



# **FUNDING OF INDIVIDUALS**

**Report 28 May 2010**

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## **1.0 Executive Summary**

The Arts Council commissioned this research to inform its general strategic decision-making and its thinking about how individual artists will receive public funding in the future. In undertaking the project, we met with the Arts Council's artform strategy directors, reviewed relevant documentation and consulted with a variety of people working in the subsidised arts sector.

Our research was undertaken at a time of considerable challenge and change for the Arts Council and the country as a whole. Internally the Arts Council was developing a new ten year strategic framework 'Achieving Great Art For Everyone'.

Individuals in the arts sector work in an ever-changing web of relationships. Some run their own small organisations, whether or not these are constituted as such. The Arts Council should accept this complexity, and continue improving ways to balance its need to fund individuals with its need for proper accountability.

The Arts Council, the arts sector and individuals all benefit from the Arts Council's funding of individuals, which should be continued.

Grants For The Arts has a rich diverse portfolio of grant recipients which is founded upon its having a good field of applicants. Arts Council officers have played a key role in attracting these applicants through targeted direct action informed by close knowledge of their region and artform.

Feedback on the Grants For The Arts application process was positive despite some concerns. There are a variety of other effective application models used by other grant schemes in the sector. Arts Council officers have provided valuable support - often face to face - to applicants to Grants For The Arts, with most consultees viewing officers as people 'who will fight for' them. This support should continue to be provided.

Consultees valued knowing that experienced and aware officers and peers have fed into the Arts Council's decision-making, which at its best is timely, well-informed, respectful and in line with expectations.

While most people felt that the management procedures for Arts Council's grants were appropriate, some more established individuals felt that its requirements of small regularly funded organisations were inappropriately onerous.

The Arts Council may wish to improve the systems which enable the evaluation of its funding of individuals.

The following key points arise:

1. Funding schemes benefit from a strategic approach.
2. Action by funding body officers is central to ensuring the success of funding schemes.
3. The Arts Council's decision-making has been and must remain credible.
4. There is great value in allowing individuals to self-direct rather than fit pre-designed schemes.
5. Individuals are trustworthy and recognise that trust is earned and built up over time.
6. The criterion of 'public benefit' for small grants should be reviewed given the difficulty of evidencing it in the short term.
7. The level of reporting required of small regularly funded organisations should be reviewed.

The report reviews three options for the future funding of individuals:

1. retaining full direct funding by the Arts Council
2. devolving funding through Fixed Term funds and Grants For The Arts to other organisations
3. devolving only small Grants For The Arts awards to other organisations

Option One would represent a major challenge to the Arts Council, given its new structure and the importance of sustained staff input to the successful funding of individuals. There are risks that it would weaken the Arts Council's results from its funding, and its reputation.

Option Two raises a number of questions including which organisations should take on the devolved role, how and to what extent they should take on the role, and the impact on the Arts Council of the devolution.

Option Three raises the same questions as Option Two, although with a reduction in certain of the risks. It would also enable the Arts Council to maintain a joined up approach to the funding of larger projects.

In undertaking our work we were not asked to make specific recommendations but to inform. We have tried to draw out the common themes and concerns expressed in the varied conversations we have had. We have been struck by the wealth of work created through the Arts Council's past support of individuals and the strong appreciation we heard expressed of the value of its funding.

## **2.0 Introduction**

### **2.1 Summary of the brief**

This research was commissioned to support the Arts Council's examination of the mechanisms by which it will fund individual artists and arts practitioners in the future. The report is intended to inform ACE's general strategic decision-making and its thinking about how individual artists will receive public funding. Its advice is focussed not on recommending decisions but on what the Arts Council needs to understand and take account of in its decision-making.

The full brief is attached as Appendix A.

### **2.2 Methodology**

This research began with an inception meeting with Barbara Matthews on Thursday 15<sup>th</sup> April.

The bulk of our research was undertaken through a series of 1:1 conversations with people working in the subsidised arts sector. These consultees were selected on the advice of the Arts Council's artform strategy directors, and on the advice of the consultees themselves.

We held a round-table discussion with most of the artform strategy directors.

We reviewed a range of documents, on paper and on-line.

A list of consultees and documents reviewed are attached as Appendices B and C respectively. We are very grateful to everyone who gave their time to contribute to our research.

We then prepared a draft report which we submitted on Monday 24<sup>th</sup> May and discussed at a review meeting on Wednesday 26<sup>th</sup> May. The final report was submitted on Friday 28<sup>th</sup> May.

## **3.0 Analysis of issues**

### **3.1 Context**

The consideration of the Arts Council's ongoing funding relationship with individuals - artists and practitioners - comes at a time of considerable change externally and internally.

The recent General Election came during the worst recession in eighty years and has brought a Conservative/Liberal Democrat coalition into power: the first coalition since the Second World War. The government is in a process of developing its policies but the initial coalition agreement made no mention of culture or arts policy.

The Arts Council undertook a structural review last year to meet the then Government's requirement to reduce administration costs by 15% and initiated the new structure in April 2010. This process was undertaken in anticipation of a General Election, the possibility of a change of government and cuts in public funds whoever was elected to govern.

The restructure has led to a reduction in numbers of Arts Council staff, the streamlining of offices and the loss of a considerable body of experience at one moment in time. The recruitment for new roles is well advanced but not yet complete. The new structure may be well understood internally but is largely not by practitioners. The operation of the new single office in Manchester dealing with Grants For The Arts is relatively untested.

The change to internal processes in terms of capacity available within the Arts Council was matched by the belief that cuts would be demanded by the new coalition government who had agreed to accelerate cuts in public spending in order to deal with the national deficit.

On 24<sup>th</sup> May these fears were made manifest with the Chancellor announcing immediate cuts in spending of £6.25 billion which have transmogrified into a Department for Culture, Olympics, Media and Sport (still the DCMS) cut of £88 million and a quick announcement outlining a 3% cut across all DCMS funded organisations, except the Art Council who must find 4%. The extra 1% is to be found from the Arts Council's own reserves. More cuts are anticipated when a comprehensive spending review reports during the autumn of 2010.

The strain of these cuts is further compounded by the announcement that the Department of Communities and Local Government have been asked to save 7.4% from the 2010-11 budget.

Only a week earlier the new Secretary of State for Culture, Olympics, Media and Sport had announced he intended to place a bill before Parliament which could see arts, heritage and sport together receiving an extra £50 million per year from the National Lottery.

The Arts Council's discussions about its future focus and distribution of funds are being held within the context of its strategic plan 2008 -11 and its required outcomes of 'reach, engagement, diversity, excellence, innovation' and its new ten year strategic framework 'Achieving Great Art For Everyone'. The intention is that the mechanisms which will be developed to guide its grant-giving in the near future will provide a consistent approach across

the organisation and be able to remain in place over an extended period of time regardless of adjustments to internal goals or changes in external financial settlements.

In the specific area of individuals, the era of unemployment benefit allowing artists to experiment is long gone, as is the availability of enterprise allowances; since then the Arts Council's funding of individuals has been a bulwark against artists being wholly dependent on private income or entrepreneurial spirit to survive while driving innovation of the artforms.

### **3.2 What is an individual?**

In general terms we know what an individual is.

In funding terms, grants go either into the bank account of an individual professional working as a sole trader or into that of a constituted organisation.

In practice, arts professionals work in an ever-changing web of relationships. Some constituted organisations revolve around a key individual without whom the organisation would have no life or Arts Council funding. Some sole traders engage and pay for a range of employees or other sole traders to realise their work. This range of approaches is valid and helpful to the sector.

This requires the Arts Council in each case to understand and articulate clearly the focus of its funding. We have not found a simple way of clarifying this complex picture, and believe that much effort could be invested in attempting to do so with potentially little benefit. It feels like the nature of the beast that has to be lived with.

The Arts Council will wish to continue balancing the need to fund individuals - within whatever relationships or structures they work - with its need for proper monitoring and accountability.

There is a sense that constituted organisations are more trustworthy and accountable than sole traders. A key contributor to this sense must be third party verification: a company limited by guarantee with a substantial turnover has its accounts audited whereas sole traders with small turnovers do not. It may help with this issue for the Arts Council to review its requirements for third party verification of accounts in relation to scale of grant given. A model for this exists in the Arts Council's requirement for independent audit of the accounts of any project receiving a grant of £50,000 or more. The thresholds for any requirements should be set bearing in mind the costs of audit.

For the purposes of this report we have used the term 'individuals' to mean both sole traders - whether working on their own or with others - and small organisations founded and constituted around the work of key individuals.

### **3.3 Why fund individuals?**

We found full consensus that individuals should continue to receive Arts Council funding.

The nurturing of individual artists, practitioners and producers is at the heart of investment in the future of the arts. Creativity, whether primary (writer, sculptor) or secondary (actor, musician), lies with the individual. The value of arts organisations lies in their ability to connect individuals productively. In a world where there is ever-increasing focus on people as individuals, it is inevitable that artists and people who work with them will continue inventing new ways to work. These ways may not fit pre-existing moulds but will help artists make their best work. With this in mind, it is inconceivable that government arts funding should not be made available to individuals.

The benefits to the individuals include:

- finding support for the development or project they choose (as opposed to fitting into fixed schemes)
- having the chance to step out of daily pressures to develop their practice and potential
- allowing reflection and experimentation from the ground up instead of imposed from above
- providing action learning for emerging artists
- being able to develop and test an idea before taking it into full production
- having relative freedom from preset outputs and structures allowing arts practice to grow
- the stamp of the Arts Council's approval helping to attract funding from other sources.

The benefits to the sector include:

- the creativity of individuals being recognised and valued as worthy of support
- recognition of the diversity of arts practice that is so essential for sustained cultural and creative vitality
- recipients taking their creativity and impact to new higher levels
- recipients remaining working in the sector, adding value and diversity
- resulting work often connecting to emergent new audiences who have not connected to the mainstream
- the countering of uniformity in society.

There are specific benefits for individuals working in certain artforms.

- In visual arts, support for emerging artists is often the key to getting them out of their bedrooms to develop their practice. For mid-career artists, the Arts Council is a vital ally in the struggle to maintain an income while protecting their work becoming commodified by commercial galleries. Building fruitful international connections has benefited many individual artists, only achievable with grant support.
- Individuals working in dance find it particularly hard to attract funding from any source other than the Arts Council, especially at the beginning of their career.
- Because of their low overheads, writers often achieve game-changing transformation through winning modest grant support at the right point in their lives.

The Arts Council is in the privileged position of making interventions in a rich and diverse arts ecology. It does not need to invest in all arts activity in the country. It needs to focus its investment on the aspects of the arts ecology that are weak and have potential for exciting growth.

Furthermore, Tom Fleming's report Evaluation of Grants For The Arts ('the Fleming Report') underlines the success the Arts Council has had in making some of those interventions: Grants For The Arts 'provides a critical service to the health and sustainability of the arts across England'. He goes on to say that it holds an unparalleled development role because of its flexibility, mobility and openness to a wide spectrum of activities.

### **3.4 Building the field of applicants**

The building of a good portfolio of funded individuals depends crucially on the building of a rich and diverse field of applicants.

Many consultees commented on the self-sustaining tendency in the nature of the portfolio of funded individuals. If individuals work and live among people who successfully attract Arts Council funding, they are more likely to consider applying to the Arts Council. The same is true in reverse. 'Nobody I knew received funding from the Arts Council' or 'I never thought Arts Council funding was for me' were typical comments. Such consultees had been persuaded to apply for funding by direct action on the part of Arts Council officers or third party producers. This type of action will continue to be essential in maintaining and building the diversity of the funded portfolio.

The Fleming Report notes that Grants For The Arts has a good record in funding black and minority ethnic individuals and organisations: 12.5% of total awards made in 2003-2008, in line with the proportion of the total black and minority ethnic population of England. In the same period one fifth of the grant recipients reported engagement with disabled people. However much of this achievement will have been due to action by skilled and informed Arts Council officers or third party producers; and as ever more could have been done and will need to be done in the future. The Arts Council needs to ensure that this responsibility is fulfilled.

The priorities for funding of individuals vary from region to region and artform to artform. The setting of strategy and mechanisms will need to allow for significant variation in targeting in order to achieve the best return on investment.

Consultees particularly value the support the Arts Council gives to two categories of individual: young emerging professionals and those in mid-career. Many felt that more investment should be made in appropriately selected mid-career artists, having regard both to where they are in their professional practice and their financial need. A few were even concerned that some young artists accessed funding too soon for their and the sector's best benefit.

### **3.5 The application process**

We anticipated a general cry that the application processes for grant funding is too unwieldy and inappropriate: we didn't always find it. Several emerging artists acknowledged that the rigour of the process had been valuable in developing their projects as had the necessity to undertake detailed budgets. These comments were usually linked to the support and advice they had received from the Arts Council.

However, some emerging artists had been put off by what they saw on the websites and needed prodding from various sources to engage with the process; the Arts Council can be the difference between continuing as a professional artist or not. Some expressly said that the paperwork for an award under £5,000 is disproportionate and requires third party assistance. The page of A4 and an interview has raised its head several times, as used for example for the Arts Council's erstwhile producers' bursary where a descriptive 'dreamplan' of what an applicant would achieve over two years of funding was required.

Mitra Memarzia prepared a written response to our briefing document on behalf of AIR (Artist Interaction & Representation) whose mission is to be the voice of visual and applied arts and currently has 14,000 members. In her response she noted:

'Funding and related support to artists works well when it is centred and personalised to their practice and career development. Where funding is tied tightly into specific briefs and expectations and requires the outcomes from a funded period to be articulated prior to the research / project taking place, it undermines the need for experimentation and risk that is inherent within artists' practice. It is important to note that public presentation and audience exchange is not always what a visual artist needs funding for. They often require time and space – and the money to enable this – for reflection and experiment that may not turn into an artwork.'

This point can be applied more generally across artforms particularly in the very early stages of a funding relationship where individuals are trying to find an articulation for their own work. A system cannot personalise itself to each applicant but it can amend its processes to be more user-friendly where the investment is small in public funding terms but significant for an artist finding their voice which may be one new to the funding system and to audiences.

Criticism tended to be more forthcoming from the small regularly funded organisations and mid-career artists who had already demonstrated their abilities in making successful applications in earlier bids and now found the processes time-consuming and counter-productive to expanding their work practice. 'It is like applying for your own job over and over again', said one. Funding processes need to be as streamlined as possible so that unsuccessful bids do not cost individuals unreasonable amounts of time, effort and money.

There was some longing for the lighter-touch processes of bursaries and franchises that had emerged from Managed Funds in the past; this reinforced the importance of simplicity in terms of access issues. The practices of trusts and foundations in funding artists were often cited as being simpler and more direct. Particularly noted were the Wellcome Trust and the Jerwood,

Rayne and Paul Hamlyn Foundations. A brief overview of their arts funding application procedures are attached as Appendix D.

Some of the characteristics that appear in all or some of these awards are:

- clear eligibility criteria with exhortations to potential applicants to check carefully
- a two stage process for larger grants with a light touch first stage
- peer review of one or both stages
- a mix of cut-off levels for small and large grants (from £5,000 - £30,000) and in one case no minimum or maximum amount
- clear up front notification that the funder will not enter into extended conversations with disappointed applicants owing to the volume of applicants.

Individuals working as sole traders are not eligible for all these funds which further underlines the importance of the Arts Council's commitment to funding individuals

We can see that the sector has a range of different models for inviting and considering applications, a variety that was welcomed by consultees. Further examples include Artists Taking The Lead that featured a very light touch initial proposal clearly focused on artistic content, with a more substantial second phase for shortlisted applications which were considered by published panels of artists and producers. The Place Prize requires applications in the form of a 3 minute video recording, while the Paul Hamlyn Breakthrough Fund recruits experienced sector professionals to nominate long-lists of potential grant recipients.

Almost everyone referred to the value of the one-to-one advice sessions they had been able to have with informed and supportive Arts Council officers - and this no doubt influenced the emerging artists' attitude to accepting the rigorous application process. Not everyone seems to have absorbed the impact that fewer Arts Council staff will have on this valued assistance. It will be essential to devise replacement strategies for advice and support as soon as possible to assist with the establishment of the new Grants For The Arts unit and the perceived need for 'a place to go and a face to see'. Agencies such as Artsadmin, The Place's Artist Development and the Live Art Development Agency have also been key in helping emerging artists to know what is available, how to apply and providing hands on assistance.

The applicants have viewed their officers in the past as people 'who will fight for them' and whatever the truth of that may be, it is a difficult legacy for the new Grants For The Arts unit to inherit. We did however hear comments from more experienced consultees that Arts Council officers have become more distant in recent years.

The Arts Council in general has benefitted from the perception that it has the ability to back the 'good' idea even when an emerging artist has little track-record. It has also benefitted from its funding releasing individuals' time to take on voluntary commitments such as sitting on Arts Council regional boards or boards of development organisations.

On-going mentoring, networking and 'buying time' to develop work and go-and-see international practice were regularly cited as being as important as making a new piece of work at all stages.

From the Arts Council's point of view, it is important that development of the art-form and audiences remain central to the aspirations of grant-funding.

London has been viewed as being 'difficult' in terms of making successful applications owing to the high level of competition and Arts Council staff turnover. Consultees also recognised that the nature of London's arts ecology was significantly different to those of other regions, and different priorities needed to apply.

Some consultees noted that a grant of under £2,000 had made a substantial difference in allowing the development of an idea to something much more complete for a later, larger application. The freedom to employ people to work with them 'has been life-changing'.

### **3.6 Decision-making**

Good decision-making is valued by all concerned.

For consultees, this means timely, well-informed, respectful and in line with their expectations.

Consultees have valued knowing that experienced and aware officers and peers have fed into the Arts Council's decision-making. Along with all the direct benefits of the funding there is the added reward of being valued by people whom they value.

Conversely, anecdotes about the experience of dealing with the new Grants For The Arts unit reveal anxieties about not being understood, being a number in a system subject to a set of inflexible procedures. It is felt as being open but mechanical and subject to a high degree of chance.

This is endorsed by the Fleming Report.

'It is clear that a situation must be avoided where too great a consideration is given to the system and process and not enough to the personal dynamic upon which any effective delivery organisation in the public sector depends.'

*Evaluation of Grants For The Arts, January 2010*

An important aspect of the funding of individuals is to invest in the realisation of potential through research and development grants. There is concern that it is difficult for such applications to meet the 'public benefit' criterion within Grants For The Arts. The Arts Council should seek to resolve this conundrum.

Another distinction can be drawn between artists and other arts practitioners. It is perfectly appropriate for the Arts Council to expect a producer explicitly to contribute to Arts Council strategy and objectives as a condition of its funding. It is far less helpful or meaningful to

require an artist to do so: their main responsibility has to be the development and exercise of their practice.

### **3.7 Managing grants**

Most consultees reported that they felt comfortable with the Arts Council's requirement for the management of the grants they received, and how they reported on their projects. Although some of these requirements provoke anxiety, there is general appreciation that it is a privilege to receive public money, that this needs to be looked after and used carefully, and that both the Arts Council and the recipient need to record and learn from the undertaking and ending of each project.

The exception to this trend lay with recipients who had become regularly funded organisations although their work really revolved around one or two key individuals. Some individuals have experienced pressure from the Arts Council to incorporate in order to receive regular funding, which increases their overheads and reduces the value they can give for their funding. One of these commented 'For an annual grant of under £30,000 I have to provide the same data as the Royal Exchange Theatre.'

This was reflected in a comment from one Grants For The Arts recipient on the Arts Council's expectation that she should be equally expert in all aspects of the project delivery, an expectation she found unrealistic.

The greater focus on governance, management and structure is not bad in itself but setting up your first board takes an inordinate amount of time and good connections if it is to be a genuine asset and then the individual has to induct and, to some extent, train the new board members.

For an Arts Council officer who has not run an organisation it may not be possible to make a true assessment of the time it takes to establish a limited company and fulfil the legal obligations. Becoming an organisation in order to become regularly funded could kill off some new arts practices.

Mid-career individuals becoming regularly funded organisations need experienced people to talk to as they take on higher levels on funding. Most importantly Arts Council officers have played the role of the 'critical friend' who helps shape personal development.

One consultee reported on the positive experience of his moving from a steady flow of project grants to being regularly funded. As an individual he had been receiving project grants of close to £100,000. The Arts Council offered him a potential regular funding agreement, which he accepted. He then took the decision to move his one-person operation into that of legally constituted organisation. The two changes happened at the same time, but were not dependent on each other.

A large minority of Grants For The Arts recipients do not complete the final report form and do not claim the last tranche of their grant. This is indicative of some disconnect between the Arts Council and recipients that should be resolved. None of our consultees reported failing to fill in the final report form; one producer felt that some individuals new to the funding system may not be doing so as they feel guilty that they haven't achieved all they had hoped to with the grant and so chose not to claim the last tranche.

One Arts Council officer expressed concern that individuals do not feel themselves appropriately accountable for the funding they received: this was not borne out in the conversations we had with consultees. As one producer observed, 'If you treat people like adults, they behave like adults.' Every consultee was deeply appreciative of the funding they had received and saw others receiving, and highly mindful of the benefits they had gained from it. One consultee was grateful that the actual delivery of payments had been flexed to fit the nature of the project which required front-loading, with the Arts Council being open to changing the dates of payments.

Young artists who have been successful with as few as two Grants For The Arts are expressing their attitude that they do not wish to become solely dependent upon the Arts Council and are experimenting with alternative funders having grown in confidence through engaging with the Arts Council.

### **3.8 Evaluation**

There is concern that the Arts Council is not regularly monitoring and learning from the big picture in relation to the funding of individuals. The Arts Council may wish to consider what simple processes could be initiated so that appropriate information is available to senior managers on a regular, timely basis.

## **4.0 Key findings**

The following key points emerge from the above.

### **4.1 Strategy**

The Arts Council benefits itself and individuals by enacting an effective strategic overview of all its funding streams, responding to the changing ecology by adapting its priorities. This helps the Arts Council meet its own objectives at the lowest cost, and helps individual applicants understand how to relate well to the Arts Council.

### **4.2 Role of the officer**

Funding body officers play a crucial role in;

- developing a diverse and appropriate field of applicants and grant recipients
- informing the evolution of funding priorities
- developing good working relationships with a variety of talented individuals
- helping the Arts Council make effective, economical interventions in individuals' work
- learning from the experience.

### **4.3 Decision-making**

The whole arts sector benefits from the credibility of the Arts Council's decision-making. Credibility is achieved when decisions are experienced as being made by wise and well-informed peers, whether working within or outside the Arts Council. Other funders are often guided by the Arts Council's judgments on artistic quality, a phenomenon to be nurtured.

### **4.4 Self-directing individuals**

A great part of the esteem in which the Arts Council's funding of individuals is held stems from its responsiveness to individuals putting forward their own proposals for their own growth and creations. Individuals welcome directive funding schemes when they fit their particular needs, but value them less. The Arts Council should preserve this responsiveness.

### **4.5 Trust**

Individuals are inherently trustworthy. They recognise that trust has to be earned, and that trust between individual and funding body is built up over time. If the funding body is ready to trust, it can achieve really significant impact with relatively small investment. Examples include the often-cited mature dance artists' bursaries that the Arts Council granted in the early 2000s, and other longer-term light-touch grants such as some that the Wellcome Trust makes.

There is a direct relationship between trust and risk. The Arts Council's ability to embrace non-delivery of a project requires a confidence in its own systems in order to accept that an experiment can fail and valuable things still arise from the failure.

#### **4.6 Public benefit**

The current Grants For The Arts requirement for the provision of 'public benefit' should be reviewed in relation to small grants. Emerging artists need time to develop a following and some are experimenting with making work that is shared in small group for very specific reasons. Some have expressed how difficult they found it to make a meaningful response to the requirement to provide public benefit, and that being unable to do so made them feel like failures.

#### **4.7 Reporting requirements**

For individuals receiving regular funding as small organisations, the Arts Council should review the level of reporting required. Taking on a legal constitution already increases an individual's overheads; the Arts Council should explore ways to ensure that these individuals fulfil their commitments to the Arts Council while minimising the drain on their resources. Likewise it appears that more care could sometimes be taken when working with an individual at the point of transition from sole trader to constituted organisation.

## **5.0 Options review**

There are two headline options for the Arts Council to consider, with a variety of choices available within each. The first is to retain the funding of individuals for distribution directly by the Arts Council, and the second to devolve this function – or aspects of it - to third party organisations. A third option is outlined combining elements of the first two.

These are laid out below essentially to highlight issues and help the Arts Council clarify priorities.

### **5.1 Option One: direct funding by the Arts Council**

#### **5.1.1 Introduction**

The four funding streams being considered by the Arts Council could all be used for the funding of individuals. There are already instances of grants going to individuals through regular funding, managed funds and Grants For The Arts; and there is no reason why a grant could not go to an individual from the new Fixed Term funding stream.

#### **5.1.2 Getting it right**

As noted in Section 4 above, the following attributes would be necessary for the success of this approach.

Arts Council staff would need to have the resources – skill, understanding and time – to:

- maintain good working connections with a good cross-section of the individuals working in their artform and region
- identify evolving priorities and influence the setting of Arts Council artform and regional strategies
- implement initiatives to ensure an ever richer diversity of applicants
- ensure support for targeted applicants in the preparation of their applications
- contribute effectively to decision-making
- monitor recipients in their undertaking of their funded projects or programmes
- actively engage with the funded work
- share learning at the end of the programme
- contribute to the Arts Council's ongoing monitoring and evaluation of the impact on individuals and audiences of its funding programmes

This will represent a major challenge to the new structure of the Arts Council, given the reduction in its staff numbers and the other responsibilities it has.

Keeping direct funding of individuals by the Arts Council without the resources laid out above risks weakening the impact of the Arts Council's investment and damaging its reputation in the sector because:

- setting of funding strategy is likely to be less sensitive to the evolving priorities of the field
- the portfolio of funded individuals is likely to become less diverse
- decision-making is likely to be less informed, acute and credible
- more funding is likely to be given to individuals who are good at managing the systems rather than those of greatest artistic potential

### **5.1.3 Benefits**

The benefits of Option One are as follows.

- The Arts Council would be in direct touch with people working at all levels in the arts and in particular with evolving practice.
- The Arts Council would be experienced by the sector as following talent rather than targets of a bureaucracy.
- Arts Council's staff working in the field would be well-placed to promote the Arts Council's work and reputation on a daily basis.
- All Arts Council thinking and decision-making would be joined within one system.
- There would be less pressure to distinguish between the funding of an individual and of an arts organisation, except in regard to accountability issues.

## **5.2 Option Two: devolution**

### **5.2.1 Introduction**

The devolution of responsibility for the funding of individuals to other organisations is more complex to lay out.

It seems sensible first to consider which of the Arts Council's funding streams are appropriate for devolution.

The regular funding of individuals – most likely through the vehicle of a small organisation constituted around that individual – sits fairly comfortably alongside the funding of organisations. The scale of the Arts Council's ongoing commitment to a regularly funded individual means that it would be hard to delegate this responsibility to a third party.

It is not yet clear exactly how strategic managed funds will be operated by the Arts Council; given that and the potential nature and impact of this funding stream, it would be hard for the Arts Council to delegate this responsibility to a third party.

That leaves the two streams of Grants For The Arts and Fixed Term funding. There is potential overlap between these two streams: at what point does an extended project funded by Grants For The Arts become Fixed Term funding?

Accordingly we propose Option Two to be the delegation of responsibility for the funding of individuals through Grants For The Arts and Fixed Term funding to other organisations; and

the retention by the Arts Council of direct funding of individuals through regular funding and strategic managed funds.

### **5.2.2 Getting it right**

The following questions arise.

- a) To which organisations should the Arts Council delegate responsibility?
- b) How should it select them?
- c) How much responsibility should be delegated?
- d) How far should the selected organisations ('client funders') replicate Arts Council grant-giving procedures? How open or closed could the selection processes be?
- e) What additional costs will the client funder incur?
- f) How does the Arts Council maintain a complete overview of the planning and impact of its funding?
- g) How does the Arts Council engage the sector in this decision-making, to gain their understanding and support for the change?

#### **a) To which organisations should the Arts Council delegate responsibility?**

An organisation to which the Arts Council might consider entrusting this responsibility would need a number of attributes:

- a mission and culture compatible with the role, including a record of supporting the development of individuals
- staff with the necessary skills, understanding and time
- sustainability
- having robust operating systems, including clear reporting and excellent accountability
- commitment to the partnership with the Arts Council, actively helping the Arts Council fulfil its aims

These organisations are likely to be either regular funded organisations or grant-giving trusts and foundations.

There would need to be a good spread of client funders, aware of each other's work and as a group able to work effectively across all the artforms, and with sound national and regional perspectives. The Arts Council would need to promote a spirit of group purpose amongst the client funders.

#### **b) How should the Arts Council select client funders?**

There are three ways the Arts Council could select organisations to be a client funder: invitation, application or a combination of the two.

Some organisations that might appear to be potential client funders could well refuse the role on the basis of governance and mission or the changing relationship with practitioners. This likelihood should be factored into the planning of this option. Some organisations that may lay claim to being a successful developer of talent may simply be providing free space, lacking a

genuine gift of nurturing good ideas and creative people. There are several organisations that have already had experience of running their own schemes, such as South East Dance's current Associate Artist scheme.

The Arts Council could open dialogue about the possibility with its preferred organisations, issuing invitations and exploring the issues that arise. This would have the advantage of demonstrating the Arts Council's trust of the selected organisations, increasing the chances of quickly building a strong portfolio of client funders. It would also open the Arts Council and the client funders to the charge of operating a closed shop.

Alternatively a scheme could be designed whereby the Arts Council openly invites applications for the role of client funders. The design of the scheme could be undertaken jointly with a small group of potential client funders, in order to increase its potential appeal and effectiveness. This would have the advantage of appearing open and transparent but increases the risk of an inadequate or inappropriate response. If this route were taken, Arts Council staff would need to undertake a substantial advocacy campaign among its preferred applicants to ensure their application.

The third option could be an invitation to a large number of potential client funders to apply for the role, of whom say between a half and two thirds would be granted the role.

Whatever process was devised, it is clear that this part of the process would be a major project for the whole Arts Council. Some Arts Council staff may well find it a difficult one, as they would be giving away a role that they have previously found rewarding.

#### **b) How much responsibility should be delegated?**

The choices here fall on a spectrum between

- i) delegating the entire responsibility for the funding, from attracting applications through managing funding relationships to gathering final reports

and

- ii) delegating just the responsibility for attracting applications, supporting the application process and making the funding decisions, leaving the Arts Council with the responsibility for managing funding relationships and the ending of each funding relationship.

The model for ii) echoes that used for the Eastern region's Escalator scheme, where successful applicants to the Escalator programme were given privileged support in their applications to Grants For The Arts as part of the programme. This approach has the advantage of drawing on the expertise and networks of sector professionals in building the portfolio of funded individuals, while retaining the Arts Council's direct working contact with those individuals. The Arts Council would need to be confident of its capacity to retain this responsibility in-house; both the Arts Council and the client funder would need to be confident that the individual would be well-supported through the two parts of the process.

If the client funder runs the whole process, there is a potential issue with the scale of the grant being given and managed on both sides. As one consultee directing a producing organisation observed, 'It would seem odd to be managing a project production grant for an artist that we wouldn't choose to work with ourselves.' Larger grants, particularly those for productions, require more structured and substantial monitoring than smaller grants for research and project/personal development. The latter need a different, lighter and more sensitive kind of management.

The delegation should probably be time-limited, or dependent on the presence of particular people on the organisation's staff, or otherwise appropriately circumscribed.

**c) How far should the client funders adopt Arts Council grant-giving procedures? How open or closed could the selection processes be?**

Individuals usually get support in one of two ways. They apply for an openly advertised award or a grant in competition with other applicants; or they are invited to become a resident or associate artist of a supportive host organisation on the basis of the interest of the latter in the former's work.

Both these approaches are valid, and have produced excellent results. Both should continue to be available alternatives in the future. So some client funders may wish to extend their programmes of associate artists with the Arts Council's funds while others would run open application schemes of various natures.

The associate artist approach increases the risk of decision-makers being seen to run growing stables of preferred artists to the exclusion of other good artists who don't fit their aesthetic preferences or other organisational agendas.

The Paul Hamlyn's well-respected Breakthrough Fund first recruits nominators and uses their expertise to build a long-list of invited applicants. It is not the traditional open process, but is one that consultees often referred to with approval.

As noted in 3.5 above, there are a variety of formats in which funders or award-givers require applications, and this diversity could be embraced and developed in the future. The benefits of moving away from just one application process are in:

- increasing the diversity of applicants
- focussing decision-making on the essential purpose of the grant and the project, rather than applying a standard tick-box system that risks favouring good application-makers over good artists and practitioners

Clearly essential is the preservation of the tax-free status of grant funding to individuals.

**d) What additional costs will the client funder incur?**

In many cases the client funder will need to buy in staff and extend its operational systems in order to take on the role. A careful eye will need to be kept on this from both sides. If

permissible costs are too low, too few organisations will apply to take on the role. If costs become too high, a lower proportion of public money will reach the recipient and the sector's public.

**e) How does the Arts Council maintain a complete overview of the planning and impact of its funding?**

The delegation of these two strands to client funders creates the risk of a substantial disconnect between individuals funded through Grants For The Arts and Fixed Term funding, and individuals awarded regular funding or a grant from strategic managed funds.

It would certainly have the effect of removing the Arts Council's daily processes from direct engagement with the majority of people working as individuals in the sector.

Option 2 would make it essential for the Arts Council to:

- have an excellent understanding of the work undertaken on its behalf with the Grants For The Arts and Fixed Term funding of individuals
- maintain regular rich dialogue with its client funders leading to shared development of learning, strategy and planning
- use its understanding to guide its building of the portfolio of individuals funded through regular and strategic managed funds

**f) How does the Arts Council engage the sector in this decision-making, to gain their understanding and support for the change?**

The adoption of Option Two would be a major change for the Arts Council and the sector as a whole, especially organisations which become client funders and the individuals concerned. There will be anxiety and the need to gain understanding, support and participation from all concerned. To succeed, the Arts Council will need to communicate carefully and appropriately with the sector.

### **5.2.3 Benefits**

The benefits of Option Two include:

- good practice-based knowledge of the sector and region helping assure a good field of applicants and a good portfolio of funded individuals
- building on existing practice among some potential client funders
- the possibility of more varied and less bureaucratic application procedures
- increased partnership between the Arts Council and client funders
- good practice in funding individuals maintained with less direct input from Arts Council staff
- client funders take a more 'joined up' custodial role – mentoring, buddying, CPD, being an information hub (offering grant-holder days, open surgeries, etc)
- client funders increase their turnover and sustainability
- the transition to the new system being supported by the client funders' proven capacity for organisational change

### **5.3 Option Three: devolution of small Grants For The Arts awards**

#### **5.3.1 Introduction**

Option Three is a variation on Option Two: the retention by the Arts Council of Fixed Term funding of individuals and larger Grants For The Arts funding and the delegation to other organisations of small Grants For The Arts. It responds to the point made under Option Two question c) of how much responsibility should be delegated: it is substantially less complicated for a client funder to manage a smaller development grant than a larger one for a full production.

#### **5.3.2 Getting it right**

The questions that arise for Option Two arise also for Option Three:

- a) To which organisations should the Arts Council delegate responsibility?
- b) How should it select them?
- c) How much responsibility should be delegated?
- d) How far should the client funders replicate Arts Council grant-giving procedures? How open or closed could the selection processes be?
- e) What additional costs will the client funder incur?
- f) How does the Arts Council maintain a complete overview of the planning and impact of its funding?
- g) How does the Arts Council engage the sector in this decision-making, to gain their understanding and support for the change?

The answers to these questions are essentially the same as those laid out in 5.2.2 above, while the following additional points should also be borne in mind.

In retaining responsibility for direct funding of larger grants to individuals, the Arts Council would need to ensure it has the relevant staff capacity.

Successful funding relationships with individuals are usually built up from a modest base over time. By delegating the likely first phases of these relationships, the Arts Council would not itself be directly establishing that trust which underpins the successful giving of larger grants. It would therefore need to be very careful about how it undertakes the delegation of the smaller grants, to maximise the successful transfer of trust from the initial grant-manager to the Arts Council at the time when it becomes appropriate for the individual to receive a larger grant.

There are a number of models already at work in the sector on which this Option could build. These include the Eastern region's Escalator scheme; the bursary programmes for emerging artists run by organisations including Artsadmin and Farnham Maltings; the talent identification and support programmes run by organisations like the Sage Gateshead, and the open application Associate Artist scheme recently initiated by South East Dance in Brighton.

The opportunity to introduce a more light touch application process for smaller grants managed by client funders over a discrete area of delivery could allow for a practical pilot phase to be undertaken relatively swiftly in order to introduce the idea of client funding and weed out the issues before consideration of a full Option Two.

### **5.3.3 Benefits**

The benefits of Option Three include:

- the benefits of Option Two
- the Arts Council retaining a wholly joined up approach to the funding of larger projects and programmes whether produced by an organisation or an individual
- the relieving of client funders of the potentially mission-changing responsibility of managing larger grant-giving
- the allocation of Arts Council staff and systems resources to care only of the larger grants to individuals

## **6.0 Conclusion**

We have been asked to lay out what we have discerned in our relatively short period of undertaking conversations with a range of artists/producer/curators at a wide range of stages in their creative lives. Our conversations have been necessarily limited as well as varied and we have tried to pull out common themes and concerns from the sector while trying to keep in mind the responsibilities of a funding organisation in a period of change

We were not asked to make specific recommendations for acceptance or rejection. This is wholly appropriate as the devil will be in the detail, much of which lies in the experience of those people who debate funding mechanisms daily and who will be taking the debate to a resolution.

We have been struck by the wealth of work that has been created under Grants For The Arts and the optimism we encountered amongst many emerging and younger artists. They conveyed the sense that they would be able to continue their work, growing their practice either supported by Arts Council funding, or sustained by their increased experience through other means of growing their portfolios.

We all fear that the new government's programme of extensive cuts in public spending may derail many of the sector's objectives. It will however create a period where there is greater general anticipation and acceptance of change, helping the Arts Council win support for the new approaches it wishes to introduce.

## **Appendix A: The brief**

### **Brief for research in to funding of individuals**

#### **Introduction**

We are reviewing our investment mechanisms and funding programmes to ensure that they are fit for purpose. We wish to ensure that they are the best tools with which to achieve our mission of Great Art for Everyone and the goals outlined in “Achieving Great Arts for Everyone” – the consultation about our 10 year strategic framework.

Within this review, we are considering our approach to the funding of individual artists and arts practitioners. The outcomes of the research will be used to inform our the proposals that are presented to our Executive Board.

#### **Background**

- The main way Arts Council England achieves its mission is by funding approximately 880 regularly funded organisations (RFOs) with a combined investment of approximately £350 million per annum.
- There are very few individuals supported as RFOs.
- Individuals are supported by our Grants For The Arts programme, the numbers vary greatly between artforms and the failure rate is higher than for organisations.
- Some artists, producers and development agencies have told us that our current funding mechanisms hinder rather than enable individual artists to make work or develop their careers and markets.
- Arts Council England will adopt a new structure on 1 April 2010 with a reduced staff.

#### **The brief**

The appointed consultant is asked to consider the following questions, within the context of “Achieving Great Art for Everyone”, noting that this is a 10 year strategic framework.

- Does Arts Council England need to fund individual artists and producers as well as Arts organisations in order to achieve its mission?
- What can not be achieved if it does not?
- If the Arts Council is to fund individuals, what sort of relationship would be most appropriate? What is it reasonable to expect from individuals in return for a funding contract and what level of support are they likely to need?
- Does the Arts Council have the skills, processes and capacity to make funding decisions about individuals and to manage the relationships? What would the implications be for the role of Relationship Managers?
- Is there a model which uses third parties? What are the disadvantages and advantages of delegating the funding of individuals in this way?

- If changes are recommended, what could be achieved as a first step in the next spending round (2011/13)?

The consultant should approach this work by:

- referring to information about current levels of funding of individuals, including a breakdown by artform (the analysis on this data will be done by Arts Council personnel)
- reviewing existing research, including that within the literature review supporting Achieving Great Art for Everyone
- considering how other funders approach the funding of individuals- e.g. The Scottish Arts Council, Arts Council Wales and Sport England.
- meeting with the Arts Council's artform directors to gather their views
- conducting some interviews with nominated artists and producers
- considering existing models which utilise third parties

The research should be presented in a written report by 30<sup>th</sup> May 2010.

**Appendix B: List of Consultees**

<b>name</b>	<b>organisation/role</b>	<b>artform</b>
Mira Calix	composer	music
Joana Seguro	Lumin	music
Fiona Mason	Segue	music
Anthony Sargent	Sage Gateshead	music
Baby J	producer/promoter	music
Judith Knight	Artsadmin	various
Gill Lloyd	Artsadmin	various
David Metcalfe	Forma	various
Steve Camden/Polarbear	spoken word artist	literature
Chris Gribble	Writers Centre	literature
Steve Dearden	National Association for Literature Development	literature
Mimi Khalvati	poet	literature
Theresa Beattie	consultant	dance
Gwen van Spijk	Cue	dance
Brendan Keaney	Greenwich Dance	dance
Katie Green	choreographer/dancer	dance
Becky Edmunds	screen dance artist	dance
David Edmunds	David Edmunds Projects	dance
Bill Swainson	Bloomsbury publishers	literature
Nicola Thorold	consultant	Theatre/Combined
Bill Gee	Bill Gee Associates	Theatre/Combined
Liz O'Neill	Zion Arts/PANDA	Theatre/Combined
Kate McGrath	Fuel	Theatre/Combined
Louise Blackwell	Fuel	Theatre/Combined
David Jubb	BAC	Theatre/Combined
David Micklem	BAC	Theatre/Combined
Tamsin Drury	hAb	Theatre/Combined
Gavin Stride	Farnham Maltings	Theatre/Combined
Melanie Wilson	performer/writer/sound artist	Theatre/Combined

**Funding of Individuals  
Report for the Arts Council**

**Nigel Hinds &  
Sue Storr**

Inua Ellams	poet	Combined
Hetaim Patel	artist (live arts, visual art)	Combined
Harminder Singh Judge	live artist	Combined
Tristan Sharps	dreamthinkspeak	Combined
Sian Alexander	consultant/Julie's Bicycle	Theatre
Sebastian Warrack	producer	Theatre
Mitra Memarzia	artist	Visual Arts
Alice Sharp	curator	Visual Arts
Adrian Friedli	Digital / Arts Council	Digital
David Taylor	Scottish Arts Council	funder

## **Appendix C: Documents reviewed**

- **Achieving Great Art for Everyone – a review of research and literature – January 2010** Catherine Bunting
- **Fixed term funding for individuals – January 2010**  
an internal note by Caroline Foxhall
- **AIR (Artists Interaction and Representation) briefing – May 2010** Mitra Memarzia
- **Evaluation of Grants For The Arts – January 2010** (in camera)  
Tom Fleming/Creative Consultancy
- **The Producer – the issues and the opportunities – December 2005**  
Kate Tyndall

**Websites** on the consultees, grant-giving schemes and Arts Council strategic documents.

## **Appendix D: Application models**

An overview of application procedures used by three of the major trusts and foundations.

### **Jerwood Charitable Foundation**

[www.jerwoodcharitablefoundation.org](http://www.jerwoodcharitablefoundation.org)

The Jerwood Charitable Foundation supports artists and arts organisations at emerging and important stages of their careers in three ways:

- **Jerwood Visual Arts** – a year round contemporary gallery programme of awards, exhibitions and events at Jerwood Space, London, which then tour the UK.
- **Large Grants** – for recurring relationships over several years or awards over £10,000; these are run by established arts organisations e.g. Royal Court Theatre, Serious Music, Arvon Foundation. A two-stage application process asks for an initial, short proposal of 2 sides of A4 and a budget; the applicant is contacted if the Foundation wants to take it further when it will ask for more information (management structure ‘if applicable’). Assessed initially by Foundation staff, then expert advisers; the final decision is made by the Board of Trustees which hopes to give a decision in 8 weeks
- **Small Grants** – for one-off projects under £10,000; the majority of the work in this area is developed proactively with artists and arts organisations; proposals from individuals or not-for-profit organisations are also acceptable and require a short proposal of 2 sides of A4 and a budget. The assessment is the same as for large grants.

### **Rayne Foundation**

[www.raynefoundation.org.uk](http://www.raynefoundation.org.uk)

The Rayne Foundation funds arts, education, social welfare and development, health and medicine.

- **Fellowships for choreographers** in 2006 and 2007; grants of £10,000 to complete five secondments and then bid for a further £5,000 for a Big Idea.
- **Rayne Grants Open Application Programme** is not for individuals, only organisations. In 2007/08 the total awarded was £1.5 with an average award of £15,625 and a maximum grant of £200,000. A 2–stage application process: (i) a six page application submitted by email – a response within one month; (ii) if first stage applicants are successful they will be contacted for a more detailed application. Those who receive grants fill in monitoring forms (i) for grants under £5,000 (three pages) and for grants over £5,000 (three pages but with more detailed questions requiring expansion).

**Paul Hamlyn Foundation**  
[www.phf.org.uk](http://www.phf.org.uk)

The Paul Hamlyn Foundation funds arts, education, publishing and overseas projects.

- **The UK open grant scheme:** no individuals may apply, nor may it benefit any individual. It has a 2 stage process. The first stage can happen at any time and has an on-line form with a 28 day response. If selected, an organisation is asked to make a 2<sup>nd</sup> stage application as a developed proposal for the quarterly programme committee or Board of Trustees for a final decision; the process takes four months. At the second stage the applicant works closely with the grants programme team who will ask for more information, a more detailed budget and the organisation's credentials. There is no minimum or maximum grant. The longest grant has been six years, with most for up to three years with a review after three years.
- **The Hamlyn Breakthrough Fund** was a three year pilot scheme for creative entrepreneurs in the arts who might be producers, artistic or executive directors, curators or chief executives with the vision and drive to make a difference to the cultural landscape in which they worked. Applicants were identified via confidential nominations. In 2010/11 there are 15 awards. Published awards range from £5,000 - £360,000. The scheme is due to be evaluated. £3.75 million will have been spent over three years.

**The Wellcome Trust**  
[www.wellcome.ac.uk](http://www.wellcome.ac.uk)

The Wellcome Trust funds arts awards under its 'Public Engagement Strand' with two application processes:

- for applications up to £30,000 a six page application form; all eligible projects are peer reviewed and assessed on merit and need by a Funding Committee
- for applications over £30,000 there is a two stage process: the first stage is a three page application form which is considered by the Awards Committee and has peer review; if successful the applicant(s) is invited to make a full application which is reviewed by peers and there is an opportunity to reply to their comments. A presentation to the Award Committee follows at which all the material is discussed and a decision is made.

## **Appendix E: About the Consultants**

### **Nigel Hinds**

Nigel is an expert in the performing arts with particular skills in festivals, venue and company management, creating artistic programmes and developing organisations. Nigel was Executive Director of The Place, London from 2004 to 2007 and was Arts Programming Director of Sadler's Wells, London from 1993 to 2000. Previously he was Director of Phoenix Arts, Leicester, led the Leicester International Dance Festival and was Associate Artistic Director of Brighton Festival. He is currently Interim Executive Director for the London International Festival of Theatre.

As a consultant, Nigel's clients have included Arts Council England, the Russell Maliphant Company, Phoenix Dance Theatre, Greenwich Council, the Royal Philharmonic Society and Scottish Ballet. His recent festival projects include an Organisational Development Plan for Winchester Hat Fair, a Feasibility Study for the London Festival of the Horse and two years as Executive Producer for the London International Festival of Theatre. He is an Associate Director of Festivals and Events International.

### **Sue Storr**

Sue Storr is a freelance Arts Consultant with experience of being a senior executive in the subsidised arts sector.

As Chief Executive of the Lyric Theatre Hammersmith (1994 -2001) working with Neil Bartlett as Artistic Director, she oversaw the development of local partnerships in support of the theatre's capital development to create new education and rehearsal spaces and to relocate the theatre's entrance onto a newly built public Square for west London. She also worked closely with a number of producing consortia to present a wide range of International work as part of the theatre's programme.

Her freelance work since 2001 has ranged from working with single artists to national companies such as the Royal Shakespeare Company and funding bodies which included the Arts Council England; she has worked with a number of boards and senior management teams across the UK to facilitate their future strategic planning processes.

Sue has also lectured on Arts Management MA at Greenwich University on London's City University's postgraduate Cultural Leadership Diploma. She has also lectured at the Shanghai Theatre Academy.

She is a Governor for the Conservatoire of Dance and Drama which was designated a Higher Education Institution in 2001 and has a unique confederal structure of eight affiliate drama, dance and circus schools.