ROH not only as an unjust recipient, but also as an example of an 'elitist' London flagship that would 'swallow' the money available to the arts, and was the type of project that 'the arts equivalent of the old-boy network' would fund.⁶⁴ A columnist in the *Daily Mail* claimed that it would receive its grant because it was a 'pet cause' of the wealthy distributors.⁶⁵

Towards the end of 1994, concerns in the tabloid press grew. An editorial in the *Daily Mirror* read: 'The fear is that they [the arts councils] may rashly splash out millions on huge buildings and posh art and ignore the people who helped raise most of the money'.⁶⁶ An editorial in the *Daily Mail* echoed these sentiments: 'Our fear, however, is that its spoils will be hijacked by the cultural elite for the cultural elite ... Lottery tickets should pay for beds for the elderly. Not seats at the opera for businessmen on expense accounts'.⁶⁷ 'Rashly splash out' suggests a lack of consideration and control, and 'hijacked' implies that it is illegal and underhanded.

⁶¹ Tait, 'New arts centre proposed,' p. 3.

⁶² Roberts, 'Opera goes ahead with £150m plan,' p. 2. (Published 15 April 1993.)

⁶³ *Ibid.*, p. 2.

⁶⁴ Laurence, 'Lottery spoils battle begins,' p. 40; and Morrison, 'New Lottery same old winners,' p. 31.

⁶⁵ N.a., 'A people's lottery,' *Daily Mail*, 26 May 1994, p. 8.

⁶⁶ N.a., '5 good causes picked up more than £2.5 million each from lottery,' *Daily Mirror*, 23 November 1994, p. 3.

⁶⁷ N.a., 'Don't tax the poor to amuse the rich,' p. 8.

The second writer also limits opera's clientele to businessmen and insinuates that they, rather than the elderly, or even the Opera House itself, were to receive lottery money. Commentators in the press began to refer to the ROH redevelopment as a 'face-lift', 'bringing backstage facilities up to scratch' and a 'building spree' rather than as work essential for its continued existence.⁶⁸

The broadsheets initially said nothing directly against the ROH application, only giving veiled warnings, such as that in the *Times* editorial 'A risk for the lottery': 'If those responsible for allocating lottery funds need a terrible warning of what can go wrong, they need only look at the debacle of the Bastille Opera in Paris'.⁶⁹ The Bastille cost the French public a great deal more than its initial estimates, and this writer warned that a similar fate might befall the ROH. Peter Gummer also gave a public caution in a letter to the *Financial Times*: 'If all the lottery does is fund the large arts organisations, vital and important though they are in the UK, then the lottery will not have been a disaster. However, it will have failed to fulfil its real potential in providing money for small arts organisations in villages, towns and cities up and down the country'.⁷⁰ This advice is more subtle, but warns the arts councils not to forget the regions and the smaller arts companies.

On 4 January 1995, the first entry date for lottery arts applications, the ROH submitted its application to the Arts Council of England (ACE). According to the *Times* the application provoked criticism from smaller arts organisations who feared they might 'not get a fair share' because 'lottery money would be swallowed, leaving only meagre funds for those most in need', which further suggested that the ROH had less claim to the Lottery's assistance than other, supposedly more deserving causes.⁷¹ The author quoted Peter Gummer's assurances: 'We will have to be careful how we handle major applications, particularly in London, but we must emphasise that a lot of money will go to the regions'. Jeremy Isaacs, general director of the ROH, also expressed support for the smaller institutions, saying 'I hope and believe that there

⁶⁸ Laurence, 'Lottery spoils battle begins,' p. 40; and 'Redistribution to the rich,' p. 25.

⁶⁹ N.a., 'A risk for the lottery,' p. 21.

⁷⁰ Peter Gummer, Letter: 'Lottery must aid smaller arts applicants,' p. 18. Peter Gummer writing as the Chairman of the National Lottery Advisory Board for the Arts and Film.

⁷¹ Kathryn Knight, 'Royal Opera's £50m bid angers small theatres,' *Times*, 5 January 1995, p. 7.

will turn out to be more than enough for all worthy applications to succeed. This is not about knocking smaller organisations to the back of the queue'.⁷²

The greatest press support for the ROH came not from articles, but from letters. Gummer and Isaacs wrote letters to the newspapers and gave interviews during the application process, defending the ROH application.⁷³ Jeremy Isaacs wrote a letter to the *Times* comparing the costs of the ROH met by public money with those incurred by Glyndebourne and the Bastille Opéra in Paris. 'This [the ROH development] can be seen as a bargain . . . because £50 million represents a seventh of the cost to the French public recently of building a new opera house in Paris'.⁷⁴ While some people were using the Bastille only as a negative example, Isaacs pointed out that they could use the large amounts of money spent on that project as an argument for going ahead with the ROH, because it was so much cheaper to refurbish an old opera house than to build a new one. He also suggested that the intention was to make opera more accessible to the general public through the provision of cheaper seats and outreach programmes, but articles and letters revealed doubt as to whether the reduction in seat prices would be substantial enough to make it truly accessible.⁷⁵

The ACE awarded the first tranche of lottery grants in April 1995, but the ROH grant was not among them. At about this time unease arose in the press over the ACE's trusteeship of ROH land. In 1975, the government purchased the land adjacent to the Covent Garden theatre and awarded the ACE joint trusteeship with the ROH to protect the public interest during the development phases. The *Times* reported the trusteeship to be a conflict of interests for the ACE, and in a letter to the *Times*, Denis Vaughan (the man who lobbied for a British national lottery) said that this issue made the ROH application 'ineligible'.⁷⁶ The ACE and ROH denied that the trusteeship was an issue, and Gummer stated in a letter to the *Times* that 'when the work is complete it is intended that the Arts Council's period of trusteeship will cease'.⁷⁷ Robin

⁷² Peter Gummer quoted in Knight, 'Royal Opera's £50m bid angers small theatres,' p. 7.

⁷³ See Knight, 'Royal Opera's £50m bid angers small theatres,' p. 7; Jeremy Isaacs, Letter: 'Covent Garden's case for funds,' *Times*, 11 January 1995, p. 19; Peter Gummer, 'Arts Council grant,' *Times*, 12 April 1995, p. 17; and Jeremy Isaacs, 'Rigolotto, in four acts,' *Guardian*, 14 June 1995, p. 14.

⁷⁴ Isaacs, Letter: 'Covent Garden's case for funds,' p. 19.

⁷⁵ Flammetta Rocco, 'Royal Opera seeks £100m to cut the price of seats,' *Independent on Sunday*, 4 June 1995, p. 10; and Michael Varcoe-Cocks, Letter: 'Going for a tenor,' *Independent on Sunday*, 11 June 1995, p. 24.

⁷⁶ Denis Vaughan, Letter: 'Conflict of interest over lottery grants,' *Times*, 8 April 1995, p. 19.

⁷⁷ Gummer, Letter: 'Arts Council grant,' p. 17.

Dartington, previously a project director at the ROH, also wrote to the *Times*. He stated that the ACE was given trusteeship to ensure that the ROH 'would depend on its own ability to raise the money' and not rely on public funds, such as the National Lottery.⁷⁸ Although the *Times* articles questioned the ROH's integrity, journalists did not comment that the two people drawing attention to arguments against the ROH's application, Denis Vaughan and Robin Dartington, both had previous involvement with the institution.

After the start of distribution, when the award became a possibility, journalists used many new rhetorical tools to cast a shadow over the application. The *Guardian* publicised, with mock-shock realisation, that the ROH had applied for £78 million rather than £50 million, even though the *Independent on Sunday* had quoted the exact amount of £78.5 million nine days earlier.⁷⁹ The local Covent Garden Community Association, who opposed the new design, said that the Opera House had not properly considered disabled access. This group circulated sarcastic spoof opera programmes called '*Il rigmarole della casa d'opera regale*' to broadcast their point.⁸⁰ Authors frequently used seat prices to contribute to opera's rich 'elitist' image. For example, the *Daily Express* stated that 'the money will be used to re-vamp the ageing theatre in London's Covent Garden where seats cost up to £120', while a writer in the *Independent on Sunday* said that 'tickets for the best seats in its red-and-gold auditorium [cost] more than £120'.⁸¹ Notably, the broadsheets and tabloids quoted only the most expensive seat prices, which emphasised the Opera House's inaccessible and 'elitist' image.

As the possibility of a decision on the application approached, the number of articles on the ROH increased, and accusations of misrepresentation within the application continued. For example, a journalist reported in the *Independent on Sunday* that 'the Covent Garden Community Association, a long-standing opponent of the redevelopment plans, claimed that the Lottery Board had "quietly asked the ROH

⁷⁸ Robin Dartington, Letter: 'Arts Council as property developer,' *Times*, 19 April 1995, p. 17. See also David Hencke, 'Row over Opera's £78m grant bid,' *Guardian*, 13 June 1995, p. 3.

⁷⁹ Hencke, 'Row over Opera's £78m grant bid,' p. 3; and Rocco, 'Royal Opera seeks £100m to cut the price of seats,' p. 10.

⁸⁰ Edward Pilkington, 'Royal Opera plan hit by access row,' *Guardian*, 17 June 1995, p. 9.

⁸¹ Richard Spalding, 'Opera's Lottery jackpot,' *Daily Express*, 1 July 1995, p. 7; and Rocco, 'Royal Opera seeks £100m to cut the price of seats,' p. 10.

to resubmit its proposals after failing them on three counts”’.⁸² A writer in the *Guardian* reported that ‘the Royal Opera House was at the centre of a storm last night over allegations that it has misrepresented its application to the National Lottery’.⁸³ In order to prevent further embarrassment David Mellor, the former heritage secretary, demanded that the ROH’s bid be published ‘to prevent the National Lottery falling into further disrepute’. According to the *Guardian*, Mellor said that because of the row over the Churchill papers, ‘there must be maximum transparency about the bid’. Despite the concern for openness, the association of the bid with the Churchill papers, which was the biggest scandal concerning the Lottery at the time of this article, lent an air of disrepute to the application and created negative associations for the reader.⁸⁴

Further criticism involved the sale of a wing whose construction had been funded by Prince Charles, which was considered a snub on the royal family. This was an issue that could encourage royalists to oppose the grant. A commentator for the *Sunday Times* wrote that ‘Denis Vaughan, who originated the concept of the national lottery and has briefed the Prince’s office about the proposed sale, said it was a ‘complete betrayal’ of the Prince’s intentions’.⁸⁵ Vaughan also participated in the ACE trusteeship debate by indicating that although he thought of the National Lottery as a method of meeting the ROH’s funding requirements, he no longer supported its claim to public money. A columnist in the *Guardian* denounced shutdown costs as being too high: ‘Critics have condemned the opera house’s application because it includes £20 million to meet the cost of moving for two years’.⁸⁶ It is not evident from this statement what was required to move opera and dance companies, focusing the mind on the £20 million. This would appear to be an enormous amount of money for

⁸² Rocco, ‘Royal Opera seeks £100m to cut the price of seats,’ p. 10.

⁸³ Hencke, ‘Row over Opera’s £78m grant bid,’ p. 3.

⁸⁴ *Ibid.*, p. 3. On 26 April 1995 the National Heritage Memorial Fund awarded £13.25 million for the purchase and maintenance of the Churchill papers. £12.5 million was awarded to Mr Winston Churchill, grandson of the wartime Prime Minister. This was considered scandalous because the ownership of the papers was dubious. The family had retained copyright, but the papers may have been purchased before, and the purpose of lottery money was not to give it to the wealthy for something that was already public property. For further information see n.a., ‘Most of us will be losers,’ *Financial Times*, 28 April 1995, p. 17; n.a., ‘Winners don’t buy tickets,’ *Independent*, 27 April 1995, p. 18; Richard Spenser and George Jones, ‘Churchill in furore over £12m grant,’ *Daily Telegraph*, 27 April 1995, p. 1; n.a., ‘Poor losers, rich rewards,’ *Guardian*, 27 April 1995, p. 25; and Barry Hugill, ‘Has Winston no shame?’ *Observer*, 30 April 1995, p. 5.

⁸⁵ Nicholas Hellen, ‘Royal Opera sale ‘betrays’ Charles,’ *Sunday Times*, 2 July 1995, sec. 1, p. 26.

⁸⁶ Mike Ellison, ‘Gowrie delays decision on opera’s lottery cash,’ *Guardian*, 7 July 1995, p. 9.

any venture when no details are available, and encouraged the public to view the project with disfavour.

Two days before the ACE announced the decision on the grant, an article in the *Guardian* stated that the ROH award could be a possible threat to the future of arts funding: 'At £14 million, the Churchill papers will seem like small change if Isaacs gets his money on Thursday. And if he does, then expect the howls of outrage to be loud enough to threaten the future of the funding process itself'.⁸⁷ Statements like this could have instilled fear and anger towards the ROH in the minds of any wishing to apply for funding, encouraging opposition from other arts companies. Another unfavourable comparison with the Churchill papers was also detrimental.

Press comment contrasted the ROH with undeniably worthy issues. Initially, proposed alternatives included funding for medical research and charities, but the range later widened to include the elderly, disabled access and local communities. Meanwhile, the ROH was associated with £120 seats, 'elitism', rich people, misrepresentation, underhandedness, the Bastille Opéra, the Churchill papers and the collapse of arts funding. These oppositions and associations alienated the Opera House project from potential supporters who had interests in medical charities, the regions, other arts companies and those who were opposed to social inequality. These associations called into question the integrity of both the ROH and the ACE, warned of future costs and misfortune, and threatened to make opera and ballet more inaccessible than ever.

On 20 July 1995, the ACE awarded the first ROH grant for £55 million. The press explosion dwarfed the scandal surrounding the Churchill papers.⁸⁸ Factual information, such as the amount awarded to the ROH, was inaccurately reported and even manipulated. The value of the grant varied from £50-60 million in different reports, whilst the *Sun* made it appear to be £100 million through the inclusion of any presumed future opera grants. In both broadsheets and tabloids the general tone was one of outrage.⁸⁹ Language, which had previously been moderately calm, became highly inflammatory with the use of words like 'obscenity', 'outrage', 'madness' and

⁸⁷ Martin Kettle, 'The fat lady's high notes,' *Guardian*, 18 July 1995, p. 11.

⁸⁸ Paul Crosbie, 'Royal Opera wins lottery,' *Daily Express*, 20 July 1995, pp. 1-4.

⁸⁹ N.a., 'Royal Opera wins £50m on the lottery,' *Times*, 20 July 1995, p. 1; Vikki Orvice and Steve Doughty, 'The rich man's opera: MPs' outrage over £60m lottery handout for Covent Garden,' *Daily Mail*, 20 July 1995, p. 3; and Lenny Lottery, 'An extra £100m for the opera,' *Sun*, 21 July 1995, p. 1.

the appearance of the label 'toffs'.⁹⁰ The immediate press reaction was that the grant was robbing the poor for the rich, which was characterised in a cartoon in the *Sun* in which Robin Hood explains to his men that 'You heard wrong... We take from the poor and give to the opera house!'⁹¹

During the week following the award, journalists often represented the ROH grant as if it were taking money directly from charities, despite the fact that the money given to the ROH was specifically destined for the arts. An opinion poll in the *Daily Express* asked the question 'should such an elitist facility benefit at the expense of medical charities?'⁹² This was, through the omission of any discussion of funding sources, a loaded question - a tactic on the part of the journalist to get the desired answers. Five opinions were presented, four against the ROH grant and one that pointed out the folly of the question: 'It would not matter to medical charities if the Opera House got £58 million or £100 million because the cash comes from a different part of the lottery fund'.⁹³ The editor presented this opinion last, giving it the slightest chance of being read. The article would already have influenced the reader with the preceding comments.

Medical research and charities were frequently mentioned, while health, education, housing, children at risk, the homeless and city regeneration joined the list of better causes than the arts.⁹⁴ Charitable causes used many different tactics to protest against the ROH grant. For example, the *Times* quoted a Cancer Research spokesperson: 'Cancer isn't elitist. One in three of us will get cancer'.⁹⁵ Another spokesman for the Cancer Research Campaign was quoted in the *Daily Mail*: 'We raise £45 million a year and fund a third of all cancer research in Britain. So this sum

⁹⁰ Crosbie, 'Royal Opera wins lottery,' pp. 1-4; Paul Thompson, 'Sun reader Fred joins 15,000 in outrage at extra £100m for opera,' *Sun*, 22 July 1995, p. 4; id., 'I'll boycott the lotto,' *Sun*, 22 July 1995, pp. 4-5; and Dalya Alberge, 'Arts Council backs £55m lottery gift to opera house,' *Times*, 21 July 1995, p. 5.

⁹¹ Tom Johnston, Cartoon: 'You heard wrong... We take from the poor and give to the opera house!' *Sun*, 22 July 1995, p. 6.

⁹² N.a., 'Should the Lottery give £58m to opera?' *Daily Express (Scotland)*, 21 July 1995, The Big Issue, p. 17.

⁹³ Richard Stewart, 'Should the Lottery give £58m to opera?' *Daily Express (Scotland)*, 21 July 1995, The Big Issue, p. 17.

⁹⁴ Julia Neuberger, Letter: 'Why tenors need tenners,' *Guardian*, 20 July 1995, p. 14; n.a., 'Coming up lovely in the Garden,' *Guardian*, 21 July 1995, p. 16; Orvice and Doughty, 'The rich man's opera: MPs' outrage over £60m lottery handout for Covent Garden,' p. 3; and Paul Thompson, 'Sun reader Fred joins 15,000 in outrage at extra £100m for opera,' p. 4.

⁹⁵ A Cancer Research Campaign spokeswoman quoted in Alberge, 'Arts Council backs £55m lottery gift to opera house,' p. 5.

is all our work and more'.⁹⁶ The article finished by saying that 'the £78.5 million the opera house has asked for... would pay for four intensive care wards, 3,500 heart transplants, 5,300 ambulances, ten hospices and the annual salaries of 8,500 nurses'.⁹⁷ Only a few articles clarified the point, as for example an editorial in the *Times*: 'That [the under-funding of medical charities], of course, is not the fault of the Arts Council, nor can fault in this case be ascribed to Jeremy Isaacs . . . Blame must attach in largest measure to the inept Lottery Charities Board'.⁹⁸

After the award, seat prices at the ROH were publicised as costing £267, which is a 122.5% increase on the previous reported top price of £120, serving to increase the perception of 'elitism'.⁹⁹ These prices were for the most expensive seats in the most expensive concerts featuring Placido Domingo or Luciano Pavarotti, and only an article in the *Electronic Telegraph* admitted that ticket prices ranged from as little as £10.50.¹⁰⁰ The *Sun* created an elaborate image of excess through imaginative accounting and selective reporting. It sent four of its readers to the opera and claimed that 'a night at the opera can cost a couple more than £200 even with the cheapest tickets'.¹⁰¹ In the cost analysis, the author revealed that the couple in question had spent £155 on clothes hire and a chauffeur-driven limousine, neither of which is necessary for an evening at the opera. The *Sun*'s choice of opera guests was also questionable, as their comment on the opera was, 'And then this man in a penguin suit came on the stage and ruined it all by singing'. All four left after an hour, in which time they had eaten sandwiches and ice cream, drunk Champagne, wine and beer, been photographed asleep and reading the *Sun*. Hardly a fair trial from which to report that a visit to the opera was 'such a yawn'.¹⁰²

There were also arguments about the cultural exclusivity of London, and suggestions of how an award to the regions would increase access to the arts more than the rebuilding of institutions in London. An editorial in the *Guardian* said that 'the regions . . . would give a much higher aesthetic and social return for the outlay

⁹⁶ Orvice and Doughty, 'The rich man's opera: MPs' outrage over £60m lottery handout for Covent Garden,' p. 3.

⁹⁷ *Ibid.*, p. 3.

⁹⁸ N.a., 'Bounty Mutiny,' *Times*, 21 July 1995, p. 17.

⁹⁹ N.a., 'Lottery hits a £58m low note,' *Daily Express*, 20 July 1995, p. 8; Dan Conaghan, 'If seats can cost £267, why do they need more help?', *Electronic Telegraph*, 21 July 1995, n.p.

¹⁰⁰ Dan Conaghan, 'If seats can cost £267, why do they need more help?' n.p.

¹⁰¹ N.a., 'The opera stinger,' *Sun*, 24 July 1995, pp. 22-23.

¹⁰² *Ibid.*, p. 22-23.

than the rebuilding of the same opera house so it can accommodate more people in more salubrious surroundings'.¹⁰³ A writer for the *Daily Express (Scotland)* said that 'everybody in Scotland and the regions of England should have known they would channel money to bodies in London. Instead of giving the Royal Opera House £58 million they should have given 58 towns and cities £1 million each'.¹⁰⁴ Due to the division of lottery funds between the four arts councils, Scotland's funding was not affected by the ROH grant. The headline of a *Daily Mirror* article suggested that lottery awards were exclusive to the South: 'It couldn't be you . . . if you're a Northerner'.¹⁰⁵

As well as using references to charities, and labels of 'elitism' and regional bias, the press employed other tools, including derogatory references to opera as an art form. The *Sun* customised some insults: 'Up yer arias'; and 'bunch of Toscas'.¹⁰⁶ The *Observer* likened the grant situation to tales within operas: 'The storyline [of *La Traviata*] was apt: social divisions and class antagonisms'; called the affair 'Il Rigolottery'; and said that 'like so many operas, the Covent Garden saga has some beautiful moments and some awful quarter hours'.¹⁰⁷ The *Sun* used misquotation in the article 'Opera chief raps award'. The *Sun*'s quotation said 'Mr Isaacs, 62, said: 'There might have been awards to a leukaemia charity or a Third Division football club before our award'.¹⁰⁸ This implies that Isaacs thought the ROH less deserving than these other causes. The original quotation in the *Times* said: 'there might have been awards to say, a leukaemia charity or a third division football club before announcing our award', which implies that prior awards to causes such as these might have softened the blow. The omission of 'say' and 'announcing' therefore changed the meaning.

Some articles, such as the *Guardian* editorial 'Coming up lovely in the Garden,' presented both sides of the argument, and in the ROH's defence said that

¹⁰³ N.a., 'Coming up lovely in the Garden,' *Guardian*, 21 July 1995, p. 16.

¹⁰⁴ James Wyness, 'Should the Lottery give £58m to opera?' *Daily Express (Scotland)*, 21 July 1995, The Big Issue, p. 17.

¹⁰⁵ Jon Ungood Thomas and Nigel Morris, 'It couldn't be you .. if you're a Northerner,' *Daily Mirror*, 17 October 1995, p. 7.

¹⁰⁶ Thompson, 'Sun reader Fred joins 15,000 in outrage at extra £100m for opera,' p. 4; and n.a., 'This opera windfall's appalling,' *Sun*, 22 July 1995, p. 6.

¹⁰⁷ Peter Hillmore, 'Toffs and plebs find roles in lottery's comic opera plot,' *Observer*, 23 July 1995, p. 6.

¹⁰⁸ Tracey Kandohla, 'Opera chief raps award,' *Sun*, 29 July 1995, p. 11.

'Covent Garden is at the apex of Britain's high world reputation for the arts', that it was funding 63% of the redevelopment itself and that the grant 'compares favourably with other countries which subsidise their flagship opera houses in extravagant ways'.¹⁰⁹ However, in a situation mirroring that before the ACE awarded the grant, the bulk of printed support appeared in the letters pages of the *Times*.¹¹⁰ Almost alone among staff reporters in writing in praise of the grant, a journalist for the *Financial Times* said that the ROH award was architecturally a 'thrilling decision', and commended the virtues of the grant in terms of the urban regeneration of Britain.¹¹¹ This was, however, a comment from the architectural point of view rather than a statement about the opera company and its performance.

In the months following the ROH grant, the press reported anything to do with the ROH and its development. They continually questioned the suitability of the ROH as a recipient, particularly throughout the Covent Garden Community Association's action against the ACE and ROH over their joint trusteeship of ROH land.¹¹² The ROH grant and the issue of trusteeship increased suspicion that the ACE's committee were corrupt and serving their own interests. Job cuts, building problems, misuse of funds and deficits were also popular topics, as were the Royal Opera and Royal Ballet's difficulties in finding a home for the duration of the redevelopment.¹¹³ The ROH was also frequently in the press over its staffing issues. Its high turnover of top executives and changes of management, which would previously scarcely have

¹⁰⁹ N.a., 'Coming up lovely in the Garden,' p. 16.

¹¹⁰ Ian Herbert, Letter: 'Mixed reviews of opera house £55m,' *Times*, 22 July 1995, p. 17; R.G.L. Green, Letter: 'Mixed reviews of opera house £55m,' *Times*, 22 July 1995, p. 17; Donald Berry, Letter: 'Mixed reviews of opera house £55m,' *Times*, 22 July 1995, p. 17; Angus Stirling, Letter: 'Fair shares for the Royal Opera,' *Times*, 25 July 1995, p. 15; Fiona Baile, Letter: 'Question of cash for the opera,' *Times*, 2 August 1995, p. 13; and Lorraine Southern, Letter: 'Question of cash for the opera,' *Times*, 2 August 1995, p. 13.

¹¹¹ Colin Amery, 'Garden comes up roses,' *Financial Times*, 24 July 1995, p. 9.

¹¹² Dalya Alberge, '£78m for opera is branded 'unlawful',' *Times*, 26 March 1996, p. 3; Richard Brooks, 'Lowering the tone of the aria,' *Observer*, 31 March 1996, p. 9; Dan Glaister, 'Royal Opera House plagued on all sides,' *Guardian*, 22 June 1996, p. 11.

¹¹³ See Helen Norwick and Gary Younge, 'Royal Opera House staff axed to cut projected £2m deficit,' *Guardian*, 13 January 1996, p. 1; James Harding, 'Church's lottery stance attacked,' *Financial Times*, 8 February 1996, p. 6; John Harlow, 'Lottery aid may fund opera pay-offs,' *Sunday Times*, 25 February 1996, sec. 1, p. 3; David Hencke, 'Council rejects Royal opera plan,' *Guardian*, 2 March 1996, p. 7; Dalya Alberge, 'Opera House bill reaches £25m,' *Times*, 5 March 1996, p. 3; Brooks, 'Lowering the tone of the aria,' p. 9. See also Marcus Binney, 'After the show, strike the theatre,' *Times*, 24 July 1995, p. 12; Michael Ellison, 'Royal Opera seeking a home after move falls through,' *Guardian*, 4 January 1996, p. 4; n.a., 'Royal Opera abandons plan for a new venue,' *Guardian*, 1 February 1996, p. 7; Brooks, 'Lowering the tone of the aria,' p. 9; Dan Glaister, 'Royal Ballet seeks new venue as Albert Hall declines hospitality,' *Guardian*, 23 July 1996, p. 4.

warranted a mention, were now major news articles.¹¹⁴ By keeping the ROH in the press, public outrage was continually renewed and the arts councils branded with being 'elitist' and regionally biased. This prevented the public from forgetting the grant. The knock-on effect was for increased pressure on the arts councils over their distribution to the regions and over the accessibility of the projects that they funded.

The BBC2 production of *The House*, a six-part fly-on-the-wall documentary about the operation of the ROH broadcast in February 1996, created further contempt. An article in the *Observer* referred to it as a 'wasp-on-the-wall documentary series', and said that the ROH was 'run in an amateurish way, not helped by antiquated union practices and overmanning'.¹¹⁵ A writer in the *Daily Mail* gleefully told that: '*The House* promises to be no less bellicose than the account of operation Desert Storm. I suspect that it's not so much a fly-on-the-wall documentary as an A-10 tankbuster buzzing over the heads of the Opera House management'.¹¹⁶

In *The House*, Jeremy Isaacs came across as arrogant and volatile: 'We cannot allow the Arts Council to keep ducking out of their responsibility to one of their principal clients that do the fantastic job that we're doing. They can't just wash their hands of us, and if they do wash their hands of us, we will wash our hands of them. We'll have to go to government and say, you know, we can't get on being funded by the Arts Council any longer, let us put our case to you... I mean, no other society would carry on like this'.¹¹⁷

The ROH contributed to its 'elitist' image by presenting their exclusivity as an advantage, and interviews in *The House* highlighted this trait. Felicity Clark, one of the employees, said: 'That's one of our biggest selling points - that it's exclusive,' and one of the benefactors said that: 'We like it because it's elitist. That's why people like to come here'.¹¹⁸ Its royal patronage and clientele were also considered 'elite', and its

¹¹⁴ David Lister, 'A woman to replace Isaacs at ROH,' *Independent*, 4 July 1996, p. 9; Antony Thorncroft, 'New chief at Royal Opera appointed,' *Financial Times*, 5 July 1996, p. 8; and Adrian Lee and Rodney Miles, 'Cool administrator prepares to tend troublesome Garden,' *Times*, 5 July 1996, p. 2. For later references see Clare Longrigg, 'Opera House discord as chief executive quits,' *Guardian*, 14 May 1997, p. 1; Norman Lebrecht, 'Dancing on the edge of a volcano: What really caused Covent Garden's new chief to resign?' *Daily Telegraph*, 17 May 1997, p. 1; and Carol Midgley, 'Unhappiness drove out opera chief,' *Times*, 25 July 1997, p. 8.

¹¹⁵ Richard Brooks, 'Lowering the tone of the aria,' *Observer*, 31 March 1996, p. 9.

¹¹⁶ Peter Paterson, 'Gripping by a night at the opera,' *Daily Mail*, 17 January 1996, p. 61.

¹¹⁷ 'Winning Ticket,' *The House* (London: Double Exposure International, 1995), shown on BBC2, 20 February 1996.

¹¹⁸ *Ibid.*

reputation, as iterated by the *Independent on Sunday*, is of a place for 'the good, the great and the super-rich,' or 'toffs' as referred to by the *Sun*.¹¹⁹ These factors, on top high prices and the 'preserve of the rich' image, added to the venue's perceived inaccessibility to the 'man on the street'. The lottery was supposed to be, as John Major christened it in the 1992 manifesto, 'the people's lottery'.¹²⁰

The Cardiff Bay Opera House Application

The CBOH was intended to provide a new home for the Welsh National Opera in the new Cardiff Bay Development area. The building project was to begin in 1996 with expected completion on St. David's Day 2000. At the end of 1995, the CBOH project applied for funding from the Millennium Commission, as one of the millennium landmark projects, with the intention that the project would raise the remainder of the necessary money through business sponsorship. The project initially suffered from a lack of public support; its first bid to the Millennium Commission failed, and the CBOH project appeared to vanish from the press after its failure. At the end of 1996, having changed its name, its architect and its scope, the future home of the Welsh National Opera succeeded in receiving £27 million from the Millennium Commission and £8.5 million from the Arts Council of Wales (ACW).¹²¹ The building, now known as the Wales Millennium Centre, is due to open on 11 March 2001.

I have incorporated the CBOH project into this study because the applicants approached similar problems, such as 'elitism' and lack of support, in different ways to the ROH. This case also shows the responses of the daily press and the institution to different problems, including lack of support for the initial design, competition for funds between the Opera House and the Cardiff Arms Park rugby ground and the failure of the first lottery application. Competing architects and different designs for

¹¹⁹ Amanda Baillieu, 'Royal opera lottery cash blocked,' *Independent on Sunday*, 18 April 1993, p. 1; and n.a., 'The opera stinger,' pp. 22-3.

¹²⁰ *The Conservative Manifesto 1992: The Best Future for Britain* (London: Conservative Central Office, 1992) p. 44.

¹²¹ Information found on the Department of Culture, Media and Sport website, available from www.lottery.culture.gov.uk/ (accessed 17 October 1998 and 5 April 1999).

the building dominated much of the early press commentary on the CBOH.¹²²

Although the designs themselves are not relevant to this chapter, the effect of the press coverage is a factor in how the public perceived the project.

In the early 1990s, the Cardiff Bay Development Corporation, the body responsible for the development of the Cardiff Bay area, set up the CBOH Trust, a group willing to commit time and knowledge to the CBOH project. The Trust was composed of influential people from the arts and business world, such as Lord Crickhowell, a former secretary of state for Wales and director of the Welsh National Opera. The Trust's responsibilities included organising a design competition and overseeing the interests, publicity, preparation and building of the Opera House.

On 18 November 1993, the CBOH Trust launched an architectural competition for a design of the Opera House. The aims, according to an article in the *Sunday Times*, were to create an innovative new opera house that would be a landmark, like Australia's Sydney Opera House, and help to regenerate the waterfront area behind the new Cardiff Bay Barrage.¹²³ The project's backers were the Welsh National Opera, the Cardiff Bay Development Corporation, the city and county councils, the Welsh Office and the ACW. The backers were to choose four designs from an open international architectural competition, and add them to four designs produced by selected architects. Judges, with either a stake in the project or knowledge of acoustics and architecture, could then choose the winning proposal from the remaining eight designs.

From the competition's launch, the backers associated the proposed CBOH with the lottery-funded Sydney Opera House, with announcements in the *Sunday Times* that they 'want a building as iconic as the Sydney Opera House. But (unlike Sydney, which looks great but fails miserably as a performance space) it must also work well as a venue'.¹²⁴ The author of the article clarified that the backers wished to rival the landmark associations of Sydney, but avoid the negative associations, which included quadrupling costs and poor acoustics.

¹²² See Marcus Binney, 'The space age held at bay,' *Times*, 9 November 1994, p. 37; Jonathan Glancey, 'Grand Welsh opera descends into farce,' *Independent*, 30 November 1994, p. 36; David Watchman, Letter: 'No room for ballet,' *Times*, 7 December 1994, p. 19; and Ewart Parkinson, Letter: 'Welsh verdict on opera design,' *Independent*, 12 December 1994, p. 13.

¹²³ N.a., 'Cardiff arts park,' *Sunday Times*, 21 November 1993, sec. 9, p. 16; and Hugh Pearman, 'Opera house to revive Cardiff,' *Sunday Times*, 21 November 1993, sec. 1, p. 7.

¹²⁴ N.a., 'Cardiff arts park,' p. 16.

The Cardiff Bay Development Corporation, whose consideration was for the success of the entire site, linked the project with the urban regeneration of Cardiff, and in turn, with the regeneration of Wales.¹²⁵ An architectural correspondent for the *Sunday Times* reported that 'up to 688 jobs could be created in Wales by the opera house, but its prime function is to attract investment'. In the same article, the author quoted Michael Boyce, the chief executive of the Cardiff Bay Development Corporation, as saying 'our mission for the bay is to recover Cardiff as an international city'.¹²⁶ The original publicity presented the Opera House, and the Cardiff Bay development, as the great hope for Cardiff, giving it the chance to become an internationally recognised city.

Although the majority of comments were positive at the launch of the design competition, the author of an article entitled 'Cardiff arts park' in the *Sunday Times* foresaw that the competition could end in disaster: 'Then again, it could fall flat on its face'.¹²⁷ The author offered that 'the worst possible outcome would be what befell the Paris Opera in the 1980s; when the embarrassing result was a so-so building at the Bastille'. The CBOH, like the ROH, was negatively associated with the Bastille. The title of the article referred to the Cardiff Arms Park rugby ground. There is no explanation within the article for the play on words, but the editor might have already come to the conclusion that the CBOH and Cardiff Arms Park applications would be competing for funds, or may have used the well-known name to draw attention to the article.¹²⁸

By May 1994, the trust had chosen four submissions from the open architectural competition, ready to join the four professional designs in the second stage of the judging process.¹²⁹ In September 1994, the trust announced that Zaha Hadid, a female Iraqi architect, had won the contract with her 'Glass Necklace' design. Press coverage was initially favourable, with comments in the *Times* that began 'the brilliance of Ms Hadid's design...' and in the *Independent*: 'Here is a Grade I listed building of the 2030s'.¹³⁰

¹²⁵ Deyan Sudjic, 'Architects compete to design Cardiff opera house,' *Guardian*, 13 May 1994, p. 8.

¹²⁶ Pearman, 'Opera house to revive Cardiff,' p. 7.

¹²⁷ N.a., 'Cardiff arts park,' p. 16.

¹²⁸ Ibid., p. 16.

¹²⁹ Sudjic, 'Architects compete to design Cardiff opera house,' p. 8.

¹³⁰ Marcus Binney, 'Iraqi architect beats Europe's best,' *Times*, 16 September 1994, p. 5; and Jonathan Glancey, 'A bolt of lightning in Cardiff Bay,' *Independent*, 21 September 1994, p. 23.

In November 1994, the CBOH Trust gave public exhibitions, showing the finalists' designs in both Cardiff and London. The aim of the exhibitions was to seek public approval, but the general reaction of the daily press and the public was unfavourable. An author in the *Times* wrote an entire article on one of the runner-up designs, and said: 'If the people of Wales react too strongly against Hadid's design, the indications are that it could be changed'.¹³¹ A by-line of an *Independent* article stated: 'The winning design was like a fairy-tale, but will it ever come true? Jonathan Glancey fears an unhappy ending'.¹³²

Harlech TV hosted a viewer's poll on whether people disliked the 'Glass Necklace' design, while the Cardiff exhibition centre took another poll and collected information on the public's positive response to the designs. The two polls gathered contrasting results. As stated by Jonathan Glancey, in the *Independent*:

Public opinion, however, is fickle. Although 88.5 per cent of Harlech TV viewers said that they disliked Hadid's design, a poll taken at an exhibition of the opera house designs shown in Cardiff... revealed 438 visitors in favour of [Norman] Foster [one of the runner-up architects], with 343 choosing Hadid and only 251 opting for [Manfredi] Nicoletti [the other runner-up]. It seems once people had a chance to come to terms with Hadid's powerful imagination, they felt able to support her.¹³³

Although these polls appear to be on a similar theme, the two questions are different because of the target audience and their exposure to the designs. The majority of people that answered the TV poll were exposed to the designs through biased media, like the press or television, and many would have approached the issue according to whether they thought there should be an opera house. Information collected at the exhibition centre involved direct responses to the designs, such as answers on which design the public preferred. The two polls are not comparable, but show a useful indication of the effect of media coverage on public opinion.

Commentators in the quality broadsheets began to refer to the architectural competition as a farce, and Glancey of the *Independent* associated the CBOH with the aborted Welsh National Literature Centre, whose backers pulled out due to the design's lack of popularity. Glancey warned in November 1995 that 'rejecting Alsop and Stormal's National Literature Centre last year was folly; to reject Zaha Hadid's

¹³¹ Binney, 'The space age held at bay,' p. 37.

¹³² Glancey, 'Grand Welsh opera descends into farce,' p. 36.

¹³³ Jonathan Glancey, 'A monumental spot of local trouble,' *Independent*, 14 January 1995, p. 28.

scheme and promote another in its place at its late stage would smack of a weak spirit, disguised all too thinly as common sense'.¹³⁴

The architectural competition and the treatment of its winner raised comment from many architectural organisations. In Glancey's *Independent* article, Maureen Kelly Owen, vice-president of the Society of Architects in Wales, was quoted as saying 'it is bringing Wales into disrepute. It is going to become the sort of place where people will say, "Hands off, don't go to Wales for a competition"'.¹³⁵ In a letter to the *Independent*, Francis Duffy, the president of the Royal Institute of British Architects, criticised the design brief and methodology of the competition: 'To pretend that real public consultation can take place after a design competition has been run and won is nonsense. It makes no more sense to ignore the competition result than it would be to re-run Wimbledon each year until at last a Briton won'.¹³⁶

In this atmosphere of controversy the project's trustees and other backers seemed unsure about whether to back the design. Glancey wrote: 'John Redwood, the secretary of state for Wales, did little to rescue the Cardiff Bay Opera House competition from its state of low farce'.¹³⁷

In January, as foreseen by Glancey, the CBOH Trust's solution to the press disaster was to rerun the second stage of the design competition, pitting Hadid's design against the runners-up: Sir Norman Foster and Partners and Manfredi Nicoletti.¹³⁸ This action served to increase the press commentary rather than solve the problem, for rather than criticising the design, columnists in the quality broadsheets voiced their disgust at how the Trust had conducted the competition and treated its winner. Glancey reported that 'the dramatic competition-winning design for the proposed National Opera House for Wales at Cardiff Bay has been effectively rejected by the Welsh National Opera Trust'. He quoted Francis Duffy: 'the decision casts doubt on the validity of the assessors and the competition as a whole'.¹³⁹ A columnist in the *Guardian* wrote 'what's the point of going to all the trouble of staging an

¹³⁴ Glancey, 'Grand Welsh opera descends into farce,' p. 36.

¹³⁵ Ibid., p. 36.

¹³⁶ Francis Duffy, Letter: 'Stop carping about Cardiff opera,' *Independent*, 15 December 1994, p. 17.

¹³⁷ Glancey, 'Grand Welsh opera descends into farce,' p. 36.

¹³⁸ Jonathan Glancey, 'Opera house design winner rebuffed,' *Independent*, 11 January 1995, p. 2.

¹³⁹ Ibid., p. 2.

elaborate competition to find an architect to design a landmark building if the winner gets unceremoniously dumped as soon as the judges' backs are turned...?' and referred to the competition as 'an enormously expensive and wasteful process'.¹⁴⁰ The headline of a *Times* article stated: '[Lord] Palumbo [one of the competition judges] says decision to disappoint winning opera architect is unfair'.¹⁴¹

In February 1995, the CBOH Trust confirmed Hadid as the winner, but the rerun of the competition resulting in the choice of the same design had caused damage.¹⁴² The competition had become a press and public relations disaster, displaying a lack of support and organisation among the backers, and fostering an image of farce in the press. A review in the *Observer* read: 'Smart money is switching to the idea that the Opera House project will be scrapped for lack of support'.¹⁴³ Deyan Sudjic of the *Guardian* wrote, 'Hadid is struggling not only with technical issues, but with an undercurrent of hostility. This comes not from the Welsh public but from the tightly interconnected cliques of politicians, businessmen and civil servants'.¹⁴⁴ Lord Crickhowell attempted to dispel this perception by saying that the decision to reselect Hadid's design was 'clear and decisive,' but Glancey still referred to the episode as 'an embarrassing delay,' and Sudjic pointed out that the judging panel gave 'a unanimous decision to name Hadid the winner' the first time.¹⁴⁵

In June 1995, Stephen Dorrell, the heritage minister, perhaps unwittingly complicated the issue by supporting a £55 million request to the Millennium Commission to build a world-class rugby stadium in Wales. This inevitably aroused competition with the CBOH application. The heritage correspondent of the *Guardian* reported that:

A gentlemanly scrum immediately broke out in Cardiff, where both the £100 million scheme to redevelop Cardiff Arms Park as a world class sports stadium and the £87 million scheme for a new opera house in

¹⁴⁰ Deyan Sudjic, 'A sad song from Wales,' *Guardian*, 11 January 1995, p. 20.

¹⁴¹ Marcus Binney, 'Palumbo says decision to disappoint winning opera architect is unfair,' *Times*, 11 January 1995, p. 5.

¹⁴² N.a., 'Welsh opera house design confirmed,' *Financial Times*, 11 February 1995, p. 4; N.a., 'First-choice opera house,' *Times*, 11 February 1995, p. 2; Jonathan Glancey, 'Decision on opera house design,' *Independent*, 11 February 1995, p. 6; David Gow and Owen Bowcott, 'Architects hit high note with Welsh Opera,' *Guardian*, 11 February 1995, p. 8; and Deyan Sudjic, 'Row fails to break "glass necklace",' *Guardian*, 11 February 1995, p. 8.

¹⁴³ N.a., 'Arts Diary: Private view,' *Observer*, 15 January 1995, p. 3.

¹⁴⁴ Deyan Sudjic, 'A sad song from Wales,' *Guardian*, 11 January 1995, p. 20.

¹⁴⁵ N.a., 'Welsh opera house design confirmed,' p. 4; Glancey, 'Decision on opera house design,' p. 6; and Sudjic, 'A sad song from Wales,' p. 20.

Cardiff Bay have made it on to the long list [for Millennium funding]. Mr Dorrell said it was not ruled out that both could win through, but clearly he thought it unlikely.¹⁴⁶

Initially there was little visible competition, but in October 1995, evidence began to appear in the press of the struggle between the two ventures. An article in the *Independent on Sunday* stated that: 'Supporters of the two great Welsh passions - rugby and song - are locked in a bitter dispute'.¹⁴⁷ The CBOH and the Cardiff Arms Park began to compete for both lottery funds and public support.

The battle was fought in the press. The Welsh Rugby Union projected rugby as the people's choice, and opera as the choice of government and the rich, playing on notions of 'elitism'. Edward Jones, secretary of the Welsh Rugby Union, said in the *Independent on Sunday*: 'If it comes down to a battle between the two then I hope it comes over loud and clear what the public wants. If it is art versus sport, then sport should win in this case'.¹⁴⁸ The Welsh Rugby Union also implied that the CBOH were using underhanded methods to gain support from the government. In the same *Independent on Sunday* article, a spokesman for the Welsh Rugby Union said that they had to bring the dispute into the public domain because 'strings are being pulled in the corridors of power by a small group which wants an opera house'.

The CBOH's established image of incompetence and indecisiveness, as well as the unpopularity of Hadid's design militated against the Opera House. Three weeks before the Commission's decision on funding, Jason Burt of the *Daily Mail* wrote: 'Its design by the Iraqi architect Zaha Hadid has been criticised by former Welsh secretary John Redwood, local MPs and allies of Prince Charles's 'classical revival'. Even the opera trust's chairman Lord Davies expressed doubts'.¹⁴⁹

The CBOH Trust continued with their plans and denounced the Welsh Rugby Union for placing the two projects in competition. The *Independent* quoted Lord Crickhowell as saying: 'It is regrettable some connected with the WRU are putting it around that it is necessary to campaign against the opera house'. The argument used by Crickhowell was that the Union was jeopardising the future of both projects and

¹⁴⁶ Maeve Kennedy, 'Millennial landscape will wear a green and modest hue,' *Guardian*, 16 June 1995, p. 3.

¹⁴⁷ Michael Prestage, 'Rucks and arias split the valleys,' *Independent on Sunday*, 22 October 1995, p. 10.

¹⁴⁸ Prestage, 'Rucks and arias split the valleys,' p. 10.

¹⁴⁹ Jason Burt, 'Bonanza by the bay,' *Daily Mail*, 4 December 1995, p. 25.

lowering the reputation of Wales: 'The story of our millennium bids, opera house and rugby ground illustrates our ability for disagreement and argument, so that we may miss the chance which is available'.¹⁵⁰ In a *Financial Times* article, Crickhowell warned the Welsh Rugby Union that the 'commission might say "A plague on both your houses,"' leaving both projects without funds.¹⁵¹ The *Financial Times* summed up the organisations' mutual mistrust as 'on the one side, there is suspicion of rugby thuggery. On the other, there are insinuations of operatic skulduggery,' and the author called it 'an unprecedented culture clash'.¹⁵²

On 22 December 1995, the Millennium Commission announced their first decision about the projects and refused to fund either, but advised the Cardiff Arms Park bidders to submit a revised application. Virginia Bottomley, the national heritage secretary and the commission's chairperson, told the CBOH Trust that 'uncertainties and imponderables over the finance, construction and design made the project too risky to fund at this stage'.¹⁵³

Crickhowell's response to the refusal of the CBOH bid was that, had the project been in London, it would have received funding. This assertion could not be proved, but it was based on a set of instilled beliefs that London had an unfair advantage and therefore obtained some credence. Crickhowell took the accusation of discrimination a step further and was quoted in the *Financial Times* as saying 'Wales has suffered very badly and Welsh people will share my anger at what has happened'.¹⁵⁴ The *Guardian* reported that Denis O'Neill, a member of the Welsh National Opera, 'was disappointed at the slap in the face for Wales and Welsh culture'.¹⁵⁵ As a result of Crickhowell and O'Neill's intervention, the quality broadsheets turned their commentaries on the Commission's decision from a refusal to fund an unpopular 'elitist' venture, to a case of geographical discrimination and an attack on the Welsh.¹⁵⁶

¹⁵⁰ Prestage, 'Rucks and arias split the valleys,' p. 10.

¹⁵¹ Adburgham, 'Welsh passions roused in scrummage for cash,' p. 5.

¹⁵² Roland Adburgham, 'Welsh passions roused in scrummage for cash,' *Financial Times*, 18 November 1995, p. 5.

¹⁵³ Roland Adburgham, 'Lottery blow to Welsh opera plan,' *Weekend Financial Times*, 23 December 1995, p. 1.

¹⁵⁴ Ibid., p. 1; and Maev Kennedy, 'Fury as Welsh opera plan filled,' *Guardian*, 23 December 1995, p. 1.

¹⁵⁵ Adburgham, 'Lottery blow to Welsh opera plan,' p. 1; and n.a., 'Stars express bitter disappointment at lost opportunity but pledge to fight on,' *Guardian*, 23 December 1995, p. 3.

¹⁵⁶ N.a., 'The best idea kicked into touch,' p. 25.

After the Millennium Commission's refusal of the grant, some broadsheet articles like the *Financial Times* editorial 'In praise of elitism,' defended 'elitism' and opera.¹⁵⁷ Others, like an article in the *Guardian*, suggested that opera's image and the press comment on other controversial lottery awards scared the Millennium Commission into their decision:

Given the circumstances, it's hard not to believe that somebody somewhere has taken a calculated decision that the political risks of backing an opera house in Cardiff outweigh those of not backing it. Opera in Cardiff, a city in which it has far more of a genuinely populist following than anywhere else in Britain, has, it seems, been sacrificed because of the fiasco over the Churchill Papers and the failure of nerve over Covent Garden.¹⁵⁸

In this article, 'sacrifice' implies that it was worth more to the Millennium Commission to stay out of controversy than it was to award an opera house to a city that the author described as having the biggest 'populist following' of opera in Britain. Other *Guardian* articles also adopted a new stance, by quoting the international congress of architects, who said that rejecting the scheme was a 'failure of nerve by the Millennium Commission'.¹⁵⁹ The Commission therefore failed both to please the broadsheets and to stay out of the debate.

The tabloids, however, rejoiced in the decision. An article in the *Daily Mail* was entitled 'Bravo, cry the critics as opera cash quest fails', and an article in the *Daily Mirror* suggested further action: 'Tear down the opera houses we've already got, I say, asphalt them over, and turn them into something useful like car parks'.¹⁶⁰ The author said he was 'delighted' with the outcome and described opera as a 'bunch of caterwauling fat tarts in frocks coughing up blood'.

In early February 1996, the CBOH Trust unveiled a new plan that incorporated a Welsh heritage museum and an Imax cinema within the design of the opera house, and an article in the *Guardian* said that Hadid would submit a new design to the Millennium Commission.¹⁶¹ Later in the same February, the Cardiff Arms Park rugby ground won a lottery grant. An editor of the *Sunday Times* referred to the situation as

¹⁵⁷ N.a., 'In praise of elitism,' *Financial Times*, 27 December 1995, p. 9.

¹⁵⁸ N.a., 'The best idea kicked into touch,' *Guardian*, 23 December 1995, p. 25.

¹⁵⁹ Kester Rattenbury, 'The welly of an architect,' *Guardian*, 12 July 1996, p. 5.

¹⁶⁰ Jason Burt, 'Bravo, cry the critics as opera cash fails,' *Daily Mail*, 23 December 1995, p. 5; and Victor Lewis-Smith, 'Put these old wrecks to the test,' *Daily Mirror*, 30 December 1995, p. 9.

¹⁶¹ Maeve Kennedy, 'Thames-side lottery idea,' *Guardian*, 7 February 1996, p. 8.

'Rugby kicks Welsh opera into touch'.¹⁶² This was followed by the Cardiff Bay Development Corporation, in March 1996, disbanding the CBOH Trust. This, according to the *Electronic Telegraph*, spelt 'the end of the project'.¹⁶³ The author wrote that the local authority had decided that a 'smaller, commercially-led, "more populist" theatre' would be more appropriate to the area.¹⁶⁴ The Cardiff Bay Development Corporation (referred to in the *Guardian* as the 'Taffia') continued with the project that incorporated an arts centre, cinema, museum and opera house under one roof, and advertised for entries to a new architectural competition.¹⁶⁵ Zaha Hadid refused to apply a third time for a competition which she had already won twice.¹⁶⁶ A commentator in the *Guardian* said 'the announcement is the latest but surely not the last episode in a sorry affair that has exposed the haphazard nature of public building in this country'.¹⁶⁷

Having received such bad press commentary, the Cardiff Bay Development Corporation had to decide on a new method to gain public support and to appeal to the National Lottery. The Corporation decided to change the title of the new building, as 'Opera House' would burden the project with unwanted 'elitist' associations:

John Osmond, of the Institute of Welsh Affairs, a think tank that has acted as the catalyst in bringing about the new competition, said: 'We're pretty confident. Part of the problem with the previous plan was that it was billed as an opera house. Our plan will in effect enable the West End to come to Wales.'¹⁶⁸

Its temporary name during the third architectural competition was the Millennium Arts, Heritage Centre in Cardiff Bay.¹⁶⁹ The project eventually became known as the Wales Millennium Centre which, according to the *Times*, shed its 'elitist' image with the 'notable . . . absence of that tricky word "opera"'.¹⁷⁰ The change of name also helped dissociate the project from its controversial past.

¹⁶² John Harlow, 'Rugby kicks Welsh opera into touch,' *Sunday Times*, 18 February 1996, sec. 1, p. 8.

¹⁶³ Kennedy, 'Thames-side lottery idea,' p. 8; and Rowan Moore, 'Opera House trust folds after five years and £1.7m,' *Electronic Telegraph*, 18 March 1996, n.p.

¹⁶⁴ Moore, 'Opera House trust folds after five years and £1.7m,' n.p.

¹⁶⁵ Dan Glaister, 'How the Glass Necklace sank in Cardiff Bay,' *Guardian*, 3 August 1996, p. 27.

¹⁶⁶ Dan Glaister, 'Winning opera architect snubs re-run,' *Guardian*, 3 August 1996, p. 2.

¹⁶⁷ Glaister, 'How the Glass Necklace sank in Cardiff Bay,' p. 27.

¹⁶⁸ Glaister, 'Winning opera architect snubs re-run,' p. 2.

¹⁶⁹ Glaister, 'How the Glass Necklace sank in Cardiff Bay,' p. 27.

¹⁷⁰ Simon Tait, 'Fresh hope in Wales,' *Times*, 11 September 1996, p. 35.

In September 1996, the Cardiff Bay Development Corporation announced the Percy Thomas Partnership as the winner of the third and final architectural competition. The Cardiff Bay Development Corporation made applications to the Millennium Fund, the ACW and the Heritage Lottery Fund. The Cardiff Council also supported the plan, since it was no longer in competition with the Millennium Stadium, previously known as Cardiff Arms Park.¹⁷¹

With the change of name, the project had escaped its 'elitist' image and bad press associations. Its new attractions of a cinema, museum and the image of 'the West End in Wales' also aided its passage to acceptability. It gained support because it was no longer in competition with sport. It had even gained sympathy because of the CBOH unsuccessful bid. The Wales Millennium Centre finally received a grant from the Millennium Commission for £27 million in November 1996, and two from the ACW, one for a feasibility study worth £178,125 in July 1996, and another in October 1996, for £8.325 million for construction costs.

Summary

In chapter 2, my research showed that the amount of lottery funds distributed in London was far greater than to the other regions, particularly in the first year. This seemed compelling evidence, but the reality was that the arts councils were not favouring particular regions. Application figures indicated that the likelihood of an application being successful was approximately equal throughout England. The main difference was the number of applications received by the arts councils from each of the regions. The ACE appeared to have had no bias in distribution towards or against London, since the London region received more money simply because more London-based companies submitted applications.

Chapter 3 revealed that there was very little bias inherent in the systems for distributing arts grants to the different art forms. This was despite the fact that the ACE allocated a large percentage of the first year's funds to the ROH. The arts councils were gradually achieving a balance of distribution among the art forms, so that the percentage given to 'Opera' over three years became comparatively small. A single grant, therefore, did not represent the true state of any arts council's

¹⁷¹ Ibid., p. 35.

distribution, and its use as such presented a misleading impression. Chapter 3 also showed that the same five art forms received most money and grants in each country.¹⁷² Further analysis of grant-types under each of these art forms indicated that the most abundant project types were 'Theatres', 'Village Halls', 'Films' and 'Arts Centres', while 'elitist' art forms such as 'Opera' received comparatively few awards. Factors that affected distribution were the proportion of building grants under each genre and the amount received from the National Lottery Distribution Fund, rather than the supposed bias of the arts councils for 'elitist' organisations. An analysis of the success rates of applications from different art forms demonstrated that 'elitist' and 'non-elitist' institutions had a roughly equal chance of receiving funds. These results are strictly at odds with the press accounts of distribution.

Despite what seemed to be a relatively successful distribution system in the first few years, there was a general uneasiness in the press over the results. Press comment rapidly progressed from a generally favourable outlook before the publishing of the *National Lottery etc. Act 1993*, to criticisms of 'elitism' and a bias for London after it was passed. Journalists utilised the ROH and CBOH applications to reinforce this image of biased and 'elitist' distribution.

After the ROH was awarded the £55 million grant, the press had a suitable target for their charges of 'elitism', regional bias and flagship favouritism.¹⁷³ Accusations, concerns and fears expressed in the early days of the implementation of the National Lottery crystallised around this award, providing supposedly concrete proof that earlier warnings were justified. The ROH became the symbol of the arts councils' distribution, indicating to the public that it only funded the favoured institutions of its committees. The ROH was the obvious choice for press criticism because its grant took such a large percentage of the funds allocated in the first year, it was the largest lottery grant awarded in Britain at that point and the common

¹⁷² 84% of the grants were awarded to the top five art forms over the first three years of distribution, leaving 16% or less for the remaining ten categories. See table 36.

¹⁷³ Andrew Penman, 'National Plottery,' *Daily Mirror*, 10 October 1995, p. 6; n.a., 'Plundering the poor to pamper the chic,' *Daily Mail*, 17 October 1995, p. 8; Jon Ungoed Thomas and Nigel Morris, 'North South divide over lottery money allocation,' *Daily Mirror*, 17 October 1995, p. 7; Vanessa Feltz, 'How dare they swan off with our money,' *Daily Mirror*, 18 October 1995, p. 7; n.a., 'It's a Lottery,' *Times*, 2 March 1996, p. 23; Dalya Alberge and Bill Frost, 'RADA wins £23m from lottery to rebuild academy,' *Times*, 24 May 1996, p. 7; Lorna Duckworth, 'How London is winning the Lottery every week: Regions lose out on cash giveaway,' *Mail on Sunday*, 28 July 1996, p. 29; and Norman Lebrecht, 'Storm clouds over the South Bank,' *Electronic Telegraph*, 12 July 1997, p. 22.

perception of opera's 'elitist' image contributed to such comments as the title of the *Economist* article 'Redistribution to the rich'.¹⁷⁴ Meanwhile, other journalists portrayed the institution as undeserving and negligent. This then added to the perception that London was unjustly receiving funds at the expense of the rest of the country, when better projects were being turned down elsewhere.

Possibly because their application was initially rejected, the CBOH, although inflicted with the same prejudice as the ROH application, approached the criticism in a different manner. They cited the rejection as regional bias and national favouritism for England, and attacked the Millennium Commission for a lack of courage. They then changed the scope of the project so that it could be considered to be like a 'West End' theatre rather than a traditional opera house, despite maintaining its status as the home of the Welsh National Opera. This worked in its favour, as the CBOH/ Wales Millennium Centre received little negative press after the award, although criticisms of arts distribution in general continued.

It is unclear why the newspapers chose an unfavourable interpretation of the arts councils' distribution of arts funds. Their motives may have been to fuel dissatisfaction with the government, 'fat cats' and the Good Causes, or may have stemmed from a real conviction that lottery distribution committees were abusing their power. Newspaper companies, however, aim to sell their publications and gain readership loyalty. Critical articles are likely to be followed by others that sustain interest in the subject, while more favourable ones result in a single article at best. It was therefore of greater interest to the press to create a negative image, particularly if there was a lack of other news stories, and once initiated, it was easy for journalists to continue because of public dissatisfaction with the government, the rich and the ROH.

The daily press helped to create an environment where people thought that they had to do something about the Lottery. Rather than weather out the storm, the arts councils put certain schemes in place to try both to rehabilitate their reputation and to counter perceptions that they were mispending lottery money. The next chapter examines the new schemes, how these changed perceptions, and their successes in improving both access and the equity of distribution by geographical region and genre.

¹⁷⁴ 'Redistribution to the rich,' pp. 25-6.

CHAPTER 5

ARTS FOR EVERYONE OR REDISTRIBUTION TO THE RICH?

Before the Lottery began, Parliament specified that funds raised by the National Lottery should supplement government spending rather than replace it: a principle referred to by the government and the arts councils as 'additionality'. In order to ensure that the government continued with arts grant-in-aid provision, legislation initially restricted arts lottery spending to capital projects, such as the purchase and improvement of buildings and equipment. The founders of the Lottery did not, however, appear to anticipate the press' outcry for projects involving public access to the arts and to the benefits that the Lottery bestowed on the arts.

At the end of 1996, only eighteen months after the start of lottery distribution to the arts, the Arts Council of England introduced five new pilot schemes: the Stabilisation Scheme; the Film Franchise Scheme; the Grants for Dance and Drama Students; and the Arts for Everyone Express and Main programmes. The five schemes were designed to address many of the allegations and criticisms in the daily press of bias, lack of access and misspent funds, and increased the amounts awarded to arts production as opposed to the renovation of buildings. The Stabilisation and the Arts for Everyone schemes assisted companies with revenue costs and improved access to the arts, while the Film Franchise scheme aided the regeneration of British film and the Grants for Dance and Drama students assisted students with their college fees.

These schemes, to some extent, infringed the 'additionality' principle that restricted awards to capital projects and the directions of the secretary of state, so the secretary of state changed legislation to accommodate the new concepts. The daily press wrote little about the change of purpose, despite the fact that journalists could have interpreted this change as a warning that the Lottery was beginning to compensate for government funding shortages. Instead, the press focused on the anticipated benefits of the new schemes, such as improved distribution and smaller award sizes alongside grants aimed to benefit 'the man in the street'.¹

¹ Antony Thorncroft, 'Lottery funds aim for the man in the street,' *Financial Times*, 22 November 1996, p. 17.

Although the schemes were generally well received and Arts for Everyone Express was hailed in the *National Lottery Yearbook 1998* as the 'Success of the Year', the Arts Council of England cancelled all but the Stabilisation scheme after completing the pilot stage.² The temporary nature, success and dissolution of the schemes raise questions about their function within the distribution process. Here I examine their role in achieving distribution that could be considered broader or more equitable than that of the Capital scheme. I also examine the description and distribution by region and genre of each scheme, and concentrate particularly on the Arts for Everyone schemes, because of the vast number of awards and their popularity among arts organisations. Having examined the distribution statistics of the individual schemes, I calculate the combined effects of Stabilisation, Arts for Everyone and capital awards on regional distribution, and compare the differences between that and the changes in the distribution of the Capital scheme alone. Although comparing the genre statistics of the different schemes is problematic because of the differing award types, conclusions are drawn as to the nature of awards within art form categories and the suitability of art forms to particular schemes. After considering whether the pilot schemes improved distribution, I examine the reactions and conclusions of the press and other observers concerning the introduction of the new schemes and subsequent distribution.

In the interests of space and cogency, I concentrate on the pilot schemes of the Arts Council of England. These pilot schemes are typical of the measures taken by all four arts councils, as the other three councils responded with similar initiatives: Scotland instituted the New Directions and Stabilisation / Advancement programmes; Wales introduced the Arts for All and student grants; and in Northern Ireland the New Work programme was initiated. These schemes ran parallel to those of the Arts Council of England, and had similar aims and target audiences.

An Interview with Jeremy Newton

At the end of 1996, just as the Arts Council of England (ACE) was introducing the pilot schemes, FitzHerbert and Rhoades, authors of the *National Lottery Yearbook 1997*, commissioned an interview with Jeremy Newton, the head of the ACE Lottery

² Luke FitzHerbert and Mark Paterson, *National Lottery Yearbook: 1998 Edition* (London: Directory of Social Change, 1998), pp. 30-31.

Unit.³ This interview caught Newton at a time when the ACE was suffering from accusations of 'elitism', geographical bias and inflated administration costs. The interview contains Newton's reflections on and justifications of capital grant distribution up to the end of 1996, and commits to paper his hopes for the new schemes. Further comments from FitzHerbert and Rhoades reveal their perspective on arts distribution, for whilst Newton was attempting a damage limitation exercise, the authors were trying to predict the outcome of the new pilot schemes. Between the authors and Newton, something is revealed of the attitudes towards arts distribution at that time.

Newton's opening statement betrays the influence of the negative press surrounding the ACE's administrative spending:

I think our main capital grants programme has gone well in 1996. We make sure that less than 5% of the lottery money gets spent on administration, assessment monitoring, all the various costs that have to be charged, which represents pretty good value.⁴

Rather than elaborating or providing examples of the success of arts distribution, Newton defended the amounts spent by the ACE on administration. He attempted to justify the costs by listing 'assessment monitoring' and 'various costs' behind the already sufficient word 'administration', revealing his concern about the public perception of these costs. The statement's prominent positioning also gives it emphasis, more telling of Newton's concern than it would have been had he, or perhaps an editor (if the interview text was rearranged), placed the comment elsewhere. The placement may have been a tactic on the part of FitzHerbert and Rhoades to inject some instability into the interview, but this comment would not have projected confidence in any context.

Newton continued with further justifications over the way that the ACE distributed its lottery allocation. He attempted to refute the ACE's supposed preference for large companies by saying that 'certainly over the last year or so the great majority of the grants we have given are to relatively small organisations, so I think the message is getting through'. On geographical distribution, he said, 'It's difficult to test whether

³ Independent authors write the *National Lottery Yearbooks* (no declared associations with the National Lottery or the arts councils), which are intended to provide an independent viewpoint on the distribution to all of the Good Causes. Luke FitzHerbert and Lucy Rhoades, *National Lottery Yearbook: 1997 Edition* (London: Directory of Social Change, 1997), pp. 58-59.

⁴ FitzHerbert and Rhoades, *National Lottery Yearbook 1997*, p. 58. The interview is presented in the first person. There is no indication whether the authors edited the interview.

we are getting a fair share of our grants to the most disadvantaged areas of the country'. Newton did not give an assured defence in either case, but he offered the new Arts for Everyone (A4E) schemes as a solution for problems arising in both areas:

We're hoping that the Arts for Everyone (or A4E) revenue programme, which has significantly lower grant sizes as well as partnership funding thresholds than the capital programme, will begin to suck in applications from these places [disadvantaged areas].⁵

Newton indirectly addressed the criticisms of 'elitism' and bias for flagship companies by mentioning disadvantaged areas, smaller grant sizes and lower partnership funding levels. The purpose of the A4E schemes is not explained, only their ability to widen distribution, which suggests that they were introduced primarily as a solution to problems over distribution, and secondly to improve the public image of the ACE. The fact that Newton omitted to mention the schemes' objectives or purpose does not assure the reader that the ACE introduced them to attract new and innovative projects to widen access to the arts.

FitzHerbert and Rhoades began their appraisal of arts distribution in 1996 by saying that 'the most exciting development in 1996 has been the creation of new revenue funding programmes by each of the Arts Councils'.⁶ As well as promoting the A4E schemes on their own merits, FitzHerbert and Rhoades utilised the bad feeling surrounding the Capital scheme as a springboard for the A4E pilots:

It [A4E] is the opposite kind of funding to the grants for large buildings, mostly in London, that dominate the Arts Council of England's capital grants programme. At present it [A4E] will only account for a small proportion of the funding each year, just £25 million in England, but it may well be more important to the artistic life of the country than ten times that amount in building grants.

Indeed so different is the tone of the A4E programmes to that apparent in the capital grants programme, that it is remarkable that they come from the same organisation.⁷

The comparisons between the schemes lent weight to both the A4E schemes' predicted success and the perceived failure of the Capital programme. Although it is

⁵ FitzHerbert and Rhoades, *National Lottery Yearbook 1997*, p. 58.

⁶ Ibid., p. 60. The revenue schemes to which they refer include A4E Main and Express in England, the New Directions programme in Scotland, Arts for All in Wales and Northern Ireland's New Work project. All four schemes aimed to 'create new work, reach new audiences and enable people in all walks of life, especially young people, to take part in arts and cultural activities'.

⁷ Ibid., p. 60.

unclear whether the ACE intended the schemes as a damage limitation exercise, FitzHerbert and Rhoades perceived them as an important remedy.

The A4E pilots, which the ACE described as revenue programmes, did not affect the allocation of responsibility between the ACE and the government, because grants were available only to new projects that encouraged participation in the arts. Although A4E awards did not impinge on the 'additionality' principle, the funding of revenue projects was not the original intention behind the 1993 lottery act. Lottery funding was supposed to increase capital in a climate where there were no funds to rebuild opera houses and theatres, but the press gave the image that the Lottery was there to fund the arts, which meant all arts. Access had become an issue, as had the size and distribution of arts funds, and the A4E scheme was born to appease these complaints. The title 'Arts for Everyone' indicated a dedication to improving access and distribution.

Newton did not mention the Stabilisation or Film Franchise schemes within his interview, but did defend the introduction of the Grants for Dance and Drama Students scheme. The grants were set to contravene the secretary of state's direction 4, which required the ACE to 'distribute money for capital expenditure', and the arts council requirement that prohibited the awarding of grants to individuals. Newton justified the introduction of this scheme by saying:

We're on the verge of crisis in terms of availability of funds for students wanting to get onto what are clearly degree equivalent courses . . . there's a clear case for doing something in a way that we haven't with anything else - but we've strictly limited this to a three year intervention . . . Our absolute limit here is to try and plug a gap and meanwhile get some political will behind a permanent solution.⁸

The phrase 'get some political will behind a permanent solution' indicates that the responsibility for the students lay with the government and not with the Lottery. The new scheme was not only using lottery funds to 'plug a gap' in arts funding, but also one in government spending, thereby breaching the 'additionality' principle.

Newton, as an ACE employee, was obliged to present the scheme in a positive light. FitzHerbert and Rhoades, however, also argued for the introduction of a scheme, despite having no declared allegiance to the ACE:

This new programme is directly contrary to the doctrine that lottery grants should not be used to support statutory provision. In this instance the

⁸ Ibid., p. 59.

excuses are formidably strong: the amount of money is small, the need is desperate, the injustice great and the programme strictly temporary.⁹

The authors acknowledged that lottery money was not intended for this type of funding, but excused this by stressing the scheme's temporary nature and the necessity for its existence. Neither party condemned the breach of the 'additionality' principle, which was supposed to have been fundamental to the Lottery's introduction.

Even though the Grants for Dance and Drama Students breached the principles of the Lottery, FitzHerbert, Rhoades and Newton all provided a great deal of support for a scheme worth a bare £3 million of lottery funds. To put the Dance and Drama Student scheme in perspective, the Film Franchises, which the ACE originally intended for four companies, cost the Lottery over £95 million for three franchises, and received only a brief mention in the *Yearbook*:

There has been some doubt in the industry over the long term effectiveness of the grants for the production of individual films. As a result, the Arts Council has decided to experiment with the grant of four "franchises" for a complete slate of films.¹⁰

The legitimisation of the Grants for Dance and Drama Students scheme was, therefore, disproportionate to its size, suggesting that they expected that the student grants possessed the greatest potential for criticism.

Newton admitted that the ACE introduced the Grants for Dance and Drama Students scheme for a strictly temporary period to 'plug a gap' in arts funding. Their temporary nature is, however, something that the four cancelled pilots have in common, suggesting that the ACE were in the process of temporarily plugging many gaps in arts funding. The ACE may have instituted these schemes to give them time to establish new procedures for the distribution of arts lottery funds, or to find other means to support the activities. The pilot schemes' temporary nature support this 'plugging of gaps' hypothesis, as does the premature termination of the A4E schemes despite their popularity.

The *National Lottery Yearbook 1997* authors' review of the arts councils' lottery funding in 1996 describes the gap that the ACE may have intended the new Stabilisation programme to fill: while 'the Arts Council denies that they are simply "bailing out" organisations that have got into financial difficulties, this is in fact the

⁹ Ibid., p. 60.

¹⁰ Ibid., p. 66.

main part of what they are doing. It is also what needs doing'.¹¹ The daily press had previously criticised the arts councils for creating a capital glut of funds while companies slid into bankruptcy for want of revenue funding: the Stabilisation scheme answered that criticism.¹² Another interpretation of FitzHerbert and Rhoades' support of the Stabilisation scheme is that the authors were condoning the use of lottery money as a substitute or top-up for government spending. The government had been lowering their grant-in-aid contributions for a number of years, but, as described in chapter 4, the press portrayed the lack of revenue funds as a fault of the arts councils' lottery distribution. The new Stabilisation pilot scheme aimed to put fifteen organisations on a better financial footing, helping companies that grant-in-aid should perhaps have supported. The ACE's Stabilisation awards, therefore, compensated for a neglect that was not of the arts councils' making. The Stabilisation scheme, however, would increase rather than reduce the overall need for government subsidy in that the companies would continue to exist, and continue to require grants. The Stabilisation scheme offered professional advice and one-off grants to improve the chosen institution's stability, but did not take over the government's long-term revenue commitments to these companies. The government still had to supply funding, but with the difference that the aided company would have more chance of remaining solvent.

The plans of all five schemes received approbation from FitzHerbert and Rhoades, who portrayed the pilots as the potential saviours of arts distribution, by broadening access, improving regional distribution and lowering grant sizes. Stabilisation was intended to save failing arts companies, Film Franchises would save the British film industry, Grants for Dance and Drama Students would prevent a crisis caused by a lack of government funding and A4E would improve access. FitzHerbert and Rhoades did not question the propriety of the ACE taking this action, despite the problem that the schemes could be considered as substitutes for government spending.

New Directions

The new pilot schemes conflicted with the secretary of state's direction 4:

The Arts Council must distribute money for capital expenditure on projects. It can only distribute money as endowments or revenue grants

¹¹ Ibid., p. 60.

¹² For example, Richard Morrison, 'New lottery same old winners,' *Times*, 9 November 1993, p. 31.

where such costs are associated with a capital project which has received or expects to receive money, [and] the project would otherwise not be completed because there is no other source of finance.

The Stabilisation scheme also funded organisations that could not fulfil the fifth direction, concerning demonstrating their financial stability for a reasonable period. Failure to comply with the secretary of state's directions broke the conditions of the act, and consequently the law. The secretary of state had to rewrite the directions in order for the ACE to introduce the pilot schemes.

The secretary of state introduced five new directions, three of which relate to the new schemes:

12 Notwithstanding 4 above, the Arts Council should consider the desirability of developing talents, skills and creative abilities, particularly amongst young people. This must be done in a way which avoids long-term commitments that could limit the amount available for future capital projects.

13 . . . the Arts Council should facilitate access to and participation in the arts, in a way which avoids long-term commitments that could reduce the amount available for future capital projects. . .

14 . . . the Arts Council should support the development of the long-term financial and managerial capacity of arts organisations. This should be done through a review of an organisation's artistic purposes and operations conducted by it with the aid of an independent person(s) approved by the Arts Council. This must be done in a way which avoids long-term commitments that could reduce the amount available for future capital projects.¹³

The new directions accommodated the pilot schemes and contained requirements for the arts councils, couched in terms to prevent future problems such as those already encountered in the distribution of capital arts grants. Each of the directions made way for the new schemes: directions 12 and 13 allowed for Grants for Dance and Drama Students and the new A4E schemes, while direction 14 authorised the introduction of the Stabilisation programme. The passage in direction 13, 'the Arts Council should facilitate access to and participation in the arts', is particularly important as it changes the fundamental purpose of arts lottery funding. In previous directions the secretary of state had only referred to the needs of building projects, so this direction is a significant turning point in the way that the government expected lottery money to benefit the public.

¹³ Arts Council of England, *Annual Report 1996/97* (London: Arts Council of England, 1997), pp. 124-5.

All three directions specify that the arts councils should avoid long-term commitments, to safeguard all concerned against pledges that might hinder changes in legislation. This repetition suggests relevance, but the report supplies no definition of 'long-term'; the directions fail to specify whether the six-year film franchises were a long-term commitment. The report mentions the Film Franchises under direction 9 regarding the need for projects relating to film, but there is no statement concerning time scales and implementation. Since neither the secretary of state nor the ACE defines long-term, both parties appear to have accepted six years as short-term. Six years will see the franchises not only into a new millennium, but also into a new lottery operator-licensing period. Changes in government and legislation might exclude the arts from their status as a Good Cause at any time in that six years, which would imply that the ACE should have considered franchises as a long-term commitment.

As well as condemning the arts councils' distribution, the daily press had criticised the ACE for misusing funds to support particular vested interests, citing the Royal Opera House as a prime example. They had also accused the ACE of using allegedly excessive amounts of money for administration. The secretary of state implemented two new directions relating to these allegations:

17. The Arts Council should institute a system for project monitoring and evaluation for capital and revenue schemes supported with Lottery funds.

18. The Arts Council must provide a detailed breakdown of its Lottery administration costs at the end of the financial year.¹⁴

Direction 17 created the necessity for the arts councils to monitor their distribution and, presumably, act upon the information they collected, and direction 18 focussed the arts councils' attention on their administration costs. These directions aimed to alert the arts councils to their performance, so that they could take corrective action and pre-empt negative press comment, thus helping to protect their integrity.

Stabilisation Scheme

The Stabilisation programme was the first pilot scheme introduced by the ACE following the poor publicity surrounding the Royal Opera House award. The ACE launched the scheme in September 1996, stating in their annual report that it aimed to

¹⁴ Arts Council of England, *National Lottery Report 1996/97* (London: Arts Council of England, 1997), pp. 14-18.

‘strengthen arts organisations creatively, managerially and financially’.¹⁵ According to the report, the scheme would place specialist advisors in the organisation for four months to develop long-term solutions to reduce liabilities. The ACE was then to award funds so that the company could implement the suggested solutions. The ACE initially allocated £15 million to the scheme, which they claimed would benefit fifteen organisations over a three-year period.

In the first eighteen months of lottery distribution, the daily press criticised the arts councils for distributing large amounts of money to revamp and renovate buildings, while many companies faced closure due to a lack of revenue. FitzHerbert and Paterson, in the *National Lottery Yearbook 1998*, referred to this situation as ‘capital feast and revenue famine’.¹⁶ The original policy directions did not permit the use of lottery capital funding to fund organisations in precarious financial situations. Such companies, therefore, could not receive either revenue or capital funds from the Lottery, despite their status as arts institutions. The Stabilisation scheme was intended to respond to this need for revenue funding by selecting fifteen needy companies, and placing them on a sound financial footing from which they could develop and prosper, and perhaps eventually receive capital funding.

In the *Annual Report 1996/97*, the ACE declared that they hoped to ‘test the programme with different types of arts organisations, of different sizes, around England’.¹⁷ The announcement addressed the three main accusations previously levelled by the press and pre-empted possible criticisms. The ACE tackled ‘elitism’ by sponsoring different art types, flagship bias by including small and large companies and geographical bias by choosing companies from all over England.

In January 1997, the ACE chose fifteen companies and consortia from 129 applications, which were to receive stabilisation advice and perhaps funding. The number of recipients eventually reduced to the thirteen organisations shown in table 49. Two consortia appeared on the original lists (the Bristol City Consortium and the Hampshire County Arts Centres Consortium), but were subsequently omitted from future publicity by the ACE.¹⁸ Both consortia were based outside the London region and would have improved distribution statistics in terms of a wider regional spread.

¹⁵ Ibid., p. 15.

¹⁶ For example, Morrison, ‘New lottery same old winners,’ p. 31.

¹⁷ FitzHerbert and Paterson, *National Lottery Yearbook 1998*, p. 41.

¹⁸ Arts Council of England, *National Lottery Report 1996/97*, p. 15.

Table 49. Stabilisation scheme (pilot stage) grants.

Recipient	Art form	Region	Value (£)
Birmingham Repertory Theatre Ltd	Drama	West Midlands	5,773,000
Blackheath Concert Halls	Music	London	1,150,000
Bournemouth Orchestras	Music	Southern	3,182,000
Cinema City, Norwich	Film	Eastern	385,272
Embroiderers' Guild	Visual Arts	South East	485,301
English National Opera	Music	London	4,500,000
Inner City Music	Music	North West	530,260
The Junction	Combined Arts	Eastern	474,013
Leeds Theatre Trust Ltd. ^a	Drama	Yorkshire & Humber	2,645,000
London Symphony Orchestra	Music	London	868,000
Northern Sinfonia	Music	Northern	1,691,781
Sheffield Museums and Galleries	Visual Arts	Yorkshire & Humber	1,098,377
Tara Arts Group	Drama	London	605,534
Total			23,388,538

Sources: Department of Culture, Media and Sport (DCMS) website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

^a The ACE awarded two stabilisation grants to the Leeds Theatre Trust Ltd: one for £591,000 awarded on 17 September 1997 and another for £2,054,000 awarded on 31 January 1998.

Despite the cancellation of two of the recipients, the scheme went over budget by £8,388,538, approximately 56% of the original amount offered by the ACE. The Birmingham Repertory Theatre received the largest share of the funds, and although London received the second largest award, the Southern, Yorkshire and Humber and Northern regions had the third, fourth and fifth highest awards respectively. London therefore did not monopolise the largest awards under this scheme, but still received the majority of the number of grants and money from the Stabilisation scheme (see figure 30).

Region	E	EM	L	N	NW	S	SE	SW	WM	YH
Number of grants	2	0	4	1	1	1	1	0	1	2

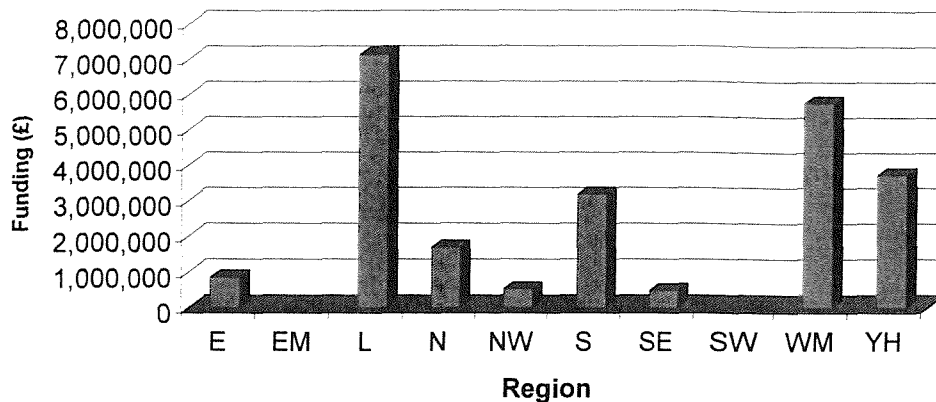


Figure 30. *Stabilisation scheme (pilot stage) grants and funding by region.*
E = Eastern, EM = East Midlands, L = London, N = Northern, NW = North West,
S = Southern, SE = South East, SW = South West, WM = West Midlands,
YH = Yorkshire and Humber.

The West Midlands, although receiving over £5 million, did so through only one grant. Attracting four of the thirteen awards and most money, London dominated the Stabilisation awards, with 32% of Stabilisation funds received by companies in London (more than double the amount it would have received in a strict allocation by proportion of the population). With two regions receiving no grants there is little doubt that regional equity was not achieved, despite the ACE's promise of region-wide benefits. However, the ACE promised that they would select companies from all over England, and figure 30 demonstrates that many regions received awards. Table 49 also shows that the ACE awarded varying amounts of money, suggesting varying company sizes, which met yet another of the ACE's assurances.

The Stabilisation scheme was to be the only pilot scheme that developed into a full programme. If the ACE initially knew this, establishing equity may not necessarily have been the primary goal of the scheme, as this would be difficult to achieve when distributing only thirteen grants of differing sizes to ten regions. The ACE may therefore have used the pilot stage to sample the responses of different types of organisations.

The five most successful art forms highlighted in chapter 3 ('Combined Arts', 'Drama', 'Film', 'Music' and the 'Visual Arts') were the only ones to receive Stabilisation grants. Figure 31 shows the amounts awarded to each:

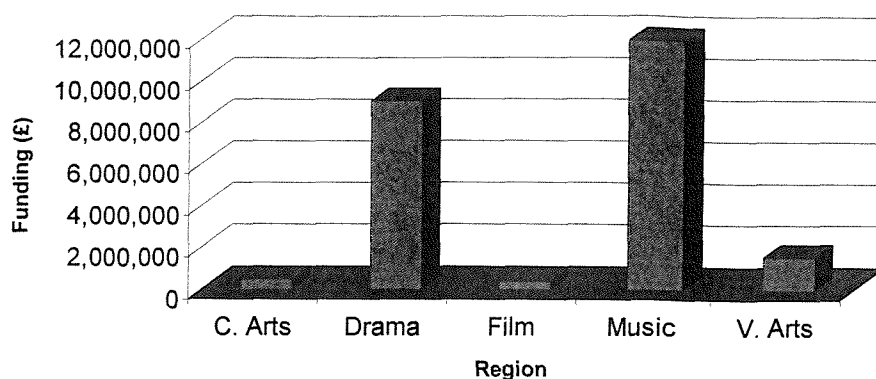


Figure 31. *Stabilisation scheme (pilot stage) funding by genre.*
C. Arts = 'Combined Arts', V. Arts = 'Visual Arts'.

'Drama' and 'Music' were the greatest beneficiaries of this scheme, attracting approximately 90% of the funds between them. Although awards to the 'Combined Arts' were popular in other countries, the lower amounts awarded by the ACE under the Capital scheme is echoed in the Stabilisation scheme.

The countrywide spread of Stabilisation grants show a number of regional beneficiaries, but the clear winner was still London. The distribution by genre also favoured 'Music' and 'Drama', indicating that the statistics from the Stabilisation scheme mimicked those of the capital awards, despite their differing aims. The results of the Stabilisation scheme therefore reinforce any inequity of distribution by region and genre rather than smoothing any perceived imbalances created by the capital awards.

Film Franchise Scheme

In October 1996, one month after the announcement of the Stabilisation programme, the ACE introduced the Film Franchise scheme. The ACE publicised the scheme as a collection of four commercial film franchises for four companies each to produce between sixteen and thirty-nine films. The scheme intended to increase the number of British films and the potential of the industry within this country. The introduction of this scheme countered Baroness Birk's predictions that the arts councils would neglect this medium in their allocation of lottery awards.¹⁹ FitzHerbert and Rhoades suggested that the ACE intended the establishment of this scheme to dispel such ideas:

¹⁹ *Hansard Parliamentary Debates*, Lords, 5th ser., vol. 547 (1993), col. 1569.

There has been some doubt in the industry over the long term effectiveness of the grants for the production of individual films. As a result, the Arts Council has decided to experiment with the grant of four 'franchises' for a complete slate of films.²⁰

With over £95 million committed to this scheme, it is difficult to criticise the ACE for failing to support film as an art form. Film is a more universally acceptable art form than, for example, opera or ballet, which carry the stigma of being 'elitist'.²¹ Film's acceptability and accessibility to the nation also deflected any criticisms and publicity regarding regional bias, such as the complaints the Art Council may have encountered with its other schemes. This scheme was, therefore, a shrewd move on the part of the ACE, eliminating the criticisms by the film industry with little danger of creating further antagonism, either regionally or artistically.

By the closing date in February 1997, there were thirty-seven applications for the Film Franchise scheme. According to the *National Lottery Report 1996/97*, the selection criteria required that the applicants prove 'their ability to: produce quality films; demonstrate commercial effectiveness in their use of Lottery funds; and ensure public access to their input'.²² Ensuring 'public access to their input' is an ambiguous phrase that suggests many possibilities, such as having an open film set, open auditions or master classes in filmmaking, and there is no evidence of how successful companies fulfilled this criterion.

The ACE awarded three six-year film franchises for the development, production and marketing of films, reporting that the other thirty-four bids were 'not of sufficient quality'.²³

The Film Consortium	£33,550,000
Pathé Productions	£33,120,000
DNA Film Ltd	£29,000,000. ²⁴

The arts councils do not classify films by region, so in their statistics these grants would contribute only to the genre figures, rendering an analysis of this scheme meaningless unless compared against the entire genre distribution of arts lottery money. Film awards are categorised by region in the DCMS database, but these grants

²⁰ FitzHerbert and Rhoades, *National Lottery Yearbook 1997*, p. 66.

²¹ For clarification of 'elitist' art forms, see chapter 4, 'The Investigation of Bias', p. 161.

²² Arts Council of England, *National Lottery Report 1996/97*, p. 12.

²³ Nigel Reynolds, 'Films win £92m on lottery,' *Electronic Telegraph*, 16 May 1997, p. 1.

²⁴ FitzHerbert and Paterson, *National Lottery Yearbook 1998*, p. 47. The Film Franchise awards were not available in the DCMS database. The *National Lottery Yearbook 1998* provided the details of the Film Franchise awards.

were not included within the DCMS data for this period. A possible reason for this may have been due to the applicants claiming funds retrospectively, making the awards fall outside the period of this study. They are therefore not included within this analysis, but this significant boost to the 'Film' category's finances complicated any perception that 'Film' had been neglected in the other schemes' distribution statistics.

Grants for Dance and Drama Students

The ACE announced officially the Grants for Dance and Drama Students scheme in March 1997, but the existence of the scheme had been rumoured since February 1996.²⁵ The ACE publicised the programme as a four-year scheme instituted to reduce the tuition costs for the professional training of dance, drama and stage management students at independent colleges.

The ACE awarded funds directly to twenty-two private institutions rather than to individuals, with two intakes of students intended to benefit for the duration of their three-year courses. The ACE allocated £3 million of lottery money to this scheme, which part-funded 854 student places at the following colleges:

Name	Region	Genre
Arts Educational Schools	London	C. Arts
Academy of Live and Recorded Arts	London	C. Arts
Bristol Old Vic Theatre School	Bristol	Drama
Birmingham School of Speech and Drama	Birmingham	Drama
Central School of Ballet	London	Dance
Doreen Bird College of Performing Arts	Kent	C. Arts
Elmhurst Ballet School	Surrey	Dance
English National Ballet School	London	Dance
Guildford School of Acting	Surrey	Drama
Hammond School	Chester	Dance
London Academy of Music and Dramatic Art	London	C. Arts
London Contemporary Dance School	London	Dance
London Studio Centre	London	C. Arts
Laban Centre for Movement and Dance	London	Dance
Laine Theatre Arts	Epsom	Drama
Merseyside Dance and Drama Centre	Liverpool	C. Arts
Mountview Conservatoire for Performing Arts	London	C. Arts
Northern Ballet School	Manchester	Dance
Oxford School of Drama	Woodstock	Drama
Royal Academy of Dancing	London	Dance
Royal Academy of Dramatic Art	London	Drama

²⁵ N.a., 'Lottery cash may bridge the gap,' *Times Educational Supplement*, 9 February 1996, p. 23; and Dalya Alberge, '£25m help for dance and drama hopefuls,' *Times*, 14 October 1996, p. 5.

Twelve of the colleges are in London and three in Surrey, indicating a partiality for the London region. The ACE has not published information regarding the number of grants, amount of funds awarded to each institution or information on whether student places were residential (and therefore open to all of Britain's students).²⁷ Had the information been available, however, its analysis may have been misleading, because the training of students does not directly affect public access to the arts until they are qualified and performing around the country. It is also difficult to determine the percentage of funds awarded to each art form. The numbers of successful 'Combined Arts', 'Dance' and 'Drama' institutions are reasonably equal, but further conclusions on distribution cannot be made without information on the number of awards, the financial value granted to each institution and the eventual occupation of the students receiving the grants.

The ACE implied in their annual report that payment of students' fees was the government's responsibility. Central government contributed to this initiative, but with only part of the money, when according to the ACE they should have been funding the entire project. According to the *Lottery Report*, the scheme was 'designed to bridge the gap until the government [found] a more equitable and permanent means of supporting training for dance and drama students'.²⁸ The Lottery therefore supported government spending shortages with this scheme, a situation that the members of Parliament who set up the act could have condemned. Had the ACE not helped the students in a time of cash crisis, however, they would have suffered for want of a relatively small sum compared to that allocated to the Capital scheme. The Grants for Dance and Drama Students scheme, therefore, showed the flexibility of the ACE in distributing lottery funds when arts requirements changed. The scheme addressed a major problem, maybe at the expense of lottery funding, but not at the expense of Britain's forthcoming artists.

²⁶ FitzHerbert and Paterson, *National Lottery Yearbook 1998*, p. 47. The Dance and Drama Student Grant information was not available from the DCMS database. The *National Lottery Yearbook 1998* provides only the names of the institutions where Dance and Drama Students were receiving grants.

²⁷ Information on dance and drama student grants was not available from any of the following sources at the time of writing: ACE; the DCMS; and the *National Lottery Yearbooks*.

²⁸ Arts Council of England, *National Lottery Report 1996/97*, p. 14.

A4E Express and Main Schemes

The ACE announced the A4E initiatives in November 1996. The two schemes, A4E Main and A4E Express, offered one-off revenue grants to groups and organisations creating what the ACE described as ‘new work’.²⁹ The aims of the schemes, according to the publicity literature accompanying the application forms, were to increase:

- 1 opportunities to create new work
- 2 opportunities to reach new audiences
- 3 opportunities for people in all walks of life to participate in arts and cultural activities – possibly for the first time
- 4 above all, opportunities for young people to realise their creative potential.³⁰

Aims two and three have an explicit emphasis on widening participation. The name of the schemes, ‘Arts for Everyone’, also draws attention to access and the availability of arts to all people, the constant repetition of this theme reminding all of the reason for the schemes’ introduction.

Grants for both schemes started at £500, with Express grants ranging up to £5,000 and Main awards up to £500,000. Any youth, voluntary, amateur or professional group in England could apply for either scheme although, as with capital grants, the schemes prohibited the awarding of grants to individuals. The A4E schemes were open to the full range of art forms, and the ACE described their purpose as being ‘to refresh the arts other funding schemes cannot reach’, an acknowledgement that the ACE was covering a previously neglected area of demand.³¹

The A4E Express scheme, which began in November 1996, was run for a trial period of nine months. The Express scheme mainly targeted youth, voluntary and small professional groups with ideas for creative arts projects. In order to receive funding, the applicants had to satisfy only one of five criteria set by the ACE to assess the applications of both the A4E schemes. The criteria required that the projects were for:

- 1 Encouraging and developing participation in arts activity
- 2 Getting more young people actively involved in arts and cultural activities

²⁹ Arts Council of England, *Arts 4 Everyone Express* (London: Arts Council of England, 1996), p. 1.

³⁰ Arts Council of England, *Arts 4 Everyone* (London: Arts Council of England, 1997), p. 1.

³¹ *Ibid.*, p. 1.

- 3 Supporting new work and helping it develop its audience
- 4 Building people's potential through training or professional development
- 5 Encouraging new audiences to experience high quality arts activity.³²

The ACE's publicity material specified that applicants would require two referees to prove the existence of both the group and the project. One of the referees had to be from 'a formally constituted organisation, such as a local council or theatre'. The other had to be 'someone who knows your group – for example a youth worker or local councillor – but one who will not benefit from the grant'.³³ The use of referees in this scheme decreased the workload of the assessors, a necessary factor for a programme dealing with numerous applications for relatively small amounts of money.

The application deadlines for the Express scheme were 31 January 1997 and 30 April 1997. The ACE publicised that they would announce the results eight weeks after the submission dates, although the dates in the DCMS database indicate that some grants were announced after the predicted time. For Express grants, applicants had to supply 10% partnership funding, 5% of which had to be in funds while the rest could be in kind (where the contributors provide materials and services rather than money). The conditions of the grant specified that applicants could spend up to 20% on overheads and administration and up to 25% on equipment directly related to the project, preventing applicants from using all the money to benefit their group rather than the project.

The A4E Main programme offered one-off projects sums up to £100,000 and ongoing projects could apply through a more rigorous selection process for sums up to £500,000. The submission deadlines for the Main scheme were 28 November 1997 and 31 March 1998, with assessment announcements planned for the end of April and September 1998, although, as for A4E Express scheme, the ACE stretched the decision deadlines. The A4E Main grants had to satisfy three of the criteria used to judge all of the A4E applications, rather than just one as in the A4E Express scheme. The partnership funding requirements for A4E Main projects applying for below £100,000 were identical to those for the Express scheme, but for grants over £100,000 the ACE required that applicants provide at least 15% of the project costs, with 10%

³² Arts Council of England, *Arts 4 Everyone Express*, p. 2.

³³ *Ibid.*, p. 3.

in financial contributions. The restrictions on administration and overheads remained at 20% for all A4E projects, and the limit of 25% for capital equipment continued to apply, but with a ceiling at £15,000.

The A4E Express scheme was more popular than expected, with the ACE receiving over twelve thousand applications, of which approximately 5,300 obtained grants.³⁴ According to FitzHerbert and Paterson, the ACE, 'faced with the impossibility of distinguishing fairly between thousands of excellent applications, simply increased its budgets and gave a grant to all applicants that met its technical requirements and fulfilled at least one of the criteria'.³⁵ This implied that the unsuccessful applicants did not fulfil the ACE's requirements and criteria, and appears to exonerate the selection committees from responsibility for the distribution of grants across regions and genres.

A4E Distribution by Region

The ACE commissioned a report from Annabel Jackson Associates, an arts consultancy company, to assess the demand for, and running of, the A4E Express scheme. The report described how the pressures of application numbers altered the assessment process.

Two thirds of all applications were recorded in the system in the two weeks around the deadlines. [That] the majority of applicants waited until the last moment to submit their applications concentrated processing work into a short period of time . . .

The Arts Council responded to this enormous pressure through adopting a production line system. Innovations such as the use of bar-coding and scheduling charts fitted well.³⁶

The partial automation of the assessment process limited the potential for intentional bias towards certain grant types, such as for applications from London or for 'elitist' art forms. The magnitude of the scheme and the small size of the awards precluded extensive direct contact with assessors and reduced the likelihood of corruption occurring.

³⁴ FitzHertbert and Paterson, *National Lottery Yearbook 1998*, p. 30.

³⁵ *Ibid.*, p. 30.

³⁶ Annabel Jackson Associates, *Evaluation of the Arts for Everyone Express Scheme: Final report to the Arts Council - Central Report* (London: Arts Council of England, 1997) p. 4. The Annabel Jackson Associates report aimed to determine how well the A4E Express scheme met its objectives, the division of labour between the arts councils, regional arts boards and the local authorities, and the success of the scheme at attracting partnership funding.

The restricted size of Express awards played an important part in the equity of distribution across the country, because the £5,000 limit predetermined that London's grants could not be larger than grants awarded to other regions. The reduction of human contact in the assessment procedures and the £5,000 limit gave the A4E Express scheme the greatest possibility of being regionally and artistically equitable according to the distribution of applicants across the country. Therefore, if distribution of the population was roughly equal to the distribution of arts companies across the country (assuming that on average the same percentage of companies across the regions applied for A4E), A4E Express had the greatest chance of producing distribution statistics equivalent to the distribution of the population.

Table 50 shows that the distribution of grants across the regional arts boards appears more even than the first year of distribution under the Capital scheme. For example, rather than receiving around 50% of the money, London received only 17.6%, and the margin between the various regions' financial percentages varied by 10.9% rather than by between 40% and 50% (see table 3). Unlike the Capital scheme, the average grant sizes were roughly the same across the regions, and the percentage of money awarded to a region was within 1.2% of the percentage of the number of grants allocated. This was due to the restricted grant sizes, with the majority of awards being for approximately £5,000. London, for example, did not receive a much greater percentage of the funds than it did number of grants, because there were no larger grants available to focus on London. However, London did attract the greatest margin between its distribution statistics (1.2%), showing this region's tendency to attract awards with a higher average grant size than other regions.

Table 50. A4E Express grants by region.

Region	No.	%	Value (£)	%	Equity
East Midlands	364	6.9	1,469,874	6.9	7.0
Eastern	483	9.1	1,904,525	8.9	12.0
London	869	16.4	3,781,840	17.6	14.3
North West	423	8.0	1,730,340	8.1	13.3
Northern	287	5.4	1,061,193	4.9	6.3
South East	374	7.0	1,493,150	7.0	8.3
South West	531	10.0	2,042,675	9.5	8.0
Southern	473	8.9	1,785,771	8.3	9.7
West Midlands	904	17.0	3,811,369	17.8	10.9
Yorkshire & Humber	575	10.8	2,278,298	10.6	10.3
Other	23	0.4	90,334	0.4	0.0
Total	5306	100.0	21,449,369	100.0	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: In this table, the 'Other' category relates to grants awarded to projects within the boundaries of Scotland, Wales and Northern Ireland. 'Equity' is a theoretical value calculated from the percentage of the population residing in each area. Percentages calculated to one decimal place.

A notable feature of the distribution of A4E Express was that the West Midlands, rather than London, gained the highest percentages of money and numbers of grants. The West Midlands includes Birmingham, the second largest city in England, which perhaps explains the dominance of this region.

The increased potential for the larger-valued awards and the addition of further assessment criteria created a more complex assessment procedure for the A4E Main scheme, than for the Express. The A4E Main applications required more personal input and judgement from assessors than A4E Express, creating a system susceptible to the biases inherent in the capital grant assessment system. The increased number of criteria also created more favourable conditions for companies well versed in lottery application systems, such as those that had already received capital grants. This again invited similar biases to those of the Capital scheme.

The A4E Main distribution statistics in table 51 show that the margin between the percentage of money awarded and the percentage of the number of grants received by institutions in London was greatest, indicating high levels of fluctuating grant sizes. The grants were on average larger than those awarded to other parts of the country. The other regions were allocated smaller awards, and thus their percentage grant value statistics are lower than the percentage grant number statistics. The West Midlands region, however, as in the case of distribution by the Stabilisation and A4E Express schemes, showed greater percentage grant values compared to percentage

grant number, which suggests that A4E Main grants, as well as Stabilisation and Express awards, gravitated towards the cities.

Table 51. A4E Main grants by region.

Region	No.	%	Value (£)	%	Equity
East Midlands	63	8.6	4,418,972	7.5	7.0
Eastern	51	7.0	4,091,859	7.0	12.0
London	159	21.7	17,520,569	29.9	14.3
North West	75	10.2	4,803,251	8.2	13.3
Northern	70	9.5	3,670,323	6.3	6.3
South East	65	8.9	3,838,154	6.6	8.3
South West	63	8.6	4,192,148	7.2	8.0
Southern	48	6.5	3,850,048	6.6	9.7
West Midlands	56	7.6	5,651,503	9.6	10.9
Yorkshire & Humber	81	11.1	6,399,164	10.9	10.3
Other	2	0.3	131,539	0.2	0.0
Total	733	100.0	58,567,530	100.0	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: In this table, the 'Other' category relates to grants awarded to projects within the boundaries of Scotland, Wales and Northern Ireland. 'Equity' is a theoretical value calculated from the percentage of the population residing in each area. Percentages calculated to one decimal place.

The concentration of awards on cities is to some extent understandable, since a large population creates an increase in demand for artistic activities. Whether the allocation of awards is in proportion with the population residing in an area is shown by the grant per head of population statistics (see tables 52 and 53). The Express scheme's grant per head of population, although small, varies from 27 pence in the North West to 72 pence in the West Midlands, with the average amount for all of England calculated as 44 pence.

Table 52. A4E Express grants per head of population by region.

Region	Population		Lottery grants awarded		Grant/Pop. (£)
	No. (000s)	%	Value (£)	%	
East Midlands	3,424	7.0	1,469,874	6.9	0.43
Eastern	5,870	12.0	1,904,525	8.9	0.32
London	7,007	14.3	3,781,840	17.6	0.54
North West	6,497	13.3	1,730,340	8.1	0.27
Northern	3,095	6.3	1,061,193	4.9	0.34
South East	4,057	8.3	1,493,150	7.0	0.37
South West	3,895	8.0	2,042,675	9.5	0.52
Southern	4,723	9.7	1,785,771	8.3	0.38
West Midlands	5,306	10.9	3,811,369	17.8	0.72
Yorkshire & Humber	5,031	10.3	2,278,298	10.6	0.45
Other	-	-	90,334	0.4	-
Total	48,903	100.0	21,449,369	100.0	0.44^a

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and Office for National Statistics, *Regional Trends 32: 1997 Edition* (London: Stationary Office, 1997), pp. 165-73.

Notes: Population figures calculated from the Office for National Statistics figures for each district. The total population figure does not add up to the exact figure shown because of the rounding process used by the statistical office. Grant per head of population is a value calculated by dividing the amount of money awarded to a region by the number of its inhabitants. Percentages calculated to one decimal place. 'Grant/Pop.' calculated to two decimal places.

^a Average A4E Express grant per head of population in England.

Figure 32 shows the A4E Express grants per head of population compared to equitable distribution set at 100%. If the average of 44 pence is set to 100%, the distance between the most extreme values is between 61% and 164%. This is not an immense difference when compared with the first year statistics of the Capital scheme, but it is significant enough to show that both London and the West Midlands received more funds than can be justified by their population. Every region received over 50% of an equitable allocation by head of population with the North West receiving least from the Express scheme, with only 27 pence per person (see table 52). London and the South West both received twice as much as the North West, while the West Midlands received almost triple the amount awarded to the North West. The ACE awarded more than the average grant of 44 pence per head of population to four regions (London, South West, West Midlands and Yorkshire and Humber), leaving six regions with less than average.

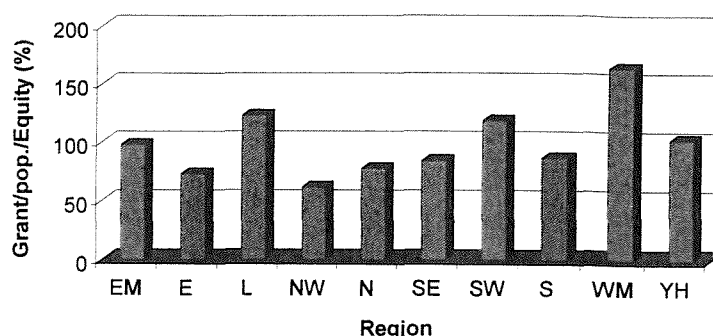


Figure 32. *A4E Express grants per head of population in England compared to equity by region.*

The A4E Main grants per head of population statistics show similar trends to the Capital scheme's statistics (see tables 4 and 53). London received over twice the average grant, while the North West region appeared to be neglected by the ACE and the Eastern region received least.

Table 53. A4E Main grants per head of population by region.

Region	Population		Lottery grants awarded		Grant/Pop. (£)
	No. (000s)	%	Value (£)	%	
East Midlands	3,424	7.0	4,418,972	7.5	1.29
Eastern	5,870	12.0	4,091,859	7.0	0.70
London	7,007	14.3	17,520,569	29.9	2.50
North West	6,497	13.3	4,803,251	8.2	0.74
Northern	3,095	6.3	3,670,323	6.3	1.19
South East	4,057	8.3	3,838,154	6.6	0.95
South West	3,895	8.0	4,192,148	7.2	1.08
Southern	4,723	9.7	3,850,048	6.6	0.82
West Midlands	5,306	10.9	5,651,503	9.6	1.07
Yorkshire & Humber	5,031	10.3	6,399,164	10.9	1.27
Other	-	-	131,539	0.2	-
Total	48,903	100.0	58,567,530	100.0	1.20^a

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and Office for National Statistics, *Regional Trends 32: 1997 Edition* (London: Stationary Office, 1997), pp. 165-73.

Notes: Population figures calculated from the Office for National Statistics figures for each district. The total population figure does not add up to the exact figure shown because of the rounding process used by the statistical office. Grant per head of population is a value calculated by dividing the amount of money awarded to a region by the number of its inhabitants. Percentages calculated to one decimal place. 'Grant/Pop.' calculated to two decimal places.

^a Average A4E Main grant per head of population in England.

The differences between the A4E Express and Main schemes' distribution are highlighted in figures 32 and 33. Figure 33 shows a far more disproportionate amount awarded to London during the course of the Main scheme. If London is temporarily

disregarded from the Main statistics, however, the remaining values are comparatively close. In figure 32, the West Midlands received the highest proportion, but even if this value were removed, the chart would still show uneven regional distribution. The distribution in figure 33 begins with a similar trend to that of figure 32, but on the whole, with the exception of London, suggests a more even distribution than the Express scheme, despite the potential for biasing influences within its assessment procedures.

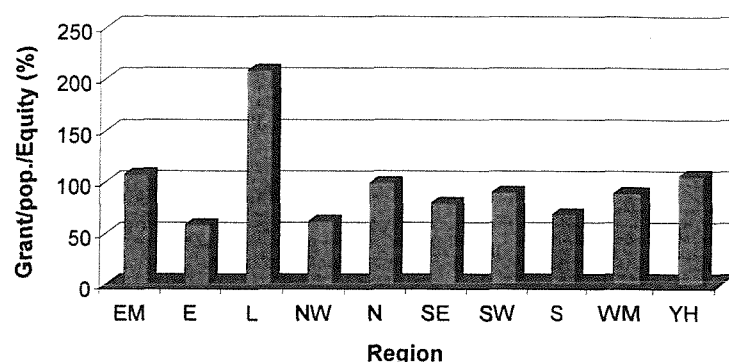


Figure 33. *A4E Main grants per head of population in England compared to equity by region.*

The true test of the equity of the A4E schemes' distribution is to analyse whether the statistics compare favourably with those of the Capital scheme, which the daily press berated as being biased and uneven. In order to compare schemes with differing grant sizes and numbers it was necessary to calculate percentage differences, because percentages are more amenable to interpretation than absolute values. The results of these calculations for the numbers of grants distributed by the Capital, A4E Express and A4E Main schemes to each regional arts board are represented in table 54, together with the population figures and relative percentages. The capital grant distribution figures relate to the first three full years of arts awards, but those for A4E count for the schemes in their entirety. The values in bold type in table 54 signify the distribution percentages closest to the percentage of the population residing in that region.

Table 54. Numbers of A4E and capital awards compared to population by region.

Region	Population		Capital		A4E Express		A4E Main	
	No. (000s)	%	No.	%	No.	%	No.	%
East Midlands	3,424	7.0	105	5.6	364	6.9	63	8.6
Eastern	5,870	12.0	176	9.4	483	9.1	51	7.0
London	7,007	14.3	380	20.3	869	16.4	159	21.7
North West	6,497	13.3	208	11.1	423	8.0	75	10.2
Northern	3,095	6.3	161	8.6	287	5.4	70	9.5
South East	4,057	8.3	118	6.3	374	7.0	65	8.9
South West	3,895	8.0	161	8.6	531	10.0	63	8.6
Southern	4,723	9.7	148	7.9	473	8.9	48	6.5
West Midlands	5,306	10.9	220	11.7	904	17.0	56	7.6
Yorkshire & Humber	5,031	10.3	192	10.2	575	10.8	81	11.1
Other	-	-	5	0.3	23	0.4	2	0.3
Total	48,903	100.0	1874	100.0	5306	100.0	733	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and Office for National Statistics, *Regional Trends* 32, pp. 165-73

Notes: The total population figure does not add up to the exact figure shown because of the rounding process used by the statistical office. Capital grant figures relate to the grants awarded up to 31 March 1998. A4E Express and Main results relate to the schemes in their entirety. Bold text entries indicate the scheme with the closest percentage distribution of the number of grants to the percentage of the population residing in that region. Percentages calculated to one decimal place.

The bold values show that the distribution of the A4E Express scheme was not always the closest to an equitable regional distribution by percentage of the population. The distribution of A4E Express was the closest to equity for the East Midlands, London, Northern, and Southern regions, and the Main scheme's distribution was closest to equity for the South East and South West. The Capital scheme was closest for the Eastern, North West, West Midlands, Yorkshire and Humber regions and awarded an equal percentage with the Main scheme for the South West. This method of analysis for the grant numbers presents the Capital scheme as the most equitable for the majority of the regions, despite accusations of unfair distribution. This suggests that the ACE did not neglect the regions as far as accepted applications were concerned.

From table 54 it is difficult to see how much each region received relative to an equitable allocation by percentage of population from each scheme. Figure 34 shows the differences in the numbers of awards that each region received by head of population, where 100% represents equitable distribution.

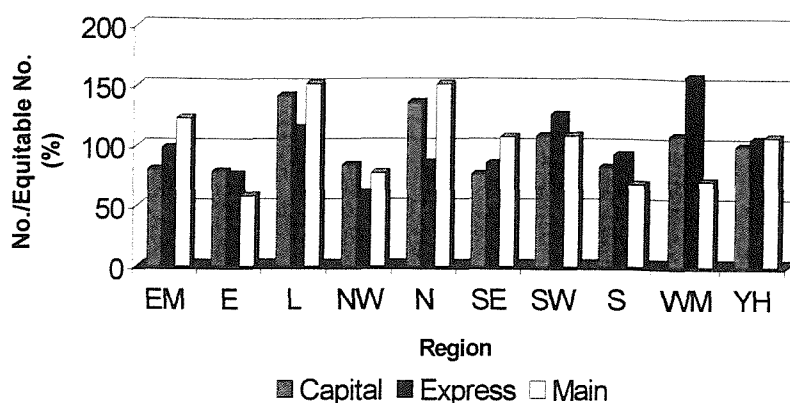


Figure 34. *Number of grants distributed in England compared to equity by region: Capital and A4E schemes compared (capital grants 1995-98).*

London gained a high proportion of grants from both the Capital and Main schemes, while the West Midlands excelled with the Express scheme. The Main scheme awarded a higher percentage of grants to London than the Capital scheme, even in the face of the Royal Opera House controversy. The number of awards received by the West Midlands from the Express scheme, although out of proportion with the population, went unnoticed compared to London, because of the strong image presented by the press that London was receiving most of the arts lottery funds. All of the schemes awarded more grants to London than distribution by percentage of the population would allow, but A4E Main compounded the situation established by the Capital scheme, while the A4E Express scheme reduced this imbalance.

The A4E Express scheme had the potential to profoundly affect the grant number distribution statistics because of the vast number of grants distributed, but the scheme's effect on the amount of money allocated could only be minimal because of its small award sizes. The Main scheme, however, had little effect on the number of awards compared with the A4E Express, but had a greater influence on the grant value statistics distributed to each category. The differences in grant sizes are shown by the average grants per head of population accrued during the distribution of the three schemes (see table 55). While the average person in London received £50.87 from the Capital scheme, they received only 54 pence from the Express scheme and £2.50 from the Main scheme. The data in table 55 shows the regional grant per head of population statistics compared to the average grant per head of population (shown at the foot of each Grant/pop. column), which is set to be 100%. The remaining percentages ('% of av.') in each column show the grant per population values in relation to that average

value. Had the ACE distributed lottery funds by the percentage of population residing in each region, all the percentages would stand at 100%.

Table 55. Value of Grants per head of population in England by region: Capital and A4E schemes compared (capital grants 1995-98).

Region	Capital		A4E Express		A4E Main	
	Grant/pop. (£)	% of av. (%)	Grant/pop. (£)	% of av. (%)	Grant/pop. (£)	% of av. (%)
East Midlands	4.43	25.2	0.43	97.7	1.29	107.5
Eastern	6.19	35.2	0.32	72.7	0.70	58.3
London	50.87	289.0	0.54	122.7	2.50	208.3
North West	16.68	94.8	0.27	61.4	0.74	61.7
Northern	26.45	150.3	0.34	77.3	1.19	99.2
South East	6.21	35.3	0.37	84.1	0.95	79.2
South West	9.96	56.6	0.52	118.2	1.08	90.0
Southern	13.31	75.6	0.38	86.4	0.82	68.3
West Midlands	16.88	95.9	0.72	163.6	1.07	89.2
Yorkshire & Humber	9.05	51.4	0.45	102.3	1.27	105.8
Average	17.60	100.0	0.44	100.0	1.20	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); Office for National Statistics, *Regional Trends* 32, pp. 165-73; and tables 4, 52 and 53.

Notes: Capital grant figures relate to the grants awarded up to 31 March 1998. A4E Express and Main results relate to the schemes in their entirety. Percentages calculated to one decimal place.

Two regions received more from the Capital scheme than a strict regional allocation by population; four had more from the A4E Express scheme; and the Main scheme gave three regions over 100%. None of the regions received below 50% of the equitable allocation from either of the A4E programmes, but three regions (Eastern, East Midlands and South East) received less than this from the Capital scheme. The regions that received least from the A4E schemes were the Eastern and North West regions (the Eastern region also received relatively little over the first few years of capital arts distribution). London received more than 100% from each of the schemes, but the other regions experienced varying success, indicating no significant correlation between the more successful regions and the distribution by all three schemes.

Figure 35 highlights the data shown in table 55, and emphasises the disproportionate amounts received by London, and also the fortunes of the Northern, South West and West Midland regions. The Eastern, Southern and South East regions suffered the consequences of large percentages of the lottery money being awarded to other regions, by themselves receiving very low percentages.

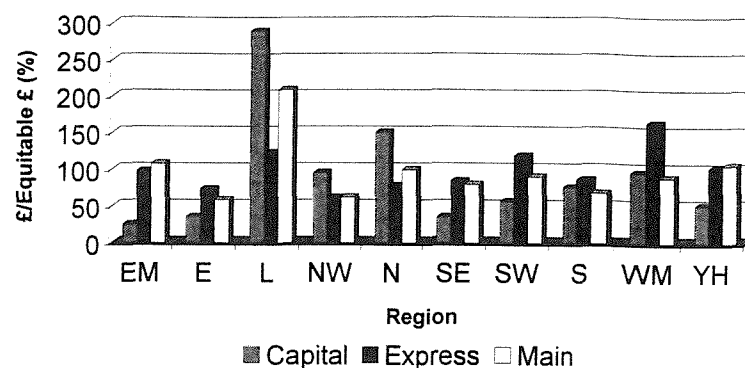


Figure 35. *Value of grants distributed in England compared to equity by region: Capital and A4E schemes compared (capital grants 1995-98).*

The Express and Main schemes showed some improvements on the Capital scheme's distribution. For example, even though the Eastern and South East regions both received below 100%, both regions gained more from the A4E schemes than from the Capital programme. London is a good example whereby both the A4E percentages, although over 100%, were below the Capital programme percentage, indicating improved equitable distribution as a result of their introduction.

The distribution of the Express scheme's grant values as percentages per head of population was similar to that by grant number (see figure 34), again due to the necessarily restrictive award sizes. The Capital and Main schemes both show more diverse percentages in the financial statistics than they did in the number statistics, shown by the maxima and minima (see figure 35). For example, as percentages of the number of grants, London received 142%, 114% and 151% from the Capital, Express and Main schemes, while the corresponding grant value percentages were 289%, 123% and 208% respectively. Comparing the percentage of the number of grants with the percentage of money allocated to London, the Capital scheme showed an increase of 147%, the Main scheme showed an increase of 57%, while the difference for the Express scheme was only 9%. Figure 35 demonstrates that the Express scheme could act as a neutraliser for the Capital and Main schemes' extreme distribution statistics, but because of the small amounts of money awarded by the Express scheme the stabilising effect was minimal.

The effects of the pilot schemes on distribution are measured by comparing the distribution of the Capital scheme over the first three years, with the accumulated distribution of the Capital, A4E and Stabilisation schemes. This shows whether the natural course of the Capital scheme, or the addition of the pilot schemes, created a

more equitable geographic distribution. To assess these distributions, I have categorised the first three years of distribution (from April 1995 to March 1998) into two eighteen-month sectors. The first sector (from April 1995 to September 1996) contains only capital awards. The Stabilisation scheme was announced in the last month of this sector, and initiated in the second eighteen-month sector (from October 1996 to March 1998). This second sector includes capital awards for that period, the entire A4E Express scheme, 190 of the A4E Main grants and all of the Stabilisation awards.³⁷ The elements examined include whether arts lottery distribution improved with the addition of the pilot schemes, to what extent the pilots changed distribution statistics and whether progressive changes in capital grant distribution had a greater effect on distribution than the pilots. In the 'Capital 10/96 – 03/98' column of table 56, the bold values represent an improvement in the equity of the number of grants distributed by head of population on the figures calculated for the first eighteen months. The bold values in the 'All schemes' column show a similar improvement, but compared to the Capital scheme's grants over the same period (the second eighteen months).

Table 56. Number of grants distributed in England by region: capital and full distribution compared (1995-98).

Region	Capital				All schemes	
	03/95 - 09/96		10/96 - 03/98			
	No.	%	No.	%	No.	%
East Midlands	53	5.6	52	5.6	429	6.7
Eastern	93	9.8	83	9.0	581	9.0
London	201	21.1	179	19.4	1104	17.2
North West	112	11.8	96	10.4	535	8.3
Northern	92	9.7	69	7.5	376	5.8
South East	56	5.9	62	6.7	450	7.0
South West	78	8.2	83	9.0	632	9.8
Southern	60	6.3	88	9.5	573	8.9
West Midlands	112	11.8	108	11.7	1026	16.0
Yorkshire & Humber	93	9.8	99	10.7	700	10.9
Other	2	0.2	3	0.3	26	0.4
Total	952	100.0	922	100.0	6,432	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Capital grant figures relate to the grants awarded up to 31 March 1998. 'All schemes' includes capital grants to end March 1998, all grants under the A4E Express and Stabilisation schemes and A4E Main grants to end March 1998 (190 grants). Bold text entries indicate improvements in the proximity of distribution to the population percentage, on the value shown in the preceding '%' column. Percentages calculated to one decimal place.

³⁷ The Grants for Dance and Drama Students and the Film Franchises are omitted from these calculations because of inadequate regional information.

The bold values in table 56 reveal that the equity of awards going to London improved within the Capital scheme, and was further improved by the addition of the pilot schemes. Improvements in both capital and overall grant distribution are also shown in the statistics for the East Midlands, Northern and South East regions. The introduction of the pilots also improved the statistics of the Eastern region, even though capital grant distribution was not at this stage any closer to an equitable allocation by percentage of the population. On its own, the Capital scheme improved arts lottery distribution to seven of the ten regions, indicating that capital distribution was gradually becoming more evenly balanced with time. The pilot schemes improved only five regions' distribution statistics, so it is difficult to conclude that the equity of distribution of the number of grants improved with the introduction of the pilot schemes. However, improvement in the total number of recipients is marked, as is the coverage of previously neglected arts demands, so from this perspective the improvements created by A4E were profound.

The distribution statistics for each eighteen-month period do not show a clear picture of the total distribution over the three years. In order to represent the differences between the Capital scheme's distribution and the inclusion of the pilots, the grant numbers for the three years are represented as percentages of equitable distribution, where equitable regional distribution stands at 100%. The 'Capital' data series represents only the Capital scheme's distribution over the three years, while the 'All schemes' series represents awards under the Capital, Stabilisation, A4E Express and A4E Main schemes for the three years (see figure 36).

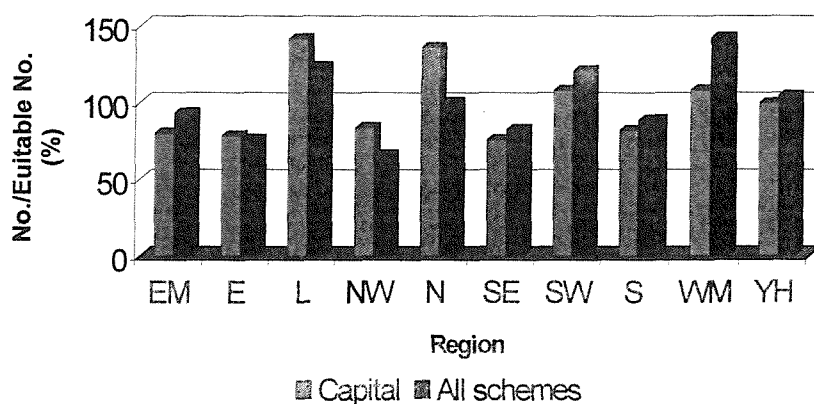


Figure 36. *Number of grants distributed in England compared to equity by region: capital and full distribution compared (1995-98).*

The introduction of the pilot schemes improved the equity of distribution for five regions: the East Midlands; London; Northern; Southern; and South East. The other five regions had percentages closer to 100% without the inclusion of the pilots. The weighting of the Capital scheme for the London and Northern regions changed to a partiality for the West Midlands and the South West, and the margin between the highest and lowest percentages increased from 66% to 77% after the pilots were introduced. Far from improving the equity of grant distribution across the country, the pilots appear to have widened the margins between the most and least successful regions, causing the number of successful applicants in some regions to be further out of proportion with its corresponding percentage of population than under the Capital scheme.

While the number of recipients within a region is important, the press and public were often more concerned with the total amount of money received by each region. Table 57 shows the amounts awarded to each region in the same double sector eighteen-month period style used for table 56. The bold values in the 'Capital' column signify improvements in distribution compared to the region's population percentage, over the previous sector. The bold values in the 'All schemes' column show whether the pilot schemes improved on the Capital scheme's progress.

Table 57 shows that, over time, the distribution of capital grant money came closer to the population percentages for seven of the ten regions, with only the Northern, North West and Southern regions becoming less equitable. The addition of the pilot schemes further improved the distribution statistics for all except the North West and West Midlands. Overall there was a general trend towards a more equitable distribution system in the second eighteen months.

Table 57. Values of grants distributed in England by region: capital and full distribution compared (1995-98).

Region	Capital				All schemes	
	03/95 - 09/96		10/96 - 03/98			
	Value (£)	%	Value (£)	%	Value (£)	%
East Midlands	8,843,886	1.7	6,329,540	1.9	10,145,901	2.5
Eastern	20,563,555	3.9	15,744,693	4.8	20,563,503	5.1
London	261,612,876	49.0	94,819,784	29.0	114,861,517	28.7
North West	67,996,675	12.7	40,360,351	12.3	44,654,947	11.2
Northern	28,674,870	5.4	53,190,829	16.3	57,808,070	14.5
South East	13,007,978	2.4	12,197,584	3.7	15,694,222	3.9
South West	20,614,078	3.9	18,192,369	5.6	22,314,522	5.6
Southern	41,789,900	7.8	21,062,464	6.4	27,496,378	6.9
West Midlands	47,719,467	8.9	41,829,434	12.8	53,239,447	13.3
Yorkshire & Humber	22,434,396	4.2	23,088,354	7.1	32,961,931	8.2
Other	568,220	0.1	103,834	0.0	194,168	0.0
Total	533,825,901	100.0	326,919,236	100.0	399,934,606	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Capital grant figures relate to the grants awarded up to 31 March 1998. 'All schemes' includes capital grants to end March 1998, all grants under the A4E Express and Stabilisation schemes and A4E Main grants to end March 1998 (190 grants at a total value of £28,177,463). Bold text entries indicate improvements in the proximity of distribution to the population percentage, on the value shown in the preceding '%' column. Percentages calculated to one decimal place.

Figure 37 shows a representation of the capital grants financial distribution compared to the distribution of the Capital, Stabilisation and A4E schemes over the three years. The 100% line represents equal regional distribution by head of population.

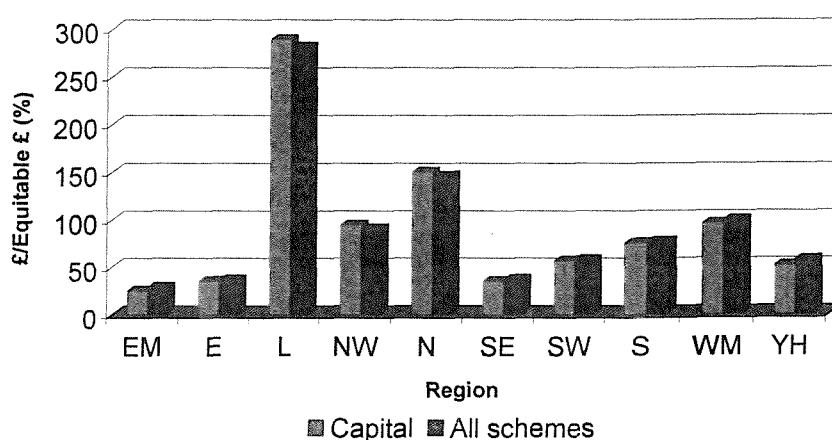


Figure 37. Value of grants distributed in England compared to equity by region: capital and full distribution compared (1995-98).

Even though the pilots improved financial distribution, the improvements were minimal. The largest difference was the reduction of the London region's inequity from 289% to 281%. All other changes by the pilots amounted to corrections of less

than 6%. The only region for which distribution was not improved was the North West, which achieved its most equitable distribution during the first eighteen months under the Capital scheme, whilst subsequent distribution lessened this region's percentage compared to equity. The distribution to all other regions improved to some degree during the second eighteen months.

As concluded in chapter 2, the ACE began to improve its regional distribution of capital grants to the arts over the years following the initial large injection of funds to London. Table 58 shows the changes in the ACE's spending patterns during the Capital scheme, and shows how spending changes affected a greater change in the financial distribution statistics than the pilot schemes. For example, in London there was a reduction of 53% (342% compared to 289%) under capital distribution, while the pilots caused only an 8% reduction towards equitable distribution (289% to 281.5%).

Table 58. Grants per head of population in England by region: capital and full distribution compared (1995-98).

Region	Capital				All schemes	
	03/95 - 09/96		03/95 - 03/98			
	Value (£)	%	Value (£)	%	Value (£)	%
Eastern	3.50	32.1	6.19	35.2	7.01	36.7
East Midlands	2.58	23.6	4.43	25.2	5.57	29.2
London	37.34	341.9	50.87	289.0	53.71	281.5
Northern	9.26	84.8	26.45	150.3	27.94	146.4
North West	10.47	95.9	16.68	94.8	17.34	90.9
Southern	8.85	81.0	13.31	75.6	14.68	76.9
South East	3.21	29.4	6.21	35.3	7.12	37.3
South West	5.29	48.4	9.96	56.6	11.01	57.7
West Midlands	8.99	82.3	16.88	95.9	19.10	100.1
Yorkshire & Humber	4.46	40.8	9.05	51.5	10.91	57.2
Average	10.92	100.0	17.60	100.0	19.08	100.0

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); and Office for National Statistics, *Regional Trends* 32, pp. 165-73.

Notes: Capital grant figures relate to the grants awarded up to 31 March 1998. 'All schemes' includes capital grants to end March 1998, all grants under the A4E Express and Stabilisation schemes and A4E Main grants to end March 1998 (190 grants). Percentages calculated to one decimal place.

Over most regions, the greatest difference to regional distribution was made by the Capital scheme. The East Midlands low grant per population values were improved more by the pilots, while the North West suffered more under the pilots than under the Capital scheme. The pilot schemes did affect distribution, but, in

general, their improvements to the equitable distribution of awards were of less impact than the Capital scheme's improvements.

Comparisons between the different schemes' distribution figures show that more factors influenced distribution results than merely the ACE's assessment procedures. For example, the limit on the A4E Express scheme's awards shows that institutions in London tended to apply for the upper financial limits of any scheme, a tendency that affects all other regions' statistics. The pilot schemes greatly increased the number of awards creating more beneficiaries, with A4E awards specifically aimed at increasing access to the arts. Award values were far lower and, although the schemes were not the great saviour of the ACE's geographical distribution statistics that the authors of the *National Lottery Yearbook* predicted they would be, in their own way they dramatically improved distribution. Overall, the yearly improvements seen under the Capital scheme achieved a greater effect on the regional distribution of lottery money, by instigating a greater change towards regional equity than was accomplished by the pilot schemes. The introduction of the pilot schemes did, however, widen the field of possible project types, which in its turn increased the number of people with access to the results of arts lottery funds.

A4E Distribution by Genre

In order to qualify for A4E funds, projects were required to incorporate either the introduction of people to art (education or community projects, workshops and clubs) or the creation of art (carnivals, festivals, performances, commissions and competitions). A4E Main awarded funds to similar projects as were sponsored by A4E Express, except that, as there was the potential to award more money, its projects had to meet more criteria. Furthermore, its awards for over £100,000 had to be for on-going events. These could include projects such as series of workshops or concerts, or resident exhibitions. This meant that all A4E projects were to be 'access' projects, involving either the creation or experiencing of art.

The majority of the Capital scheme's awards were building-related projects, although there were some people-related projects (headings from chapter 3, denoting awards for the improvement or purchase of capital assets of varying types). Building projects refer to renovation, building work or assets that do not relate to the creation of art, and people projects refer to assets such as the purchase of instruments, artists in residence, sculpture and mural commissions. 'Access' projects, as defined above,

were not allowed for by the Capital scheme because of the directive restrictions to capital projects.

Some institutions received both capital and A4E awards, and the different project descriptions clarify the differences between proposals acquiring grants under each scheme. Examples include Battle Town Band, which received £19,764 for the purchase of instruments from the Capital scheme, and £900 from the Express scheme for a composition for the youth band. Bomere Heath Village Hall received an £87,390 capital award for improvements to the hall, and £2,084 for a village festival for the arts from the Express scheme. The Burnley Youth Theatre developed their arts centre with £19,000 of capital funds, and received £3,600 from the Express scheme for an outreach project. The Royal Academy of Dramatic Arts, which received a number of awards, purchased and developed a building with £22,752,283 of capital funds, and were later awarded £3,750 of Express funds for their access courses.³⁸

There are many similar examples illustrating awards to the same institution by the A4E Main and Capital schemes. For example, the Orchestra for the Age of Enlightenment received £33,750 from the Capital scheme to purchase new computer equipment, and later obtained £76,000 from A4E Main to stage period performances in the South West. The Walsall Museum and Art Gallery developed their arts gallery with a £15,750,000 capital grant and created an interactive art exhibition for ages three and over with £56,664 of A4E Main money. The types of projects receiving funds from A4E Main were similar to the Express awards, the primary difference being that A4E Main awards were for higher values.

The event of an institution applying for and receiving awards from both A4E Main and Express does not appear to be specifically forbidden, but despite the large number of awards, no applicant received two A4E awards. The two schemes were very similar, in some cases only differentiated by the size of awards. Therefore, if an institution wished to run a series of workshops, it could apply for an A4E Main award, whereas if it only wanted a single workshop it could apply for an A4E Express award, thus precluding the need for multiple awards.

The secretary of state's directions required that capital awards be for the increase of assets because of the 'additionality' principle cited by the government in

³⁸ All award information found in the DCMS database <http://www.lottery.culture.gov.uk/>

the initial stages of lottery legislation.³⁹ This, to some extent, prohibited ‘access’ projects, although projects such as artists in residence, sculptures and commissions could be considered as ‘access’ projects despite their description as providing assets to arts companies. Therefore, while there are relatively few examples, some capital grants did produce direct access to the arts. For example, Kirklees Cultural Services commissioned a sculpture under the Capital scheme for £35,000 and received £81,000 from A4E Main for a ‘Reader in Residence’; and PhotoArts 2000 gained £1,225,980 from the Capital scheme for a public artwork commission, and later received a £323,000 Main grant for the promotion of photography in the community.⁴⁰

The fundamental differences between the types of project serviced by each scheme make comparisons between them difficult, because the project types and definition of each art form differ between the schemes. Definitions of capital awards are sketchy due to varied building use, while A4E definitions are clearer because the art forms rather than their buildings benefit. For example, grants under the A4E ‘Combined Arts’ category refer to projects involving more than one art form, rather than to the building of arts centres, village halls or capital investment for any other miscellaneous projects. The ‘Other’ and ‘Architecture’ categories are not used in the classification of A4E projects, because the project types cause less ambiguity, making A4E distribution figures easier to interpret. Comparing the different schemes’ genre statistics is more problematic, as grants awarded by one scheme cannot make up for the neglect of another. Because of the differing definitions, I carry out an independent analysis on the A4E schemes, using the Capital scheme as a reference point.

The analysis of A4E awards has to be elementary because the DCMS database contains cryptic A4E award descriptions and because there are a vast number of grants in these schemes. For many grants, the DCMS reveals little more than the name of the recipient, the amount they received along with the region and art form definition supplied by the DCMS.⁴¹ This limited amount of information created

³⁹ For further information on ‘additionality’, see chapter 1, ‘Bids for Arts Lottery Funds’, p. 25.

⁴⁰ The PhotoArts 2000 Main award, being for over £100,000, was presumably for an on-going initiative, but this is not mentioned within the project description.

⁴¹ The ACE awarded 5,306 Express awards and 733 Main grants. The A4E project descriptions already cited are notable for their clarity, but the majority of A4E awards are vague and difficult to analyse in any detail. For example: Tac Pac received £5,000 for an ‘Arts Education’ project referred to as ‘Beat That’; Articulate received £4,705 for a ‘Combined Arts’ project called ‘Mapping it out’; Africa Reunion gained £5,000 for ‘Drama’ project referred to as ‘Trumpet members’; Mad for it received £3,700 for ‘Music’ project of the same name; and Spectrum received £3,908 for a ‘Visual Arts’ project of their own name. See DCMS database for further examples.

problems when confirming the DCMS's definitions or attempting to analyse the information into more defined categories, as in chapter 3. I therefore use the award information provided by the DCMS to show the most popular art forms and compare the statistics of the A4E and Capital schemes.

The A4E data by art form show some inexact categories that are not specific to particular art forms, including 'Marketing' and 'Touring' (see tables 59 and 60). There is no definition of 'Marketing', but it could indicate advertising the arts rather than facilitating direct access. The four categories that do not relate directly to art forms ('Touring', 'Marketing', 'Arts Education' and 'Cultural Diversity') could probably be included under the remaining categories, but the lack of clarity in the project descriptions prevents their incorporation within the other fields. These art form categories, however, have relatively few awards so there is little demonstrable effect on the statistics.

The data in tables 59 and 60 show the numbers and values of awards distributed under the A4E schemes, together with the relative percentages and rankings. The bold values represent the five art forms that received the highest number of grants and most money.

Table 59. A4E Express grants by genre.

Art Form	No.	%	Rank	Value (£)	%	Rank
Arts Education	128	2.4	9	500,172	2.3	9
Combined Arts	1084	20.4	2	4,470,818	20.8	2
Crafts	206	3.9	8	756,022	3.5	8
Cultural Diversity	18	0.3	11	66,528	0.3	11
Dance	332	6.3	5	1,377,871	6.4	5
Drama	943	17.8	3	3,895,862	18.2	3
Film	295	5.6	6	1,300,048	6.1	6
Literature	285	5.4	7	1,093,245	5.1	7
Marketing	63	1.2	10	264,267	1.2	10
Music	1247	23.5	1	4,902,127	22.9	1
Visual Arts	705	13.3	4	2,822,409	13.2	4
Total	5306	100.0	-	21,449,369	100.0	-

Source: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: The bold text entries indicate the five art forms with the highest percentages for both the numbers and values of awards. Percentages calculated to one decimal place.

For the Express scheme, the rankings are in the same order for the numbers and values of all eleven categories (see table 59). This is due to the £5,000 ceiling on A4E Express awards, which created little scope for varying award amounts. Table 59

shows that all the categories relating directly to art forms received over two hundred awards, suggesting that the ACE did not neglect any particular art form, although some had greater success than others; 'Music', followed by 'Combined Arts', were the most successful. In the capital grant analysis, 'Music' received the greatest number of awards from each arts council because institutions in this category submitted most applications. The success of the 'Combined Arts' category is also found in the capital grant analyses, particularly in the Scottish, Welsh and Northern Irish Arts Councils' data, where this category frequently held a top ranking. The A4E Express results are, therefore, similar to many of the results found in the capital grant analyses.

The relationship between the number of grants and grant value rankings is less direct in the A4E Main statistics than those calculated for the Express scheme (see table 60). The values of grants in the Main scheme are much larger than in the Express, but the number of awards far lower. Again, the success of the 'Combined Arts' category far exceeded its success in the Capital scheme of the ACE, and reflected its status in the Capital schemes of the other three arts councils. The five most successful art forms at receiving both grants and money are in bold type and are 'Combined Arts', 'Dance', 'Drama', 'Music' and 'Visual Arts'. These are the same art forms as in A4E Express, but the rankings are in a different order (see tables 59 and 60).

Table 60. A4E Main grants by genre.

Art Form	No.	%	Rank	Value (£)	%	Rank
Arts Education	38	5.2	7	4,089,753	7.0	6
Combined Arts	195	26.6	1	11,925,421	20.4	1
Crafts	18	2.5	9	1,221,906	2.1	10
Cultural Diversity	1	0.1	12	4,680	0.0	12
Dance	54	7.4	5	5,026,565	8.6	5
Drama	111	15.1	3	10,977,461	18.7	2
Film	29	4.0	8	2,814,781	4.8	8
Literature	47	6.4	6	3,678,051	6.3	7
Marketing	4	0.5	11	804,788	1.4	11
Music	131	17.9	2	8,826,181	15.1	3
Touring	13	1.8	10	2,712,987	4.6	9
Visual Arts	92	12.6	4	6,484,956	11.1	4
Total	733	100.0	-	58,567,530	100.0	--

Source: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: The bold text entries indicate the five art forms with the highest percentages for both the numbers and values of awards. Percentages calculated to one decimal place.

When the rankings and percentages of the A4E and the Capital schemes are compared (see tables 61 and 62), the relationship between the numbers and values of awards received by different art forms fortifies some of the conclusions drawn in chapter 3.

Table 61. The five genres that received most funds in England: Capital and A4E schemes compared (capital grants 1995-98).

Placing	A4E Express		A4E Main		Capital	
	art form	%	art form	%	art form	%
1	Music	22.9	C. Arts	20.4	Drama	34.6
2	C. Arts	20.8	Drama	18.7	Music	15.1
3	Drama	18.2	Music	15.1	V. Arts	13.2
4	V. Arts	13.2	V. Arts	11.1	C. Arts	11.2
5	Dance	6.4	Dance	8.6	Film	9.9
	Total	81.4	Total	73.8	Total	84.0

Source: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999); table 28 from chapter 3; and tables 59 and 60 from chapter 5.

Notes: 'C. Arts' = 'Combined Arts' and 'V. Arts' = 'Visual Arts'. The 'Film Production' and 'Film Other' percentages have been added together to create 'Film' for the Capital scheme's statistics. 'Total' does not equal 100% because only the top five art forms are considered. Percentages calculated to one decimal place.

Table 61 shows that both of the A4E schemes ranked 'Dance' in fifth place, rather than 'Film' (as in the Capital scheme). 'Films' were probably demoted under A4E because they were eligible for awards under the Capital and Film Franchise schemes, and were more suited to these schemes than A4E because they offered far greater sums of money. 'Dance' held sixth place in the Capital scheme's rankings, so, given the film industry's lack of interest in the A4E schemes, 'Dance' took fifth place. The 'Visual Arts' and 'Drama' categories gained lower placings in A4E than in the Capital scheme. As established in chapter 3, the 'Drama' and the 'Visual Arts' results demonstrated a tendency towards gaining higher average grant sizes because of their associations with large building projects, such as 'Theatres' and 'Galleries'. The A4E schemes, however, awarded no building projects so 'Drama' and the 'Visual Arts' gained lower rankings than other art forms that were more suited to the A4E schemes. The 'Combined Arts' received higher percentages of funds in both A4E schemes, than in the Capital scheme, while 'Music' gained a higher percentage in A4E Express than in the Main and Capital schemes. 'Music' and the 'Combined Arts' were therefore more successful at receiving funds from A4E than the Capital scheme as run by the

ACE, showing that in England these art forms lent themselves better to small ‘access’ awards than to capital development.

Although table 61 shows the art forms that gained most funds from each scheme, comparisons between tables 61 and 62 illustrate the relationships between the numbers and values of grants awarded, and thus between the average grant sizes achieved by the art forms.

Table 62. The five genres that received most grants in England: Capital and A4E schemes compared (capital grants 1995-98).

Placing	A4E Express		A4E Main		Capital	
	art form	%	art form	%	art form	%
1	Music	23.5	C. Arts	26.6	Music	30.1
2	C. Arts	20.4	Music	17.9	Drama	22.7
3	Drama	17.8	Drama	15.1	C. Arts	14.0
4	V. Arts	13.3	V. Arts	12.6	V. Arts	11.0
5	Dance	6.3	Dance	7.4	Film	8.0
	Total	81.2	Total	79.5	Total	85.8

Source: DCMS website <http://www.lottery.culture.gov.uk/>; table 29 from chapter 3; and tables 59 and 60 from chapter 5.

Notes: ‘C. Arts’ = ‘Combined Arts’ and ‘V. Arts’ = ‘Visual Arts’. The ‘Film Production’ and ‘Film Other’ percentages have been added together to create ‘Film’ for the Capital scheme’s statistics. ‘Total’ does not equal 100% because only the top five art forms are considered. Percentages calculated to one decimal place.

The ‘Music’ and ‘Drama’ rankings are reversed in both the A4E Main and Capital schemes, and, in both cases, ‘Music’ received more numerous, but smaller grants than ‘Drama’ (see tables 61 and 62). The art forms are not reversed in the Express results because, although ‘Music’ received more grants, ‘Drama’ could not have larger awards because of the £5,000 barrier. Even though the Express statistics are restricted, the statistics still show similar tendencies to the other schemes, for the ‘Music’ percentage is slightly lower in table 61 than in table 62 and ‘Drama’s’ percentage is slightly higher. This shows that ‘Music’ continued to receive smaller but more numerous awards than ‘Drama’, regardless of the scheme. The different schemes’ criteria, therefore, do not change the underlying dynamics of each art form. In the same way in the regional statistics, the limited grant size of the Express scheme did not disguise London’s tendency of requesting the largest awards.

When the different schemes are compared, it is revealed that the ‘Visual Arts’ and ‘Combined Arts’ categories fared well concerning the number of grants in the A4E schemes, receiving higher or similar percentages of grants as under the Capital

scheme. 'Music' fared better under A4E Express than Main, but never reached the 30.1% of the total number of grants it gained in the Capital scheme. However, the overall percentage awarded to the top five art forms were lower in A4E than those calculated for the Capital scheme (see 'Total' percentages in tables 61 and 62). This suggests a more even distribution across all the art forms, leaving a greater proportion for the remaining genres.

The results of tables 61 and 62 indirectly disclose the underlying nature of the three schemes, for where the Capital scheme awarded many grants of high value to the five art forms, the A4E schemes were restricted to smaller grants with greater correlation between the values and numbers of grants. The Express scheme, for example, had similar value and number percentages for each art form (see table 60), indicating that average grant sizes were approximately the same throughout. The A4E Main scheme incorporated some characteristics from both the A4E Express and Capital schemes, specifically in its distribution methods. For example, the margin between the number and value of grants, expressed as a percentage of the total, were closer than under the Capital scheme, but more distant than A4E Express, and A4E Main had the reversed 'Music' and 'Drama' rankings notable in the capital grant statistics. The average grants under the Main scheme are also lower than those of the Capital scheme, although obviously not as low as under the A4E Express scheme. The Capital scheme, however, was more extreme than the A4E schemes, with differing grant sizes, reversing art form rankings, and the highest percentages and largest award values for the top five art forms.

The Top Ten Grants of A4E Main

The ACE awarded 1,897 Express grants with the scheme's top value of £5,000, invalidating an analysis of the top ten grants of this scheme. The top ten awards for the Main scheme, however, show some contentious results (see table 63). Birmingham County Council received an A4E Main award for £1,700,000, over three times the size of the declared highest amount of £500,000. The project is referred to as a 'Millennium' project, indicating that the Millennium Commission should perhaps have funded it rather than the ACE. Its description is insufficient to show the actual intent of the project, but its size and nature appear to disobey the directives of the A4E Main scheme.

Table 63. The ten awards that received most funds under A4E Main.

Recipient	Project	Art form	Region	Value (£)
Birmingham City Council	Towards the Millennium 2000	C. Arts	WM	£1,700,000
Nottingham Playhouse	Hothouse	Drama	EM	£500,000
Hampstead Theatre Ltd	New Dimensions	Drama	L	£499,874
Coventry Theatre Network	Something Wicked This Way	Drama	WM	£497,580
National Rural Touring Forum	Going Places... Small Places	Touring	YH	£497,385
Tricycle Theatre Company	New Plays – New Audiences	Drama	L	£494,000
The Young Vic Theatre	New Opportunities	Drama	L	£486,000
Hi8us Projects Ltd	Hi8us	Film	WM	£475,000
Arts About Manchester	Greater Manchester Audience	Marketing	NW	£469,000
Northern Stage	New Ways of Working at N.S.	Drama	N	£460,000

Source: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: 'C. Arts' = 'Combined Arts'. 'EM' = East Midlands, 'L' = London, 'N' = Northern, 'NW' = North West, 'WM' = West Midlands, 'YH' = Yorkshire and Humber.

The other projects for £500,000 or below also had ambiguous project descriptions, so little can be determined from the descriptions provided by the DCMS. The art form and region information is, however, more explicit. Of the ten awards, three were allocated to London, three to the West Midlands, and the East Midlands, Yorkshire and Humber, North West and Northern regions all received one. This again shows the predominance of the two largest cities in England (Birmingham and London), indicating that the larger arts awards did focus on cities, a trend continued from other stages of analysis. The Eastern and three Southern regions do not appear in table 63. In terms of genre distribution, six of the awards fell into the 'Drama' category, and 'Music' projects did not appear, confirming the point that the larger grants went to 'Drama'. The highest award was a 'Combined Arts' project, but it is difficult to gauge from the project description whether this was a suitable category. No other 'Combined Arts' awards appeared in the top ten A4E Main awards, but then, apart from 'Drama', only four other art forms achieved a single space at this level, and thus the predominance of 'Drama' is clear.

Differing Accounts of Arts Distribution

FitzHerbert and Paterson, in the *National Lottery Yearbook 1998*, published a different account of the pilot schemes' success from that uncovered by the DCMS figures, and said of the Express programme:

The regional distribution was the most even of any Arts Council programme, reaching every part of the country . . . To give some specific examples, there were 203 separate projects funded in Birmingham, 25 in Hull and even 9 in the small rural district of Tynedale.⁴²

As already shown, the regional distribution of the Express scheme favoured the West Midlands and Birmingham, with the number of Express grants going to this region as out of proportion as the number awarded to London by the Capital scheme. The maxima and minima of figure 33 indicated that the Express scheme had a varied distribution, where FitzHerbert and Paterson claimed that it was more even.

The ACE wrote of their A4E schemes that 'with its emphasis on children and young people, the Arts for Everyone (A4E Express) scheme has proved a great success, giving financial support to many organisations that had never before received public funding for arts activities'.⁴³ Within the *National Lottery Yearbook 1998*, however, Andrew Dixon, the director of Northern Arts, was quoted as criticising the A4E schemes, saying, 'A4E was like a scattergun approach to arts funding. It's a bit like throwing chocolates out at a pantomime. It creates an enormous appetite, but leaves a lot more kids unsatisfied and others with an appetite for more'.⁴⁴ FitzHerbert and Paterson elaborated on this later in their analysis, and wrote that the A4E Main programme was creating 'too many failures', for 'less than one in nine applications resulted in a grant', indicating another version of the perceived success of the A4E schemes.⁴⁵

The differing opinions of the *National Lottery Yearbook* writers compared with the DCMS database figures can be crystallised by examining the average grant sizes achieved by the ACE. In the 1996 edition of the *National Lottery Yearbook*, Lord Gowrie criticised the ACE for its large average grant sizes:

The Arts Council of England makes more large grants and fewer small ones than its equivalents elsewhere in Britain . . . The Arts Council has not

⁴² FitzHerbert and Paterson, *National Lottery Yearbook 1998*, p. 30.

⁴³ Arts Council of England, *Annual Report 1998* (London: Arts Council of England, 1998), p. 40.

⁴⁴ Andrew Dixon, director of Northern Arts quoted in FitzHerbert and Paterson, *National Lottery Yearbook 1998*, p. 39.

⁴⁵ FitzHerbert and Paterson, *National Lottery Yearbook 1998*, p. 46.

only made more very large grants; it has also made many fewer small ones of £30,000 or less.⁴⁶

FitzHerbert and Rhoades, the authors of the 1997 edition, also commented upon them and compared the average grant sizes of the four arts councils, which they calculated as:

England	£537,000
Scotland	£187,000
Wales	£62,000
Northern Ireland	£53,000 ⁴⁷

There are no dates or exact figures provided so it is not possible to calculate whether these values are correct, but working on the assumption that their figures were an approximate average at the end of 1996 (a few months before the book was published), the calculations using the DCMS's figures for this period are as follows:

England	£535,668
Scotland	£168,342
Wales	£64,842
Northern Ireland	£67,682 ⁴⁸

In order to gauge whether later distribution improved on FitzHerbert and Rhoades' findings I calculated the ACE's average grant sizes for capital grant distribution at three years and the corresponding average grant for that period including awards under the A4E Express and Main, Stabilisation and Capital schemes (see table 64). Over three years the ACE Capital scheme lowered its average to £459,309, a substantial decrease on both the DCMS and FitzHerbert and Rhoades figures at the end of 1996. This decrease was significant because the statistics still included the huge grants of the first year, and the ACE had to decrease subsequent award values by far more than a third to compensate. The pilot schemes reduced the average grant size still further to £126,457, which brought the average grant size of the lottery distribution of the ACE to below FitzHerbert and Rhoades' figure for Scotland. The A4E Express scheme caused much of the reduction to the overall average grant, as its own average grant was £4,042.

⁴⁶ FitzHerbert, Guissani and Hurd, *National Lottery Yearbook 1996*, p. 35.

⁴⁷ FitzHerbert and Rhoades, *National Lottery Yearbook 1997*, p. 60.

⁴⁸ DCMS database <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Table 64. Average grants: capital and full distribution compared (1995-98).

Region	Capital grants only			All schemes		
	Value (£)	No.	(£/no.)	Value (£)	No.	(£/no.)
East Midlands	15,173,426	105	144,509	18,989,787	482	39,398
Eastern	36,308,248	176	206,297	41,127,058	674	61,019
London	356,432,660	380	937,981	376,474,393	1,305	288,486
North West	108,357,026	208	520,947	112,651,622	647	174,114
Northern	81,865,699	161	508,483	86,482,940	468	18,793
South East	25,205,562	118	213,606	28,702,200	506	56,724
South West	38,806,447	161	241,034	42,928,600	710	60,463
Southern	62,852,364	148	424,678	69,286,278	633	109,457
West Midlands	89,548,901	220	407,040	100,958,914	1,138	88,716
Yorkshire & Humber	45,522,750	192	237,098	55,396,327	793	69,857
Other	672,054	5	134,411	762,388	28	27,228
Total	860,745,137	1,874	459,309	933,760,507	7,384	126,457

Sources: DCMS website <http://www.lottery.culture.gov.uk/> (accessed 17 October 1998 and 5 April 1999).

Notes: Capital grant figures relate to the grants awarded up to 31 March 1998. 'All schemes' includes capital grants to end March 1998, all grants under the A4E Express and Stabilisation schemes and A4E Main grants to end March 1998 (190 grants at a total value of £28,177,463).

In the 1998 edition of the *National Lottery Yearbook*, the decrease in the Capital scheme's average grant went unnoticed. FitzHerbert and Paterson wrote:

Surprisingly, given the great overall reduction in the size of the [Capital] programme, grants were generally fewer rather than smaller . . . There was as big a percentage reduction in the total number and value for small awards as for larger ones.⁴⁹

Table 64 shows that this cannot have been the case, for although the reduction in the average capital grant was smaller than that caused by the pilot schemes, it still lowered the average value by a sixth. The authors of the *National Lottery Yearbook* continued to criticise the ACE's capital grant distribution despite a significant improvement in both their average capital grant and that calculated for total distribution. The authors of the *National Lottery Yearbook* also heralded the pilot schemes as a great success and claimed that the Express scheme's distribution showed greater regional equity than any other scheme, but the DCMS A4E Express distribution statistics do not uphold this view.

One factor, which is not investigated elsewhere, is the vast number of failed A4E applications, mentioned by Andrew Dixon of Northern Arts, which was a by-product of an otherwise successful distribution programme. The oversubscription of these schemes demonstrates the need and the market for the A4E schemes, and

⁴⁹ FitzHerbert and Paterson, *National Lottery Yearbook 1998*, p. 42.

suggests that there would have been continued interest had the ACE extended these pilots. Dixon's point, was that many arts institutions were wasting time applying for what resulted in unsuccessful bids; but, had the scheme been continued, these statistics could presumably have been improved over time.

Press Comment on the Pilot Schemes

When the ACE announced the Stabilisation scheme, a number of articles concerning the propriety of this action appeared in the *Times*. Dalya Alberge of the *Times* wrote, 'Organisations that are increasingly forced to pare down their activities greeted the idea yesterday, while reiterating fears that it would provide the Government with an excuse to reduce funding'.⁵⁰ A leading article in the *Times* highlighted the concern that lottery funds were taking over government responsibilities: 'The lottery was designed to supplement, not replace government funding'.⁵¹ In her own article Mary Allen, the secretary general of the ACE, justified the introduction of the Stabilisation scheme by saying that the £500 million already spent on capital projects 'brought a problem in public – and even potentially political – perceptions. If there is so much money coming from the lottery, why is it not being diverted to solve problems relating to running costs, or to pay off deficits?'.⁵² Mary Allen therefore represented the scheme as a remedy for misallocation and a solution to the revenue problems that had found favour with the public. She continued:

While the new directions will provide additional sustenance for undernourished art providers, they by no means replace the staple diet of revenue funding. It remains the Arts Council's intention to continue to fight for the restitution of cuts to the grant-in-aid from government, which have amounted to £17 million in real terms over the past three years. Without this we will be unable to enjoy the full fruits of the National Lottery.⁵³

Allen was therefore attempting to portray the new scheme as 'additional' funding rather than as a replacement for government's grant-in-aid allocation, although the title of the article, 'Why we've relented', suggests another interpretation.

⁵⁰ Dalya Alberge, 'Lottery rethink diverts cash into arts productions,' *Times*, 3 September 1996, p. 5.

⁵¹ N.a., 'Paupers in castles,' *Times*, 3 September 1996, p. 15.

⁵² Mary Allen, 'Why we've relented,' *Times*, 3 September 1996, p. 32.

⁵³ *Ibid.*, p. 32.

Three days after the *Times* published Allen's article, a piece by Antony Thorncroft in the *Financial Times* applauded the introduction of the Stabilisation scheme and the ACE's ingenuity. Thorncroft, a long-time supporter of arts lottery distribution, also made an early reference to A4E funding:

If the Stabilisation fund is not the long-desired switch of lottery money from capital expenditure to revenue funding it is another sign that the Arts Council is being as flexible as possible within the current restraints. In the near future it will announce plans for widening access, giving companies money to expand their audiences to take in the young and the elderly and the ignored, plus a widening in its commissioning policy which will put money into the hands of artists. Much has been achieved with the lottery in 18 months and the arts should be truly grateful.⁵⁴

This article contains favourable comment on the ACE's activities and its achievements over the past eighteen months. The blame for the lack of revenue funds is apportioned elsewhere, and arts companies told that they should be grateful for distribution to that point. Although the *Financial Times* remained supportive of the ACE throughout lottery distribution, this article shows a distinct change of direction. Previous comment had been more factual than emotive, and the confidence that the ACE were achieving good distribution had previously been far less assured.

A later article by Thorncroft also heralded the ACE as the great achiever in its bid for revenue funding. 'The Arts Council has persuaded Mrs Virginia Bottomley, the heritage minister, to widen the scope of lottery funding to cover the commissioning of new art works and the widening of the audience.'⁵⁵ Thorncroft firmly placed the initiative for the A4E schemes in the hands of the ACE, while the word 'persuaded' implies that the government had to be pushed to allow their introduction.

Letters to the editors of the *Times* publicised arts companies' individual needs for the introduction of a revenue-funding scheme. Robert Ponsonby, director of music for the BBC, wrote in a letter to the *Times* that the ACE 'should develop a strategy for revenue funding, again through the lottery'.⁵⁶ Although his opinion reflected that of many involved in the arts, he thought only professional organisations should benefit from the initial run of funding: 'amateur bodies should not be eligible for support [from revenue funding]: our professionals must come first'. Other interested parties

⁵⁴ Antony Thorncroft, 'Search for lottery fund guinea pigs,' *Financial Times*, 6 September 1996, p. 13.

⁵⁵ Antony Thorncroft, 'Lottery cash "too late for arts",' *Financial Times*, 3 October 1996, p. 11.

⁵⁶ Robert Ponsonby, Letter: 'Whose responsibility is it to fund the performing arts?' *Times*, 6 September 1996, p. 19.

also wrote to the *Times*, including Desmond Longfield, chairman of the Croydon Orchestra and Singers, who stated that 'there should surely be a source of funding for the smaller organisations which form a major part of the musical activity of this country'.⁵⁷ Ten days later Roderick Wylie, Chairman of the National Federation of Music Societies, wrote 'surely any debate about the arts has to start from the needs of the audiences in communities throughout the UK'.⁵⁸ In spite of their differences, they were all in favour of change, especially that which involved smaller grants and revenue funding.

At the launch of A4E, much as with the Stabilisation scheme, the reports in the daily press were less concerned with the manifestation of the long-awaited revenue funding, and more directed towards a fear that lottery funding was being used to cover government cuts. In an article by Luke Harding in the *Guardian*, the first line read: 'Critics fear grants may replace government funding'. A passage later in the article explained this statement:

Critics fear lottery money may increasingly be used as [a] substitute for core government funding of the arts. Mrs Bottomley yesterday denied the scheme was the "thin end of the wedge" and said the National Lottery had fuelled a "cultural renaissance" with more than £600 million already given to arts.⁵⁹

Further examples include an article in the *Guardian* entitled 'Cuts waste arts windfall says Gowrie', suggested that the government was neutralising the potential benefit of lottery funds by cutting the grant-in-aid allocation.⁶⁰ Lord Gowrie was also portrayed as fighting the cause with the arts councils, here represented as virtuous protectors of the arts. The attention and criticisms of the press were diverted from the ACE and its apportionment of funds to the government and its cuts in the grant-in-aid budget.

⁵⁷ Desmond Longfield, Letter: 'Whose responsibility is it to fund the performing arts?' *Times*, 6 September 1996, p. 19.

⁵⁸ Roderick Wylie, Letter: 'Arts funding,' *Times*, 16 September 1996, p. 21.

⁵⁹ Luke Harding, 'People's art to get £20m from lottery,' *Guardian*, 22 November 1996, p. 11.

⁶⁰ Clare Longrigg, 'Cuts waste arts windfall says Gowrie,' *Guardian*, 3 October 1996, p. 7; and Antony Thorncroft, 'Lottery cash 'too late for arts',' *Financial Times*, 3 October 1996, p. 11. Further examples include Valerie Elliott, 'Bottomley fails to win more for the arts,' *Times*, 6 November 1996, p. 10; Antony Thorncroft, 'Victory in the great budget battle,' *Financial Times*, 29 November 1996, p. 17; and n.a., 'Unstable policy,' *Times*, 24 January 1997, p. 23.

Antony Thorncroft was more enthusiastic about the new schemes:

The Arts Council yesterday greatly widened the potential impact of lottery funding by launching Arts 4 Everyone Express (A4E Express), and its big brother, Arts 4 Everyone (A4E). Their trendy names suggest that they represent the Arts Council's biggest attempt yet to reach down to the man in the street.⁶¹

The A4E schemes were considered by many to be the manifestation of the long-awaited encouragement of public access to the arts and the benefits of the lottery. Richard Morrison of the *Times* also supported the introduction of the new A4E schemes: 'Taken together, the new Arts for Everyone projects represent a revolution in arts policy . . . Lottery money is at last being openly used to fund people rather than buildings. Not before time, many would say'.⁶² However, Morrison warned that:

The A4E Express scheme, by its very nature, will be largely unpoliced. That is risky. Some of those grants will undoubtedly produce low-quality art, or even no-quality art. But the risk is worth taking. For too long the Arts Council has been perceived as a cosy support-agency for a comparatively narrow band of favoured professionals. If this scheme realises the potential of groups that do not fit into sophisticated metropolitan notions of "good taste" or "quality", so much the better.⁶³

Morrison warned of the potential within the A4E schemes for criticism, even of the types of project that might benefit from values as low as £5,000 worth of funding.

Morrison also wrote about how the schemes would benefit the ACE by changing the perceived view of arts lottery funding:

Cynics will claim that Arts for Everyone has been instigated only after millions of pounds have already been lavished on Arts for Very Few People . . . Setting up a grassroots scheme like A4E Express could defuse complaints about too much lottery money going to a charmed circle of London culture palaces.⁶⁴

Morrison's was not the only reference to this change in the ACE's perceived image. Thorncroft wrote, 'If it catches the popular imagination it could end once and for all the *canard* that arts lottery money is only going to the grandest, elitist, London based arts organisations'.⁶⁵ Luke Harding wrote that Virginia Bottomley, in changing the criteria for arts lottery funding so that money could be spent on revenue projects, 'was

⁶¹ Antony Thorncroft, 'Lottery funds aim for the man in the street,' *Financial Times*, 22 November 1996, p. 17.

⁶² Richard Morrison, 'Culture for all? Yes, it's official,' *Times*, 22 November 1996, p. 41.

⁶³ *Ibid.*, p. 41.

⁶⁴ *Ibid.*, p. 41.

⁶⁵ Thorncroft, 'Lottery funds aim for the man in the street,' p. 17.

responding to criticisms that lottery money had concentrated on elitist causes, such as the Royal Opera House, and ignored ordinary people'.⁶⁶

Although, in the past, arts funding had received a great deal of criticism from the tabloids, an article in the *Sunday Mirror* showed great support for the A4E schemes: 'Here's your chance to grab a share of National Lottery cash'. The newspaper even went as far as to affiliate itself with the schemes: 'The National Lottery and the Arts Council of England have £5 million to give away as part of their Arts For Everyone scheme. And the *Sunday Mirror* is helping to process applications'.⁶⁷ There is no direct proof that the *Sunday Mirror* ever became involved in processing applications, but its association with the scheme was a bold move on the part of a newspaper that had previously been critical of the arts councils' distribution to the arts.

The press comment on the Film Franchises and Grants for Dance and Drama Student schemes were, for the main part, factual or positive accounts, such as an article entitled '£25m help for dance and drama hopefuls' in the *Times*.⁶⁸ The press comment on the film franchises was positive, such as a comment in the *Financial Times* that 'the plan comes at a time when the industry is coming to life after years of decline'.⁶⁹ A *Times* editorial also said, 'the scheme was intended to alter the "ad hoc" nature of film production in Britain'.⁷⁰ There were some pejorative comments on the applicants, such as an article in the *Daily Mirror* about Elton John applying for money entitled 'Mega-rich Elton bids for £39m lotto loot', but the schemes themselves went relatively unscathed.⁷¹

The facts presented by the articles showed significant differences relating to the quantity of funds allocated to the schemes. Diane Spencer from the *Times Educational Supplement* wrote of '£15m arts rescue' of dance and drama students, £10 million lower than the amount reported in the *Times* two days earlier. Both accounts were exaggerated, as the final amount awarded to the Dance and Drama Students

⁶⁶ Luke Harding, 'People's art to get £20m from lottery,' *Guardian*, 22 November 1996, p. 11.

⁶⁷ N.a., 'Grab your slice of the great £5m giveaway,' *Sunday Mirror*, 24 November 1996, p. 9.

⁶⁸ Dalya Alberge, '£25m help for dance and drama hopefuls,' *Times*, 14 October 1996, p. 5. See also Alice Rawsthorn, 'Film studios ready to roll with lottery action,' *Weekend Financial Times*, 14 December 1996, p. 5; and Rufus Olins, 'Rush is on for lottery film cash,' *Sunday Times*, 22 December 1996, sec. 2, p. 2.

⁶⁹ Alice Rawsthorn, 'Arts Council to spell out film funding plan,' *Financial Times*, 18 October 1996, p. 13.

⁷⁰ N.a., 'Arts Council to invest £156m in British films over eight years,' *Times*, 23 October 1996, p. 10.

⁷¹ N.a., 'Mega-rich Elton bids for £39m Lotto loot,' *Daily Mirror*, 4 December 1996, p. 22.

scheme was closer to £3 million.⁷² The sums involved in the Film Franchise scheme were also exaggerated; £156 million was mentioned in the *Times* article, although the eventual total was only £96 million. Despite these inflated reports the press supported the concepts of these schemes.

Popular support of the Film Franchise scheme continued throughout the selection process. A few days before the announcement of the successful applicants, Eric Reguly of the *Times* wrote, 'The money will be used to help finance a long list of British films that the Arts Council hopes will keep another wave of British film talent from fleeing to Hollywood'.⁷³ In another article, Reguly wrote, 'The novel use of lottery money will mark a sea change in the development of the British film industry'.⁷⁴ Three days later, Nigel Reynolds of the *Telegraph* applauded the film franchise awards and called them a 'major shot in the arm' for the film industry, but Dalya Alberge of the *Times* reported criticism that the ACE awarded only three franchises.⁷⁵ She called the franchises 'the biggest boost for years to the struggling film industry,' but said that they 'ran into immediate criticism when the Arts Council decided to award only three of the four film franchises originally on offer'.⁷⁶ The only criticism in the press concerning the Film Franchises and the ACE's distribution of them was that the ACE failed to award as much money as originally set-aside for the scheme. The press therefore seemed to accept without question the lavish amounts awarded to the film industry under the guise of the franchises.

The day after Reguly's complementary articles on the film franchises, assaults began on the ACE's distribution as they awarded the first grants of the A4E Express scheme. The first tranche of grants created a similar press environment to that encountered by the first capital awards: vast amounts of criticism as soon as projects were named and found wanting in any way as a public cause. An article by Jason Burt in the *Daily Mail* redlined 'Lottery lavishes cash on art of the absurd'.⁷⁷ Burt wrote, 'The distributor of lottery grants, the Arts Council, was denounced as being guilty of a number of "stupid awards" among the 2,000-plus winners'. The grants cited as 'stupid' included 'bisexual artists and young graffiti painters', 'scarecrow builders'

⁷² Diane Spencer, 'Lottery stages a £15m arts rescue,' *Times Educational Supplement*, 18 October 1996, p. 9.

⁷³ Eric Reguly, 'And the winners are...', *Times*, 12 May, 1997, p. 48.

⁷⁴ Eric Reguly, 'British film-makers vie to get lottery cash in the can,' *Times*, 12 May 1997, p. 46.

⁷⁵ Nigel Reynolds, 'Films win £92m on lottery,' *Daily Telegraph*, 16 May 1997, p. 1.

⁷⁶ Dalya Alberge, 'Three film companies share £92m lottery cash,' *Times*, 16 May 1997, p. 1.

⁷⁷ Jason Burt, 'Lottery lavishes cash on art of the absurd,' *Daily Mail*, 13 May 1997, p. 6.

and 'earth mounds which emit voices'. As mentioned in the quotation, these examples were but a select few from over 2000 awards granted under the scheme. Had the author chosen any of the schools, workshops, or youth group projects, there would be no argument, but the examples used include emotive subjects, such as bisexuals and young graffiti painters, and were chosen to represent the fringes of society. No arguments are presented as to why these awards were inappropriate, and their exclusion on the grounds of sexuality or art form would be both discriminatory and a contravention of the direction which stated that the arts councils must consider applications from the full range of art forms.

Dorothy Stiven, from the *Times Educational Supplement*, supported the first tranche of A4E Main awards in an article under the rubric 'Lottery raises curtain for cut-price performances'.⁷⁸ Stiven highlighted the highest award for £500,000 saying, 'it went to the Nottingham Playhouse for the Hothouse project, a programme of developing new work with and for young people, through workshops'. Michael Billington, of the *Guardian*, presented a very different view of the first A4E Main awards. Most of his article focused on the unsuccessful application by Theatre de Complicité, and the secrecy of the decision-making process. Although Billington cited only one example of an unsuccessful applicant, he wrote, 'There is a kind of madness at work here that we must cure before we lose the chance of a lifetime'. This criticism was engendered despite the fact that he was able to cite many companies that he considered had 'done well: the Young Vic, Hampstead Theatre, the Kilburn Tricycle, Nottingham Playhouse, Northern Stage'.⁷⁹

Two months later, Jason Burt of the *Daily Mail* also criticised the second tranche of A4E Express grants: 'Lottery grants totalling £12 million were handed out yesterday – with some awards likely to have MPs seething'.⁸⁰ He complained that 'among the recipients were gay and lesbian circus performers and an amateur pop group', but provided no justification for why these artists should not receive funds, having again employed the same emotive subjects as used in his other article.

⁷⁸ Dorothy Stiven, 'Lottery raises curtain for cut-price performances,' *Times Educational Supplement*, 29 August 1997, p. 7.

⁷⁹ Michael Billington, 'Unlucky for some,' *Guardian*, 3 September 1997, p. 14.

⁸⁰ Jason Burt, 'A lottery grant for the lesbian circus,' *Daily Mail*, 30 July 1997, p. 11.

Although the criticisms of A4E funding continued, the *Times Educational Supplement* supported the schemes because they were the first real chance for schools to receive lottery funds. In an article entitled 'Everyone a winner', Diana Hinds wrote:

Given an unexpected opportunity to augment their arts programmes in ways that would be unthinkable within the constraints of the budget, schools have jumped in feet first. Most applied for, and gained, the top figure of £5,000 for a bold and imaginative range of ideas from floating giant fish down the Regent's Canal in London, to writing and videoing children's plays and songs, or furthering the development of young rock groups.⁸¹

Hinds thought the scheme 'a rare chance, then, for schools to think big and think innovatively – and really, the sky's the limit with a scheme like this one'.

Press comment surrounding the introduction of the schemes followed a similar course to that of the Capital scheme. Before the ACE announced them, there was a great amount of support for the schemes; after their announcement apprehension began about government funding and possible mis-management, and after the first awards, criticisms of the choices emanated from all but a few publications. The main difference between the pilot and Capital schemes was the number of articles, for the pilot schemes received very little attention compared to the Capital scheme. The pilots also had no scapegoat award, such as the Royal Opera House, to incite outrage in the distribution system and upon which to base subsequent articles. The initially favourable commentary about the pilots deflected arts funding disputes to the government, and gave the ACE a reprieve from the constant criticism received over the first eighteen months of arts distribution. Considering all these factors, the pilot schemes were, as such, a good public relations exercise, and the dissolution into negative press comment at the start of distribution appeared to be part of the process.

Summary

The pilot schemes were beneficial to the development of arts in Britain and raised the profile of arts distribution in many ways. They filled gaps in the allocation system and widened the field of arts distribution to include access and stabilisation. However, their improvements on the Capital scheme's regional distribution statistics were minimal, with a mixed influence on the proportion of grants distributed to the regions and only a very slight change for the better in the financial allocations. The

⁸¹ Diana Hinds, 'Everyone a winner,' *Times Educational Supplement*, 27 June 1997, sec. 2, p. 6.

pilot schemes' statistics show that the Capital scheme effected a greater improvement in correcting regional bias between its first and second eighteen months of operation, than was achieved by the A4E schemes and the Stabilisation awards added together.

The dominance of London continued with both the Stabilisation scheme and A4E Main as both schemes allocated most to this region, but A4E Express shifted the focus away from London by awarding more grants to Birmingham and the West Midlands. This change still demonstrated an inclination for lottery money to gravitate in greater quantities towards cities than justified by their percentage of the population. However, in terms of removing the emphasis from London, this could be seen as an improvement.

Comparing the various schemes' genre statistics was problematic because of the schemes' differing purposes, but the statistics still revealed some information about genre distribution. The A4E results show how arts lottery distribution continued to fund many small 'Music' grants, and fewer, but larger 'Drama' awards, no matter what the scheme. The factor that reduced, but did not extinguish, this tendency was the limited grant size of the A4E Express awards, which lowered the values of 'Drama' grants, but did not affect 'Music' awards to the same extent. The results of the various programmes also highlighted the benefits of each scheme to different art forms. For example, the 'Visual Arts' in some ways fared better in the Capital scheme than in A4E, because of this art form's requirement of building grants for art galleries; and 'Film' was better suited to the Film Franchises and Capital schemes than to the A4E programmes because of the requirement of large amounts of funding. 'Music' and 'Drama' still received a large proportion of awards from each of the schemes (with the exception of the Film Franchise scheme).

The pilot schemes, and particularly the A4E Express scheme, significantly lowered the average size of arts lottery grants, by reducing them to below a fifth of that calculated for the Capital scheme for the first three years (see table 64). The pilots brought the ACE into line with the previous distribution of the other arts councils. This success can be attributed to both the pilot schemes and an overall reduction in capital grant sizes, showing that the ACE achieved reductions in award sizes through every scheme.

The two A4E pilots targeted similar groups and institutions for participation in the schemes, and apart from the size of awards and the differing time-scales, the two programmes appear to be very similar. The benefit of having the A4E Express scheme

was the limit of £5,000 on the applications. This made occurrences such as the Royal Opera House's supposed 'swallowing' of funds impossible.⁸² The addition of the A4E Main scheme made feasible the creation of larger long-term projects, such as series of performances or workshops, encouraging public participation in the arts, but did not impinge upon the financing of the smaller Express awards.

There was far less press comment on the pilot schemes than surrounded capital grant distribution and the Royal Opera House awards. The Film Franchise and Grants for Dance and Drama schemes in particular inspired very little comment, and what was written was generally favourable. The Stabilisation scheme, although described as necessary, caused many articles on the propriety of the Lottery supporting these types of award to be written, and triggered further articles on the government's neglect of the arts through diminishing grant-in-aid allocations. The press' reaction to the A4E pilot schemes, however, followed a similar pattern to the introduction of the Capital scheme, where the original idea was greeted with enthusiasm, as legislation changed reservations ensued, and after the first awards there was condemnation of the choices of a few select projects. The press' outcry was limited for the A4E schemes as there was no scapegoat grant that could be identified as representative or would inspire emotive responses in the same way as the Royal Opera House awards. The A4E schemes also had staunch supporters in the *Financial Times* and the *Times Educational Supplement*. The ACE therefore achieved the introduction of successful additional schemes with relatively little criticism from the press.

The pilots were the manifestation of a radical change in the thinking of how lottery money should benefit Britain. Access for the British public to lottery benefits, further education for the artists of the future, the building up of the film industry and the preservation of arts companies, rather than their buildings, all succeeded in the new funding regime. Once introduced, the pilots improved the reputation of the arts councils, broadened access to the arts and greatly increased the number of recipients and participants. Although the pilot schemes only succeeded in creating minor improvements to the proportion of funds distributed to the regions, they greatly improved the access of the British public to the benefits of the Lottery by distributing a vast number of smaller awards. For these reasons, the schemes stand in their own right as a lottery success.

⁸² Ben Laurence, 'Lottery spoils battle begins,' *Guardian*, 21 May 1994, p. 40.

CHAPTER 6

CONCLUSION AND EPILOGUE

Conclusion

Before the National Lottery began, the Conservative government publicised their intention to implement it to raise funds for five Good Causes (the arts, heritage, sport, charities and projects for the millennium). The press initially supported the proposal and highlighted the financial needs of the chosen causes, but after Parliament passed legislation allowing lotteries and the ideal became reality, journalists began to write about the Good Causes and their potential beneficiaries from a negative standpoint. Negative press comment increased as distribution commenced, and criticism in the press alerted the public to an arts allocation system represented as disorganised, inequitable and run by 'elitist' quangos. Articles stated that the arts councils demonstrated geographical, flagship and 'elitist' bias in their distribution of awards. There was also speculation about inflated administration costs and lottery board members abusing their position by funding projects they personally favoured. Moreover, because distribution was restricted to capital awards (building projects rather than participatory and revenue costs), lack of public access to lottery benefits became an important issue. The press used the Royal Opera House grant as a symbol of their dissatisfaction with arts distribution, using it to represent inequitable funding, bias for flagship companies and inaccessible art forms.

When the Conservatives announced the possibility of a lottery in their election manifesto, little was said of the intended use of lottery funds beyond identifying the causes and promising community benefit. Later legislation and other procedures connected with the design of the Lottery concerned only the principles and mechanisms of fund distribution, such as 'additionality'. No real information was given regarding how funds would benefit the public, the degree of equity of distribution across the country or the types of projects intended to benefit. There were therefore few indications of how lottery funding would be distributed before the Lottery began.

The restriction to capital projects was a stipulation of the secretary of state for national heritage, as required by the *National Lottery etc. Act 1993*. The secretary of

state's directions also prohibited the arts councils from soliciting applications and required that they assess all applications individually, regardless of geographical region or genre. This placed the arts councils in a difficult position, as they could not implement a distribution system that took into account regional or genre variations, neither could they rectify any inequities by requesting awards from specific regions or genres. Distribution statistics were therefore largely dictated by factors beyond the arts councils' control.

The location of large cities had a significant affect on the geographical allocation of funds. Cities tend to house large arts institutions, which affect the average size of requests and numbers of applications from a region. The distribution of grants by each arts council, bearing in mind the factors that affect application numbers, did not indicate any elements of bias. The results for England show that each region gained at least 75% of the number of grants calculated as equitable by the settlement of the population. The distribution of funds across the country appeared more disproportionate than the allocation of awards, but larger companies based in cities and the relative availability of partnership funding could explain this. The success rates of the different regions revealed that London, which the press criticised for receiving too many awards, gained average success and rejection rates for its applications. The press' complaints of bias for London appear to be unfounded, particularly as the equity of geographical distribution significantly improved over the three years.

The analysis of distribution by genre was problematic, but by comparing the results of the four arts councils, I established that the statistics were affected by the proportion of building projects under any art form, the number of applications and the availability of partnership funding. The average grant sizes of each country also varied according to the total amounts of lottery money received from the National Lottery Distribution Fund: lower overall funds producing smaller award sizes. The analysis of grants awarded to different genres revealed that the 'Combined Arts' 'Drama', 'Film', 'Music' and the 'Visual Arts' gained most awards and funds. Awards made to 'Drama' projects had the highest value as many were for theatre restorations; 'Music' gained the highest number of awards because of many low value requests from bands and choirs. Application figures disclosed that margins between the success and rejection rates of the different art forms were relatively small, thus giving no indications of preferential treatment. The analyses overall disclosed no

indication of regional or 'elitist' bias.

The major press' outcry concerning arts distribution during the 1995-98 period was over the Royal Opera House grants. The magnitude of the press' response was out of proportion with the actual awards, particularly if the statistics for London are examined over three years. However, the press used the Royal Opera House awards to embody everything that was objectionable about distribution to the arts. They became a scapegoat that represented 'elitism', regional and flagship bias, although one of the original purposes for introducing a lottery had been to fund the Royal Opera House. The press' outcry, whilst not preventing the building of the Royal Opera House, probably induced changes to the Cardiff Bay Opera House project. The press comment was also a factor in influencing the changes to the law, which came about with the introduction of the five pilot schemes.

The Arts Council of England (ACE) received a reprieve from the press in 1996, when it introduced the five pilot schemes (the Stabilisation scheme, the Film Franchise scheme, the Grants for Dance and Drama Students programme, and the Arts for Everyone (A4E) Main and Express schemes). The introduction of the pilot schemes indicated a significant change in the government and arts councils' perceptions of how lottery funds should be spent. During the legislative process to allow a lottery, the government had not fully considered the issue of public access to funds or the equity of distribution. Once allocation began, however, the criticisms in the press of bias suggested the urgent need for a change in funding principles, and this polemic was answered with the pilot schemes. Journalists and the authors of the *National Lottery Yearbooks* wrote of the pilot schemes that they would improve the equity of funding and also address issues of revenue famine, lack of public access to the arts, neglect of the film industry and the need for funds for students overlooked by government allocations. Although these five schemes were specifically directed at gaps in arts funding and although they achieved a certain amount of success in their respective fields, the equity of regional distribution was improved more by the maligned Capital scheme than by the pilots. The pilots improved the financial equity of distribution, but only by a very small margin. They therefore filled gaps and changed the nature of funding, but did little to improve the relative equity of awards and funds across England.

According to the statistical analyses, there was little grounding for the criticisms that the allocation of arts funds was 'elitist' and inequitable. Journalists may

therefore have been alluding to a discontent stemming from elsewhere. The common factor between complaints of 'elitist' allocations and inequitable distribution was that the press were dissatisfied with the recipients, but the articles rarely suggested how arts funds should have been distributed to resolve this issue. In 1996-97, when the ACE introduced the pilot schemes to address the problems concerning lack of funding for participatory projects, near-bankrupt companies, films and students, the press reported them as the saviour of arts funding. The allocations to these schemes did little to alter the equity or 'elitist' nature of distribution, but identified and targeted specific gaps in distribution. The press, however, reported them as improving equity and addressing 'elitism', which was not to any significant degree the case. It therefore appears that the press incorrectly criticised the arts councils' distribution, the arts councils addressed a different issue, but the press interpreted this as the correction of their original criticisms.

Overall, considering the constraints of the policy directions, the arts councils distributed the awards in an unbiased manner, and addressed areas of concern with the pilot schemes. These analyses indicate that the arts councils did not appear to analyse their distribution figures, but rather reacted to the reports in the press. The councils could have refuted much of the polemic had they at that time possessed the distribution figures for the full three years. However, there would have been no guarantee that the press would have reported these findings in their favour.

Epilogue: Arts Distribution after March 1998

This thesis examines the distribution of arts lottery funding between April 1995 and March 1998. During that period, the arts councils were entirely responsible for all decisions relating to the distribution of lottery funds to the arts, and expanded their initiatives to include both 'building' and 'access' awards without significantly impinging on the 'additionality' principle decided upon by government. After March 1998, significant changes occurred in the distribution of arts lottery funds that reduced the quantity of funds available to the arts, decentralised funding decisions and changed the strategy for the awarding of grants.

In 1998, the government established a sixth Good Cause called the New Opportunities Fund, which was made responsible for the distribution of lottery grants to health, education, and environmental projects across the whole of Britain. The addition of the New Opportunities Fund reduced the percentage share of each existing

Cause to 16.7% from their previous 20% share of the Good Cause money (except for the Millennium Fund, which still received 20%). There was also a fixed period between February and May 1999 where shares were reduced to 5% for all but the Millennium projects, storing 60% for the New Opportunities Fund. The arts, therefore, had their allocation of lottery money permanently reduced to 16.7% or below, while the New Opportunities Fund would eventually receive a permanent allocation of 33.3%, once the Millennium Fund shut down at the end of 2000.

Other changes affected the arts Good Cause, including the termination of the A4E schemes. The A4E schemes, despite their success, were ended in 1998, and the ACE introduced a new scheme to replace them, called Arts for All. Arts for All differed from A4E in that it expected to distribute only £1 million in small grants in a year, rather than £22 million, and distribution was decentralised to the regional arts boards, fragmenting the responsibility for distribution.

Further decentralisation occurred in the distribution of arts lottery funds to youth initiatives, for the government created a new body called the Youth Music Trust, to distribute £10 million of arts funds to youth projects. Film funding was decentralised and handed to a new organisation called British Film, and the Department for Education and Employment took over funding of dance and drama students. The regional arts boards also gained responsibility for distributing £6.5 million to capital projects where applications were for sums below £100,000. The ACE retained the Stabilisation scheme, which they divided into two sections: one for organisations with a turnover of less than £250,000 a year, and a recovery scheme for those in acute financial difficulty. The ACE also retained the responsibility for capital projects worth £100,000 or over, but because other bodies now made the majority of the award decisions, the arts councils were no longer totally responsible for equity of distribution.

In the *National Lottery Act 1998*, the government specified that the arts councils could solicit grants, despite having been prohibited from doing so in the past.¹ After collecting information on distribution via a consultation paper called *Making a Difference*, the ACE introduced a new strategy to even out past irregularities in arts distribution. The priorities of this strategy were categorised as follows:

¹ Laws, Statutes, etc., *The National Lottery Act 1998*, c. 22, sec. 10.

For the capital programmes, the Council suggested that priority should be given to projects that:

- Are in areas that have had few or low awards so far;
- Are for types of arts activity that have had low awards;
- Contribute to national or regional strategies;
- Are in areas of social deprivation;
- Address social exclusion;
- Are to refurbish existing facilities (as opposed to 'new build')²

The ACE, having identified areas of contention concerning arts distribution, exercised their new ability to correct distribution, but the issue of whether this method of positive discrimination succeeded must be addressed in a further study.

As well as specifically targeting projects in areas so far deprived of awards, the councils had to integrate the distribution strategies of both the grant-in-aid and capital lottery awards. The authors of the *National Lottery Yearbook* wrote, 'A welcome part of the reorganisation was the announcement that the Council's lottery expenditures would no longer be handled separately from its government funding; there will now be an integrated strategy for both'.³ The allocation of government grants would therefore affect and be taken into account in the distribution of lottery awards, and the arts councils would act on consideration of the combined effect. Any further analysis would have to consider both methods of funding in order to extricate basic statistics from the arts councils' decisions.

These changes in strategy created a very different financial environment from that established during the first three years of distribution of lottery funds.

Decentralisation fragmented the responsibility for arts lottery distribution, and the ACE changed their emphasis from region-wide distribution to 'plugging the gaps'.⁴ The new system of arts funding, therefore, limits the analysis carried out in this thesis to the first three years of distribution. The stable factors, such as the arts councils' responsibility for arts funding decisions and policy restrictions on assessment procedures, disappear after this time. The authors of *National Lottery Yearbook 1999* wrote that 'a system genuinely based on these priorities would look quite different to former practice'.⁵

² Luke FitzHerbert, Faisal Rahman and Stan Harvey, *National Lottery Yearbook: 1999 Edition* (London: Directory of Social Change, 1999), p. 35.

³ Ibid., p. 34.

⁴ Luke FitzHerbert and Lucy Rhoades, *The National Lottery Yearbook: 1997 Edition* (London: Directory of Social Change, 1997), p. 59.

⁵ Ibid., p. 35.

The changes in distribution strategy, although limiting for this study, do open up many avenues for further research. Possibilities for research include examination of how decentralisation affected arts distribution statistics, and research into the motives of governmental decisions throughout the distribution process could prove fruitful. The authors of the *National Lottery Yearbook 1998* wrote that:

The government's takeover of the lottery revenues proceeded apace; it has now taken one third of all lottery 'good cause' revenues for its own programmes. With its existing tax slice that means it will be taking more than half of all the lottery revenues after prizes and operating costs have been deducted.

By committing lottery funds to the treatment of cancer, the government has also directly breached its own principle of 'additionality' to government spending with its decision.⁶

Other analyses could include the differences between the success of A4E and Arts for All, or an examination of the tactical manoeuvrings of the four arts councils. These subjects would require a little more time for the current changes to be established, but would create further awareness about arts lottery distribution in Great Britain. There is also the wider context of the differing use of lottery revenue to support the arts in different countries, highlighting the differing ethics, criteria and strategies for distribution in each country. Although the function of lotteries in society is a relatively new field of social research, the potential for further study in this area is great. With the immense sums of money being dispensed by lotteries, such studies are not merely of academic interest, but necessary for adequate administration, so that the public will be swayed not by heated polemic, but by informed response.

⁶ FitzHerbert, Rahman and Harvey, *National Lottery Yearbook 1999*, p. 7.

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