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Hon Ed Vaizey MP
Minister for Culture, Communications and
Creative Industries
Department for Culture, Media and Sport
2-4 Cockspur Street
London SW1Y 5DH

27 March 2012

Dear Ed,

17575/11, COM (2011) 786: Commission Communication on Creative Europe – A new framework programme for the cultural and creative sectors (2014-2020)

17186/11, COM (2011) 785: Proposal for a Regulation of the European Parliament and of the Council on establishing the Creative Europe Programme + ADD 1 & 2

We are grateful for the evidence you provided to us about the Creative Europe proposal on 15 March. You will be aware that on 22 March we also received oral evidence about the same proposal from: Ann Branch, DG Education and Culture, European Commission; Yvette Vaughan Jones, Executive Director at Visiting Arts, the EU Cultural Contact Point for the European Commission's Culture programme in the UK; and Agnieszka Moody, Director of MEDIA Desk UK, the central information and promotion office for the European Commission's Media programme in the UK.

We note your support for the Creative Europe proposal's focus on the economic and growth potential of the creative and cultural sectors in the context of the Europe 2020 Strategy, as well as its focus on building capacity and expertise in organisations. You have also acknowledged that the UK's creative and cultural sectors have benefited from the current MEDIA and Culture programmes. We agree that the EU has added value to this sector and we note that under the current Culture programme in 2011, the UK was the most successful of the largest Member States (France, Germany, Italy, Poland, Spain, UK) in terms of receiving project funding, with total grant funding of €5.7 million (up from €4.4 million in 2010). In 2010, UK organisations also received €8.7 million from the MEDIA programme, which represented approximately 8% of the total funds allocated that year across the EU. We also note that these sectors have grown twice as fast as the rest of the UK economy over the past decade.

Despite this, we also note your opposition to the Commission's proposed **total budget of €1.8 billion, representing a funding increase of 37%**, for the Creative Europe proposal. When we wrote to you on the 12 January we stated that we did not believe that

the Commission had yet made a robust case for their assertion that the proposed funding increase would help stimulate further jobs and growth. However, since then we received compelling evidence from the cultural and creative stakeholders mentioned above about the economic and social benefits provided by EU funds to UK organisations and to the creative and cultural sectors across the EU more broadly. We also note that the Commission's proposed increase constitutes only a fraction (0.002%) of the overall allocation for the next Multiannual Financial Framework (MFF) for the period 2014 to 2020. In the context of domestic funding cuts for this sector and taking account of UK organisations' obvious capacity for attracting EU funding, and notwithstanding the Government's declared negotiating stance of achieving a real-terms freeze across the next MFF, we would urge the Government to review its approach to this funding proposal.

While we acknowledge your concerns about the **proposed financial guarantee facility for cultural and creative SMEs** and your opposition in principle, we would urge you to keep an open mind about the potential merits of such a facility, especially if the majority of respondents to the DCMS consultation express support for it. The evidence we received from Visiting Arts, MEDIA Desk UK and Arts Council England was certainly very supportive of the proposed facility based on informal feedback and responses to surveys they have conducted. We understand that the cultural and creative sectors typically experience more difficulty attracting funds from investors who are wary of what they consider to be a riskier sector. Therefore, the leveraging potential of such a facility should not be overlooked. In addition, its use as a bridging mechanism during engagement with investors about the opportunities that this sector can provide should also not be discounted. However, we also acknowledge the potential support that tax breaks and facilities such as the Seed Enterprise Investment Scheme (SEIS) can provide to this sector, which you mentioned during your evidence to us.


The culture and creative sectors are inherently international and therefore we believe that **ministerial engagement** at this level would be beneficial in terms of exchanging best practice and conceiving joint collaborative efforts. You told us that there had been only one meeting of the Culture Council during your time as a Minister, which you were unable to attend, and that you rarely met with your fellow culture ministers from other countries. You also promised to write us and clarify the number of Council meetings there had been during your period as a minister. We have looked into this matter and note that, since the General Election, the Education, Youth, Culture and Sport Council has met five times – on 10 and 11 May 2010; 18 and 19 November 2010; 14 February 2011; 28 and 29 November 2011; and 10 February 2012. We further note that no UK culture ministers have attended any of these Council meetings, with the UK Deputy Permanent Representative usually attending on behalf of the Government instead. We understand that an informal culture council meeting is due to take place this October, during the Cypriot Presidency, which we would urge you to attend in order to engage with your equivalent ministers in other Member States on areas of shared interest.

We look forward to receiving a copy of the digest of the responses you have received to the DCMS consultation on the Creative Europe proposal in due course, as well as the surveys which are being produced by Visiting Arts of MEDIA Desk UK about their respective stakeholders' engagement with the current Culture and MEDIA programmes, respectively.

We will also be making recommendations about the Creative Europe proposal in the EU Select Committee's forthcoming report about the next MFF, which will be published before the end of the current Session.

In the meantime, we shall continue to retain these documents under scrutiny and look forward to receiving your response within the usual 10 working days.

I am copying this letter to William Cash MP, Chair of the European Scrutiny Committee, Alistair Doherty, Clerk to the European Scrutiny Committee, Paul Hardy, Legal Adviser to the European Scrutiny Committee, Les Saunders (Cabinet Office) and Roger Higginson (DCMS).

A handwritten signature in black ink, appearing to read 'John Roper'. The signature is written in a cursive style with a long horizontal line extending to the right from the middle of the name.

The Rt Hon the Lord Roper
Chairman of the European Union Committee