

# ECONOMIC EAR

## Happier times?

As *CM* celebrates its 40th anniversary, Antony Feeny ponders the financial changes in the arts during those four decades

**A**h yes, 1976. Since it's such a long time ago, surely it must have been a golden age for classical music and the other arts? Well, the Economic Ear remembers it well, since that summer of drought was the time of my first trip to the Proms (the BBC Symphony Orchestra with Pierre Boulez playing Debussy and Bartók), the Royal Opera House (Götz Friedrich's first *Ring* cycle in the Bayreuth centenary year), and English National Opera (*Tosca* conducted by Mark Elder with Josephine Barstow, Kenneth Collins and a somewhat younger John Tomlinson in the minor role of Angelotti). So perhaps it was a golden age – but then doubtless 2016 will seem a *saeculum aureum* to that algorithm writing the Economic Ear column in 2056 in Espe-

ranto before it's digitally injected into the lobes of *Classical Music's* millions of future readers.

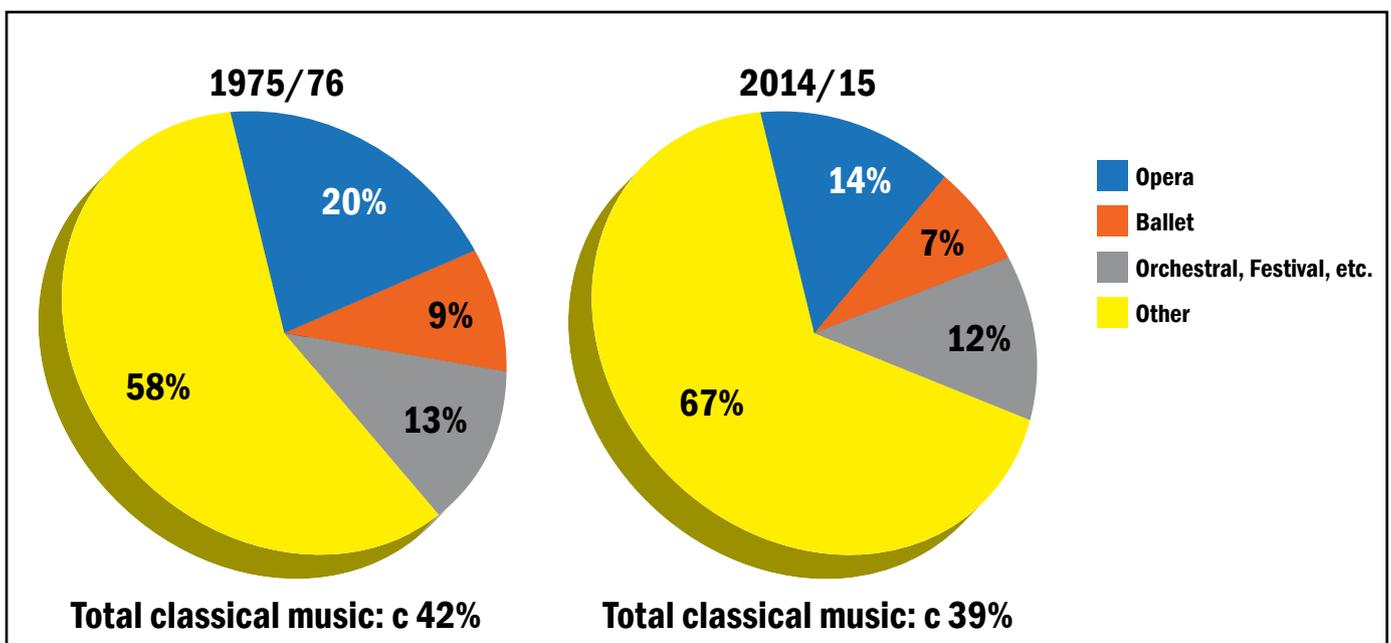
But enough of the frivolities of musical reminiscences. What about the important subject of money in 1976? Since the Economic Ear's next column is to be about the bigger picture of the Arts Council's post-war expenditure, here is a brief taster covering the funding by the Arts Council of Great Britain (as it was then) in 1976.

The grant-in-aid provided to the Arts Council by the government in the year 1975/76 was £28.85m, rising in 1976/77 to £37.15m. This looks like a massive year-on-year increase of 28.8% but in those supposedly halcyon days we were living with annual inflation of around 16%. Once you convert these figures into

constant 2015 prices, you find that the grant-in-aid was the equivalent of around £187.3m in today's money, rising to £208.2m, or an increase of 'only' 11.2%.

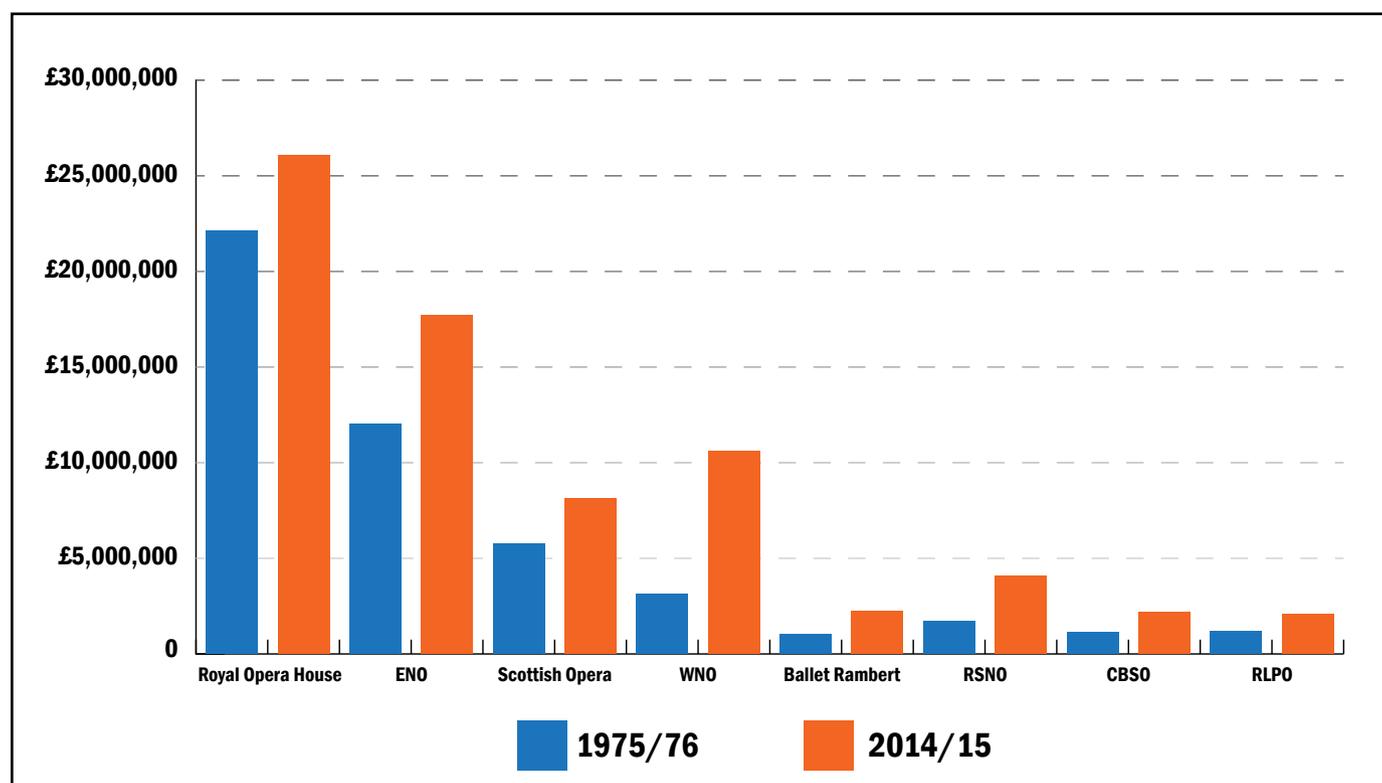
But perhaps the biggest surprise is when you compare this level of funding 40 years ago with the current situation. The headline-figure grant-in-aid to the Arts Council England alone in 2014/15 was in fact about twice as much at £371.3m, before including the additional funds available from the national lottery (£274m), the Arts Councils of Wales (£33m) and Northern Ireland (£14m), and the combination Scotland (£46m) and the Scottish government (£24m), together with the restricted funding for music education hubs (c £70m). So should we really be complaining

**CHART 1: APPROXIMATE PROPORTION OF 3 ARTS COUNCILS BUDGETS ALLOCATED TO CLASSICAL MUSIC IN 1975/76 AND 2014/15**



▲ All percentages approximate. 1975/76 data drawn from Arts Council Great Britain annual report. 2014/15 data drawn from the annual reports of the Arts Council England, the Arts Council of Wales, Creative Scotland and the five national organisations directly funded by the Scottish Executive. No data included for the Arts Council of Northern Ireland

**CHART 2: ARTS COUNCIL FUNDING OF SELECTED CLASSICAL MUSIC ORGANISATIONS IN 1975/76 AND 2014/15 IN CONSTANT 2015 PRICES**



▲ \* 1975/76 data drawn from Arts Council Great Britain annual report inflated using Bank of England and Office for National Statistics factors. 2014/15 figures from Arts Council England website and individual company accounts; note that those for Scottish Opera, RSNO and WNO include Scottish and Welsh local funding

about the government starving the arts?

It's more complicated than that, of course, particularly in the case of classical music (opera, ballet, orchestral, festivals, etc). Yes, the amount of money provided appears to have gone up, particularly if you ignore the situation with local government funding. But so has the population of the United Kingdom gone up, from about 56m in 1976 to 65m now. Even after taking this population increase into account, however, the public arts funding per capita from Central Government in constant prices has still risen considerably. If you add the £23.5m spending by the Scottish Executive on the five big Scottish arts organisations, the grants-in-aid to Creative Scotland (£46m) and to the Arts Council of Wales (£33m) to the Arts Council England total expenditure of £371.3m, the Central Government arts spending per capita in constant 2015 prices increased from £3.33 in 1975/76 to £7.33 in 2014/15.

But you would still expect classical music funding to have suffered, at least relatively speaking, as a result of the enormous increase in the number and range of organisations

seeking funding from the Arts Council, in addition to the inclusion of some museums in the list. And a rough analysis of the grant recipients in 1975/76 and 2014/15 confirms that this is in fact the case. The proportion of total Arts Council funding allocated to classical music (for 1975/76 ACGB and for 2014/15 including Creative Scotland, Arts Council of Wales and the 5 directly-funded Scottish organisations) has dropped over the last 40 years from 42% to 33%. After taking into account the population change, however, this is still a per capita increase of nearly 75% in classical music funding.

As shown in Chart 1, the main proportionate reduction has been in the funds allocated to opera, with ballet also suffering in proportionate if not absolute terms – although both remain very large categories of funding.

And what about the experiences of the major classical music organisations? Well in fact the Arts Council funding for many of those which existed in more or less the same form 40 years ago as they do now has actually increased in real terms from 1975/76 to 2014/15, in

some cases quite substantially. The changes for a selection of these musical organisations are illustrated in Chart 2.

It is also interesting to see how the whole nature of musical financial activity has changed. For example, the total expenditure of the Royal Opera House in 1975/76 was £6.2m or about £40.1m in today's money, and over 50% of this was funded by the Arts Council. But the expenditure of the Royal Opera House in 2014/15 was £124.5m, or about three times higher than that of 40 years earlier, and only 23% of this much higher figure was funded by the Arts Council. Nor is the Royal Opera House unique in spending quite a lot more and drawing on rather different funding sources.

Perhaps we may yet look back on our current situation as a golden age. <sup>CM</sup>

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