



# Spillover impacts in the publicly funded arts and culture sector

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A Report for Arts Council England

April 2025

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London, April 2025

## Contents

<b>Foreword.....</b>	<b>4</b>
<b>Executive summary .....</b>	<b>5</b>
<b>1. Introduction.....</b>	<b>15</b>
1.1 Background and aims of the study	15
<b>2. Methodology .....</b>	<b>17</b>
2.1 Conceptual framework	17
2.2 Methodology	19
<b>3. Industry Spillovers .....</b>	<b>20</b>
3.1 Stimulate private and foreign investment	20
3.2 Boosting innovation and digital technology	23
3.3 Improved business culture and entrepreneurship	27
<b>4. Network Spillovers .....</b>	<b>30</b>
4.1 Boosting economic impact of clusters and regions	30
4.2 Improved health and well-being	33
4.3 Creating an attractive ecosystem, creative milieu and city branding	38
<b>5. Knowledge Spillovers .....</b>	<b>41</b>
5.1 Strengthening the UK's artistic talent pipeline and labour market	41
5.2 Strengthening cross border and cross sector collaboration	49
5.3 Testing new forms of organisation and structure	55
<b>6. Conclusion .....</b>	<b>58</b>

# Foreword

Ask people who work in the arts and culture how they came to do what they do, and you'll be met, almost always, with a story of inspiration. They fell for the magic of the theatre after performing in a school play. A piece of music came onto the car radio and transported them. They visited a museum and saw an object that lifted them out of their own life and into the imagination of someone else. Art is primarily valuable because it opens horizons and helps us to find our place in the world.

But anyone who works in the cultural sector will also be able to tell you stories of its practical and material value. Every day, we witness the capacity of culture and creativity to create opportunity for the next generation, to support urban regeneration, or catalyse growth in the wider economy.

The direct economic impact of public investment in culture is now well documented but such evidence doesn't record the breadth of *indirect* benefits that flow from public investment in arts and culture – the “spillover effects” that ripple outwards, benefiting other sectors and developing and changing the identity of communities by spreading ideas and talent around the UK and across the world.

These spillover effects – boosting innovation, developing skills, supporting entrepreneurship, enhancing health and well-being – are challenging to quantify, so woven are they into the fabric of the economy. But they can be disentangled and revealed through careful qualitative research. The economic value of these spillover effects should not be overlooked by policy makers, if we want to recognise the true return on public investment in arts and culture.

This report by the Centre for Economic and Business Research sets out our current understanding of the spillover effects generated by publicly funded cultural organisations in England. It identifies nine distinct types of impact, ranging from the stimulation of private and foreign investment to the boosting of innovation and digital technology. Collectively, they show how public funding helps to foster growth, in ways that address market failure, unlock creative potential, and build healthy and robust creative and cultural ecosystems.

It is not the financial worth of art that matters. Rather, that art makes life worth living. Yet I commend this report to policy makers and investors. It is a practical tool that will inform thinking and stimulate evidence-based debate about the value of public cultural investment. I hope that it will lead to a greater recognition of the vital role that arts and culture play in creating a vibrant, prosperous, and inclusive society.

**Sir Nicholas Serota**  
Chair  
Arts Council England

## Executive summary

The publicly funded arts and culture sector generates substantial economic spillovers that extend well beyond its direct activities—supporting not only the continued growth of the creative industries, but also wider economic development. These benefits ripple across key policy areas including investment, innovation, employment, exports, skills, public health, and regional regeneration.

The report presents substantial evidence of positive economic spillovers, drawing on insights from interviews with 12 publicly funded organisations, alongside wider case studies provided by 11 organisations. Until now, the economic value of these spillovers has been under-recognised, due to historic challenges in quantification. This report addresses those challenges and helps to close that gap. However, rather than offering a wide quantitative overview, this report takes a deep qualitative approach, drawing on structured case studies to illustrate how public investment in arts and culture enables economic value.

### Building on our previous research

- Further to our previous reports on the size and structure of the UK's arts and culture sector, which quantified the direct economic footprint of NPOs funded by ACE, this new study shifts the focus from what the sector *produces* to what it *enables*.
- Our analysis found that NPOs account for 7% of the sector's GVA, equivalent to **£1.35 billion**, and **11% of employment**, supporting a **headcount of almost 28,000**. In 2023, this amounted to a direct return of **£3.12 in GVA for every £1 of public funding** received by NPOs. This underscores the substantial value generated by public investment alone, **before even accounting for wider spillover effects**.
- The arts and culture sector also outperforms much of the wider economy in terms of **productivity**. Between 2015 and 2022, based on available datasets<sup>1</sup>, labour productivity in the arts and culture sector averaged **£70,257 in GVA per employee—11% above** the average for the non-financial UK economy. This report identifies ways in which publicly funded organisations help sustain this advantage—through artistic talent development, creative R&D, and digitally enabled delivery models that underpin both artistic and economic resilience.
- Our previous economic modelling found that each pound of GVA generated by the sector supports an additional **£1.06 elsewhere in the economy**, primarily through upstream supply-chain activity and increased household expenditure through income generated by the arts and culture sector. However, this new research demonstrates that the spillover effects of NPOs go beyond what standard multiplier models can capture.
- Although the sector receives public investment, it is also a net contributor to public finances. In 2022, the UK's arts and culture sector paid an estimated **£4.9 billion in taxes**, against **£442 million in NPO funding**.
- Yet the value of the sector extends further still. NPOs operate as institutional anchors in their communities, generating taxable activity not only through direct employment and

<sup>1</sup> This figure excludes self-employed individuals who are not registered for VAT or PAYE, such as freelancers, due to limitations in the underlying data sources. As such, while the measure remains consistent, it does not capture the full extent of labour input across the sector. Recent data from the Department for Culture, Media and Sport (DCMS) indicates that self-employed workers made up 49% of all jobs in the cultural sector in 2023. It is important to note that these are counts of jobs, not Full Time Equivalent-adjusted figures and that sector definitions used by DCMS and Arts Council England differ slightly.

programming, but also by stimulating surrounding sectors such as tourism, hospitality, and across their supply chains.

- This research identifies **nine distinct spillover effects**, demonstrating how public funding helps to address market failures, unlock creative potential, and build vibrant ecosystems. These attract investment, drive innovation, enhance public health, develop skills, and draw in both visitors and businesses, generating economic activity beyond that which can solely be measured in traditional economic impact assessments.

## Six ways public funding in arts and culture drives economic value

Public investment in the arts and culture represents a strategic economic asset, particularly in a context where stimulating long-term growth and enhancing wider productivity have become vital. From the nine distinct spillover effects identified in this research, **six recurring economic themes** emerged most strongly.

These themes highlight the clearest pathways through which publicly funded arts and culture organisations contribute to economic outcomes. These themes are not mutually exclusive but rather serve to distil the headline economic insights into an accessible narrative for a broader audience. The section that follows provides a **more detailed breakdown** of each of the nine spillovers, alongside specific organisational examples and case studies which illustrate how these themes manifest in practice, supported by evidence from interviews, case studies, and wider data.

### 1 The sector plays a catalytic role in unlocking private and foreign investment

Public funding helps de-risk cultural infrastructure projects and attract long-term private partners. We found clear evidence of these crowding-in effects contributing to wider patterns of capital creation, helping stimulate investment activity and productivity in the arts and culture sector and beyond.



#### Aviva Studios, Manchester

Public funding helped unlock major private investment, supporting the creation of Aviva Studios, projected to generate **£1.1 billion** for the city's economy and create **1,500 jobs**.



#### The National Theatre

£28 million raised from private sources following government capital investment —a 40% increase in one year.

### 2 The sector contributes to the UK's global economic reach

Through the export of cultural products, international partnerships, and digital dissemination, the sector enhances the UK's international profile, builds commercial opportunities, and helps ensure that British creative work remains visible and competitive on the international stage.



#### Watershed

Playable City reached 1 million+ people across 5 continents. Projects co-created with 74 delivery partners in cities including Seoul, Lagos & Tokyo.



#### RADA

Institutions like RADA produce global talent, including **Cynthia Erivo**, **Kenneth Branagh** and **David Harewood** whose journeys reflect the international reach of the UK's publicly funded creative training infrastructure

### 3 Spillovers support regional growth ambitions

Arts and culture organisations contribute to local economic ecosystems by attracting visitors, stimulating footfall, and supporting surrounding businesses. We identified several key examples of these effects, with major ‘hub’ events playing a key role in city branding, making places more attractive to investors, workers and creative enterprises.



#### Liverpool Biennial

Economic impact of £24.3 million in 2023, of which £13.2 million came through direct visitor activity.



#### Manchester International Festival

MIF23 generated £39.2 million in economic benefit for Manchester, and attracted a significant share of visitors from outside the city.

### 4 Building artistic talent pipelines, skills and human capital

Publicly funded programmes equip individuals with industry-relevant skills that are transferable to other parts of the economy, and which are increasingly recognised as essential to future-facing sectors. This includes not only technical expertise in production and digital content, but also wider skills such as financial literacy, project management, digital marketing, teamwork and creative problem-solving, which are applicable to creative, technical and leadership roles. Furthermore, appearances in publicly funded performances can also provide a spotlight for artistic talent, leading to wider opportunities both domestically and internationally.



#### Royal Shakespeare Company

Graduates from RSC's education programme have gone on to professional theatre roles and top drama schools, including ArtsEd and East 15.



#### Factory Academy

Since 2018, Factory Academy has trained over 1,000 Greater Manchester residents across 40+ programmes. 60% secured employment within 3–6 months.

### 5 Public investment in arts and culture addresses persistent market failures

Public initiatives respond to failures in early-stage innovation, skills provision, and cultural infrastructure. Publicly funded organisations often take on the risks of experimentation, trialling new technologies, business models and audience engagement methods. These innovations are frequently taken up more widely across the sector, supporting productivity-enhancing change.



#### RSC's The Tempest

Pioneered real-time digital avatars on stage. Reached 136,000 live attendees, 95,000 cinema viewers across 17 countries.

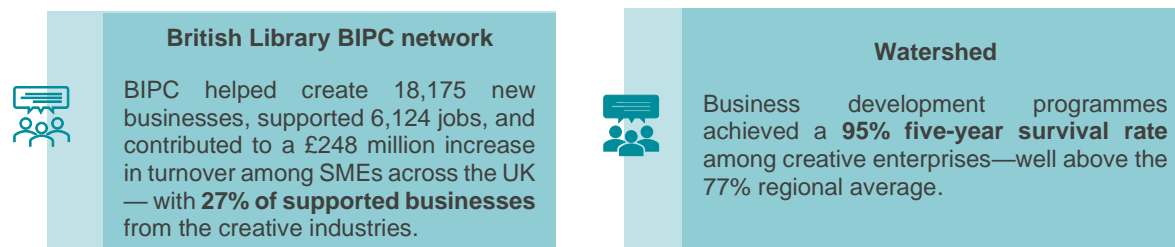


#### The Space

Helps organisations access the skills, tech and distribution channels needed for innovation. It fills a gap in the market by de-risking digital experimentation that would be unaffordable or inaccessible.

## 6 Funding entrepreneurial growth

Publicly funded organisations offer business development services, mentoring, and intellectual property support that underpin small business growth. We found clear evidence of publicly funded initiatives to build a more diverse, innovative and resilient enterprise base, directly supporting objectives around business dynamism and scale-up potential.



Taken together, these spillovers demonstrate that public investment in these organisations is not only culturally valuable, but **economically productive**. It directly supports the drivers of economic growth: investment, exports, innovation, skills, entrepreneurship and place-based development.

## Understanding the nine spillover effects

Below, we expand on the **nine spillover effects**, providing further evidence of how publicly funded arts and culture organisations generate economic value across the sector and wider economy.

### Industry spillovers

#### 1 Stimulating private and foreign investment

- Public funding **attracts substantial private and international investment** into the arts and culture sector by demonstrating market viability and reducing investment risk. This investment not only strengthens the sector and public-private partnerships within it, but also directly supports growth in the UK economy more broadly.
- Following the government's capital investment announcement in 2024 of £26.4 million, the National Theatre increased its annual **private fundraising by nearly 40%** to £28 million in a single financial year.
- Successful public-backed institutions such as Factory International have **driven major corporate partnerships**. Significant investment from Aviva to support the establishment of their headquarters – Manchester's Aviva Studios – demonstrates confidence in the long-term viability of the sector and its **potential to deliver economic impact and returns**.
- Another publicly-funded organisation, Studio Voltaire, attracted corporate sponsorship from the *LOEWE Foundation* to support artists by providing facilities, mentoring and bursaries. This exemplifies the power of public-private partnerships to **develop and uphold critical infrastructure** for the broader arts and culture sector.
- New Writing North's* collaboration with *Hachette UK* led to the investment in a new publishing office in Newcastle, the UK's **first audiobook production hub in the North East**, and new academic and industry pathways—demonstrating how public funding can stimulate regional growth and private sector engagement.



- At the international level, Arts Council England's £165,000 investment in the *Future Art and Culture* programme at SXSW showcases and attracting funding for UK artists pushing boundaries of new technologies. For example, ScanLab *Projects* **secured \$2.4 million in private investment**—highlighting the global leverage of public funding.
- Such public-private partnerships create sustainable funding models, crowding in private investment that amplifies initial public funding. These impacts **stimulate growth within creative industries that filters through to the wider UK economy**.

## 2 Boosting innovation and digital technology

- Publicly funded arts organisations act as **catalysts for digital transformation in the wider creative sector**, pioneering new distribution methods and audience engagement strategies. This innovation **drives revenue generation, productivity and adaptability** of the broader arts and culture sector in a digital economy.
- The RSC has **pioneered immersive performance technologies**—such as real-time motion capture and volumetric capture—unlocking new audience formats and contributing to the **global export of UK creative innovation**. Its 2016 *Tempest* reached over **258,000 viewers across 17 countries**, while *Dream* (2021) attracted **66,000 users from 151 countries**, with over half under 45. Through public R&D funding, the RSC is expanding into **new creative markets including gaming** (*Lili*, co-produced with iNK Stories and Alambic Production), enhancing the UK's **soft power** and positioning **arts-led IP** as a driver of cross-sector innovation. As the UK's first performing arts Independent Research Organisation, the RSC is developing sector-wide capabilities in **AI, immersive storytelling, and digital production**—laying vital infrastructure for future creative industry growth and productivity gains.
- In Pursuit of Repetitive Beats (IPORB)—the UK's largest touring virtual reality production—used public subsidy to **de-risk immersive programming** for venues. A 10-day publicly funded run at the Barbican led to a 74-day commercial booking, setting a **new model for touring digital experiences**. IPORB has since expanded internationally, with a 'lite' version **distributed across European festivals**. It also delivered **audience diversification**, reaching large numbers of first-time VR users, museum visitors, and women—groups often underrepresented in immersive media.
- The **National Theatre launched 'NT at Home' just 10 days after closing due to the pandemic**. Over a 16-week period, it released 17 plays and reached **15 million views across 9 million households in 173 countries**, more than **double the 7.2 million physical attendees** in 2018–19. The platform's success spurred similar approaches across the sector: by mid-2021, **126 of 224 publicly funded UK theatres** had produced at least one online production.
- The Space has leveraged digital technology to support arts and culture organisations with performance capture and distribution such as Rambert's *Peaky Blinders* for BBC which collaborated with The Space to create a digital version of the production which went on to feature at festival across Europe, winning the Prix Itali award. In addition to audience expansion, the international awards and film festival exposure received by these organisations **improves the export potential of arts and culture assets**, while strengthening the UK's global cultural standing.
- These interventions have **strengthened audience engagement, export potential, and the UK's position in global creative markets**. With creative service exports reaching **£45.6 billion** in 2021, digital innovation in the arts sector is playing an increasing role in UK trade and cultural diplomacy.

### 3 Improved business culture and entrepreneurship

- Public-funded arts and culture organisations deliver comprehensive business support, training, and access to valuable resources. These structured business programmes **facilitate significant business creation and scaling-up**, underpinning the financial viability of the sector and driving growth throughout the UK economy.
- The British Library's BIPC Network has fostered entrepreneurship through the provision of free access to business resources valued at **£5 million**. Between 2020 and 2023, the Network supported the creation of **18,175 new businesses, 6,124 jobs**, and delivered an estimated **£248 million in turnover** gains—with **27%** of beneficiaries from the creative industries.
- Tailored programmes such as Reset. Restart have **provided strategic guidance to over 17,000 entrepreneurs**, helping businesses pivot and identify new markets in response to the COVID-19 pandemic. Supporting business resilience and agility, this demonstrates the long-term role of public funding in strengthening SMEs and the arts and culture sector.
- With 62% of BIPC-supported businesses taking steps to secure their Intellectual Property, public-funded institutions play a **critical role in safeguarding innovation**, protecting business assets, and fostering confidence for investment and expansion into new markets. Engaged businesses also reported tangible improvements in productivity and profitability.
- 'Watershed's Pervasive Media Studio offers ongoing support a core community of creative businesses. In 2023/24 alone they had a combined turnover of over **£6.3 million** and leveraged over **£3.1 million** in funding. Through the Create Growth programme run in collaboration with Gill Wildman and Mark Leaver, Watershed have also supported a wider network of businesses over the last 5 years. Programme participants generated nearly **650 jobs** and saw an average **44% increase in turnover** with **95% survival rates**, far exceeding the regional average of 77%.

## Network spillovers

### 4 Boosting economic impact of clusters and regions

- Public-funded arts events are instrumental in driving tourism, job creation and regional economic growth. The Manchester International Festival 2023 **generated £39.2m in revenue for the Manchester economy**, including over £26m in direct local spending, **supporting 22 full-time jobs** throughout the city.
- The economic impact of Liverpool Biennial 2023 was **£24.3 million, of which £13.2 million was generated through direct visitor activity**, driven by more engaged visitors staying overnight, a focus on artworks within the Liverpool City Region, and stronger audience development and marketing efforts
- The Lowry contributed **£48 million in GVA and attracted 860,000 visitors**, with a local visual spend of **£86.6 million** in 2022/23. It also helped **catalyse the MediaCity cluster**, reinforcing Greater Manchester's digital economy.
- Durham's Lumiere Festival has welcomed **1.3 million visitors** since 2009, delivering **£43 million in local economic impact**. Its 2019 edition alone returned **£11.5 million** from **£1 million** in combined public investment, a strong example of high ROI for regional culture.
- Public investment in arts and culture contributes to regional development and catalyses urban regeneration. The Liverpool Biennial's activation of Stanley Dock and the Tobacco

Warehouse has **supported both residential and commercial interest**, demonstrating the role of arts and culture in **placemaking and local economic development**.

- Public-backed arts and culture organisations **underpin long-term investment in the creative sector** and strengthen the economies and cultural ecosystems of their local areas. The newly opened Aviva Studios, home to Factory International, is projected to **contribute £1.1 billion to Manchester's economy over a decade** whilst creating or supporting 1,500 direct and indirect jobs.

## 5 Improved health and well-being

- Participation in publicly-funded arts programmes is associated with **improved mental health and well-being**. Recent research<sup>2</sup> commissioned by the DCMS reveals that cultural engagement contributes approximately **£8 billion** annually in health and well-being benefits. This valuation encompasses improved quality of life, reduced use of health and social care services, and increased productivity, with individual benefits estimated at around **£1,000 per person per year**.
- Studies evidence a **32% lower risk of developing depression** amongst those engaging in arts and cultural activities, whilst research highlighted that initiatives such as Dance United Yorkshire foster improved self-confidence, emotional resilience and social connectedness.
- Public investment in arts and cultural activities delivers pronounced **health improvements**, thus generating economic benefits through **increased productivity and reduced strain on the healthcare system**. Studies on social prescribing programmes indicate that participation in structured arts initiatives led to a 21% reduction in GP visits and 20% decrease in A&E admissions. Some estimates suggest a return on investment of up to **£2.90 for every £1 spent**.<sup>3</sup>
- For people with dementia, visual arts and music programmes have **shown returns as high as £5.18 per participant**, while reducing medication use and supporting informal carers. Targeted case studies underscore the system-wide benefits: Manchester Camerata's Music in Mind reported **90% improved communication, 100% improved social interaction, and a 67% reduction in anti-psychotic use** among participants. Its broader Power of Music initiative is projected to reach 5,500 people through 170 microgrants.
- Arts participation can **complement traditional mental health interventions**, providing alternative, non-medical pathways for mental healthcare. Case studies from Dance United Yorkshire (DUY) and broader Arts on Prescription research suggests creative engagement provides alternative coping mechanisms, with **78% of participants reporting improved well-being** in the latter.

## 6 Creating an attractive ecosystem, creative milieu, and city branding

- Investment in publicly funded cultural infrastructure significantly **enhances a city's appeal to businesses, tourists, and creative professionals**. Organisations such as Liverpool Biennial and Factory International help position their cities as vibrant cultural hubs, cultivating an environment that supports both public and private cultural initiatives, thus **driving economic and social vitality**.

<sup>2</sup> DCMS

<sup>3</sup> Evidence summary for policy: The role of arts in improving health and wellbeing. [GOV.UK](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/674443/evidence-summary-for-policy-the-role-of-arts-in-improving-health-and-wellbeing.pdf)

- High-profile cultural events held by publicly funded organisations are **critical in attracting national and international visitors, talent, and media attention**. For example, over one-fifth of attendees to the 2023 Liverpool Biennial were international visitors, helping expand the city's global reach and strengthening its identity as a key cultural destination.
- The activity of public-backed arts and culture organisations heavily **contributes to workforce development and supporting emerging artistic talent**. Factory International's Factory Academy has played a pivotal role in developing over **1,000 skilled local arts professionals** since 2018, creating a pipeline of artistic talent that strengthens Manchester's creative economy and labour market.
- Arts and culture events foster substantial youth engagement and volunteering, broadening labour participation and underpinning the **long-term sustainability of creative sectors**. This is exemplified through Factory International's 'The Welcome' as part of its opening programme, which attracted 52% of attendees aged between 0-34, as 47% of volunteers throughout Manchester's cultural events that year were also under 35.

## Knowledge spillovers

### 7 Strengthening the UK's artistic talent pipeline and labour market

- The arts and culture sector depends on a steady pipeline of skilled, adaptable artistic talent. Publicly-funded arts initiatives play a crucial role in sustaining that pipeline and developing **highly transferable technical, vocational, and soft skills**, beneficial within the creative industries and beyond.
- RADA exemplifies how targeted public investment in talent development yields global economic and cultural dividends. Despite training just 176 students annually, its graduates have contributed to films generating **\$55 billion in global box office revenues** and hold senior creative and leadership roles across the UK's cultural and media industries.
- 90% of NT-trained apprentices go on to employment in the creative industries, often in the field in which they were trained. The NT Skills Centre aims to train 5,000 people per year through entry-level to mid-career programmes.
- Factory International's Factory Academy has trained **over 1,000 Manchester residents through 40 specialised programmes**, equipping individuals with relevant, practical skills. Alumni include successful organisers like the founder of the Altrincham Arts Festival, whose training in project management and budgeting demonstrates **broader economic applicability**.
- Investment in skills programmes significantly enhances **employment prospects**, addressing critical market failures such as **skills shortages and barriers to entry** in creative careers. Nearly **two-thirds (60%) of Factory Academy participants found employment within three to six months** of completing their training. Notably, the Future Cultural Leaders programme saw **94% of its participants secure employment**. This impact is particularly significant given the UK's ongoing inactivity challenges and tight post-pandemic labour market conditions.
- **Artwork's Creative Careers programme** supported **516 school pupils, 39 NEET young people, and delivered 20 paid placements**. 65% of 2023 trainees entered employment or further education, while **95% of employers reported positive impacts**.
- **Talent Accelerator** in East Sussex delivered **over 113 placements** and engaged more than **10,000 young people**, achieving a 900% overperformance among 11–14-year-olds against engagement targets.



- Public-backed development programmes and initiatives are **vital in maintaining the artistic talent pipeline and sustainability of the UK's creative industries**. Initiatives such as the Royal Shakespeare Company's Next Generation Talent Development Programme provide practical experience, helping students transition into professional careers at institutions like BRIT School and ArtsEd, with some advancing to roles in Emmerdale and Park Theatre.
- Arts and culture programmes have **contributed heavily to improved educational outcomes** throughout the curriculum. The Royal Shakespeare Company provides arts-based education to schools in deprived areas. Participants in this scheme **performed better** than non-participating students in 98% of measured educational indicators relating to language development. DUY also plays an instrumental role at the higher education level, developing strong ties with universities and expertise in the admissions process that increase the likelihood of participants benefitting from further education.

## 8 Strengthening cross-border and cross-sector collaboration

- Publicly funded arts organisations serve as **critical platforms for international and cross-sector collaboration**, enhancing the UK's global cultural influence. Studio Voltaire facilitate global artist collaborations that connect artists, businesses, and communities from around the world, whilst Factory International has been a major international cultural player since the first edition of Manchester International Festival in 2007. The organisation has collaborated with over 66 partners on more than 50 different shows and their productions have been to 35 countries in 6 continents.
- Playable City, led by Watershed in Bristol, has engaged **over one million people across five continents**, forging links with 74 partners in cities like Lagos, Seoul, and Melbourne.
- **878 AD** in Winchester combined public funding with private partners like Ubisoft to create an award-winning immersive attraction that brought in **£1.85 million to the local economy**, created **40+ jobs**, and attracted **26,000 visitors in 18 months**—many from new, younger, and more diverse audiences.
- Public-backed arts and culture organisations **drive significant financial and global impact through co-commissioning**. Factory International's co-commissioning model has raised significant funding and expanded its global reach, with partnerships with institutions from New York to Paris to Taipei. The MIF19 festival **raised £3.1 million through partnerships with global arts institutions**. These approaches enhance the international reputation and brand of the UK arts and culture sector, facilitate major collaborations and generate sustainable **income inflows for the UK economy**.
- The UK's public-backed arts and culture sector facilitates collaboration with the commercial sector, and **support broader cross-sector collaboration throughout the economy**. For example, FRIEZE and Studio Voltaire align their events to boost visibility and engagement with the public-funded and private arts sectors, with the former noting that London's robust public-funded arts ecosystem influences location decisions for commercial galleries.
- These relationships not only expand creative opportunities but also foster a dynamic exchange of ideas and expertise, **contributing to the UK's reputation as an international hub for culture and innovation**. Programmes such as the LOEWE Residency are key examples of public funding enabling knowledge exchange and attracting creative artistic talent to the UK.

## 9

## Testing new forms of organisation and structure

- Public-backed arts organisations often **act as innovation testbeds**, experimenting with digital transformation and audience engagement strategies. The National Theatre's NT at Home digital streaming initiative led to **the adoption of similar platforms in 126 other public-backed UK theatres, and major commercial theatres** such as Andrew Lloyd Webber's The Show Must Go On.
- Publicly funded arts and culture organisations are also **key innovators and drivers of development in novel business models and management approaches**. For example, Dance United Yorkshire (DUY) has developed an innovative working model where professional dance schools collaborate with DUY's marginalised community members to enable mutual learning and exposure. Novel business models and approaches proliferate throughout both the sector and wider UK economy, **spreading best practice and boosting business productivity**.

# 1. Introduction

The Centre for Economics and Business Research (Cebr) is pleased to present this report to Arts Council England looking at the spillover effects between the publicly funded arts and culture sector and its non-funded counterparts. Arts and culture play a fundamental role in shaping the creative economy, not only through direct contributions such as employment and revenue generation but also through indirect benefits that extend beyond the organisations receiving public funding. These spillover effects, while difficult to measure precisely, influence a wide range of economic and social outcomes, including innovation, skills development, investment attraction, and city branding.

## 1.1 Background and aims of the study

The aim of this report is to identify and analyse spillover effects between the publicly funded arts and culture sector and its non-publicly funded counterparts. Measuring these effects presents inherent challenges, which had led to Economists ignoring the spillover impacts of arts and culture institutions in the past, however, our work aims to examine the spillover impacts of these institutions to demonstrate the true impact of the arts and culture sector on the economy. Unlike direct economic contributions, spillovers manifest in knowledge transfer, skills development, increased consumer demand, and shifts in industry practices—all of which contribute to growth and the long-term sustainability of the creative economy in England.

From an economic perspective, publicly funded arts and culture institutions address several forms of **market failure**, which justify public investment in the sector. One key issue is that arts and culture exhibit characteristics of **public goods**—in that they are often non-excludable (once created, they can be enjoyed by many people without additional cost) and non-rivalrous (one person's enjoyment does not diminish another's). In addition to their public good characteristics, arts and culture can also be understood as **merit goods**—services which tend to be under-consumed when left to the market, in part due to information gaps or a lack of awareness about their broader personal and societal benefits. This means that the private sector alone may underinvest in the arts, as it may be difficult to fully capture financial returns on creative outputs. Without public funding, many forms of artistic and cultural expression—particularly those with high upfront costs and uncertain commercial viability—would struggle to survive, reducing the diversity and accessibility of cultural production.

In addition to addressing public goods issues, the publicly backed arts and culture sector generates **positive externalities**, or benefits that extend beyond those directly involved in production and consumption. These externalities include the enhancement of urban environments, the stimulation of creativity and innovation, and the development of cultural capital that supports other industries such as tourism, education, and media. A strong cultural sector can also drive economic **crowding-in effects**, where public investment attracts additional private investment by reducing perceived risks, establishing market viability, and fostering an environment conducive to business activity.

However, quantifying these spillover effects remains complex due to methodological challenges. Establishing clear causality between publicly funded arts funding and benefits to the non-publicly funded sector requires robust longitudinal data, which is often scarce. As highlighted in *Cultural and Creative Spillovers in Europe* by Tom Fleming (October 2015), few studies in the field meet rigorous empirical standards to directly measure causality. Many

existing analyses rely on qualitative assessments, stakeholder perspectives, and case studies rather than controlled econometric modelling.

Therefore, our approach focuses on qualitative research to provide meaningful insights into spillover effects and understand how the publicly funded arts and culture organisations generate economic growth within the UK. By engaging directly with 12 publicly funded and non-publicly funded cultural organisations as well as additional case studies from 11 organisations and wider desk research, we capture real-world experiences that illuminate how these spillovers manifest in practice. This methodology ensures that the research remains grounded in the lived realities of those working in the arts sector, leading to findings that are both relevant and applicable.

This report explores the role of publicly funded arts organisations in attracting investment, creating outsized economic impacts in the regions they operate, fostering cross sector collaborations, stimulating innovation, and expanding audience engagement through digital technologies. In doing so, this report contributes to a broader understanding of how public investment in the arts extends beyond direct beneficiaries, generating wider economic and social benefits that enhance the sustainability of the UK's creative economy.



## 2. Methodology

### 2.1 Conceptual framework

The *Cultural and Creative Spillovers in Europe* report by Tom Fleming Creative Consultancy (2015) serves as the foundation for our analysis<sup>4</sup>. This report was jointly funded by the Arts Council England, Arts Council Ireland, Creative England, European Centre for Creative Economy, European Cultural Foundation and the European Creative Business Network. The purpose of this research was to evaluate the available evidence for the spillovers of the publicly funded arts and culture industry in Europe.

#### Definition of Spillovers and main spillover categories

As the definition of spillovers can be ambiguous and differs depending on the context of the analysis, we examined the above report and have refined their definition of spillovers to better fit the purpose of our study. In the context of our study, a spillover occurs when activity conducted by a publicly funded arts and culture organisation results in a positive impact on other arts and culture organisations, society or the economy, through an overflow of different forms of capital including new ideas, skills, and concepts.

To evaluate the spillovers, the Tom Fleming report examined 98 pieces of evidence from across the European Union. From this evidence, they classified spillovers using a framework consisting of 3 main categories and 17 subcategories. The three main categories from this report are Knowledge, Industry and Network Spillovers:

- **Industry Spillovers** are the impact publicly funded arts and culture organisation have on the economic outcomes of another organisation through a value chain. This can stem from the influence of the creative organisation, an event they host or a specific artist's work generating value for another business.
- **Network spillovers** relate to the geographical impact of the arts and culture organisations which locate in a region. The impact of these organisations can be economic or social and are focused on the region where these arts and culture organisations locate.
- **Knowledge Spillovers** occur when new ideas, innovations or creative processes developed within publicly funded arts and culture organisations spread into the wider economy and society—whether informally, through inspiration and imitation, or formally, through mechanisms like IP licensing or collaboration.

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<sup>4</sup> [Cultural and creative spillovers in Europe, Tom Fleming](#)

## Spillover subcategories

Of the 17 subcategories identified in the Tom Fleming report, we shortlisted **nine** in consultation with Arts Council England, selecting those most relevant to the economic spillovers of the publicly funded arts and culture sector. To streamline the analysis and avoid duplication, some closely related spillovers were merged. Table 1 presents these subcategories along with their definitions.

Table 1: Subcategories of the Knowledge, Industry and Network spillovers and their description

Types of Spillovers	Spillover subcategories	Description
<b>Industry spillovers</b>	Stimulating private and foreign investment	Examine whether the success of the publicly funded arts and culture organisations has created investment opportunities for the wider arts and culture sector
	Boosting innovation and digital technology	Examine if the publicly funded sector has adopted new technologies or developed new innovations which are adopted by the wider creative sector
	Improved business culture and entrepreneurship	Examine if publicly funded arts and culture organisations have delivered comprehensive business support, and access to valuable resources within the creative industries.
<b>Network spillovers</b>	Boosting economic impact of clusters and regions	Examine if the publicly funded arts and culture organisations create an economic benefit for the areas which they operate in - this can be through higher footfall, increased demand for local services and creating more non-publicly funded opportunities
	Improved Health and well being	Examine the impact of engagement with the arts and culture organisations has resulted in health benefits reducing demand for medical services, improving confidence or reducing anxiety and depression.
	Creating an attractive ecosystem and creative milieu	Examine how the success of the arts and culture organisations in a local area promote cultural tourism (domestic and international) and attract other arts and culture organisations to operate in the same area, promoting growth within the sector
<b>Knowledge spillovers</b>	Strengthening the UK's artistic talent pipeline and labour market	Examine how these organisations equip participants with transferable skills, improve access to employment within and beyond the sector, and support the development of a artistic talent pipeline aligned with the needs of the UK's creative industries and wider economy
	Strengthening cross border and cross sector collaboration	Examine the cross border and cross sector relationships fostered by the publicly funded arts and culture sectors. Examine if these relationships enhance the UK's global cultural influence

	Testing new forms of organisation and structure	Examine the new ways of working, new business models and new ways of reaching audiences created by the publicly funded arts and culture organisations
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## 2.2 Methodology

Our methodology builds upon the refined framework from the *Cultural and Creative Spillovers in Europe* report by Tom Fleming Creative Consultancy (2015). The aim was to conduct an in-depth qualitative analysis of the spillovers identified in Table 1, focusing on the interactions between publicly funded and non-publicly funded arts and culture organisations.

To achieve this, we employed qualitative research methods, including interviews with both publicly funded<sup>5</sup> and non-publicly funded arts and culture organisations and further desk research to draw case studies on the different spillovers.

We collaborated with ACE to facilitate interviews and discussions with key stakeholders from both sectors. These discussions were essential for capturing firsthand experiences, identifying mechanisms of spillover effects, and highlighting the spillovers which industry participants believed to be most relevant. Insights from these interviews were then synthesised into representative case studies, illustrating key spillover areas and the broader impact of the publicly funded arts and culture industry.

To ensure consistency, all case studies followed a standardised structure, allowing each organisation equal opportunity to articulate the spillovers most relevant to them. At the beginning of each interview, we introduced the concept of spillovers in this context and a clear explanation of the research objectives to eliminate any ambiguity.

Following the introduction, we presented a tailored slide deck featuring spillovers identified through our preliminary desk research. This was accompanied by pre-formulated questions specific to each organisation. After discussing these pre-identified spillovers, we opened the discussion to participants, encouraging them to highlight any additional spillover effects they deemed particularly relevant to their organisation. This flexible approach ensured a comprehensive and inclusive exploration of spillover effects within the arts and culture industry.

***The organisations interviewed were Dance United Yorkshire, The Space, Liverpool Biennial, FRIEZE, Studio Voltaire, the Colchester and Ipswich Museum, the British Library, Factory International, the National Theatre, the Royal Shakespeare Company and the Contemporary Visual Arts Network England (CVAN).***

Of the 11 NPOs interviewed, five are from the visual arts sector, two represent theatre, and two work across combined arts. The remaining three include one library, one museum, and one dance organisation.

<sup>5</sup> 11 of the 12 organisations we interviewed were National Portfolio Organisations (NPOs) supported by ACE. The only non NPO organisations is FRIEZE.

## 3. Industry Spillovers

### 3.1 Stimulate private and foreign investment

This section examines how public investment in the arts and culture sector plays a **catalytic role in unlocking private and foreign investment**—the first of the six core economic spillover themes identified in this report. In particular, we consider the ways in which sustained public support reduces risk, demonstrates demand, and builds the foundations upon which commercial and philanthropic investment becomes viable.

Across the case studies presented, we find evidence of public funding helping to **crowd in private capital**, including investment in cultural infrastructure, content production, and artistic talent development. These crowding-in effects are often cumulative: public investment builds visibility, anchors audiences, and creates reputational confidence, which in turn attracts long-term private partners and opens up opportunities for co-investment. The National Theatre offers a clear example. Following the government’s capital investment announcement in 2024 of £26.4m to support urgent infrastructure updates, the National Theatre increased its fundraising from private sources by nearly **40%**, reaching **£28 million** in a single financial year.

This dynamic also supports wider regional growth ambitions. In several cases, public-private partnerships have led to the creation of new physical infrastructure—studios, offices, and performance spaces—that stimulate local job creation and attract additional footfall to surrounding areas. In others, public investment has supported early-stage innovation and small business growth, laying the groundwork for **entrepreneurial activity and long-term sector resilience**.

Together, these examples illustrate how public investment in the arts and culture sector does not substitute for private capital, but rather **enables it**—by reducing uncertainty, building infrastructure, and demonstrating viability. In this way, publicly funded organisations contribute to a broader ecosystem of investment, helping to stimulate growth and productivity both within the creative industries and in the wider economy.

#### 3.1.1 Factory International and Studio Voltaire attracting private investment

Here, we examine how large publicly funded arts and culture organisations, such as *Factory International* and *Studio Voltaire*, secure funding and partnerships with private sector entities and whether these partnerships generate broader opportunities for the arts economy.

*Factory International*, located in Manchester, operates from its headquarters, *Aviva Studios* where it commissions, produces and presents a year-round programme of original creative work and special events. *MIF* It also stages the city-wide Manchester International Festival every other year – welcoming approximately 325,000 visitors to its most recent festival in 2023.

<sup>6</sup> The festival significantly contributes to Manchester’s cultural appeal, drawing a substantial audience specifically interested in arts and culture. Visitors engaging with *MIF* often explore other cultural offerings in the city, creating audience spillovers that benefit the wider sector.

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<sup>6</sup> [Annual report](#), MIF 2023

While the direct economic impact of MIF23 is explored in Section 4.1, this section focuses on the role of large-scale cultural events in attracting private investment.

Since its inception in 2007, the biennial *Manchester International Festival* has demonstrated sustained success, especially notable in recent years when visitor numbers have surpassed 200,000, including in post-pandemic periods. This success was a key factor in attracting significant private investment from Aviva, which supported the establishment of *Factory International's* new headquarters, *Aviva Studios*, which opened in October 2023. *Aviva Studios* played a central role in MIF23, hosting a major exhibition of Yayoi Kusama and a series of gigs before its official launch in October, alongside free events and performances outside the venue which drew 83,000 visitors.<sup>7</sup> *Aviva's* investment highlights the confidence private sector organisations place in successful publicly funded arts entities. Such investments reflect confidence in the long-term viability of publicly funded cultural organisations, with investors recognising their potential to enhance local economic activity, increase visitor numbers, and provide valuable brand exposure. This model of investment may encourage further private sector involvement in cultural projects and organisations, particularly where there is evidence of sustained audience engagement and economic impact. *Aviva studios* is an example of the long-term economic impact private investment in the arts and culture industry can have on the wider economy. The development of *Aviva Studios* is projected to create or support up to 1,500 direct and indirect jobs and generate £1.1 billion in contribution to the city's economy over a decade.<sup>8</sup> These projected impacts demonstrate the long-term viability of such investments and the significant returns that investment in the arts and culture sector can have for the wider economy.

*"Our venue sponsorships, including our partnership with Manchester City Council and Factory International at Aviva Studios, underline our organisation's commitment to backing the UK through long-term investments which support economic growth, job creation and regional regeneration, helping the UK get ready for the future."*

*"We firmly believe in a model of partnership and collaboration between the public and private sectors and the involvement, both financially and strategically, of the Arts Council played a significant role in our decision to sponsor this world-leading destination for the arts"*

**Tom Whiteside**

Group Head of Sponsorship  
Aviva

Similarly, *Studio Voltaire* has demonstrated how publicly funded organisations can attract corporate investment, particularly by supporting underrepresented artists. A key example is the *LOEWE FOUNDATION / Studio Voltaire Award*, established in 2021, which recognises *Studio Voltaire's* role in nurturing artists at critical stages of their careers. This collaboration illustrates how corporate sponsors align their support with publicly funded institutions that champion emerging artistic talent.

The *LOEWE Foundation* provides rent-free studio spaces, mentoring programmes, and bursaries ranging from £5,000 to £25,000, addressing financial barriers that often prevent artists from sustaining their careers. With rising property costs leading to a significant reduction in affordable studio spaces across London, *Studio Voltaire's* ability to secure corporate

<sup>7</sup> Ibid

<sup>8</sup> [Manchester City Council](#)

sponsorship highlights the role of publicly funded organisations in maintaining essential infrastructure for the wider arts sector.

By supporting emerging artistic talent in both publicly funded and non-publicly funded sectors, initiatives like the *LOEWE FOUNDATION / Studio Voltaire Award* contribute to wider economic spillovers. Crowding-in effects occur when public investment in the arts reduces risk and enhances market viability, making the sector more attractive to private investors. By building audiences, providing infrastructure, and demonstrating sustained engagement, publicly funded organisations act as a catalyst for private investment.

### **3.1.2 New Writing North – Major private partnerships**

Another example of publicly funded organisations catalysing private investment in the arts and culture sector is the collaboration between New Writing North (NWN) and major publishing house Hachette UK. NWN has played a central role in rebalancing career opportunities within the UK's publishing and writing industries, particularly in the North. This partnership began with collaborative awards, such as Hachette Children's Books sponsoring a prize within the Northern Writers' Awards and evolved into a much broader strategic relationship.

One of the most impactful outcomes of this partnership has been the establishment of a Hachette office in Newcastle. Initially co-located with NWN, the Newcastle office has now expanded into its own premises, growing to a 12-person team. This demonstrates how private investment in the publicly funded arts and culture industry can lead to long term growth and the creation of jobs in the wider arts and culture sector. Furthermore, to support the artistic talent pipeline, NWN and Hachette co-developed a Publishing MA programme with Northumbria University, now in its third year, ensuring sustained regional skills development aligned with industry needs.

The collaboration has also catalysed infrastructure growth through the creation of the *Sounds Good Audio Studio*—the first audiobook production hub in the North East. Supported by Creative UK and Hachette's Director of Audio, the studio now produces 24 audiobooks annually and engages over 30 freelancers, including regional actors, each year. This initiative not only enhances regional economic activity, but also mainstreams northern voices in UK audio production.

NWN's wider industry partnerships with organisations such as Faber and Faber, Channel 4, and several UK universities further demonstrate how publicly funded organisations can act as pathway for private sector investment. The forthcoming Centre for Writing and Publishing, with Hachette UK and Faber as founding partners, exemplifies how public-private collaboration can result in lasting infrastructure and industry development. Such partnerships contribute to long-term growth, foster innovation, and can amplify the economic impact of the creative industries across the UK.

### **3.1.3 The Future Art and Culture Programme at South by Southwest (SXSW)**

Publicly funded arts and culture organisations can also act as a catalyst for attracting foreign investment into the UK arts and creative sectors. A leading example of this is the Future Art and Culture (FA&C) programme at South by Southwest (SXSW) in Austin, Texas. Funded by Arts Council England with support from the British Council, the FA&C programme showcases



UK artistic talent at one of the world's most prominent cross-sector creative festivals, where the arts meet technology, media, and innovation.

Produced by British Underground, FA&C provides a high-profile platform for UK artists, significantly boosting their visibility on the international stage. Since its inception, the programme has demonstrated how relatively modest public investment can be leveraged into significant private and foreign capital. In 2022, an initial public investment of £36,000 across three projects—helped participants raise an additional £98,087 from external partners. Furthermore, following ScanLab Projects participation in FA&C, which resulted in a lot of visibility for the organisation, they secured \$2.4 million in private investment.

FA&C-supported projects have also earned international acclaim, winning the prestigious *Best XR Experience* award at SXSW for three consecutive years. Beyond awards and visibility, the programme has catalysed long-term relationships with international collaborators, including UK Research and Innovation (UKRI), the British Film Institute (BFI), and others. These partnerships not only support individual artists but strengthen the reputation and export potential of the UK's creative technology sector as a whole.

Through its focus on innovation, market development, and cross-border collaboration, the FA&C programme exemplifies how public funding can spark meaningful spillover effects—connecting UK-based artists with new audiences, investors, and opportunities globally. It demonstrates that well-targeted public support can yield high returns in the form of inward investment, job creation, and enhanced cultural diplomacy.

## 3.2 Boosting innovation and digital technology

Digital innovation within the publicly funded arts and culture sector is not only transforming how work is created and shared—it is also generating wider economic spillovers across investment, skills, and enterprise. Publicly supported initiatives have played a catalytic role in de-risking experimentation with digital formats, creating conditions for new commercial models, expanding audience access, and building the digital capabilities of the wider creative ecosystem.

This section explores how organisations such as *In Pursuit of Repetitive Beats*, the National Theatre, and The Space have developed and deployed digital platforms and immersive experiences that extend beyond their core artistic remit. Their activity has enabled the development of new markets—such as location-based VR touring and international streaming—while also supporting workforce development and venue upskilling.

In doing so, these organisations contribute to **broader economic objectives**: fostering innovation, attracting follow-on investment, enhancing export potential, and strengthening the UK's position in global creative industries.

### 3.2.1 RSC's role in pioneering digital performance and cross-sector experimentation

The Royal Shakespeare Company (RSC) has emerged as a global leader in performance-led technological innovation, using public investment to de-risk early-stage experimentation and establish new frontiers for creative storytelling. Through its digital R&D partnerships and immersive production techniques, the RSC has helped define a new model for innovation within the cultural sector—one that is increasingly **exportable, commercially viable, and aligned with the broader productivity and growth ambitions** of the UK's creative industries.

As a publicly funded organisation, the RSC has developed trailblazing projects that harness cutting-edge technologies—such as real-time motion capture, volumetric scanning, and interactive game engines—to pioneer hybrid formats that blend theatre, gaming, and digital design. Its ground-breaking 2016 production of *The Tempest*, developed in collaboration with Intel and The Imaginarium Studios, was the **first in the UK to use real-time digital avatars** on stage, reaching over **136,000 live attendees, 27,000 students via school broadcasts, and 95,000 cinema viewers across 17 countries**. This fusion of theatrical storytelling with emerging tech exemplifies how public R&D investment can unlock global reach and open commercial pathways, particularly in new content verticals like live cinema, immersive gaming, and edtech.

Building on this legacy, the RSC's *Dream* (2021) project—with partners including Manchester International Festival, Marshmallow Laser Feast, and the Philharmonia Orchestra—reached over 66,000 viewers across 151 countries and demonstrated a breakthrough in interactive digital theatre. The audience was three times more diverse than typical RSC demographics, with 54% under 45 and 58% watching from outside the UK, illustrating how innovative formats can extend access, grow international markets, and reduce structural barriers to participation. *Dream* also piloted technologies later shared with other cultural institutions, highlighting how publicly funded innovation accelerates sector-wide capability building.

The RSC's upcoming title *Lili*—a video game reinterpretation of *Macbeth* in collaboration with New York's iNK Stories—further illustrates its role as a cultural-tech bridge. The game brings cinematic storytelling into the interactive realm, combining themes of gender, power, and digital surveillance with gameplay designed for global audiences. Co-produced with Alambic Production and featuring Cannes Best Actress winner Zar Amir, *Lili* marks the RSC's entry into the global video games market. This shift expands the UK's soft power footprint and reflects how state-supported arts organisations can incubate IP and IP-based innovation with transnational market potential.

Beyond individual projects, the RSC's designation as the UK's first performing arts Independent Research Organisation (IRO) positions it structurally as a national innovation hub. Through the AHRC-funded International Fellows programme and associated infrastructure investment, the RSC is now developing a new wave of creative R&D capacity in areas such as AI, motion capture, photogrammetry, and immersive storytelling. These advances support not only the performing arts but have wider applications across screen industries, education, tourism, and virtual production—sectors central to the UK's creative economy.

Taken together, these initiatives demonstrate how public investment in the RSC is generating significant innovation spillovers. By developing technologies, audience models and production formats that are both scalable and exportable, the RSC is helping shape the future of cultural production—laying foundations for growth, upskilling, and international market positioning across the broader creative industries.

### 3.2.1 Innovating Through Immersive Media: In Pursuit of Repetitive Beats

Another example of publicly supported digital innovation is *In Pursuit of Repetitive Beats* (IPORB)—a high-quality, location-based virtual reality experience that blends elements of film, theatre, gaming, and visual art. Set in 1989, the production immerses audiences in the heart of UK music culture, combining storytelling, nostalgia, and spatial design to create a distinctive cultural experience. Initially supported by the British Film Institute and Coventry City of Culture, IPORB has since been scaled with investment from Arts Council England and Innovate UK. It is now the UK's largest touring VR experience and has been cited as a "best in class" example of immersive production.



The production has piloted a new commercial model, in which ten days of ACE/BFI subsidy are used to de-risk programming and incentivise longer bookings. This has had tangible results: a 10-day subsidised run led to a **74-day engagement at the Barbican**, as part of its new flagship music programme *Frequencies*. The show regularly achieves **80–90% ticket sales** and has encouraged venues to upskill staff and extend their programming into immersive media—suggesting wider potential for digital transformation across the cultural venue sector.

Audience evaluation from the Birmingham Museum indicated the experience’s ability to reach new and previously underserved demographics:

- **60%** of attendees had never visited the museum before.
- **60%** had never previously experienced VR.
- **55%** of audiences were women—countering typical tech-user profiles.

Beyond domestic touring, IPORB has also demonstrated the **export potential of UK immersive content**. A streamlined ‘lite’ version has been successfully distributed to festivals and venues across Europe, including in **Spain, Lithuania, and the Netherlands**. At the same time, the production team has partnered with regional cultural authorities such as the West Midlands Culture Authority to train local teams in immersive media installation and audience engagement.

Importantly, IPORB has connected with a growing audience segment of experience-driven cultural consumers. Its appeal has been sustained not through the novelty of technology alone, but through **storytelling, regionalised content, and multichannel marketing**, including social media platforms such as Instagram, TikTok and Facebook. Offline, it has extended reach through billboard, rail and bus-stop advertising in areas with historically lower levels of cultural provision.

### 3.2.2 Digital solutions in the publicly funded arts and culture sectors to increase audience engagement

The Space and the National Theatre have both developed programmes designed to engage audiences through digital capture of live performances, broadening access for both domestic and international audiences. These initiatives increase the reach of these live performances, while also allowing these organisations to display their work on new digital platforms.

The COVID-19 pandemic severely disrupted in-person cultural events, particularly theatre, which relies heavily on ticket sales. In response, the *National Theatre* launched *NT at Home*, an online streaming platform providing access to high-quality theatre productions worldwide. Launched in response to the closure, the National Theatre released 17 plays over 16 weeks on YouTube, reaching an estimated 15 million views across 9 million households in 173 countries which led to the launch of the streaming platform NT at Home in December 2020.<sup>9</sup> For context, in 2018–2019, approximately 1.7 million people attended live performances at the *National Theatre* or via *NT Live*<sup>10</sup>. This suggests that digital streaming significantly expanded audience reach, engaging individuals who may not have previously attended live theatre.

Following the success of *NT at Home*, non-publicly funded theatre organisations also adopted digital distribution strategies. For example, *Andrew Lloyd Webber’s The Show Must Go On* streamed productions from his six privately owned theatres on YouTube. Additionally, 123 of

<sup>9</sup> The National Theatre Annual Review 2020-2021: [Full report](#)

<sup>10</sup> The National Theatre Annual Review 2019-2019 [Website](#)

219 publicly funded UK theatres and theatre companies produced at least one online production between March 2020 and mid-2021, reflecting an industry-wide shift towards digital engagement through streaming and recorded performances<sup>11</sup>.

Similarly, *The Space*, a National Portfolio Organisation, specialises in supporting arts and culture organisations with digital technologies for performance capture and online distribution. By providing expertise in digital adaptation, *The Space* has enabled organisations to expand their reach. Beyond audience expansion, this digital transition has also led to greater industry recognition, with several organisations securing places at film festivals and receiving internationally recognised awards.

Notable collaborations include:

- *Northern Ballet*: Co-commissioned and co-produced digital adaptations of *1984* and *Victoria*, enabling their distribution via BBC broadcasts and cinema screenings. *The Space* continues to support international distribution efforts for *Dracula*, *Merlin*, and *The Great Gatsby*.
- *Rambert Theatre*: Partnered to produce a cinematic adaptation of *Peaky Blinders: The Redemption of Thomas Shelby*, released in UK cinemas and broadcast on *BBC Four* on New Year's Day 2024. The production was also available on the paywalled *Rambert Plus* platform. A coordinated marketing campaign, including a trailer viewed 73,000 times, helped drive an estimated 50,000 television viewers and boosted ticket sales for the stage tour. The production also secured a film tax credit, improving financial sustainability and increasing international distribution potential following awards including the *Prix Italia* and *San Francisco Dance Prize*.
- *Javaad Alipoor Company*: Partnered with *The Space* to secure digital distribution for *The Believers Are but Brothers* (BBC broadcast, 2018) and *Rich Kids: A History of Shopping Malls in Tehran* (digital adaptation, 2020). These projects elevated the company's international profile, contributing to its selection by *Columbia University* as one of 12 theatre storytellers shaping 21st-century theatre.

These accolades and film festival features do not only broaden audience reach but also enhance the export potential of UK arts and culture projects, reinforcing the country's reputation as a global leader in the creative industries. This international recognition is particularly significant given that **the UK exported £45.6 billion in creative services** in 2021, accounting for **14% of total UK service exports**<sup>12</sup>. As such, supporting the export of creative outputs through digital innovation can play a vital role in strengthening the UK's position in global markets and driving growth in a key export sector of the national economy.

Overall, these examples suggest that the publicly funded arts and culture sector can play a role in supporting independent creators and non-publicly funded institutions by providing the digital infrastructure necessary for wider distribution. This, in turn, may help organisations gain greater industry recognition, audience engagement and geographical reach.

<sup>11</sup> "Digital Access to Arts and Culture" [Full report](#)

<sup>12</sup>: [National Statistics on the Creative Industries - Creative Industries Policy and Evidence Centre](#)

### 3.3 Improved business culture and entrepreneurship

This section explores how publicly funded arts and culture organisations contribute to **entrepreneurial growth across the creative economy**. By providing access to business development services, mentoring, skills training and intellectual property support, these organisations help address market failures that often constrain early-stage enterprises. In doing so, they strengthen the foundations for a **more diverse, innovative, and resilient enterprise base**—a key component of the UK’s wider economic dynamism.

The cultural sector is characterised by a particularly entrepreneurial workforce. According to DCMS estimates, **49% of jobs in the cultural sector are self-employed**, well above the 28% recorded in the wider creative industries and more than triple the 14% observed across the UK economy as a whole.<sup>13</sup> Furthermore, **95% of businesses in the cultural sector are micro-enterprises** with fewer than 10 employees.<sup>14</sup> Yet market failures persist around access to tailored business support, affordable infrastructure, and intellectual property (IP) protection. Publicly funded institutions help address these barriers by providing **skills development, mentoring, and business incubation services**, particularly for under-capitalised or early-stage firms operating at the intersection of culture, technology and enterprise.

A key organisation in this area is the British Library, which established the Business & Intellectual Property Centre (BIPC) Network in 2006 to provide entrepreneurs across all sectors with business support, resources, and intellectual property guidance. The creative industries are particularly well represented in the BIPC Network, accounting for 27% of BIPC-supported businesses, making it the most prominent market sector within the Network<sup>15</sup>.

#### 3.3.1 Improving entrepreneurship through guidance on how to run a business

The BIPC Network has played a key role in entrepreneurial development, offering free access to workspaces, expert-led workshops, business intelligence resources valued at approximately £5 million, and online coaching. Between 2020 and 2023, the Network facilitated the creation of 18,175 new businesses and supported the generation of 6,124 full-time equivalent jobs in small and medium-sized enterprises (SMEs). Collectively, these businesses reported an estimated **£248 million increase in turnover**, highlighting the economic impact of BIPC on entrepreneurship and business growth<sup>16</sup>.

Beyond individual consultations, the BIPC Network has implemented structured support programmes to assist entrepreneurs in adapting to challenges and scaling their ventures. One such initiative, Reset. Restart (2020), was developed in response to the COVID-19 pandemic, providing entrepreneurs with online webinars and follow-up mentoring sessions to help them pivot their operations and identify new market opportunities. Within six months of its launch, over 6,500 entrepreneurs participated, leading to the programme’s renewal in subsequent years and a strategic partnership with Barclays (2022–2023). By 2023, Reset. Restart had

<sup>13</sup> While these figures underscore the sector’s reliance on freelance and independent work, it should be noted that DCMS sector definitions differ slightly from those used by Arts Council England.

<sup>14</sup> DCMS Economic Estimates: Business Demographics 2024. Similarly, it should be noted that DCMS sector definitions differ slightly from those used by Arts Council England.

<sup>15</sup> Democratising Entrepreneurship 2.0: Libraries as engines of economic recovery and growth. [Full report](#)

<sup>16</sup> *Ibid*

supported 17,000 entrepreneurs, demonstrating the continued demand for structured business guidance.

Similarly, the Bedroom to Business programme (BIPC Devon, 2021) was designed to support early-stage entrepreneurs through a 13-week business development course. This initiative facilitated knowledge-sharing between new and established business owners, culminating in one-on-one coaching for five selected participants. Testimonials from participants indicate that the programme helped them refine customer journeys, reduce costs, and improve business strategy, reinforcing its role in enhancing business viability.

Beyond individual initiatives, businesses engaged with BIPC services reported tangible improvements in processes, launching new products, increased productivity and increased profitability<sup>17</sup>. These outcomes suggest that publicly funded organisations such as the British Library can contribute to individual entrepreneurial success and to broader economic resilience by fostering a culture of business support and collaboration.

### 3.3.2 Improving business culture by promoting the protection of Intellectual Property

Intellectual property (IP) rights are critical for entrepreneurs, ensuring that their processes, products, and innovations remain protected. Without proper IP safeguards, businesses risk losing their competitive advantage, as imitation can hinder growth and even displace original creators from the market. Securing trademarks, patents, copyrights, and design rights enables businesses to protect their uniqueness, attract investment, and expand into new markets with confidence.

The *BIPC Network* provides entrepreneurs with tailored IP education and support, delivered through public and private sector partnerships. *BIPC* staff, trained by both the *British Library* and the *Intellectual Property Office*, offer sector-specific IP guidance to ensure businesses understand the most effective ways to protect their assets. The Network's extensive online resources, in-person consultations, and expert-led workshops further strengthen awareness of IP rights and best practices.

Survey data indicates that 42% of entrepreneurs engaged with the *BIPC Network* sought IP support, while 62% of *BIPC*-supported businesses have taken steps to secure their intellectual property<sup>18</sup>. This suggests that *BIPC* services play a role in increasing awareness and adoption of IP protections across the arts, culture, and wider entrepreneurial sectors. Overall, publicly funded arts and culture organisations can play a role in supporting entrepreneurship, business growth, and intellectual property protection. Through initiatives like the *BIPC Network*, they provide guidance, mentorship, and legal expertise, enabling businesses to develop, scale, and safeguard their innovations. Programmes such as *Reset*, *Restart* and *Bedroom to Business* have driven economic growth, job creation, and market resilience.

### 3.3.3 Watershed: Incubating innovation in the creative economy<sup>19</sup>

Watershed in Bristol, an ACE NPO, supports enterprise development through its **Pervasive Media Studio (PMS)**—a hybrid incubator, community space, and research platform for early-stage creative businesses. Co-funded by ACE, the University of Bristol and the University of the West of England (UWE), PMS hosts a mix of permanent and temporary residents working

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<sup>17</sup> *Ibid.*

<sup>18</sup> *Ibid.*

<sup>19</sup> With thanks to Watershed, Gill Wildman, Mark Lever, Jenn Blackwood and The Data Place for their input and contributions to this case study

across fields such as immersive media, environmental storytelling, connected objects, robotics, and social technology.

Key economic outcomes from PMS include:

- A **total resident turnover of over £6.3 million** in 2023/24, with **£3.1 million in leveraged funding**.
- **480 individuals employed** across resident businesses, including freelancers.
- An annual audience reach exceeding **175 million**, underscoring both digital visibility and public engagement.

Watershed's approach to business support—delivered in collaboration with Gill Wildman and Mark Leaver—combines peer learning, bespoke training, and targeted grants. This support is embedded within a public cultural institution, which not only provides facilities but also legitimacy, networks, and long-term continuity. Headline outcomes include:

- Five-year **survival rates of 95%** for programme participants, compared to a regional average of 77% for creative businesses.
- Across five recent programmes, 234 participating businesses achieved a 44% average increase in turnover, generating **£32.5 million in new revenues and creating nearly 650 new jobs**.

The reach of Watershed's business development model is further amplified through partnerships such as **MyWorld**, a £30 million UKRI-funded initiative designed to drive creative technology R&D across the West of England. Through this and other collaborations, Watershed supports not only local enterprise but also contributes to a **national and international innovation ecosystem**, where creative practice fuels commercial and social impact.

This case demonstrates how public investment in arts-led infrastructure can unlock wider entrepreneurial capacity—particularly in parts of the economy where risk is high, business models are emerging, and market coordination remains limited.



## 4. Network Spillovers

### 4.1 Boosting economic impact of clusters and regions

Publicly funded arts and culture institutions play a central role in driving economic growth at the regional level. From festivals to permanent cultural infrastructure, these organisations attract footfall, support surrounding businesses, and generate investment confidence in their wider areas. Their presence reinforces the identity and attractiveness of city-regions, helping position them as dynamic places to live, work, and invest. By stimulating demand for local services, activating underused spaces, and strengthening cultural clusters, these institutions create the conditions for sustained economic activity and long-term regeneration.

This section highlights several examples—including the Liverpool Biennial, Factory International’s Manchester International Festival (MIF), The Lowry in Salford, and the Lumiere Festival in Durham—that demonstrate how sustained public investment in culture can generate lasting economic returns, attract private and commercial partners, and support inclusive urban development.

#### 4.1.1 Liverpool Biennial: Economic growth through cultural engagement

The 2023 *Liverpool Biennial*, the first edition held after the COVID-19 period, recorded an unprecedented 763,140 visits<sup>20</sup>, significantly surpassing the 660,674 visits of the 2018 Biennial. This surge in audience engagement led to increased footfall in Liverpool, benefiting local businesses such as restaurants, hotels, and retail establishments.

A study commissioned by *Liverpool Biennial* estimated the total economic impact of the 2023 Biennial amounted to **£24.3 million**, with £13.2 million of this impact being generated directly from visitor activity within the wider Liverpool economy<sup>21</sup>. Audience surveys revealed that 41% of visitors stayed overnight in Liverpool, significantly boosting demand for accommodation and related services. The festival's dispersed exhibition format further encouraged attendees to explore different parts of the city, from *Tate Liverpool* in the city centre to *Stanley Dock*, increasing interactions with businesses across the city. This is reflected in venue attendance figures, with partner venues recording over 380,000 visits and outdoor exhibitions attracting 190,000 visits over the period of Liverpool Biennial 2023<sup>22</sup>. The movement of visitors across Liverpool facilitates economic spillovers, driving local commerce and reinforcing the city’s cultural economy as attendees move across the city to view different exhibitions and thus engage with local businesses throughout their visit.

Similarly, the 2018 *Liverpool Biennial*, generated a £7.1 million impact on the wider economy in the region. Notably, the largest contributors per capita were the 48% of visitors who come from outside the Northwest of the UK, who spent on average £120 a day while attending the *Biennial*<sup>23</sup>. This indicates that the people attracted to the *Biennial* are high value visitors who contribute to Liverpool’s hospitality and tourism sectors over the duration of their time in Liverpool.

<sup>20</sup> Where visits are the number of times all venues are visited. Therefore, if someone visits two venues they are counted as having done two visits. These figures are from the 2023 Liverpool Biennial evaluation: [Full report](#)

<sup>21</sup> *Ibid.*

<sup>22</sup> Data shared to us by Liverpool Biennial.

<sup>23</sup> 2018 Liverpool Biennial Evaluation: [Full report](#)

Beyond its immediate economic impact, *Liverpool Biennial* contributes to urban regeneration and placemaking by commissioning artworks in underutilised areas. A prime example is *Stanley Dock*, home to the world's largest brick warehouse, the historic Tobacco Warehouse, which is undergoing redevelopment into commercial spaces and luxury apartments. To promote engagement with this revitalised area, the 2023 Biennial hosted several exhibitions within the renovated warehouse including artwork by renowned artists Julien Creuzet and Binta Diaw, attracting both local and international visitors. This initiative introduced new audiences to an emerging district while visitor testimonials highlight how these exhibitions reshaped public perceptions of the area.

By integrating arts and culture into Liverpool's urban landscape, the Biennial contributes to long-term economic sustainability. As visitor engagement with redeveloping areas increases, demand for commercial and residential space is expected to rise, further reinforcing the city's cultural economy. The festival's ability to stimulate investment, support local businesses, and drive tourism makes it a critical economic asset for Liverpool.

#### 4.1.2 Factory International and the Manchester International Festival: A catalyst for economic growth

*Factory International* and the *Manchester International Festival (MIF)* significantly contribute to Manchester's economic vitality by attracting substantial national and international audiences and generating extensive local spending. The most recent festival, MIF23, generated a total revenue of **£39.2 million**, with £26.4 million directly spent within Manchester through visitor spending and organisational expenditures. Hotels, restaurants, and other hospitality venues particularly benefitted, driven by 67,560 tickets sold and a total visitor count of 320,000 attendees over the period of MIF23. Additionally, MIF23 provided employment opportunities, creating 22 full-time positions as part of the festival.<sup>24</sup>

The economic impact of MIF is further emphasised by historical data: MIF19, the last pre-pandemic festival, attracted 300,000 attendees and generated a total of £50.2 million in revenue for Manchester's economy. A large proportion of this came from visitors outside the Manchester area. Approximately 20% of attendees at MIF19 were non-residents, contributing an average daily expenditure of £130, benefiting local businesses beyond the festival<sup>25</sup>.

Furthermore, *Factory International's* new headquarters, *Aviva Studios*, which was opened in late 2023, is expected to expand the economic impact of Manchester's art sector. It is projected to contribute **£1.1 billion** to Manchester's economy over a decade while supporting **1,500 direct and indirect jobs**.<sup>26</sup>

Based on insights from interviews with *Factory International*, the organisation views *Aviva Studios* as a long-term investment in Manchester's cultural and economic ecosystem. According to *Factory International*, *Aviva Studios* is expected to generate economic benefits by attracting visitors to both the venue itself and the surrounding area, which is undergoing redevelopment to support increased cultural tourism.

Although *Aviva Studios* only opened in late 2023, *Factory International* highlighted its early successes, noting that the venue was included in *TIME's 2024 list of the World's Greatest Places* and attracted 700,000 visitors in its first year.<sup>27</sup> These initial indicators suggest that

<sup>24</sup> [Manchester City Council](#)

<sup>25</sup> [Manchester City Council](#)

<sup>26</sup> Manchester City Council

<sup>27</sup> [Factory International](#)

*Aviva Studios* is beginning to establish itself as a major cultural destination, and is already contributing to Manchester's broader economic and creative landscape.

Insights from interviews with *Factory International* indicate that the construction of *Aviva Studios* was designed to generate economic and social value for Manchester and the wider city region. The organisation reported that 86% of the project's budget was spent with local businesses, while 56% of the construction workforce was sourced from the city region, creating 25 new jobs and 52 apprenticeships<sup>28</sup>.

*Factory International* expects this investment to have a lasting impact, with local businesses involved in the project potentially benefiting from further redevelopment in the surrounding area. According to the organisation, this could contribute to a broader cycle of economic activity driven by the initial cultural investment in *Aviva Studios*.

#### **4.1.3 The Lowry: A catalyst for growth in Greater Manchester**

In a similar vein to *Factory International*, *The Lowry*, a leading performing and visual arts venue located in Salford Quays, also demonstrates the economic potential of publicly funded cultural institutions. This organisation was founded in 2000 with initial Millennium public investment and has since received ongoing ACE support. In 2022/23 *The Lowry* directly contributed £48 million in Gross Value Added to the Greater Manchester economy through its visual art displays and theatre performances. In addition to these direct impacts, these visual arts display managed to attract approximately 860,000 visitors in the same year generating a visual spend of approximately £86.6 million locally. This further emphasises the large-scale regional impacts these arts and culture organisations are capable of generating for their local economies.

Beyond the impacts of its own programmes, the Lowry has also been instrumental in the creation of MediaCity, a nationally recognised creative and digital cluster which has attracted major media organisations including the BBC and ITV. The presence of these large media organisations has reinforced Manchester's status as both a cultural and economic capital, attracting further investment and helping shape a thriving digital and media ecosystem. This highlights the significant spillover effects of *The Lowry*, stimulating private sector investment, fostering a dynamic digital transformation, and contributing to the economic and cultural branding of Greater Manchester as an international creative hub.

#### **4.1.4 Lumiere Festival: Lighting Up Durham's Economy**

The Lumiere Festival in Durham provides an example of how sustained cultural investment can deliver both economic benefits and employment within a regional context. Commissioned by Durham County Council and produced by Artichoke, Lumiere is the UK's Light Art Biennial, transforming the city into a vibrant cultural landmark every two years since 2009. Backed by public funders including Arts Council England, the event has consistently aimed to drive economic growth, enhance community pride, and position Durham as a key cultural tourism destination.

Since its inception, Lumiere has welcomed over 1.3 million visitors and generated more than £43 million in local economic impact. Even in years affected by poor weather, such as 2019, the event achieved a net impact of £11.5 million from a £1 million in combined public investment—demonstrating exceptional return on investment for this publicly funded event. The 2017 edition attracted 240,000 visitors, 12% of whom came from outside the Northeast,

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<sup>28</sup> [Update as Aviva Studios opens to acclaim | Manchester City Council](#)



contributed £3 million directly to Durham’s visitor economy through spend on food, drink, accommodation, and services.

Beyond its direct economic contribution by attracting visitors to the area, Lumiere has delivered significant skills development through education and outreach generating employment opportunities within Durham. Since 2009, over 14,000 local residents and schoolchildren have engaged in creative learning initiatives that develop production, project management, and event logistics skills. In 2017 alone, the festival’s outreach engaged 1,720 participants. Its volunteer scheme also equips hundreds of community members with valuable hands-on vocational experience, supporting the local job market and skills infrastructure in Durham. Lumiere’s visibility has raised Durham’s international profile, demonstrating how consistent investment in cultural infrastructure can yield long-term economic regeneration and sustainable regional development.

#### 4.1.5 Conclusion

Publicly funded cultural organisations and events play a pivotal role in supporting regional economic growth. Through sustained investment in festivals, venues, and cultural infrastructure, they help generate high-value visitor spend, stimulate footfall for local businesses, and contribute to the regeneration of urban areas. Examples such as the Liverpool Biennial, Manchester International Festival, The Lowry, and Durham’s Lumiere Festival demonstrate how cultural initiatives can anchor wider economic activity, often serving as catalysts for private investment, job creation, and long-term place development.

These impacts extend beyond the cultural sector itself. Cultural institutions help build local economic resilience by drawing visitors into underused areas, activating surrounding commercial spaces, and reinforcing the brand identity of entire regions. They also contribute to cluster formation—supporting creative and digital ecosystems, as seen with MediaCity in Greater Manchester—and deliver visible returns on public investment through tourism, employment, and enhanced civic infrastructure.

These regional examples mirror a broader national trend: between 2010 and 2023, the UK’s creative industries grew by 34.5%, significantly outpacing overall economic growth of 22.3%.<sup>29</sup>

## 4.2 Improved health and well-being

Publicly funded arts and culture organisations make a measurable contribution to the UK’s health economy by improving individual well-being and reducing demand on frontline services. While their social and emotional benefits are widely acknowledged, there is also growing evidence that arts engagement delivers **tangible economic value**—including reductions in GP visits, hospital admissions, and pharmaceutical use. These outcomes generate savings for the NHS, reduce out-of-pocket costs for individuals, and create long-term capacity within public health systems.

Recent research<sup>30</sup> commissioned by the Department for Culture, Media and Sport (DCMS) reveals that cultural engagement contributes approximately **£8 billion** annually in health and well-being benefits. This valuation encompasses improved quality of life, reduced use of health and social care services, and increased productivity, with individual benefits estimated at around **£1,000 per person per year**.

<sup>29</sup> [DCMS/Creative Industries Policy and Evidence Centre](#)

<sup>30</sup> [DCMS](#)

This section explores how arts and culture programmes—particularly those supported through public investment—can function as cost-effective, non-clinical interventions. Drawing on evidence from social prescribing pilots, longitudinal health studies, and creative health case studies, we examine the economic and clinical returns generated by participation in structured creative activity. We then explore how these outcomes translate into broader social value, including improved mental health, reduced isolation, and stronger community resilience.

Investment in creative health not only improves lives but also addresses persistent market failures in health provision—offering locally tailored models of care that complement formal medical systems and help build a healthier population.

#### 4.2.1 Economic impact of participation with arts and culture organisations

Although arts and culture organisations are often recognised for their social contributions, recent literature has increasingly examined their economic impact—particularly through the positive effects they have on health and well-being.

Notably, improved health outcomes—especially among older adults—have been linked to economic value. For example, the 2014 report *The Social and Economic Impact of the Rotherham Social Prescribing Pilot*, published by the Centre for Regional Economic and Social Research, studied 280 individuals involved in social prescribing initiatives to assess the outcomes of arts and cultural engagement. The report found a 21% reduction in patient visits to General Practitioners (GPs) and a 20% decrease in A&E attendance<sup>31</sup>. These findings are echoed in a 2018 study evaluating the effects of a prescribed 12-week singing programme for individuals with chronic obstructive pulmonary disease (COPD). Participants in this programme saw a 21% reduction in GP appointments and a 23% decline in A&E visits compared to the six months prior to enrolment<sup>32</sup>.

These reductions represent tangible cost savings. The World Health Organization (WHO) cites a UK-based example to illustrate the economic benefits of arts and culture prescriptions for individuals with mental health conditions, estimating an average return on investment (ROI) of £2.30 for every £1 spent<sup>33</sup>. This return on investment stems from the relief people feel from these programmes, which cause them to see the doctor less, resulting in significant cost savings per £1 invested. This cost saving is supported by the COPD study, which reported a ROI of £1.69 per participant, reinforcing the idea that reduced demand for health services translates into measurable economic value for individuals and the healthcare system.

Further evidence from Brighton & Hove examining individuals experiencing social isolation or psychosocial issues found that social prescription programmes led to a 12.7% increase in primary care capacity, as measured by reduced GP appointments compared to matched controls<sup>34</sup>. A separate study of 128 participants estimated that the social return on investment in arts and culture was £2.90 for every £1 spent, with 60% of participants reporting fewer GP visits over the 12-month project period<sup>35</sup>.

When specifically examining the social return on investment for people with life threatening diseases, the literature suggests even greater economic returns, highlighting the

31: [Evidence summary for policy: The role of arts in improving health and wellbeing](#)

32 [National Centre for Creative Health](#).

33 [World Health Organization](#)

34 [Evidence summary for policy: The role of arts in improving health and wellbeing](#)

35 *Ibid*.

disproportionate positive impact arts and culture can have on these groups. One study that delivered a 12-week visual arts programme for people living with dementia reported an SROI of up to £5.18 per participant<sup>36</sup>. This elevated return was attributed not only to the benefits experienced by the individuals but also to the psychological improvements observed among their loved ones, demonstrating the large economic impacts that are capable through arts and culture treatment programmes.

Together, these studies underscore the substantial economic value of publicly funded arts and culture programmes. In addition to enhancing well-being, they alleviate pressure on healthcare services and deliver financial returns for individuals and the wider system.

#### **4.2.2 Economic impact of social prescription on those with dementia and similar cognitive conditions**

As highlighted above, engagement with arts and culture has been shown to deliver substantial health and well-being benefits for individuals living with dementia and similar long-term conditions. In addition to improving quality of life, creative health interventions can reduce reliance on medication and demand on frontline health services generating economic returns.

A compelling example is the *Power of Music* programme delivered by the Manchester Camerata, which illustrates the role of cultural organisations in delivering targeted, high-impact support for people living with dementia. In 2024, the Camerata became England's first Centre of Excellence for Music and Dementia. Over three years, the programme will train care home staff and volunteers as Music Champions, deliver therapeutic music sessions, and link health services with community arts to benefit individuals across Greater Manchester and beyond. This cross-sector initiative, backed by Greater Manchester Combined Authority and the Integrated Care Board, reflects how devolved health funding can be channelled into culture-led care models that reduce pressure on traditional services.

The economic and clinical benefits demonstrate the benefits of arts and culture organisations dedicated to helping those with cognitive diseases. Data from Manchester Camerata's *Music in Mind* programme (2022–2024) shows that 90% of participants experienced increased communication and reduced anxiety, frustration, and agitation. Moreover, 100% of participants reported improved social interaction and an enhanced sense of well-being.<sup>37</sup>

Crucially, research suggests that music therapy reduces agitation and the need for anti-psychotic medication in 67% of people with dementia—highlighting a tangible reduction in pharmaceutical interventions and associated healthcare costs.<sup>38</sup>

These outcomes have significant implications for the NHS, particularly in terms of reducing the need for GP visits, prescriptions, and crisis interventions, generating a positive economic benefit to those participating in these music programmes, by reducing the amount they spend on medicines and doctors' visits, while also increasing spare capacity within the NHS.

The wider *Power of Music* initiative, launched in response to the 2022 *Power of Music* report, is supported by a broad network of funders and delivery partners including the National Academy of Social Prescribing, Arts Council England, UK Music, Nordoff and Robbins, the Rayne Foundation, Music for All and the Utey Foundation. The Power of Music Fund has so

<sup>36</sup> [National Centre for Creative Health](#)

<sup>37</sup> [The Latest Research & Statistics | Music in Mind](#)

<sup>38</sup> APPG on Arts, Health, and Wellbeing. (2017). Creative Health: The Arts for Health and Wellbeing.

far raised £2.3 million, including £500k secured from the NHS. NASP has awarded grants to over 200 organisations who will support over 12,000 people and create lasting change in the way the health system works with community groups to ensure that many more people living with dementia can benefit in the long term. A second Centre of Excellence for Training in Music and Dementia launches in 2025 and will focus on enhancing the health and social care workforce's ability to integrate music into dementia care through training. This coalition demonstrates the potential for scalable, collaborative models of care that integrate creative practice into the health system. By delivering preventative, community-based support, music organisations like Manchester Camerata not only improve lives but also help alleviate strain on public services.

Together, these findings present a strong case for increased investment in creative health. Arts and music organisations are uniquely positioned to support individuals with complex needs in socially engaging, cost-effective, and sustainable ways. In doing so, they reduce the burden on healthcare services and help build healthier, more resilient communities across the UK creating economic benefits for both individuals and the public sector

#### **4.2.3 Social and well-being outcomes of participating with the publicly funded arts and culture industry**

Participation in publicly funded arts programmes is consistently linked to improved mental well-being and stronger social cohesion. These initiatives offer structured opportunities for creative expression that help alleviate stress, anxiety, and depression, while fostering a sense of belonging. Research highlights how cultural engagement builds emotional resilience, reduces loneliness, and strengthens social bonds. The 2020 DCMS report *The Role of Arts in Improving Health and Well-being* demonstrates that arts participation is associated with higher self-esteem and better psychological well-being. A 2024 systematic review of Arts on Prescription programmes<sup>39</sup> similarly found significant improvements in self-confidence and social connectedness.

Quantitative research supports these findings. The DCMS report includes a meta-analysis of 22 randomised controlled trials, showing that music and singing interventions have a positive impact on mental well-being. A separate study involving nearly 4,000 people from 20 matched neighbourhoods in deprived areas found statistically significant improvements in social cohesion and neighbourhood integration following engagement in cultural activities<sup>40</sup>.

Beyond individual benefits, publicly funded arts initiatives also help reduce social isolation and foster prosocial behaviours. Cultural institutions such as museums, theatres, and community arts centres provide inclusive spaces that encourage interaction across diverse groups. By supporting meaningful engagement, these settings promote participation in wider social networks and encourage behaviours like volunteering and charitable giving. One study of over 30,000 individuals found that regular engagement with arts and culture was significantly associated with increased prosocial behaviour<sup>41</sup>.

The impact of these initiatives is further illustrated through qualitative case studies. Dance United Yorkshire (DUY) provides a compelling example of how publicly funded arts programmes support emotional and social well-being. One participant from Holme Wood—a community facing high levels of socio-economic disadvantage—described how dance

39 [The impact of arts on prescription on individual health and wellbeing: a systematic review with meta-analysis](#)

40 [Evidence summary for policy: The role of arts in improving health and wellbeing](#)

41 *Ibid.*

participation gave her the motivation to socialise and form new relationships. Prior to joining DUY, she reported feeling “very insecure” and “isolated.” Through dance, she developed confidence and a sense of belonging within her group.

Beyond social engagement, she highlighted the emotional and physical benefits of structured dance activities, noting how movement helped her manage anger and stress. Even after completing the programme, she continued using warm-up exercises and dance techniques as a means of emotional regulation.

#### **4.2.4 Positive mental health outcomes of participating with the publicly funded arts and culture industry**

Participation in publicly funded arts and culture programmes has been linked to improved mental health outcomes. The DCMS report highlights quantitative studies showing that cultural engagement can reduce symptoms of depression and anxiety while enhancing emotional resilience. These findings are echoed in case studies, where participants report improved well-being through involvement in such programmes.

Systematic reviews consistently demonstrate that arts on prescription programmes help reduce stress and anxiety. In Bergman et al. (2023), patients assessed before and six to twelve months after participating in these programmes showed significant improvements. While both the arts and control groups reported mental health gains, the Arts on Prescription group experienced greater, statistically significant reductions in anxiety and depression<sup>42</sup>.

Longitudinal studies reinforce these findings. The 2020 DCMS report cites research involving 2,148 adults over 50, revealing that regular cultural engagement reduced the risk of depression by 32%<sup>43</sup>. Similarly, analysis of 7,182 individuals from the pre-COVID Taking Part Survey run by DCMS found that creating art and crafts predicted higher life satisfaction—more so than living in a less deprived area—even after controlling for age, gender, and deprivation<sup>44</sup>.

Arts on Prescription (AoP) programmes offer creative alternatives to traditional medical treatment. One 12-week AoP programme with 66 participants led to a statistically significant drop in anxiety and depression symptoms. Another study involving 42 adults with moderate mental health challenges found that 78% reported improved well-being following an arts-based social prescribing programme<sup>45</sup>.

Qualitative evidence also supports these outcomes. Participants in Dance United Yorkshire (DUY) reported improved well-being, with one stating that dance “helps with mental illness and mental health in general.” Another participant shared that dance helped her cope with emotions that previously led to self-harm. These accounts suggest that cultural engagement can act as a powerful coping mechanism.

Collectively, these studies show that publicly funded arts and culture programmes contribute not only to social and mental well-being but also to economic benefits through reduced demand on healthcare services.

42 [Frontiers | The impact of arts on prescription on individual health and wellbeing: a systematic review with meta-analysis](#)

43 [Evidence summary for policy: The role of arts in improving health and wellbeing - GOV.UK.](#)

44 [Frontiers | Creating arts and crafting positively predicts subjective wellbeing](#)

45 [Evidence summary for policy: The role of arts in improving health and wellbeing - GOV.UK.](#)



### 4.3 Creating an attractive ecosystem, creative milieu and city branding

A robust cultural ecosystem and compelling city branding are integral to nurturing a thriving arts and culture sector. Cities with limited cultural infrastructure often struggle to attract non-publicly funded arts organisations, which face higher financial risks and limited government support. Publicly funded arts and culture institutions therefore help create an environment that supports both public and private cultural initiatives, contributing to the wider creative economy.

The importance of public cultural investment in city branding is evident in *FRIEZE*'s international expansion strategy. When selecting a location in Eastern Asia, *FRIEZE* shortlisted Seoul and Singapore, ultimately choosing Seoul due to its well-supported public arts sector. This decision highlights how public cultural infrastructure shapes the attractiveness of cities for major private arts organisations.

Interviews with industry stakeholders confirm that publicly funded institutions enhance a city's creative and artistic appeal, benefiting the wider cultural sector. In the UK, organisations such as *Liverpool Biennial* and *Factory International* contribute to city branding by attracting national and international audiences, supporting emerging artistic talent, and fostering collaboration between publicly funded and non-publicly funded arts organisations.

#### 4.3.1 Liverpool Biennial: Enhancing city attractiveness through arts collaboration

Liverpool Biennial, a festival held every two years, attracts over 100,000 visitors, many of whom may be engaging with the city's arts sector for the first time<sup>46</sup>. One of the most significant impacts of the festival is its ability to elevate and support other local arts organisations that do not have the same level of international recognition. By collaborating with these organisations and integrating their events into the Biennial programme, Liverpool Biennial plays a crucial role in expanding their reach and fostering greater audience engagement.

This impact is particularly evident in its collaboration with organisations such as *Dada* and *Independent Biennial*. *Dada* promotes the work of disabled artists in Liverpool, while *Independent Biennial* provides emerging local artists with a platform to showcase their work. Their inclusion in the *Liverpool Biennial* programme enables them to reach wider and more diverse audiences, including international visitors and arts professionals.

Audience data from *Liverpool Biennial 2018* shows that 50% of attendees were from outside the North West<sup>47</sup>. By 2023, visitors from outside the North West accounted for 51% of the total audience, demonstrating the consistent reach of the festival<sup>48</sup>. This increased visibility benefits local arts and culture organisations and strengthens the city's reputation as a cultural destination.

The *Liverpool Biennial* also contributes to city branding and professional development within the arts sector. Partners and local organisations recognise its role in positioning Liverpool as a key player in the UK's contemporary arts scene. The festival supports innovative exhibition-

<sup>46</sup> In the last Liverpool Biennial, which took part in 2023, 101,911 visitors attended of which 46% were first timers, indicating that many of the attendees to the 2023 Biennial may be engaging with the cities arts and culture sector for the first time. 2023 Liverpool Biennial evaluation. [Full report](#)

<sup>47</sup> [Liverpool Biennial 2018 - Evaluation](#)

<sup>48</sup> 2023 Liverpool Biennial evaluation

making, emerging artists, and collaborations that engage with social and historical themes. One peer noted, “*LB’s role has been significant in developing exhibition-making and supporting innovative work.*”

The festival has also been recognised for its adaptability, particularly during the COVID-19 pandemic, when it introduced hybrid programming to engage digital audiences. This approach was highlighted by peers as a valuable resource for learning and innovation. One stakeholder remarked, “*Seeing what Liverpool was doing in that digital space was really valuable in that context.*”

Beyond exhibitions, the *Liverpool Biennial* fosters cross-sector collaboration through joint marketing initiatives and co-commissioning models. As a founding member of the *Performance Research Network*, it supports sustainable artistic practices. In collaboration with *a-n The Artists Information Company* and *Open Culture*, the Biennial awarded five artist bursaries of £1,500 during its 11th edition, further supporting the local creative economy.

Collaborations with cultural venues—including *Liverpool Central Library* and the *Dr Martin Luther King Jr. Building*—as well as commercial spaces like the *Cotton Exchange*, have broadened the festival’s engagement with diverse social and historical themes. Discussions on gender, colonialism, and the transatlantic slave trade have been integral to the programme, with partners emphasising the importance of these perspectives. As one peer stated, “*Working with artists interrogating the international slave trade and legacies of colonialism has felt really rich and valuable.*”

Through these partnerships, *Liverpool Biennial* strengthens the city’s cultural ecosystem by connecting large publicly funded institutions with smaller independent organisations. The exposure gained through the festival enhances audience engagement for local arts groups, increasing attendance at their own events and festivals. This creates a ripple effect that benefits the wider creative economy.

Additionally, the presence of a high-profile, internationally recognised festival makes Liverpool more attractive to private and publicly funded arts and culture organisations. The opportunity to integrate into an established cultural ecosystem encourages creative enterprises and artists to base themselves in the city. This supports the long-term growth and sustainability of Liverpool’s arts sector, demonstrating how public investment in culture contributes to a thriving and interconnected creative economy.

#### 4.3.2 Factory International: City branding through the fostering of artistic talent

*Factory International* has made significant investments in artistic talent development through its *Factory Academy*, a programme designed to equip individuals in Manchester with industry-specific skills for careers in the arts and culture sector. As highlighted later in Section 5.1, *Factory Academy* has played a key role in training and upskilling local talent, enabling many Greater Manchester residents to secure employment in major arts and culture organisations. Since its launch in 2018, the programme has trained over 1,000 individuals<sup>49</sup>, providing a skilled workforce that benefits Manchester’s cultural institutions and strengthens the city’s creative economy.

This structured approach to talent development is comparable to how *Stanford* and *Berkeley* have positioned San Francisco as a global technology hub. By creating a pipeline of skilled arts professionals, *Factory International* enhances Manchester’s attractiveness to local and international arts enterprises seeking qualified artistic talent.

<sup>49</sup> The number of people who have taken part in factory academy programmes can be found in the Factory Academy Impact report 2018-2023. Available [here](#)

Beyond workforce development, *Factory Academy* and *Manchester International Festival (MIF)* play a key role in fostering future cultural participation. *MIF* provides young people with opportunities to engage with the arts not only as spectators but as active contributors. Audience data from *Manchester City Council* shows that individuals aged 0–19 (26%) and 20–34 (24%) together make up half of all cultural event attendees in Manchester.<sup>50</sup>

At *MIF23*, 18 local schools brought 500 pupils to events such as *You, Me and the Balloons*, and 52 young participants took part in the *Kusama Fashion Show*<sup>51</sup>. These initiatives align with *Factory Academy's* goal of diversifying and strengthening the creative workforce by nurturing young artistic talent and fostering long-term interest in arts careers.

Manchester's arts sector also benefits from strong youth participation in volunteering. In 2023, 47% of all volunteers at cultural events were under 35<sup>52</sup>, according to *Manchester City Council*. While volunteering opportunities extend beyond *Factory Academy*, the high level of engagement—particularly at *MIF23*, which involved 428 volunteers<sup>53</sup>—demonstrates *Factory International's* role in providing entry points for young people to gain hands-on experience in the sector. These opportunities create pathways for sustained involvement, ensuring continued support for Manchester's arts scene.

This sustained engagement is critical for the long-term viability of Manchester's cultural sector. By embedding arts and culture into the experiences of younger generations, *Factory International* fosters a dynamic and interconnected creative economy, reinforcing Manchester's position as a leading hub for the arts and cultural industries.

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<sup>50</sup> [Manchester City Council](#)

<sup>51</sup> [Factory International](#)

<sup>52</sup> [Manchester City Council](#)

<sup>53</sup> Out of a total of 2,604 volunteers in the arts and culture sector in Manchester between 2022 and 2023. Indicating that *MIF23* employed over 16% of the total volunteers in Manchester. [Manchester City Council](#)



## 5. Knowledge Spillovers

### 5.1 Strengthening the UK's artistic talent pipeline and labour market

Public investment in arts and culture plays a critical role in building the UK's creative artistic talent pipeline — not only by expanding access to artistic training, but by supporting progression into employment, further education, and commercial opportunity. This is especially important in a sector where freelance work, portfolio careers, and self-employment are widespread, and where socio-economic barriers can limit entry. In fact, recent data from the Department for Culture, Media and Sport (DCMS) indicates that **self-employed workers make up 49% of all jobs in the cultural sector**—amounting to approximately 338,000 self-employed roles out of 685,000 total jobs.<sup>54</sup> This compares with 28% in the broader creative industries, and just 14% across the UK economy as a whole.

From early exposure in schools to vocational training and mentoring, publicly funded programmes help individuals build both the technical and transferable skills demanded by the wider economy. These include not only artistic capabilities, but also project management, communication, leadership, and digital literacy — all of which underpin employability and productivity across sectors.

Drawing on examples ranging from local outreach initiatives and regional training schemes to nationally significant organisations, we show how publicly funded institutions contribute to a more inclusive, skilled, and resilient labour market in the UK's fast-growing creative industries.

#### 5.1.1 RADA: Nurturing globally influential talent across performance and production

RADA (the Royal Academy of Dramatic Art) has been a cornerstone of the UK's creative industries talent pipeline for over 120 years. As the country's smallest drama conservatoire, it trains just 176 students annually—half in acting and half in technical production—yet its global cultural and economic impact is substantial.

RADA recruits solely on the basis of talent, with no academic qualifications required to apply. Each year, around 3,500 applicants compete for just 60 undergraduate places, reflecting the institution's high demand and selective standards. A robust outreach programme actively supports applications from under-represented groups, helping to broaden access to careers in the performing arts.

The academy's alumni network has generated significant commercial and reputational value for the UK. Since 1969, RADA graduates have won **124 major international awards**. Its impact spans generations, exemplified by Anthony Hopkins winning the **Academy Award** for Best Actor in 2021, the same year that 19-year-old Bukky Bakray—an alumna of the RADA Youth Company—won the EE **BAFTA** Rising Star Award.

RADA alumni have played leading roles in films generating a combined **global box office of \$55 billion**. This includes actors such as Cynthia Erivo, Anthony Hopkins, Imelda Staunton, Phoebe Waller-Bridge, Mark Rylance, Ralph Fiennes, Kenneth Branagh, and Juliet Stevenson. Beyond acting, RADA technical graduates also influence global media. David Bishop, a BAFTA-winning lighting designer and RADA alumnus, works on globally licensed

<sup>54</sup> It is important to note that these are counts of jobs, not FTE-adjusted figures. While sector definitions used by DCMS and Arts Council England differ slightly, the data highlights the critical role of freelance work in cultural employment.

shows like *Strictly Come Dancing*, and state events including royal weddings and coronations. Lindy Hemming, another technical graduate, is an Oscar-winning costume designer known for her long-term collaborations with director Mike Leigh.

The academy's postgraduate training has international reach. Over 60% of applicants to its MA Lab programme come from outside the UK, with alumni now holding leadership roles in prominent global institutions—from Dash You starring in major Korean theatre productions to Alina Serban directing at Romania's National Theatre.

RADA also shapes sector-wide practice through educational exports. The *RADA Guides* series, published by Bloomsbury Methuen Drama, provides widely used workbooks on voice, movement, and narrative. The Morrison Bone Prop, invented by a RADA lecturer, is now employed in 32 countries by drama schools and speech therapists.

RADA's economic influence extends well beyond stage and screen. Its graduates hold senior leadership roles across the UK's cultural infrastructure—such as Michelle Terry (Artistic Director at Shakespeare's Globe), Rufus Norris (former Director of the National Theatre), and Rob Hastie (former Artistic Director at Sheffield Theatres). Its alumni have also contributed to high-value international productions: Matthew Byam-Shaw, a RADA graduate, served as Executive Producer on *The Crown*, watched by 73 million households globally and viewed 6.1 billion times under #TheCrown on TikTok as of January 2020.

### 5.1.2 Jadé Fadojutimi: A case of institutional support

The trajectory of visual artist Jadé Fadojutimi offers an illustrative example of how publicly supported institutions can play a role in enabling early career development and broader market access. Fadojutimi, a UK-born painter known for her vibrant, large-scale works she describes as “emotional landscapes”, has been called a “rising star” by Christie's.

Her career exemplifies the close interdependence between public and private sectors in the arts. During her undergraduate degree at the Slade School of Fine Art, she exhibited her degree show in 2015 at Baltic Centre for Contemporary Art in Newcastle—an Arts Council England National Portfolio Organisation (NPO). In 2017, she completed an MA at the Royal Academy of Arts and joined group shows at commercial spaces including Pippy Houldsworth Gallery, which went on to represent her.

Public sector shows played a defining role in establishing her reputation. This included group exhibitions at Orleans House Gallery in 2017 and a solo show at Peer Gallery—another ACE-funded NPO—in 2019, which marked a major turning point in her visibility. That same year, she became the youngest artist to be acquired by Tate. Her work was subsequently added to the Arts Council Collection and, in 2022, to the collection at the Hepworth Wakefield (an ACE NPO).

Fadojutimi's practice has continued to receive recognition at home and internationally. **She has been exhibited at leading UK publicly funded venues including Tate, the Hayward Gallery, and the Liverpool Biennale.** In 2022 alone, she represented the UK at the Venice Biennale, held a solo exhibition at the Institute of Contemporary Art in Miami, and was acquired by the Metropolitan Museum of Art in New York. That year also saw her join the roster at Gagosian, one of the world's most prominent commercial galleries.

While hers is an atypical trajectory, it underscores the catalytic role public institutions can play in artist development—working in partnership with higher education, commissioning bodies, and the commercial gallery sector. This talent support function should be seen within the context of a significant global industry. In 2022, global revenues from the visual arts sector

were estimated at \$67.8 billion<sup>55</sup>—comparable in scale to the film sector (\$76.6 billion). Within the UK, the arts market generated an estimated turnover of £9.7 billion and £4.1 billion in exports, supporting approximately 45,000 direct jobs and 7,800 dealer and auction businesses<sup>56</sup>. In the same year, sales of work by living artists reached £3 billion through dealers and £1 billion at auction. Publicly funded institutions, such as the 134 ACE-funded galleries across England, play a role within this wider ecosystem, which combines public investment with international commercial activity.

### 5.1.3 Artswork: the role of targeted youth programmes

Alongside early-stage support for artists, several publicly funded organisations also focus on widening access to creative careers—particularly for young people who may face barriers to entry. One example is *Artswork*, a charity and ACE-funded organisation that runs structured, multi-stage programmes aimed at improving creative career outcomes across a diverse cohort of young people.

Their *Activate Creative Careers* programme illustrates how publicly funded interventions can support employability and skills development through a combination of experiential learning, training placements, and employer engagement. The programme offers a layered approach:

- **Early engagement through schools:** creative careers interventions delivered to pupils from Year 5 to Year 10, designed to build awareness of roles in the creative and cultural sectors.
- **Pre-employment training:** targeted at NEET young people furthest from the labour market, with a focus on confidence, creative skills, and relationship building.
- **Paid work-based placements:** six-month roles in creative organisations with full wage and pension costs subsidised by ACE funding.
- **Employer-facing support:** coaching and advice to help cultural employers take on and retain young people in entry-level roles.

In 2024/25, reported outputs include:

- 516 young people engaged in creative careers interventions across primary and secondary school stages.
  - Among these, 100% of teachers felt more confident discussing creative careers.
  - 96% of participating students reported a broader understanding of career options; 85% said they felt more confident in making choices.
- 39 NEET participants completed an intensive six-week pre-employment scheme.
  - All participants reported increased confidence and skills.
  - 22 achieved a Bronze Arts Award and 25 gained Digital Badges.
- 20 'Breakthrough' roles were supported—paid six-month training positions in cultural organisations.
  - 88% of trainees reported increased confidence; 100% reported increased skills.
  - 95% of employers reported measurable benefits from participation.
  - 65% of 2023 Breakthrough trainees are now employed in the creative sector or have progressed into further study.

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<sup>55</sup> [Art Basel](#)

<sup>56</sup> [BAMF](#)

- 25 'Rise' bursaries of £500 were distributed to support the development of creative practice for young people aged 13–30.

Additionally, five regional creative careers events were held (in the New Forest, Isle of Wight, Slough, Arun and Dover), further embedding localised routes into the sector.

These outcomes suggest that structured, publicly supported pathways—particularly when combining early exposure, financial support and sustained engagement—can help to broaden participation in the creative workforce. While longitudinal tracking is limited, short-term evaluation results point to gains in both individual confidence and employer readiness, and may contribute to improving labour market entry rates in the creative economy.

#### **5.1.4 Talent Accelerator: strengthening regional talent pipelines**

Another example of how publicly funded organisations can support talent development at the regional level is *Talent Accelerator*, a two-year programme (2022–2024) delivered by NPO De La Warr Pavilion (DLWP) in East Sussex. The initiative aimed to enhance employability and improve access to creative careers for young people in the area, with a specific focus on addressing socio-economic and geographic barriers that can limit progression into the cultural and digital sectors.

Talent Accelerator placed emphasis on retaining local talent, building regional skills infrastructure, and fostering sustained collaboration between educational providers, creative businesses, and local authorities. By embedding itself within existing networks—such as Skills East Sussex, East Sussex Careers Hub and Local Skills Improvement Partnerships—the programme helped to establish a more coherent pipeline between education and employment in the creative industries. Its collaborative model has since influenced local cultural policy and contributed to the design of follow-on programmes, including the *Coastal Catalyst* initiative.

Key outcomes over the 2022–24 period include:

- 10,000+ young people and employers engaged, including through careers outreach, placements, and joint projects with local institutions.
- 113 work placements delivered across 23 creative and digital employers, totalling over 1,500 hours of work experience.
- 34 educational settings and 56 partner organisations involved, indicating the breadth of institutional collaboration.
- Engagement among 11–14-year-olds exceeded participation targets by over 900%, suggesting unusually strong uptake at the early secondary stage.
- Several participants progressed into paid employment or further education directly following their involvement in the programme.

The programme's emphasis on inclusivity, cross-sectoral partnerships and regional coordination aligns closely with ACE's strategic objectives for skills development and inclusive growth. While longer-term impacts are still emerging, early results suggest that models such as Talent Accelerator may offer a replicable approach for other regions looking to develop locally rooted, collaborative skills ecosystems.

#### **5.1.5 The National Theatre: Supporting skills development and workforce entry**

The National Theatre (NT) plays an important role in developing technical and backstage skills across the creative industries. Its training programmes focus on equipping individuals with

industry-relevant experience in areas such as lighting, sound, stage management, and production, helping to support a sustainable and skilled cultural workforce.

Apprenticeships delivered by the NT are embedded within live production settings and designed in collaboration with employers, ensuring that participants gain both practical and professional insights. As of 2024, **90% of NT-trained apprentices have gone on to be employed** in the sector in the field in which they were trained, reflecting strong alignment with industry needs.

The NT has also collaborated with organisations such as the Royal Ballet & Opera (RBO), Ambassador Theatre Group (ATG), and White Light to pilot portable apprenticeships for Creative Venue Technicians, which support more flexible training pathways across venues.

In 2024, the NT received £26.4 million in government capital investment to upgrade its facilities. This investment reduced the need for reactive maintenance by in-house teams, enabling the organisation to redirect capacity toward long-term skills development. As a result, the NT established the Skills Centre, which is designed to offer a wide range of workplace-based placement, training, and apprenticeship opportunities for people at different career stages. The NT recently announced a major new partnership with Bank of America which will accelerate the nationwide expansion of its skills training programs.

The Skills Centre, in partnership with Bank of America, aims to engage **5,000 individuals per year** through a programme that includes early engagement, skills development, and career support, helping participants to access opportunities across technical and production roles. By focusing on practical training and employer engagement, the NT's skills initiatives aim to broaden access to backstage careers and respond to ongoing workforce needs within the sector.

### 5.1.6 National Youth Theatre: Supporting skills development

Another example of a publicly funded organisation contributing to skills development and workforce entry is the National Youth Theatre (NYT), particularly through its collaboration with Netflix on the IGNITE programme. This initiative is designed to support young people from underserved and underrepresented backgrounds to access careers in the creative industries.

Like other schemes developed through partnerships between publicly funded organisations and industry leaders, IGNITE combines real-world training, mentoring, and employer-facing support to help remove barriers to entry. The partnership highlights how collaboration between cultural institutions and commercial organisations can expand the creative talent pipeline and better equip young people for sustainable employment in the arts and culture industry in the future.

### 5.1.7 DUY's role in skill development

DUY operates in some of the most deprived communities in Yorkshire, where residents often have low formal qualifications, high unemployment rates, and limited access to creative education. Through its structured dance training programmes, DUY equips participants with both artistic and professional skills that can be transferred to future employment opportunities.

The organisation provides rigorous training in live performance, equipping participants with the ability to take part in dance, musical theatre, and event entertainment industries. The nature of DUY's programming also fosters teamwork and communication skills, which are essential for employment in collaboration-heavy fields such as film, television, and event production. Furthermore, DUY instils resilience, discipline, and adaptability in its participants, qualities that are crucial for navigating freelance and contract-based employment, which dominates many arts and culture industries.



DUY also plays an important role in facilitating transitions into further education and professional careers. The organisation has developed strong ties with universities and dance schools across the UK, providing referrals that increase the likelihood of participants being accepted into higher education programmes. Additionally, staff members personally accompany students to university open days, guiding them through the admissions process and helping them understand career pathways. Beyond youth training, DUY supports adults seeking careers in the arts through initiatives such as the Gradient Dance Company. This programme provides performance experience and continued skill development for individuals aged 18 and above. However, due to limited funding, the programme cannot run on a consistent basis, making it difficult to maximise its impact.

These programmes equip participants with the skills and confidence needed to pursue higher education—an important stepping stone in creative career pathways. This is particularly relevant given that 72% of the creative workforce held a degree or higher-level qualification in 2019, significantly higher than the 45% recorded across the wider UK economy<sup>57</sup>. By supporting access to further education, publicly funded training initiatives help sustain the artistic talent pipeline into the creative industries, ensuring that participants are not only job-ready but also academically prepared to thrive in a sector that increasingly values formal qualifications

### 5.1.8 Factory Academy: a pipeline into creative industries

While DUY focuses on dance and performance, *Factory International's Factory Academy* offers a broader range of industry-specific training programmes designed to prepare individuals for employment in commercial arts sectors. Since its establishment in 2018, Factory Academy has trained over 1,000 Greater Manchester residents through forty different specialised programmes. Between 2020 and 2023, 720 individuals participated in Factory Academy programmes, and the employment outcomes have been significant. Within three to six months of completing their programmes, 60% of participants secured employment, demonstrating the academy's role as a key artistic talent pipeline for the creative industries<sup>58</sup>.

*Factory Academy's* programmes are designed to align with industry needs and ensure that graduates are prepared for employment. Many participants report increased confidence, clearer career goals, and greater resilience after completing their training. The academy's impact is particularly evident in its vocational training initiatives, which provide direct pathways into the creative industries.

One such initiative is the *Creative Venue Technician Apprenticeship*, which trains individuals in lighting, stage management, and production. These skills are necessary for commercial live music, theatre, and television production industries, resulting in these skills being in demand from these organisations. A notable example is a former *Factory Academy* trainee who transitioned from retail work into an apprenticeship at *The Royal Exchange Theatre*. She later worked as a lighting operator for *Benji Reid: Find Your Eyes*, a piece commissioned by *Factory International*, demonstrating how training in the publicly funded sector can lead directly to employment in large-scale productions within the arts and culture sector<sup>59</sup>.

Another programme, *Future 15*, offers an intensive 15-day training course that exposes participants to event production and management. The programme allows individuals to work

<sup>57</sup> [Creative Industries Policy and Evidence Centre](#)

<sup>58</sup> [Factory Academy](#)

<sup>59</sup> *Ibid*



alongside industry professionals, organise live events, and gain practical experience in event planning. More than half of the participants who complete *Future 15* secure employment shortly afterward, with many moving into roles in commercial festival production, music event planning, and corporate event management.

The *Future Cultural Leaders* programme takes a different approach by equipping participants with leadership, communication, and problem-solving skills essential for management roles in creative industries. The 12-week programme has demonstrated remarkable success, with 94% of its participants securing employment in the creative industries. This programme is particularly effective in increasing diversity within the sector, as 75% of its participants are from ethnically diverse backgrounds, helping to break down barriers to leadership roles in the arts.

*Factory Academy* also provides training in creative entrepreneurship through its *Foundations in Freelance* programme. This six-week course teaches financial literacy, digital marketing, and self-promotion, helping individuals build sustainable freelance careers. A case study that highlights the success of this programme is a participant who transitioned his photography practice into a self-sustaining business after completing the course. Similarly, the Academy offers practical courses such as *Managing Creative Projects* and *Broadcast and Film Production*, equipping participants with essential industry skills including project planning, budgeting, and management. A notable example involves a participant in the *Managing Creative Projects* programme in 2022. Through this course, they developed their skills in organising community events, allowing them to organise the *Altrincham Arts Festival*. They highlighted that the programme's tutors provided valuable support, helped refine their creative vision, and introduced tools that enabled them to manage large-scale artistic projects more effectively. Their experience suggests that Factory International's programmes help participants translate creative ambitions into practical outcomes, by equipping participants with the necessary skills to engage with the arts and culture sector in a professional capacity.

### 5.1.9 Royal Shakespeare Company's artistic talent development schemes

The *Royal Shakespeare Company* (RSC) primarily produces modern renditions of plays by Shakespeare as well as other writers; however, they are also heavily involved in creating learning opportunities for young people and teachers using the resources that they have created to make learning about Shakespeare interactive and engaging. These resources create engaging environments where children use the same approaches that actors and directors do in rehearsals to deepen their understanding of the material.

The RSC targets schools in areas of structural disadvantage with above average percentages of pupils eligible for free school meals. In one of the studies produced by the *Royal Shakespeare Company*, they ran a randomised control trial test on 45 state maintained primary schools across England. Schools were randomly assigned to be part of the control group (no change in curriculum) or the intervention group (receiving RSC teaching), and the schools that were selected received specialised training for English teachers for Year 5 pupils. Therefore, not only was the effect on children being examined through this randomised control trial, but a group of teachers were also receiving professional development opportunities from the RSC increasing their stock of skills.

The children in schools using RSC teaching approaches performed better than those in non-intervention schools in 98% of the measured indicators<sup>60</sup>. These indicators included the use of richer, broader and more sophisticated vocabulary and a better grasp of linguistic structures

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60 [Time To Act | Royal Shakespeare Company](#)

and devices. These findings suggest that RSC teaching approaches may support language development in participating children. This indicates that resources developed by the publicly funded arts and culture sector can have a long-lasting impact on the children who utilise these resources, creating benefits for them that can directly impact their future by giving them better education opportunities.

The Royal Shakespeare Company (RSC) supports talent development in disadvantaged communities through its Associate Schools Programme (ASP), which partners with schools in some of the most deprived areas of England. These schools often have limited access to arts and culture due to resource constraints and a focus on core academic subjects. By collaborating with the RSC, however, they gain access to creative opportunities that allow pupils to discover and develop their creative potential.

A key initiative within this pipeline is the Next Generation Talent Development Programme, which nurtures young people with an interest in Acting, Directing, or Backstage work. The RSC brings together students from its Associate Schools to co-produce a Shakespearean play, providing them with training, mentoring, and the opportunity to work alongside industry professionals. Participants are also paid to undertake traineeships, ensuring the programme has built in progression routes.

The impact of this initiative is reflected in the outcomes of its alumni, many of whom have progressed into successful careers in the arts and culture sector. Several have progressed into professional roles, including performances in *Hide and Seek* at the Park Theatre in London and appearances on the television show *Emmerdale*. While career progression is influenced by multiple factors, the participation of these individuals in the RSC's programme suggests that such initiatives may support skill development and pathways into professional artistic careers. Two examples are highlighted below.

One participant took part in the *Next Generation Talent Development* scheme and has since gone on to graduate from the accredited drama school Arts Ed. Since graduating, he has gone on to work directly with the RSC in a professional capacity, being paid to work in a rhetoric workshop led by the RSC, in which he has rehearsed readings for over 30 plays<sup>61</sup>. This suggests that the programme can provide a pathway to employment in large theatre companies, including the RSC, for participants from disadvantaged backgrounds. The development of industry-relevant skills among participants suggests that these programmes enhance employment opportunities within the sector.

Another example is a participant, who after working with the *Next Generation Talent Development* scheme has gone on to secure a place at *East 15* on a one-year acting foundation course, where her performance resulted in her being offered a 3-year programme at *East 15*<sup>62</sup>. This shows how participation in the programmes provided by the RSC creates opportunities for further education, by equipping participants with the skills necessary to enrol in highly specialised arts and culture programmes, giving them the ability to develop their skills to a point where they can pursue arts and culture as a career.

The training provided by DUY and Factory Academy demonstrates that publicly funded arts programmes support talent development for both publicly funded and non-publicly funded creative industries. The skills gained through these programmes are directly applicable to commercial arts sectors, including film production, event management, and digital media.

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61 [Royal Shakespeare Company](#)

62 Insights from our interview with RSC

Additionally, the programmes emphasise the development of soft skills such as communication, teamwork, and leadership, which are transferable across various industries.

## 5.2 Strengthening cross border and cross sector collaboration

Publicly funded arts and culture organisations serve as critical platforms for international collaboration and cross-sector exchange. They act as convenors, co-commissioners, and catalysts—connecting local artists with global networks, supporting creative partnerships across industries, and enhancing the UK’s **international reputation and commercial reach**.

Through artist residencies, touring exhibitions, co-productions and strategic collaborations with the tech, heritage, commercial, and public sectors, these organisations help expand the UK’s cultural exports and create new channels for economic engagement. From immersive attractions and talent exchanges to global partnership models like Playable City, the examples in this section demonstrate how public cultural infrastructure enables outward-facing growth, attracts international investment, and supports creative entrepreneurship on a global stage.

### 5.2.1 National Theatre’s global spillovers

The National Theatre (NT) provides a clear example of how publicly funded performing arts institutions generate spillover benefits across international, commercial, and public sectors. Several NT productions and collaborators have achieved significant global reach, catalysing economic activity and cultural exchange far beyond the original stage.

*Dear England*, written by James Graham and premiered at the NT in 2023, has since transferred to the West End, becoming the **highest grossing play in Delfont Mackintosh Theatre history**, and is now being adapted into a six-part BBC drama. The NT’s 2007 production of *War Horse*, developed through its New Work Department, has since been seen by **8.3 million people across 14 countries**, inspired an Oscar-nominated film by Steven Spielberg that grossed **\$178 million**, and continues to tour nationally.

The NT has also played a formative role in the careers of globally recognised creative professionals. Designer **Es Devlin** began her career at the NT in 1998 before going on to design **Super Bowl halftime shows**, the **London 2012 Olympic closing ceremony**, and global tours for artists such as **Beyoncé**, **The Weeknd**, and **Adele**. She continues to work with the NT, most recently on *Dear England*, *The Lehman Trilogy*, and *The Motive and the Cue*. Actor **David Oyelowo** took part in the first year of the NT’s *Connections* youth programme and has since established an international screen career. He returned to the NT to play the lead in *Coriolanus*, demonstrating the long-term impact of early investment in creative development.

The **NT’s influence extends into policymaking and international diplomacy**. NT has worked with the Ministry of Justice and associated stakeholders to make the NT Live recording of *Prima Facie* available to the **Judicial College** so that all 600 judges who try sexual offences cases in England and Wales watch and discuss the production as part of their initial and ongoing training, with the expectation that the production will influence how juries are educated and instructed on sexual offences cases.

Additionally, through a collaboration with the **Foreign, Commonwealth & Development Office (FCDO)**, NT Live recordings have been made available to British diplomatic posts, with cultural screenings held in **78 countries** to date. These initiatives illustrate the sector’s capacity to support **soft power, legal education, and international cultural exchange**.

These examples show how publicly funded theatre not only strengthens the UK’s domestic creative industries, but also contributes to **export growth, international reputation, and sector-wide innovation**—amplifying the broader economic and cultural value of public investment in the performing arts.

### 5.2.2 The Royal Shakespeare Company: Advancing UK exports and soft power through creative collaboration

The Royal Shakespeare Company (RSC) exemplifies how public investment in arts and culture not only drives creative innovation but also **safeguards the future of Britain's most globally recognised cultural assets**. As the custodians of the Shakespearean canon, the RSC is ensuring that the UK's most internationally resonant artistic brand continues to thrive—not just on stage, but across digital, immersive, and export-driven platforms.

Shakespeare remains a pillar of the UK's global cultural influence, underpinning tourism, education exports, and soft power. But maintaining that relevance in an evolving media landscape requires adaptation. With support from Arts Council England and UKRI's Arts and Humanities Research Council (AHRC), the RSC is **reimagining what Shakespearean storytelling looks like** in the digital age—through gaming, immersive theatre, volumetric performance capture, and international research exchange.

A standout example is *Lili*, a forthcoming narrative-led video game co-developed with iNK Stories (New York) and Alambic Production (Paris). Inspired by *Macbeth*, the game transports Lady Macbeth into a stylised, near-future Iranian setting, using live-action cinematics and branching gameplay. Featuring Cannes Best Actress winner Zar Amir, *Lili* marks the RSC's first commercial foray into the global video games market and demonstrates how publicly supported IP can be translated into exportable digital content. In doing so, the RSC extends Shakespearean themes into **new formats and markets**, stimulating cross-sectoral value creation across creative tech, narrative design, and interactive storytelling.

This strategy builds on the RSC's **longstanding investment in technological innovation**. In 2016, *The Tempest*, developed with Intel and The Imaginarium Studios, became **the UK's first real-time avatar-driven stage production**. The project reached over **136,000 live attendees, 27,000 schoolchildren, and 95,000 cinema viewers in 17 countries**, while generating over **16 million video and social media views globally**.

The RSC's track record has since led to formal recognition of its innovation leadership: in 2023, it became **the UK's first performing arts organisation to gain Independent Research Organisation (IRO) status**, unlocking funding to lead a four-year AHRC-supported global research programme. This International Fellows scheme brings together artists, technologists and cultural institutions—including MIT's Open Documentary Lab, Watershed, and the Brooklyn Academy of Music—to address frontier topics such as AI, liveness in digital spaces, and co-creation. It not only builds international research capacity but helps embed the UK's cultural leadership in the next generation of creative practice.

This is further underpinned by capital investment through the AHRC's CResCa programme, enabling the RSC to scale its **in-house capabilities in volumetric capture, Lidar scanning, and photogrammetry**. These tools have applications across film, gaming, heritage, and immersive experience design, underscoring the RSC's wider economic spillover role as a platform for cultural R&D.

Taken together, these initiatives show that public investment in the RSC does more than support a single institution. It keeps the UK's most globally recognisable cultural brand on the cutting edge of creative innovation. By merging deep heritage with emerging technologies, the RSC is **not only preserving the relevance of Shakespeare, but also generating new opportunities for cultural export, international collaboration, and soft power projection**—ensuring that one of Britain's greatest creative assets continues to resonate globally in the decades ahead.

### 5.2.3 - Innovating through cross-sector partnerships: 878 AD



The 878 AD heritage attraction in Winchester, launched in November 2022, offers a compelling example of how publicly supported organisations can collaborate with commercial and tech-sector partners to deliver digitally innovative cultural experiences. Developed by *Hampshire Cultural Trust* (an ACE-funded NPO) in partnership with *Ubisoft*, immersive tech studio *Sugar Creative*, and supported by multiple public and philanthropic funders, the project was designed as an extension to City Museum to test the feasibility of an immersive, digitally led approach to interpreting heritage museum collections.

Framed around the story of King Alfred's 878 victory over the Vikings, the project combined augmented reality (AR), live performance, interactive gaming, and object displays to create a multi-platform visitor experience. It aimed not only to reimagine historical object-based storytelling but also to diversify audiences and contribute to the wider regional economy.

Key features and outcomes include:

- **Total investment of £1.2 million**, from HCT's reserves, philanthropic contributions, and additional funding from ACE, Art Fund, local authorities, and foundations.
- **Over 40 jobs created** across digital production, theatre, interpretation, and operations.
- **26,000 visitors** within the first 18 months, contributing an estimated **£1.85 million in economic value** to the local economy through direct and indirect channels, including increased footfall to neighbouring cultural and retail venues.
- **Audience diversification**: 13% of visitors were aged 16–35 (compared to 5% at a nearby comparator venue), 41% identified as male, and 27% had not visited a museum in the past year.
- **Strategic alignment** with national creative industries growth strategies and tourism development priorities.

878 AD also serves as a potential model for place-based cultural innovation. It built a sustained collaborative ecosystem involving local authorities, international gaming firms, and regional cultural institutions. The approach has been cited in sector networks as an example of **best practice in culture-tech partnerships**, with heritage organisations across the UK and Europe exploring similar methods.

Recognition for the project includes:

- **Technology and Innovation Award** at the Winchester Business Excellence Awards (2023)
- **Heritage in Games Award** at the TIGA Games Industry Awards (2023)
- **Best in AR Experience** at the Australian XR Festival (2023)

It was also shortlisted for national awards including the Museum + Heritage Awards, AV Awards, and further categories at the TIGA Awards.

Taken together, these outcomes suggest that carefully designed digital and immersive initiatives—particularly those embedded in strong public-private partnerships—can generate cultural, social and economic value while attracting new audiences. As cultural organisations continue to explore sustainable and scalable models for innovation, projects like 878 AD provide relevant learning for future replication and investment.

### 5.2.4 Strengthening cross border collaboration through the creation of reputable art organisations

London's arts and culture sector attracts creative professionals from around the world, supported by institutions such as *Studio Voltaire*, which facilitates international collaboration through artist residencies. These residencies provide artists with free accommodation and studio space, allowing them to develop their work and engage with the UK's artistic community.

Studio Voltaire offers two types of residencies:

- **Short-Term Residency:** A 3-6 months programme that provides creative space and support,.
- **LOEWE Residency:** A competitive, fully funded one-year programme sponsored by LOEWE, offering extended support and enhanced opportunities for career development.

For example, international artists such as Olga Grotova and Nicolas Said have benefited from these residencies. Nicolas Said completed his latest collection on the concept of the Apocalypse during his time at Studio Voltaire, while Olga Grotova developed her exhibition *Friendship Garden*, displayed from 20 May 2023 until 30 July 2023. Grotova's work, which illuminated the little-known history of female farmers in the Soviet Union, resonated strongly with the London audience, generating large-scale engagement and facilitating her subsequent opportunity to exhibit in Paris.

Similarly, the *LOEWE Residency* has hosted international artists including *Prajakta Potnis* (Mumbai) and *Beatriz Pang* (Hong Kong), expanding their reach to UK audiences. Potnis' residency, which began in October 2024, refined her earlier work on food scarcity and pollution, potentially leading to a new UK exhibition. These initiatives highlight *Studio Voltaire's* role in fostering cross-border collaboration by supporting emerging and established artists while enhancing cultural exchange.

While London remains a major hub for international arts engagement, other UK cities also host significant global collaborations. The *Liverpool Biennial*—a visual arts festival held every two years—features a dual-curatorship model, with one curator focusing on UK artistic talent and an international curator selecting global artists. In 2023, Cape Town-based curator *Khanyisile Mbongwa* curated *uMoya: The Sacred Return of Lost Things*, which explored the ongoing impact of colonialism and included artists from South America and Africa. The festival's large audience—averaging over 200,000 attendees per edition—provides an incentive for international participation while attracting a global audience.

Data from *Culture Liverpool* indicates that Liverpool has the highest percentage of adults attending museums or art galleries in England and ranks third for live arts show attendance<sup>63</sup>. This underscores the city's role as a key centre for international artistic engagement beyond London.

These findings illustrate that, while London is a hub for arts and culture in the UK, other cities also offer robust ecosystems that attract and facilitate international artistic engagement. Such environments play a crucial role in attracting international artists to the UK and creating relationships between the arts and culture sectors in different countries.

Similarly, *Factory International's Manchester International Festival (MIF)*, held every two years, is a major event attracting international artists and cultural leaders. Factory International

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63: [Culture Liverpool](#).



has been a major international cultural player since the first edition in 2007. Working with local, national, and international partners and co-producers, *Factory International* collaborates with venues, festivals, and companies across the world to commission artists together, and share ideas, projects, and training with peers worldwide. The organisation has collaborated with over sixty-six partners on more than fifty different shows and their productions have been to thirty-five countries in six continents. The 2023 festival hosted an International Weekend for curators, presenters, artistic directors, programmers and producers, welcoming 145 guests from 55 cities and facilitating significant global collaboration. .

A key aspect of MIF's cross-border engagement is its collaboration with the *British Council's Future Leaders Programme*, which connects emerging cultural leaders from countries including Turkey, Indonesia, Kenya, South Africa, Brazil, and Japan with over 100 UK and international arts professionals.<sup>64</sup>

By providing platforms for international artists to showcase their work and fostering professional development initiatives, *Factory International* strengthens links between the UK's cultural sector and global arts networks. These programmes not only expand artists' audiences but also create opportunities for long-term collaboration between international cultural leaders and UK arts institutions.

### 5.2.5 How an engaging publicly funded arts and culture sector supports cross-sector collaboration

The previous section explored the international reach of publicly funded arts and culture organisations. This section examines their role in fostering collaboration with the commercial arts sector.

One example is *FRIEZE*, an international art fair with a permanent space, which also publishes an international contemporary art magazine. In an interview, *FRIEZE* emphasised that a strong publicly funded arts sector influences location decisions for commercial galleries. Accessible public venues encourage early engagement with the arts, which research links to lifelong artistic appreciation.

*FRIEZE* cited Seoul as an example of how public cultural infrastructure attracts commercial galleries, highlighting that its publicly funded arts sector made it a preferred location over Singapore or Hong Kong. Similarly, London's public cultural institutions have contributed to the city's ability to sustain a robust commercial gallery scene, where publicly funded and non-publicly funded organisations frequently collaborate. This is evident during *FRIEZE Week*, when organisations like *Studio Voltaire* align their events with the festival, enhancing audience engagement by offering multiple exhibitions in a single visit.

Another key area of collaboration is the co-commissioning of artistic works. *Factory International* established a dedicated co-commissioning department in 2018, forming partnerships that surpass those of major UK institutions such as the *Victoria and Albert Museum (V&A)* in terms of performances, partnerships, and international reach. Its approach includes co-commissioning projects with global partners, licensing existing works, and providing training and consultancy for emerging artists.

A notable example is the *Manchester International Festival (MIF)*, which helped tour *Björk Digital* to 350,000 attendees across 14 countries. These partnerships enhance *Factory International's* global brand, create sustainable income streams, and strengthen relationships with high-profile artists. The impact of these collaborations is evident through the significant

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<sup>64</sup> This programme is carried out by MIF in collaboration with the British Council.

financial contributions and global reach of Factory International's projects<sup>65</sup>. Key achievements include:

- **MIF19:** Raised £3.1 million in co-commissioning income through partnerships with Brisbane Festival, Melbourne International Arts Festival, Perth Festival, New Vision Arts Festival, NYU Skirball, Carolina Performing Arts, and the Holland Festival.
- **MIF21:** Despite the challenges posed by the COVID-19 pandemic, collaborations with Théâtre du Châtelet, Brooklyn Academy of Music, and Esplanade – Theatres on the Bay resulted in 'Postcards From Now,' a series of short films from international artists.
- **MIF23:** Marked a full return to international co-commissioning, working with esteemed institutions such as Festival d'Aix-en-Provence, Bregenzer Festspiele, Holland Festival, Ruhrtriennale, Internationaal Theater Amsterdam, Black Achievement Month, NYU Skirball, Park Avenue Armory, and Taipei Performing Arts Centre.

These collaborations have strengthened relationships between *Factory International* and both domestic and international cultural institutions, fostering a mutually beneficial network.

The evidence underscores the strong link between the publicly funded arts sector and the commercial arts industry. Publicly funded cultural infrastructure influence's location decisions for commercial galleries, while cross-sector collaborations enhance audience engagement and artistic exchange. By aligning efforts, publicly funded and non-publicly funded organisations contribute to a dynamic cultural ecosystem that benefits artists, institutions, and audiences. These impacts culminate in the UK being considered a global cultural leader due to its ability to attract large international audiences and facilitate collaboration with arts and culture organisations around the world.

### 5.2.6 Cross-sector and international collaborations: Watershed and the Playable City Initiative

Watershed, an ACE NPO, plays a convening role in fostering international partnerships and cross-sector collaboration within the cultural and creative economy. One of its most internationally recognised programmes is **Playable City**, a long-running initiative supported by Arts Council England and the British Council. The programme uses artistic installations in public spaces as a means of prompting civic dialogue and interaction, and has become a widely exported cultural model. It operates on the principle that creative engagement can open up new conversations about urban life, and that these experiences can be shaped by and adapted to distinct cultural and spatial contexts.

Key outcomes include:

- **Playable City has reached over one million people across nine cities on five continents<sup>66</sup>**, including Recife, Lagos, Seoul, Melbourne, Austin, Tokyo, and Watershed's home city of Bristol.
- The programme has involved **more than 74 delivery partners and over 50 creatives**, working across disciplines and institutions.

<sup>65</sup> Tabbron Associates report on the international impact of Manchester International Factory.

<sup>66</sup> [Playable City](#)

- Projects are developed through international collaboration, often involving artists, local governments, urban planners, universities, and community organisations.
- Watershed’s international work is often co-produced with UK and overseas partners, building sustained cultural links and contributing to **UK’s global connection and cultural engagement**.

By open sourcing a participatory model of civic arts practice, Watershed contributes to the UK’s international image as a leader in socially engaged and interdisciplinary cultural work. Its partnerships—facilitated through public funding—also support knowledge exchange and economic spillovers into adjacent sectors such as tourism, education, design, and urban policy. Playable City has served as a vehicle for bilateral collaboration and cultural diplomacy, supporting the aims of UK institutions such as the British Council and enhancing the international visibility of the UK’s cultural sector.

### 5.3 Testing new forms of organisation and structure

This knowledge spillover occurs when new working methods, business models, and audience engagement strategies from the publicly funded sector influence the non-publicly funded sector. Two key areas where this spillover effect is particularly evident are new ways of reaching audiences and innovative management structures.

#### 5.3.1 New ways of reaching audiences

The COVID-19 pandemic significantly disrupted industries reliant on in-person attendance, with the arts and culture sector, particularly theatre, among the most affected. Theatres, reliant on ticket sales for revenue, struggled financially, with many forced into crisis or closure. Notable examples include the Key Theatre in Peterborough and Leicester Haymarket Theatre<sup>67</sup>, both of which struggled due to the ban on live performances.

In response to these challenges, the National Theatre launched NT at Home, an online streaming platform that made high-quality theatre productions accessible to audiences worldwide. Introduced just 10 days after the National Theatre’s closure in March 2020, the initiative released 17 plays over 16 weeks, reaching an estimated 15 million views across 9 million households in 173 countries. Over the same period, the National Theatre’s YouTube channel saw an 817% increase in subscribers, indicating substantial audience engagement.

For context, in the financial year 2018–2019, approximately 7.2 million people attended live performances at the National Theatre. The success of NT at Home suggests that digital streaming not only provided an alternative platform for engagement but also significantly expanded audience reach, potentially attracting individuals who had not previously attended live performances.

The National Theatre was the first UK theatre to implement this digital strategy, and its success was widely recognised, earning the Time Out Award for *“the cultural initiative that made life worth living during the pandemic.”* This model soon served as a blueprint for other organisations, both within the publicly funded and non-publicly funded sectors.

Following the success of NT at Home, major non-publicly funded theatre organisations adopted similar strategies. For example, Andrew Lloyd Webber launched *The Show Must Go On*, a YouTube channel streaming productions from Andrew Lloyd Webber’s six theatres. Additionally, 126 out of 224 publicly funded UK theatres and theatre companies produced at

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<sup>67</sup> [The Theatre Trust](#)

least one online production between March 2020 and mid-2021, reflecting an industry-wide shift in audience engagement strategies, catalysed by the success of the NT at home programme.

Furthermore, the widespread success of NT at Home facilitated collaborations between NT Live and other theatres across the UK, including Donmar Warehouse and Nottingham Playhouse. As a result, 43 out of 105 productions on NT Live<sup>68</sup> were either produced or co-produced by other theatres. This demonstrates how a new way of working not only benefited the National Theatre but also supported other organisations, exposing them to larger audiences who may not have previously engaged with their work.

Publicly funded institutions like the National Theatre drive innovation, particularly in times of crisis. Unlike non-publicly funded theatres, these institutions benefit from additional financial security due to the funding received. This funding enables them to experiment with new audience engagement methods that may carry commercial risks. Once proven successful, these strategies can be adopted by non-publicly funded organisations, as seen in the case of digital theatre streaming, allowing the non-publicly funded sector to benefit from innovations developed within the publicly funded space.

### 5.3.2 New collaborative working models

A similar knowledge spillover is evident in the dance sector, where publicly funded and non-publicly funded institutions interact in a mutually beneficial relationship. While many dance schools rely on government or local funding, a non-publicly funded dance sector also exists, consisting of institutions that generate revenue through ticketed performances and tuition-based training. The interaction between these sectors enables knowledge transfer, through innovative management structures.

A key example of this is Dance United Yorkshire (DUY), a publicly funded organisation based in Bradford that provides high-quality dance training to marginalised communities. One of DUY's most notable innovations has been its collaborative working model, which integrates professional dance schools into its government funded programmes.

Through this model, professional dance schools work alongside DUY students to co-create choreographed productions, generating mutual benefits for both publicly funded and non-publicly funded institutions:

- For DUY students, exposure to high-quality choreography enhances their artistic skills and provides direct access to industry professionals, potentially opening career pathways.
- For professional dance schools, working with individuals who lack prior dance experience allows choreographers to refine their teaching techniques and experiment with creative approaches that might otherwise be constrained by commercial demands.

Notable professional dance schools that have engaged in this model include Tim Casson, Jasmin Vardimon Company, and 2Faced Dance Company. Their involvement demonstrates sector-wide recognition of the benefits of collaboration between publicly funded and commercial dance organisations, which can lead to mutually beneficial outcomes for both

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<sup>68</sup> The National Theatres Live is an initiative launched by the National Theatre that allowed Cinemas and arts centres to broadcast their filmed performances. This is different to NT at home since it cannot be streamed at home.

kinds of organisations, who co-develop best practises for performances leading to a potential increase in business productivity.

Beyond skill development, this model contributes to audience expansion. Many DUY students come from marginalised communities with limited exposure to the arts, meaning their participation encourages family and community engagement with cultural activities. This has the potential to broaden the audience base for non-publicly funded dance productions, creating long-term benefits for the commercial dance sector.

The cases of NT at Home and Dance United Yorkshire suggest that the publicly funded arts and culture sector can foster innovation, with benefits extending into the non-publicly funded sector. Digital theatre streaming and collaborative models in dance provide concrete examples of how innovative audience engagement strategies and organisational structures may lead to measurable spillover effects. These developments appear to enhance the sector's capacity to respond to crises and contribute to longer-term industry growth, skill development, and broader audience engagement, with potential impacts on productivity. Moreover, the observed interdependence between publicly funded and non-publicly funded arts organisations indicates that continued investment in publicly funded institutions could facilitate the diffusion of innovative practices across the creative sector.

## 6. Conclusion

This report has examined the economic spillover effects generated by publicly funded arts and culture organisations in England, drawing on structured interviews, case studies, and desk-based evidence. Our analysis reveals a complex ecosystem of interactions between the publicly funded and the wider arts and culture sector, as well as broader links to the UK economy.

Spillovers take many forms — from skills development and talent progression, to innovation, entrepreneurship, investment attraction, and city branding. The report shows evidence of public investment playing a catalytic role in supporting these outcomes by reducing barriers to participation, fostering early-stage artistic talent, and providing the infrastructure for experimentation, collaboration, and professional growth.

While many of the spillovers identified in this report are long-term in nature, they underpin the sustainability and growth of the UK's creative industries. They also contribute to a wider set of economic goals — including **workforce resilience, regional development, and the diffusion of innovation**. As the UK navigates evolving challenges in productivity, labour market participation, and place-based inequality, these findings reinforce the economic value of continued public investment in arts and culture.