

# Minutes

## National Council




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Date	Thursday 13 <sup>th</sup> October 2016
Time	13:00 – 15:40
Location	Meeting Rooms 11-13, Bloomsbury Office, London

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Present	Sir Peter Bazalgette	Chair of the Arts Council
	Maria Balshaw CBE	National Council Member
	Matthew Bowcock CBE	National Council Member (Items 4 – 15)
	David Bryan	National Council Member (Items 5 – 15)
	Professor Jon Cook	South East Area Council Chair
	Joe Docherty	North Area Council Chair
	Sheila Healy	South West Area Council Chair (Items 1 – 10)
	David Joseph CBE	Council Member (Items 3 - 15)
	Sir Nicholas Kenyon	National Council Member
	Nazo Moosa	National Council Member
	Peter Phillips	Midlands Area Council Chair
	Alistair Spalding CBE	National Council Member
	Rosemary Squire OBE	National Council Member
	Veronica Wadley	London Area Council Chair

Apologies      None received

Also Present:	Sir Nicholas Serota CH	Chair, Arts Council England from 1 February 2017
	Darren Henley OBE	Chief Executive
	Althea Efunshile CBE	Deputy Chief Executive
	Elizabeth Bushell	Director, Finance and Corporate Services
	Laura Dyer	Executive Director, Nth, Mids, SE, SW and London
	Mags Patten	National Director, Advocacy and Communications
	Simon Mellor	Executive Director, Arts and Culture
	Richard Russell	Director, Strategy
	Ruth Alaile	Director, Governance and Planning
	Francis Runacres	Director, Investment
	Neil Darlison	Director, Theatre and London (Item 7)
	Peter Knott	Area Director, Midlands (Item 10)
	David Bryant	Senior Governance Officer (minutes)

**1. WELCOME AND APOLOGIES**

- 1.1 Sir Peter Bazalgette welcomed members, Executive Board and other officers to the meeting. It was noted that Sir Nick Serota, the new Chair Designate was in attendance as an observer. National Council members welcomed him to the meeting.

**2. DECLARATIONS OF INTEREST**

- 2.1 National Council members reviewed their register of interests.
- 2.2 Sheila Healy and Sir Peter Bazalgette noted that they had interests in organisations referred to under item 6. Further detail is set out under that item.

*(David Joseph joined the meeting)*

**3. MINUTES OF THE MEETING HELD ON 13 SEPTEMBER 2016**

- 3.1 A correction was made to the minutes. Paragraph 7.8(b) should state that a lottery balance policy was agreed, with the aim of preserving a minimum balance of at least £80 million in the period to 2021/22, and bringing the balance below £150 million as soon as possible, whilst ensuring that the Arts Council invests in good quality projects and does not pay out cash in advance of need.
- 3.2 The minutes were approved subject to the above amendment.

**4. MATTERS ARISING FROM THE MEETING HELD ON 13 SEPTEMBER 2016**

- 4.1 National Council were provided with an update on the action points from the last meeting.
- 4.2 It was noted that the NPO application guidance and information on programme budgets for 2018-2022 had been published earlier on in the month. National Council discussed the sector and media's response to that announcement so far.

*(Matthew Bowcock and David Bryan joined the meeting)*

**5. CHAIR AND CHIEF EXECUTIVE REPORT**

- 5.1 National Council considered the Chair and Chief Executive's Report.
- 5.2 Laura Dyer updated members on the decision making approach for the Great Places Scheme, informing them that applications will be assessed by officers from Arts Council England and Heritage Lottery Fund. Final decisions will be taken by a decision-making panel which will be made up of Senior Executives from the Heritage Lottery Fund and the Arts Council. Simon Mellor and Laura Dyer will be the Arts Council's representatives on the panel.
- 5.3 National Council AGREED to note the Chair and Chief Executive's update.

**6. BI-ANNUAL REPORT TO NATIONAL COUNCIL ON STRATEGIC FUNDS**

- 6.1 Richard Russell introduced this item which provided information on the progress of the delivery of programmes funded through strategic funds. There were detailed updates on Audience Finder; Family Arts Campaign; Cultural Destinations; Random Act Network Centres; Canvas; Artists' Development Fund. These followed recent evaluations of these programmes. The report provided an overview of expenditure and risk on all the other strategic funds.

*[Sheila Healy declared an interest in this item as Chair of the Audience Agency, who deliver the Audience Finder Programme. Sir Peter Bazalgette declared an interest in this item as a minority shareholder in Brave Bison, which was taken over by Rightster, commissioned to run the Canvas project for Arts Council England. These interests were noted by the rest of the Council].*

- 6.2 Richard Russell reminded national council members that the purpose of strategic funds is to develop programmes which "plug gaps" in the delivery of our goals. They are designed to help the sector address challenges or support new opportunities.
- 6.3 Members considered the updates provided on:
- Audience Finder;

- Family Arts Campaign;
- Cultural Destinations;
- Random Act Network Centres;
- Canvas; and
- Artist International Development Fund.

6.4 The Audience Finder programme had been commissioned to help cultural organisations and practitioners better understand their current and potential new audiences. It provides tools for collecting and analysing data to provide users' details of audiences, locally and nationally. It was noted that independent evaluation suggested that the majority of organisations signed up to the service were satisfied or very satisfied with their experience of using the range of tools offered by Audience Finder.....  
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*[Information has been withheld here in line with the requirements of **section 43(2) of the Freedom of Information Act 2000 – prejudice to commercial interests.** A public authority is entitled to withhold information under this provision where disclosure of that information would be likely to prejudice the commercial interests of any persons or organisations, including the Arts Council itself.]*

6.5 It was noted that 662 organisations were set up to contribute to the survey. The programme now held data for nearly 14 million bookers and 140 million tickets issued. Members noted the potential of this data to yield insights into the nature of the current audiences.

6.6 The Family Arts Campaign was set up in 2013 with the objective of getting more families engaged in the arts. National Council members noted the progress with this programme which included a Family Arts festival, the promotion of a Family Arts standard; Family Arts Conference and Local family Arts Networks.

6.7 The Cultural Destination programme has been supporting partnerships of culture and tourism organisations to boost visitor numbers since 2014. An

interim evaluation report received in May 2016 found that participating partnerships have been able to use culture to strategically reposition local cultural offers. Programmes appear to be building partnerships across sector boundaries. Arts Council Investment has supported new artistic commissions (the Paper Bridge in Cumbria), large-scale exhibitions (the Grand Tour in Nottinghamshire and Derbyshire) and strengthening cross-sector partnerships ('familiarisation' visits for hotel staff to cultural venues in Liverpool). However projects were taking longer to establish than originally envisaged. Members noted that the findings from the evaluation had informed the guidance for the second round of the programme.

- 6.8 The headline findings from the interim evaluation of Random Acts was that: the network successfully supported 134 young artists to deliver 83 films; 75% of the films reviewed by Channel 4 were selected for distribution online, and 2 films (5%) were selected for broadcast. The programme appears to be running well with centres, mentors, production partners, young artists or other stakeholders all praising the initiative. The young artists speak highly of the programme and greatly appreciate the opportunity.
- 6.9 Members were reminded that Canvas was a three action research project commissioned in 2015 to develop a multi-channel network to provide a platform for high quality arts content aimed at the 18-35 year old audience. Its aim is to test the hypothesis that there is unmet demand on YouTube and other video platforms for high-quality arts content. Findings from the first year evaluation included the fact that: Canvas has helped to make digital arts content more discoverable and engaging. Audiences appear interested in Canvas content—average length of video view is 1.5 minutes and completion rates are c.80%, both of which are strong performances in context of the wider universe of YouTube channels. It is ahead of its target on viewers. Subscriber numbers were lower than originally envisaged, however the Arts Council accepts that the original subscriber target was unrealistic and should be revised.
- 6.10 The Artists' International Development Fund (AIDF) is jointly funded by the British Council and Arts Council England. The programme offers early stage opportunities for artists and practitioners based in England to spend time collaborating with artists and creative producers in another country. During 2012-15, a total of 389 awards were made across 10 rounds. Awardees are overwhelmingly positive about AIDF's impact.

6.11 National Council members noted the positive turnaround of The Space and passed on their thanks to Executive Board for taking action to address the issue with this project.

6.12 National Council AGREED to note the information from the progress reports in the funds highlighted in the report.

## 7. THEATRE ANALYSIS

*(Neil Darlison joined the meeting)*

7.1 Simon Mellor introduced this item which reported on the findings of the Theatre Analysis commissioned by the Arts Council, as well as other research undertaken by the Arts Council on the theatre landscape. National Council were asked to comment on the Arts Council's proposed response.

7.2 There was a discussion of the findings of the *Live to Digital* report commissioned jointly by the Arts Council, Society of London Theatre and UK Theatre. It found that live theatre screenings were not having an adverse impact on audiences of live theatre nor bookings for touring theatre companies. They welcomed the potential for these screenings to enable more people to see the performances. Live screenings also had the effect of creating a large and valuable archive of theatre performances which is being built up for future use and reference.

7.3 Simon Mellor outlined the proposals for addressing the issues highlighted by the research. The proposals included:

- Investing in up to three new 'producing hubs' outside London
- Working with the theatre industry to increase the range of leadership and workforce development programmes
- Support for diverse leadership appointments
- Measures to strengthen touring such as exploring the development of a 'guarantee against loss scheme'
- Exploring new collaborative approaches to building cross over audiences for both 'live' and 'live to digital' theatre activity.

7.4 National Council welcomed the proposals. There was a discussion at the meeting about what the findings imply for the health of the theatre sector.

There were a number of positive indices such as the growth in ticket sales and in paid attendance at NPOs, an increase in theatre NPO income (with regional variations) over the period 2010/11- 2014/15, with the Theatre Tax relief expected to have a significant impact on both commercial and subsidised theatre sectors. However the diversity of audiences was still an issue and artistic risk taking in some instances appears to have become constrained by the need to play to greater capacity and increase box office yield. Members also noted the way in which the regional theatre model had evolved from a traditional play house to one where the Artistic directors act more like curators rather than producers opening up the building to others.

- 7.5 National Council AGREED to note the findings of the Theatre Analysis and endorsed the proposals set out in the Arts Council's draft response.

*(Neil Darlison left the meeting)*

#### **8a. CAPITAL PROGRAMME DECISIONS**

- 8.1 Francis Runacres introduced this agenda item which provided National Council with an overview of an application from Oldham Metropolitan Borough Council (OMBC) for a capital grant of £7,079,488.
- 8.2 Francis Runacres reminded members of the background to the application. The Arts Council had solicited an application from Oldham MBC for £7 million towards the £24 million costs of Phase 3 (a new theatre). This project will form part of the redevelopment of Oldham Town centre.
- 8.3 National Council considered the application assessment summary report noting the potential of the project to contribute to the Arts Council's goals, to Goal 2 in particular.
- 8.4 National Council AGREED to fund Oldham Metropolitan Council £7,079,488 subject to the conditions in the report.

#### **8b. CAPITAL PROGRAMME STAGE 2 DECISION – PLYMOUTH CITY MUSEUM AND ART GALLERY**

- 8.5 Francis Runacres introduced this item which provided National Council

with an overview of an application for a Capital Grant of £4,175,000 from Plymouth City Museum and Art Gallery.

8.6 The application requests capital funding for Plymouth City Museum and Art Gallery to be refurbished and extended on to the site of the old library in the city. St. Luke's Church, located behind the museum and art gallery, will also be refurbished into an additional exhibition and events space, with a link created between the three buildings via a pedestrianised area. This scheme will provide a venue for touring exhibitions that regional audiences cannot currently easily access outside of London.

8.7 National Council considered the assessment summary report.

8.8 National Council noted the potential for this project to make a strong contribution to the Arts Council's Goals 2 and 5 in particular, and AGREED to approve a grant of £4,175,000 to Plymouth City Museum and Art Gallery subject to the conditions laid out in the report.

## **9. CAPITAL GRANT NOVATION: COLCHESTER MERCURY**

9.1 Francis Runacres introduced this item which sought National Council approval to novate a capital grant from Colchester Mercury Theatre to Colchester Borough Council.

9.2 Francis Runacres outlined the reasons for the Novation. He informed members that this did not increase the risk of the project and both parties had agreed to it.

9.3 National Council AGREED a grant novation of the remaining development award of £430,857 from Colchester Mercury Theatre to Colchester Borough Council.

## **10. CAPITAL: BIRMINGHAM DANCE HUB**

*(Peter Knott joined the meeting)*

10.1 Francis Runacres and Peter Knott introduced this item, which sought National Council's approval to make a grant of £2.5 million from restricted Grant in Aid to Birmingham Royal Ballet (BRB) as fund holder to meet the



costs of a capital development of the Birmingham Dance Hub at Birmingham Hippodrome.

- 10.2 National Council were informed that the Chancellor had announced restricted funding for Birmingham Dance Hub as part of his Autumn 2015 spending review, setting aside £2.5 million of capital for the development of the hub, and £2.5 million of revenue for additional one off dance activity and production. Arts Council England has been asked to manage the funds.
- 10.3 Members asked questions about the objectives of the project and how it would be led. Peter Knott explained that the proposal will be developed in two phases. Phase 1 was a feasibility study into the proposed capital development project to ensure that it can deliver the intended benefits. The anticipated costs of this stage was £150k. Phase 2 the full development of the hub will only commence following the successful completion of stage 1. Payment will be restricted to £150k until it is clear that a viable proposition exists.
- 10.4 National Council AGREED a grant of up to £2.5 million to Birmingham Royal Ballet to fund the development of the Birmingham Dance Hub, subject to the Arts Council receiving confirmation from HM Treasury that it has no objections to the proposed approach.

*(Peter Knott and Maria Balshaw left the meeting)*

## **11. COMMUNICATIONS AND PUBLIC POLICY UPDATE**

- 11.1 Mags Patten started off the discussion on this item, which provided members of National Council with the opportunity to consider and discuss changes in the political context following the Brexit Vote and the autumn party conferences.
- 11.2 Members highlighted how much the Arts and Cultural sector had to offer to the issues emerging around improving opportunity within the UK. It was noted that we were already engaging with this agenda in terms of our approach to (a) Place (b) Training and skills; and (c) Breaking down barriers.
- 11.3 Members also stressed the vital role that arts and culture could play in

maintaining the UK's international image and in building relationships with new trading partners as we seek to negotiate our exit from the European Union.

- 11.4 It was noted that the Executive was already engaging with Government departments on those issues. The Executive was also asked to consider how the Arts Council could lead a coalition of sector voices to amplify the message.

**12. DCMS/ ARTS COUNCIL MANAGEMENT AGREEMENT 2016-2020**

- 12.1 Ruth Alaile introduced this agenda item to National Council, which sought their in-principle approval to the draft management agreement between DCMS and Arts Council England for the period 2016-20.
- 12.2 National Council noted that there were a few outstanding issues to be resolved. It therefore AGREED to:
- a) give in-principle approval to the draft management agreement; and
  - b) delegate authority to the Chair of National Council to sign off the final management agreement on its behalf.

**13. APPOINTMENTS TO AREA COUNCILS**

- 13.1 David Bryant introduced this item which asked National Council to approve some appointments to the North and Midlands Area Councils.
- 13.2 National Council members praised the high quality of the candidates suggested for the roles, and AGREED to appoint the following members with effect from 13 October 2016 to 12 October 2020:
- a) Councillor Simon Henig for a four-year term to the North Area Council
  - b) Councillors Piara Singh-Clair and Diana Meale to Midlands Area Council

**14. REPORT FROM PERFORMANCE AND AUDIT COMMITTEE**

- 14.1 Peter Phillips introduced this item which provided an overview of the meeting of the Performance and Audit Committee on 7<sup>th</sup> October 2016.

- 14.2 National Council members were given a summary of the discussions that took place at the meeting, .....  
..... and steps being taken internally to ensure that Arts Council England staff have effective knowledge and understanding of cybersecurity threats.

*[Information has been withheld here in line with the requirements of **section 36(2)(b)(i) and (ii) of the Freedom of Information Act 2000 – disclosure would be likely to inhibit the free and frank provision of advice and the free and frank exchange of views for the purposes of deliberation.** This information details free and frank opinion and advice offered in open discussions. It is necessary for a certain amount of “safe space” to exist in order for officials to debate issues freely. Disclosure of these details would be likely to inhibit the future ability of officials to express themselves openly, honestly and completely.]*

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- 14.3 National Council AGREED to note the report.

## 15. ALTHEA EFUNSHILE

- 15.1 The Chair pointed out that this would be the last meeting Althea Efunshile the Deputy Chief Executive would be attending before she left the Arts Council at the end of October. Althea had been a member of the Arts Council’s Executive Board for nearly ten years. Members praised her energy and passion and commitment to Arts and Culture, and her zeal for improving access and opportunities to children and young people in particular. The Chair and Members of National Council noted a number of her key achievements including the Open Application NPO process first introduced in 2011; her work in Cultural Education, the development of successful cultural education challenge was just one of her legacies in this area; and her role in leading the negotiations with Government over the last two spending reviews.

- 15.2 It was noted that the reputation of the Arts Council was at a high point, and she had made a significant contribution to this. Members concluded by wishing her the very best for the future.

**The meeting closed at 15:40**