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for Culture,  
Media & Sport

Ruth Hannant &  
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Dame Meg Hillier MP  
Chair, Public Accounts Committee  
House of Commons  
London SW1A 0AA

31 May 2023

Dear Chair,

### **Gambling Act Review, UNBOXED and Arts Council England**

We are writing to respond to the issues raised in [your letter](#) of 2 February 2023 which followed the [Public Accounts Committee hearing](#) on 23 January 2023 with the then Permanent Secretary at the Department for Digital, Culture, Media and Sport. The issues within your letter relate to the progress made on Project Gigabit, the status of the Gambling Act review, the UNBOXED festival and oversight of Arts Council England (ACE).

On 7 February 2023, the Government announced Machinery of Government changes, resulting in the transfer of responsibility for Project Gigabit to the new Department for Science, Innovation and Technology (DSIT), along with all policy areas relating to digital, data and technology. Therefore, our colleague Sarah Munby – as the new Permanent Secretary at DSIT – will respond separately to the section of your letter relating to Project Gigabit.

The re-focused Department for Culture, Media and Sport (DCMS) continues to be responsible for culture and gambling, alongside arts, media, sport, tourism and civil society. As the interim Permanent Secretaries at DCMS, we are addressing the points raised in your letter which relate to the Gambling Act review, UNBOXED festival and ACE.

### **Gambling Act Review**

The Committee asked DCMS to set out;

- Details of, and an up-to-date timeline for your implementation plan for the Gambling Act review including what plans you have for accelerating implementation given the lengthy delays to date.

On 27 April 2023, DCMS published the Gambling Act Review [white paper](#) which sets out the government's plans for reform of gambling regulation following the review of the Gambling Act 2005. The white paper sets out a series of changes, and the department will



work with the Gambling Commission and others to implement them as soon as possible, consulting appropriately where necessary. Plans for implementation for the most significant proposals are included in the white paper executive summary, including how they will be delivered and next steps, noting that primary and secondary legislation is subject to parliamentary time. The text is attached to this letter in **Annex A**. Our intention is that the main measures in the white paper will be in force by summer 2024.

## **UNBOXED Festival**

The Committee asked DCMS to set out;

- The lessons learned from UNBOXED, including on audience engagement figures
- An explanation of the difference between the official audience figures and those reported locally for SEE MONSTER (Nick Smith MP wrote to DCMS on this point on 3 February and we responded on 17 February)
- Detail about how much of the total audience engagement figure was for the Green Space Dark Skies Countryfile Special.

We have addressed each of these points in this letter. In addition, the KPMG independent evaluation for UNBOXED was [published on 29 March](#). The evaluation found that the monetisable benefits were £175.5 million, without broadcast audiences included as they could not be monetised. This exceeds the estimated benefits of £170 million as set out in the National Audit Office (NAO) report and confirms that the programme was value for money. There are further non-monetisable benefits not accounted for in this figure, including social benefits such as social cohesion, community participation and civic pride.

### Lessons Learned & Audience Engagement

Following the conclusion of UNBOXED's live programme, DCMS drew on a range of sources to identify lessons learned. These sources included KPMG's evaluation, the report by the NAO, recommendations from Infrastructure and Projects Authority (IPA) reviews of UNBOXED and internal workshops. The lessons learned focus on themes that may be useful in the future when planning any future cultural event. The key findings are attached to this letter in **Annex B**.

Audience engagement was only one element of the benefits being measured for UNBOXED. Indeed, UNBOXED took the decision to take a proportion of work to places with small populations and/or lower levels of cultural engagement in order to bring world class events to places that do not regularly receive them, rather than focusing exclusively on metropolitan areas where larger audiences would be expected.

On audience engagement, the final figures in KPMG's independent evaluation set out that there were 20.5 million engagements with the programme. Of these, 2.74 million were live audiences at events, 1.73 million were engagements through the learning and participation programme and 15.86 million engagements were via digital and broadcast channels.

A key lesson learnt from UNBOXED is the need to review success measures, and revise and re-baseline KPIs if things change. This is particularly important if it is not possible to develop precise KPIs at the time of approving the full business case. Going forward,

DCMS is developing innovative ways to assess the value for money of cultural and heritage interventions through the Culture and Heritage Capital programme.

#### SEE MONSTER Local Audience Estimates

On audience engagement figures for SEE MONSTER. Nick Smith MP wrote to DCMS separately on 3 February, and we responded directly to him on 17 February. A copy of the letter is attached in **Annex C**.

#### Green Space Dark Skies Countryfile Special

The Green Space Dark Skies Countryfile episode was an hour long special entirely centred on one of the UNBOXED commissions. It showed how the volunteers were selected, the benefits they gained from participation and showcased the cutting edge lighting technology. Green Space Dark Skies explored areas of outstanding national beauty across around 20 locations in the UK with events using new low impact lighting technology to create art displays. These could only be viewed after dark and from an aerial position and were disseminated to audiences via broadcast and online, with physical audiences limited to the volunteer participants. Over 6 million people watched the Countryfile special with another 100,000 watching individual films on online platforms.

#### **Arts Council England and Regional Distribution of funding**

The Committee asked DCMS to set out;

- How we are measuring regional distribution in the arts sector to ensure DCMS meets its levelling-up ambitions.

ACE will be collecting audience and participant data from its c. 945 National Portfolio Organisations (NPO) through Illuminate (the new audience data and insights platform delivered by PwC). This will include information on where activities are taking place and total attendees, as well as demographic survey information from a representative sample of audiences and box office ticketing data (where available). From this, ACE will be able to determine home location and demographic representation of the audiences of funded activity, and how this relates to location of activity (amongst other measures), providing insights into areas of benefit. Data submission will be encouraged quarterly, with a requirement to do so every six months.

For the NPO Annual Survey 23+, the data collection pertaining to location of activity has been moved over to Illuminate. Key data from the Annual Survey for regional analysis is below:

- ACE income and other forms of income – ACE will be able to evaluate how this differs regionally/by place
- Employment levels – ACE will be able to evaluate varying employment levels and type of employment by region/place (with the caveat that employees could live in a different place to the location of the NPO).

DCMS and ACE monitor cultural engagement through the DCMS Participation Survey (formerly Taking Part Survey). This measures the level of engagement amongst the

population in cultural activities by measuring the frequency and barriers to engagement. The survey will be extended every three years to provide engagement data at the local authority level. While the data is not specific to ACE NPOs, it can benchmark NPOs against local engagement data. This will help NPOs better understand local barriers to engagement. In addition, the survey provides a key indicator demonstrating progress against DCMS's overall aim of increasing cultural engagement.

Yours sincerely

The image shows two handwritten signatures in black ink. The signature on the left is a stylized, cursive 'RH' followed by a long horizontal line. The signature on the right is written in a more legible cursive script and reads 'Polly Payne'.

Ruth Hannant and Polly Payne  
Permanent Secretaries

## ANNEX A: GAMBLING ACT REVIEW KEY WHITE PAPER PROPOSALS AND NEXT STEPS

Key policy proposals summary	Proposed delivery vehicle	Next steps, noting that primary and secondary legislation is subject to Parliamentary time
More prescriptive rules on when online operators must check customers' financial circumstances for signs their losses are harmful. These start with light touch checks at moderate spend levels (we propose £125 net loss within a month or £500 net loss within a year) and escalate to more detailed checks for the highest spenders (we propose £1,000 net loss within a day or £2,000 net loss within 90 days).	Gambling Commission powers	Gambling Commission consultation in summer 2023
A stake limit for online slots games (which evidence suggests is the highest risk product) bringing them more in line with the land-based sector. Subject to consultation, the limit will be between £2 and £15 per spin, and we will also consult on measures to give greater protections for 18 to 24 year olds who the evidence suggests may be a particularly vulnerable cohort. This will include options of a £2 limit per stake; a £4 limit per stake; or an approach based on individual risk.	Secondary legislation	DCMS consultation in summer 2023
Making online games safer by design by reviewing game speeds and removing features which exacerbate risks.	Gambling Commission powers	Assessment of initial impact of changes to make online slots safer by design in spring 2023, followed by consultation in summer 2023
Subject to trial outcomes, Commission to consult on making data sharing between online operators on high risk customers mandatory for collaborative harm prevention.	Gambling Commission powers	Initial trial results expected summer 2023

Improvements to player-centric tools. For instance the Commission will consult on increasing the uptake of these tools, including whether it is appropriate to make online deposit limits mandatory or opt-out rather than opt-in.	Gambling Commission powers	Gambling Commission consultation in 2023
Ensuring that incentives like bonuses and free bets are constructed in a socially responsible manner that does not exacerbate the risk of harm.	Gambling Commission powers	Gambling Commission consultation in 2023
Strengthen informational messaging including on the risks associated with gambling.	Government	Government working group to commence summer 2023
The Premier League has agreed to voluntarily end front-of-shirt sponsorships by gambling firms.	Voluntary commitment	Implemented from the start of the 26/27 season
Reviewing Gambling Commission fees to ensure it has the necessary resources to make more use of data in active enforcement and deliver commitments in this white paper. When Parliamentary time allows we will also give it new powers against the black market and replace the inflexible system of how fees are changed.	Combination of primary and secondary legislation	DCMS consultation on reviewing fees in 2024
Introducing a statutory levy paid by operators in scope directly to the Gambling Commission to fund research, education and treatment of gambling harms.	Secondary legislation	DCMS consultation on design and scope in summer 2023
A new ombudsman to deal with disputes and provide appropriate redress where a customer suffers losses due to operators' social responsibility failure.	Voluntary initially, with legislation if needed	Process for appointment to commence spring/summer 2023. We expect the ombudsman to be accepting complaints within a year
Working with the sector and closing remaining gaps so that under 18s can do no forms of gambling either online, via fruit machines that pay cash, or on	Voluntary action and secondary legislation, followed by primary legislation when	DCMS consultation on secondary legislation on cash pay out machines summer 2023

widely accessible scratchcards. Legislation when Parliamentary time allows.	Parliamentary time allows.	
<p>Helping the casino sector through making the rules on machines more consistent, permitting an upper limit of 80 rather than 20 to all casinos which meet rules on size, non gambling space and player protections rather than just a few. Allowing smaller casinos to benefit from more machines on a pro rata basis commensurate with their size, and also permitting sports betting in all casinos rather than just those licensed under the 2005 Act.</p> <p>Limited change to allow high-end casinos and others transacting with the same group of wealthy overseas visitors to offer credit, subject to protections.</p>	Combination of primary and secondary legislation	DCMS consultation on outstanding issues in summer 2023
Working with the Gambling Commission to develop specific consultation options for cashless payments on gaming machines, including the player protections that would be required before we remove the prohibition	Secondary legislation and Gambling Commission powers	Consultation in summer 2023
Relaxing the 80/20 machine rule to 50/50 so there can be an even split between low and medium maximum stake machines.	Secondary legislation	DCMS consultation in summer 2023
A review of the premises licence fees cap for local authorities. When Parliamentary time allows, aligning the gambling licensing system with that for alcohol by introducing new powers to conduct cumulative impact assessments.	Combination of primary and secondary legislation	DCMS consultation in summer 2023
Beginning the review of the Horserace Betting Levy to ensure the appropriate level of funding for horse racing is maintained.	Review outcomes will dictate	Stakeholder engagement, evidence gathering and analysis spring and summer 2023

## ANNEX B: UNBOXED LESSONS LEARNED KEY FINDINGS

1. **If objectives evolve, ensure this is fully documented and implications are captured** UNBOXED initially agreed two objectives which the programme could be measured against. However, at different stages during the development phase Government, as the major funder, placed greater emphasis on levelling up, reaching new audiences and incorporating/showcasing Science, Technology, Engineering and Maths alongside Arts (STEAM). More could have been done to explicitly reflect and document the implications of these additional factors.
2. **Develop and agree success measures / SMART KPIs** and, if needed, be prepared to revise and re-baseline your business case if things change during the detailed event planning process. Setting KPIs was not initially possible for UNBOXED at the time of approving the full business case as there were still too many unknowns, so proxies were used. It is important to have a clear milestone plan outlining when you expect to be in a position to develop and agree the KPIs with partners and revisit the economic business case with up to date numbers. Once final KPIs are set, ensure regular monitoring of performance against them.
3. **Arm's length delivery for creative programmes.** The arm's length model is typically used for creative major events or programmes, such as 14-18 NOW, the Great Exhibition of the North and the UK City of Culture programme. Government as a funder has a role in setting objectives and strategic parameters but creative experts are well placed to make artistic programming decisions at arm's length, both in terms of curatorial leadership, ensuring content can truly win hearts and minds, and for practical operational reasons. Many cultural bodies adopt governance models to put additional assurance around creative decision making, including curatorial committees, bringing in subject matter specialists or artistic advisors. Future publicly funded creative programmes may wish to consider these options.
4. **Consider opportunities and risks of using an existing arm's length body.** Nesting the UNBOXED company in the Birmingham Organising Committee of the Commonwealth Games meant it could get going immediately - especially important given the tight timescale for delivery. It also delivered economies of scale by sharing back office functions, and it made the most of synergies of delivering two major events in the same year. On the other hand, it is important to consider and keep under review the senior management team's capacity when spread across two major programmes in the same year.
5. **Innovation in the approach to creative commissioning.** UNBOXED undertook a research and development phase to facilitate new cross-sectoral collaborations. UNBOXED's R&D phase was novel and innovative (whilst complying with public procurement rules). It involved an open call to collaborations across STEAM and 30 teams shortlisted and funded to further develop their idea before 10 were offered contracts to be part of UNBOXED. This approach successfully drove new collaborations and new ideas, as teams were required to work with at least one member they had not partnered with before. A similar approach could be considered for future creative events.
6. **UK-wide delivery model.** Culture is devolved. For UNBOXED, funding came from the UK Government, Scotland, Wales and Northern Ireland, with a Concordat to agree delivery and separate delivery bodies in each Devolved Administration. This model, once established, worked very effectively and demonstrates one way in



which major cultural events can be successfully delivered across the whole of the UK.

7. **Ensure robust assurance is in place.** UNBOXED was a major government programme and therefore subject to many assurance reviews by the Infrastructure Projects Authority, as well as PM Delivery Unit and internal project reporting. It was important that the DCMS team was resourced and had the expertise to meet this high level of assurance. The IPA reviews were vital to building confidence in the programme and identifying issues that needed attention. However, it is also important to ensure that appropriate resources are in place to write and quality assure the business case, particularly in programmes such as UNBOXED where decisions might be evolving during the approval process.
8. **Ensure that governance structures are suitably agile.** Every programme is subject to change and uncertainty. Important that the governance structures are set up to respond quickly to change and provide suitable challenge and timely decision making. The IPA Gate 5 review recommended that for future programmes, DCMS should consider running a Responsible, Accountable, Consulted, or Informed (RACI) review to ensure maximum clarity around roles and responsibilities. For a programme operating at the pace of UNBOXED, it is important to hold regular governance reviews to ensure they remain fit for purpose.
9. **Consider the longer term monitoring and assessment of legacy.** Ensure that arrangements (where legacy is expected) are in place early in the programme, including appropriate funding for monitoring and evaluation after the delivery of the major event(s) is complete.
10. **Brand awareness.** Most one-off major events (sporting or ceremonial) hosted in the UK have a clear hook and immediate resonance with the wider public as was the case for both the Commonwealth Games and the Jubilee. To achieve mass awareness of an entirely new concept and brand, a longer lead time, or more resources for marketing strategies may be required. Consider whether mass awareness is a priority and the trade off with focusing on local awareness in places where events are taking place if marketing budgets are constrained.

## ANNEX C: LETTER OF 17 FEBRUARY 2023 TO NICK SMITH MP



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Ruth Hannant &  
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Nick Smith MP  
Member of the Public Accounts Committee  
House of Commons  
London SW1A 0AA

17th February 2023

Dear Nick Smith MP,

### **RE: Local engagement figures for SEE MONSTER**

Thank you for your questions on UNBOXED: Creativity in the UK at the Public Accounts Committee oral evidence session on DCMS: Broadband, Gambling and Unboxed on 23 January 2023, your question in Parliament on audience engagement figures and Countryfile to Minister Andrew in DCMS Questions on 26 January 2023, and your correspondence of 3 February on SEE MONSTER. We will respond separately on Countryfile in the Department's response to PAC Chair Dame Meg Hillier's letter of 2 February 2023.

As discussed during the Public Accounts Committee Hearing in January, the NAO reported UNBOXED estimates of the project at 810,000 total engagements of which 64% were physical audiences at the location.

The official figures published by UNBOXED in November 2022 and referenced in the NAO report are based on a total audience estimation of 512,261 engaging with SEE MONSTER as physical audiences in Weston-super-Mare. This is inclusive of the audience for the three specially commissioned drone shows which took place as part of the SEE MONSTER Awakening programme, group visits and activities run by the SEE MONSTER team to engage communities throughout the project.

In your correspondence, you shared Councillor Mark Canniford's quote estimating between 4,000 and 8,000 people per day were engaging with SEE MONSTER, as reported online in the article, [SEE Monster 'bigger than Dismaland' for Weston-super-Mare](#) (November 2022).

The daily audience for SEE MONSTER varied throughout the extended run. Whilst visitors on some of the dates did fall within the range stated in this quote, on other dates visitor numbers were outside of this range. This is a factor when comparing this general range and the total number of days to the actual consolidated final figures, in particular half term and weekends seeing peak visitor numbers.

The total official reported audience of 512,261 is based on a detailed monitoring of visitor numbers each day, undertaken on site to a defined methodology appropriate to each of the activities. As an example, all those who accessed the main SEE MONSTER platform entered through single entrance and single exit, managed by stewards who were responsible for ensuring the total capacity site was not exceeded. This data was used in the audience calculations for SEE MONSTER operating seven-days-a-week.

UNBOXED's full evaluation, produced independently by KPMG, will be published in March 2023. This will include further details on the specific methodologies used to determine audience engagement figures across the 10 UNBOXED projects.

We are delighted by the success of SEE MONSTER and the legacy it has created for the communities of Weston-super-Mare.

Yours sincerely

The image shows two handwritten signatures in black ink. The signature on the left is for Ruth Hannant, and the signature on the right is for Polly Payne. Both signatures are written in a cursive, flowing style.

Ruth Hannant and Polly Payne  
Permanent Secretaries

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