

# National portfolio organisations funding programme – National equality analysis

## Introduction

This equality analysis has taken place alongside the current investment round for National portfolio organisations (NPOs) and is a complementary document which offers mitigations and appropriate actions to allow the areas of most concern to be addressed over the duration of the funding period 2015-18. It will be presented to the National Council, who will be asked to consider it before and during the decision making process.

Equality and diversity was one of the balancing criteria in the moderation and as such was a core deciding factor within the decision making process. Guidance to applicants made it clear that all NPOs would be expected to contribute to the Creative case for diversity, which exists to ensure that the work that is produced, presented and participated in reflects contemporary England. As part of our assessment of contribution to our goals, we reviewed the potential of each applicant to make a contribution to the Creative case. Diversity was one of our six balancing criteria, and so was considered as we pulled together a proposed portfolio at both an area and national level.

We have an expectation that NPO applicants will ensure that the work they produce, present and participate in reflects the diversity of contemporary England. We also appreciate that continued investment and support is required to enable more detailed analysis to take place and ensure that the gaps identified and imbalance shown are reduced over this funding period.

Multiple data sets have been used to inform the entire process, which offers solid empirical evidence that the work of the sector is more diverse focused than in any previous period, but that there is still work to do to strengthen diverse and disabled leadership across the sector as a whole.

# Section One

## 1.1 - What is being assessed?

The proposals for the portfolio of National portfolio organisations (NPOs) for 2012-2015, as well as the recommendations on which organisations should be included in the portfolio, following an open application process.

Arts Council England works to create the conditions in which art and culture can thrive and engage the widest possible audience. We do this through advocacy and partnership, development and investment. We are responsible for the allocation of public funding to arts individuals and organisations as well as to regional museums.

In 2010, we set out our 10-year strategic framework for the arts, entitled *Great art and culture for everyone*. This document was updated in 2013 to reflect our newly expanded remit for museums and libraries. **Great art and culture for every one** sets out our continuing commitment to our mission and our five strategic goals. The five goals are:

Goal one – **Excellence is thriving and celebrated in the arts, museums and libraries.**

Goal two - **Everyone has the opportunity to experience and to be inspired by the arts, museums and libraries**

Goal three – **The arts, museums and libraries are resilient and environmentally sustainable**

Goal four – **The leadership and workforce in the arts, museums and libraries are diverse and appropriately skilled**

Goal five – **Every child and young person has the opportunity to experience the richness of the arts**

We are working to deliver these goals within a financial envelope that is considerably reduced from when **Great art and culture for everyone** was originally written. Grant-in-Aid support for the Arts Council has reduced by approximately 40 per cent in real terms since 2010 and we have recently seen returns from the Lottery distributor that have been significantly below forecast. In addition, local authorities, which are currently the largest investor in arts and culture in this country, are also facing growing pressure on their discretionary budgets. The situation

calls for difficult strategic decisions about how best to invest our declining resources during the period 2015-18 to ensure the most effective delivery of our five goals. These resource challenges must be borne in mind when considering the decisions that underpin this Equality analysis.

Our 'total investment' approach for this period will use three main types of funding:-

### **Portfolio funding**

This provides essential core investment to arts organisations and museums in England to help them deliver our goals. We currently provide portfolio funding to 689 arts organisations through our National portfolio organisations programme and to 16 museum services through our Major partner museums (MPM) programme. For 2015-18, we will increase the amount of lottery funding within the NPO budget (from £23million to £63million) but the overall NPO budget will be approximately five per cent less in real terms than that for 2012-15. This will restrict our ability to encourage 'churn' within the portfolio as well as leading to a portfolio that is likely to be smaller. Within the portfolio itself, we will invest less in most organisations (either in cash or in real terms) and only in exceptional circumstances (and where we are confident that our investment will leverage additional resources and result in improved productivity) will we invest more.

### **Open application funding**

This funding is open to anyone who uses the arts in their work and is currently delivered through our Lottery-funded Grants for the arts programme. We use it to invest in artists and organisations at the early stages of their careers, to invest in local community groups to develop arts activities which engage people in high-quality arts and culture and to help more established artists and organisations deliver one-off projects. In recognition of the fact that we will be funding fewer NPOs, we will increase our Grants for the arts budget from £63million to £70million each year for the period 2015-18.

### **Strategic funding**

Because we have a responsibility to develop the cultural sector in England, we use targeted strategic investment to address specific challenges and opportunities that are not addressed by either portfolio or open application funding, such as funding for capital and touring

projects. For the period 2015-18, our strategic funds will be £312million (£209million less than for the period 2012-15).

## **1.2 - What is the main purpose or aim of the policy, function or activity?**

Our National portfolio investment programme provides three-year portfolio funding to a cohort of organisations to support the delivery of our five strategic goals by making or presenting art. NPOs will become our most significant strategic partners and will use just over 60 per cent of our total Lottery and Grant-in-Aid resources for the period 2015-18. We expect them to play a leading role in the delivery of our mission and goals and to represent some of the best arts practice in the world today.

Our investment in NPOs helps us achieve our five goals, particularly goals one, two and five.

Goals one and two express the core of our mission – we want excellent culture to thrive, and we want as many people as possible to engage with it. All NPOs will contribute to goals one and two. We also expect a significant proportion of NPOs to contribute to goal five. For 2015-18, we will be expecting NPOs to:

- Deliver artistic work and cultural experiences that represent the height of ambition, talent and skill.
- Demonstrate England's status as a world centre for cultural excellence – more artists, arts organisations and museums based in England are exporting their work internationally and visitors cite the arts and culture as the reason they visited England.
- Produce work that reflects the diversity of contemporary England.
- Increase the number and range of people experiencing and participating in great art and culture.
- Increase engagement levels amongst those currently least engaged in arts and culture.
- Increase the depth and quality of people's cultural experiences.
- Demonstrate an ability to adapt to their external environment.
- Increase the share of income that comes from a wider range of contributed or earned income sources.
- Embrace environmental sustainability and reduce carbon footprints.

- Ensure their leadership and workforce reflects the diversity of the country, sustaining and developing fair routes to entry and progression.
- Demonstrate effective leadership and governance as well as ensuring the workforce is appropriately skilled.
- Increase the opportunities that children and young people have in experiencing the richness of arts and culture.
- Increase the quality of cultural education, both in and out of school.
- Increase the quality of arts and cultural experiences for children and young people.

### **1.3 - Who will be affected by the policy, function or activity?**

The national portfolio represents our most significant investment decision for the period 2015-18. A wide range of artists, participants and arts organisations across England will be affected. The programme has a wide reach in terms of the audiences it will affect. We cannot quantify the numbers of people engaging with the work of the National portfolio, but 76.3 per cent of England's population of just over 51 million engaged with the arts at least once last year. We expect that this NPO investment round will influence individuals and organisations – and by extension audiences – beyond those that are successful in applying for NPO funding.

## **Section Two**

### **2.1 - General background**

The process for NPO applications was broken down into three stages: assessment, balancing and decision making.

#### **Stage one – assessment**

At stage one there was an assessment of each application looking at how it would make a contribution to our goals as described in our refreshed 10-year strategy. With National portfolio applications, we were looking at how applicants would make a contribution to goals one

and two, and, in certain cases, goal five. We also carried out a risk assessment of the application looking at the capacity for effective management, governance and leadership and financial viability. The stage one assessment was undertaken primarily by relationship managers in area offices. In stage one, the assessor produced two summary statements: one looking at contribution to goals and one looking at risk.

## **Stage two - balancing**

The balancing process allowed us to view our proposed portfolio from different points of view. It helped us to understand how well the proposed portfolio would help us to meet national goals and art form development requirements. It also helped us to understand our likely geographic reach, whether we would be funding an appropriate mix of sizes and types of organisations, and the level of risk to our investment.

There is no such thing as a perfectly balanced portfolio. Our role is to make it as balanced as possible, given the amount of funding available, and the many and varied considerations that we need to take into account. Our starting point must be the applications that we receive. The final balanced picture that we end up with depends to a very large degree on the kinds of applications that organisations submit.

Since the balance of our portfolio is dependent on the applications we receive, we expect that there will be gaps in our portfolio and that further investment will be required via Grants for the arts and strategic funds to create a more balanced overall investment approach. Our aim throughout the NPO process has been to identify where those gaps lie. This aids our decision making process, as well as assisting us to identify what further work might be required through the drafting of funding agreements, allocation of strategic budgets and prioritisation of advice giving for Grants for the arts.

The six areas we balanced against were:

1. **Goals:** we will look across the National portfolio of organisations and consider how the portfolio is contributing to goals one, two and five, alongside our other investment in the arts.
2. **Diversity:** overall, we want our investment in the arts to create the conditions in which there is a diversity of leaders, producers and

creators of art and audiences, reflecting the diversity of contemporary England and our commitment to advance members from the protected characteristics.

**3. Range of art forms:** we want to support a range of art forms and a diversity of artistic practices. Artists and arts organisations often work across and between different art forms. However, we group the organisations we fund into six art form areas in order to help us consider how we are investing in different parts of the sector. These are: combined arts (multiple art form, cross art form or hybrid art forms); dance; literature; music; theatre; and visual arts.

**4. Size and type:** there are many interdependencies within the arts sector and we want to invest in an appropriate mix of sizes and types of organisation. This includes, for example, considering an appropriate balance of building-based companies, touring companies, arts venues and other types of organisations.

**5. Geographical spread:** we will take into account the need to support work by a National portfolio of funded organisations across the whole of England. However, we will consider how some organisations work intensively within their home region and some have a reach and impact far beyond their home region. Some will tour widely. We will take into account the potential reach of the portfolio as a whole and we will be particularly interested in how organisations plan to reach places of current low arts engagement.

**6. Risk:** we will take into account the level of financial risk to our investment across the National portfolio of organisations.

The second stage began in the first week of May. The area senior management teams, working to an agreed area budget or planning figure, took the assessed applications and put together proposals for an area portfolio which was balanced according to the 'balancing criteria' (as shown above). The proposals they put together formed an early 'first cut' of the new area portfolios, before any national balancing took place. As part of this process, they also scored how well each applicant contributed to the Creative case for diversity [see note 1]

Area councils met in mid-May to discuss the first-cut area portfolio at a high level. Area councils were not asked to make decisions at this point

and were not expected to go through first cut proposals on a line-by-line basis. They discussed the emerging area picture and some of the key issues and challenges they might face at the decision-making meeting in June. This was an important opportunity for area council members to comment and ask questions but they were reminded that these initial proposals would be subject to change during the process of national balancing.

During May, the National Leadership Group considered all the area proposals together and used the balancing criteria to judge the extent to which they comprised one nationally balanced portfolio. The comments from area councils were fed into this process. This resulted in a first-cut national portfolio.

The National Council met on 4 June to review the first-cut national portfolio that was presented by the Executive Board. Again, this was not a decision-making meeting but an opportunity to comment on the work so far. The Executive Board took account of the National Council discussion on 4 June and pulled together a final National portfolio that then went to the relevant area and National Councils for a formal decision.

### **Stage three—decision making**

In June, area councils were presented with Executive Board recommendations. Area councils were provided with summaries of the assessments for each application but these were for information and background context only. The area councils' role was not to verify or revise the officers' assessments of the applications, but to make decisions on the recommendations put to them. Area councils made decisions in their areas on NPO grants of under £800,000 and made recommendations to the National Council on NPO grants of over £800,000.

The National Council met on 24 June, this time to consider the recommendations of area councils on NPO grants over £800,000 and make decisions, and to take a final view of the overall balance of the National portfolio. The National Council has delegated to area councils decisions in their areas on NPO grants below £800,000. Because our criteria apply nationally, however, the National Council has reserved the right, in exceptional circumstances, to overrule a decision of an area

council, if it believes that is necessary to achieve a balanced portfolio in line with the Guidance to Applicants we have published.

Applicants will be notified on 1 July 2014. All awards at this stage will be conditional and will be subject to the successful agreement of a funding agreement and associated business plan (including equality action plan, audience development plan etc) by February 2015. This funding negotiation period will provide Arts Council England with an opportunity to ensure that particular concerns identified in the assessment and balancing stages are addressed.

[note 1]

[http://www.artscouncil.org.uk/media/uploads/pdf/What is the Creative Case for Diversity.pdf](http://www.artscouncil.org.uk/media/uploads/pdf/What_is_the_Creative_Case_for_Diversity.pdf)

## 2.2 - Diversity profile of current National portfolio organisations

In the past, Arts Council England has – in line with equalities legislation – focused primarily on race, disability, and gender in its analysis of the equality impact of its investment decisions. The Equality Act 2010 requires us to have regard for all the protected characteristics (ie race, disability, gender, sexual orientation, religion and/or belief, pregnancy and maternity, marriage or civil partnership status, gender re-assignment and age) using evidence to guide our development work and investment.

However many of the data sources we use, including the **Taking Part** survey and the data collated by individual institutions as part of their own participation and audience profiling, do not yet routinely collect or analyse evidence for the new protected groups of sexual orientation, religion and/or belief, pregnancy and maternity, marriage or civil partnership status and gender re-assignment. In preparing for this Equality analysis, we therefore commissioned a literature review which both identified the paucity of available data on the new protected characteristics as well as confirming that ethnicity and disability remain the protected characteristics most significantly and persistently disadvantaged by the current profile of our arts investment – along with gender in some sectors and socioeconomic status (which is not

identified as a protected characteristic within the current legislation). This Equality analysis therefore uses the evidence available to us to focus primarily on disability, ethnicity and gender. In the future we will try to strike a balance between the cost of collection of data on the other protected characteristics, the usefulness of this data and the practicalities of doing this.

Modern day England is changing. In 2001, 4.3 million people in the UK had been born abroad. In 2011, this figure was 7.5 million people, representing 13 per cent of the overall population. The percentage of the population that defined themselves as white British fell from 91 per cent of the total population in 2001, to 86 per cent in 2011. The numbers identifying themselves as mixed race nearly doubled to 2.2 per cent, with almost 12 per cent of households including members of different ethnic groups. Of 16.3 million households comprising at least two people in 2011, two million homes (12 per cent) had members from different ethnic groups in 2011, up from 1.4 million in 2001 (9 per cent of 15.2 million households).

Based on the most recent data from the Office for National Statistics (ONS) 85.4 per cent of the population of England are white with the remaining 14.6 per cent being from Black and ethnic minority groups. The Asian/British Asian group is the largest minority group accounting for 7.8 per cent of the population with Black/African/Caribbean/Black British the next largest group at 3.5 per cent of the population [see note 2].

According to The Office for Disability Issues [see note 3], there are over 11 million people with a limiting long-term illness, impairment or disability in the UK. The prevalence of disability rises with age and around six per cent of children have disabilities, compared to 15 per cent of working-age adults and 45 per cent of adults over state pension age.

In our current portfolio our diversity classifiers tell us whether NPOs are a) Black and minority ethnic led, b) Disability led c) Black and minority ethnic focused or d) Disability focused. Based on our annual survey data for 2012-13, the profile of the current National portfolio in relation to Black and minority ethnic- and Disability-led or Black and minority ethnic- or Disability-focused NPOs is:

[In the following list we detail for each item:

- Classification: % of portfolio; Definition of classification]
- Black and minority ethnic-led organisation: 7.8; An organisation where 51% or more of the board or governing body is Black or minority ethnic.
- Black and minority ethnic-focused organisation: 11.1; An organisation where 51% or more of work of the organisation is aimed at Black or minority ethnic audiences
- Disability-led organisation 1.0; An organisation: where 51% or more of the board or governing body have disabilities.
- Disability-focused organisation: 5.5; An organisation where 51% or more of work of the organisations is aimed at audiences with disabilities.

For this NPO investment round we have stopped using the Black and minority ethnic and Disability focused classifications. We recognise that the responsibility for ensuring that the work produced by arts organisations, and the audiences that enjoy that work, reflects the diversity of contemporary England rests with the portfolio as a whole – and not just those badged as diverse focused organisations. Therefore, in the current NPO round, **all** applicants are required, for the first time, to give an account of how they will address the Creative case for diversity [see note 4] in the work they produce, present and distribute, and how their work is accessible and relevant to the communities served by the organisation. Applications have been scored as ‘weak’, ‘met’, ‘good’ or ‘strong’. When we have agreed that in the new portfolio 2015-18 we will have an overview of how many organisations are rated ‘strong’ and ‘good’ in relation to the Creative case, as well as identify organisations that are ‘weak’ and ‘met’ and who we will require, through the funding agreement, to strengthen their performance on the Creative case.

As part of the funding agreement negotiations and business plan development work we will expect organisations to set their own SMART targets for contributing to the Creative case for diversity during 2015-18. We intend to keep a close eye on how this aspect of their plans is developing in our overall monitoring of NPOs and any weaknesses identified will be reported to area and National Councils in our regular update on Portfolio risks.

This emphasis on the Creative case for diversity reflects the fact that we are seeking to progress from a deficit model approach and embrace a broader outlook, where diversity is central to all the work we fund. It also reflects the fact that a number of our NPOs, although not identified as Black and minority ethnic- or Disability-led or Black and minority ethnic- or Disability-focused under our classifiers, are making a significant contribution to addressing diversity – in terms of their choice of artists and programme and in the way they are building more diverse audiences. We have anecdotal evidence that a significant number of our current NPOs that are not currently identified as either Black and minority ethnic- or Disability-led or Black and minority ethnic- or Disability-focused are developing programmes that reflect the diversity of contemporary England and are building diverse audiences for their work. This new approach offers us an opportunity to gather data and empirical evidence to back up this anecdotal evidence. As we move forward it is likely that we will also consider whether the current definition of ‘diverse led’ remains appropriate (see below) or whether it should be adjusted to reflect the fact that day-to-day leadership and key strategic decision making in arts and cultural organisations in practice with the artistic director and/or chief executive.

[note 2] ONS ethnic group analysis from 2011 accessed from Nomis on 11 February 2014.

[note 3] <http://odi.dwp.gov.uk/>

[note 4] From application guidance: We call this the Creative case for diversity. You can read more about this here

([http://www.artscouncil.org.uk/media/uploads/pdf/What is the Creative Case for Diversity.pdf](http://www.artscouncil.org.uk/media/uploads/pdf/What_is_the_Creative_Case_for_Diversity.pdf)).

In completing the application form, organisations should find opportunities to tell us how their work will support this progressive and positive perspective.

## 2.3 Workforce diversity of current portfolio

**Table:** % Staff of NPOs 2012/13 by position (Source: annual survey)

[The standard print version shows a bar graph with the following information:

### Artistic staff

- White: 62
- BME: 14
- Not disclosed: 24

### Managers

- White: 84
- BME: 10
- Not disclosed: 6

### Other staff

- White: 74
- BME: 10
- Not disclosed: 16

### Board

- White: 83
- BME: 14
- Not disclosed: 3

### Total

- White: 68
- BME: 13
- Not disclosed: 19

end of graph]

In 2012/3, representation of people from Black and minority ethnic groups in artistic roles (14 per cent) and at board level (13 per cent) in NPOs is close to the national population average (15 per cent). However, fewer than one in 10 managers within NPOs are from a Black and ethnic minority background. In addition, these national figures are likely to disguise much more significant geographical variations which require more detailed analysis in order for us to understand how well NPOs reflect the diversity of the workforce in their areas. We are also currently seeing relatively high figures of respondents who do not disclose their ethnicity. In order to tell a more accurate story of the profile of our NPOs, we need to understand better – and address – why we are seeing these relatively high levels of non-disclosure.

**Table:** Staff of NPOs 2012/13 by position (Source: annual survey)

[The standard print version shows a bar graph with the following information:

Artistic staff

- non-disabled: 98
- disabled: 2

Managers

- non-disabled: 97
- disabled: 3

Other staff

- non-disabled: 98
- disabled: 2

Board

- non-disabled: 96
- disabled: 4

Total

- non-disabled: 98
- disabled: 2

end of graph]

The proportion of artistic staff with disabilities across arts organisations is at 1.8 per cent or lower, and notably low within the music and visual arts sectors. At a managerial level the proportion of people with disabilities in the workforce is higher with an average of 2.8 per cent compared with 1.6 per cent for artistic staff. People with disabilities are more likely to be found represented at board level than elsewhere in the organisation with a notably higher level of representation within the combined arts sector. During the funding period for Regularly funded organisations (2009-10 to 2011-2), the overall proportion of staff with disabilities remained constant at two per cent, with no difference in percentages between positions.

**Table:** Staff of NPOs 2012/13 by gender and position (Source: annual survey)

[The standard print version shows a bar graph with the following information:

Artistic staff

- female: 46
- male: 54

Managers

- female: 58
- male: 42

Other staff

- female: 55
- male: 45

Board

- female: 44
- male: 56

Total

- female: 49
- male: 51

end of graph]

Women occupy more management roles (583) across the NPOs/MPMs than men (429), including both permanent and contract roles. The gender profile of NPO/MPM boards is still skewed towards men (56 per cent) with women only holding a majority of board positions within the dance sector. Female leaders report that factors that have hindered their progression include a lack of permanently funded jobs, a lack of line management support, caring responsibilities and poor job opportunities

We also must be aware of the distinction between volunteering and unpaid internships. We have produced internship guidance for the sector as part of our goal to make entry routes into the arts and cultural

workforce more equitable and open to all, regardless of background. We may also decide to ask our funded organisations to provide equality data on their volunteers so that we have an accurate picture of the diversity of the sector's volunteers because we recognise that volunteering can be an entry path into the arts and cultural workforce.

We plan to conduct research into progression routes through the arts and culture sector, identifying barriers and opportunities for improvement to inform our future policy in this area. We will consider the practicalities and usefulness of collecting data on the socioeconomic status of the NPO/MPM workforce, and we will expect NPOs and MPMs to use equality actions plans to try to address under representation of certain protected groups across the NPO/MPM workforce, and in specific positions. Progress on these action plans will be monitored through the monitoring arrangements we have around our funding agreements.

## 2.4 Diversity of audiences for arts and culture

According to the **Taking Part** survey, in 2012/13 the percentage of white people engaging at least once or more with the arts was 79.5 per cent. For Black and minority ethnic groups in the same year, it was 70.4 per cent. For people with a long-standing illness or disability, the percentage was 73.4 per cent. In terms of gender, 75.1 per cent of males engaged with the arts at least once, compared with 81.6 per cent of females. It is important to note that this picture is complicated by socioeconomic status. The latest **Taking Part** survey found that 83.7 per cent of people from an upper socioeconomic group engaged with the arts once or more in 2013. The percentage of those from lower socioeconomic groups in the same year was 67.9 per cent.

Clearly the greatest variation in audience participation amongst different groups is between upper and lower socioeconomic groups. The relationship between the **work** that our funded organisations produce, and the audiences that this work attracts is complex; in terms of attracting audiences there are a range of factors at play such as attitudes, peer influence, affordability, accessibility and concerns about feeling uncomfortable or out of place.

All NPO applicants will be expected to demonstrate how they are sharing their work with as large and wide an audience as possible, including those who are **currently least engaged** with arts and culture. Their applications will be assessed on the strength of plans to reach a broad audience.

## **2.5. Issues/concerns about equality with the current portfolio and what a portfolio balanced for diversity might look like**

Overall, we want our investment in the portfolio to create the conditions in which there is a diversity of leaders, producers and creators of art and audiences, reflecting the diversity of contemporary England and our commitment to advance members from the protected characteristics. However, it needs to be remembered that the profile of the portfolio at any point is directly influenced by the number of applications Arts Council England received, the nature of those applications and the amount of investment requested. The profile of the portfolio will also change during the funding period. For instance, when the current portfolio (2012-15) was announced in 2011, 38 NPOs were classified as Black and minority ethnic led and seven NPOs were classified as Disability led. A little over half way through the funding period we now have 56 NPOs classified as Black and minority ethnic led, of which 54 have applied for the current investment round, while 13 NPOs are classified as Disability led, of which all have reapplied.

Of the 13 Disability-led NPOs in the current portfolio, five are combined arts organisations, one is a literature organisation, four are theatre organisations, three are visual arts organisations and one is unspecified. Of the 54 Black and minority ethnic-led NPOs, 22 are combined arts organisations, five are dance organisations, three are literature organisations, nine are music organisations, 10 are theatre organisations, and five are visual arts organisations.

In the current portfolio, the 56 NPOs that are classified as Black and minority ethnic led represent 7.8 per cent of the portfolio, yet receive 2.8 per cent of total NPO funding. NPOs that are classified as Disability led represent one per cent of the portfolio, yet receive 0.5 per cent of total NPO funding. This reflects the fact that the profile of Arts Council

England investment in Black and minority ethnic- and Disability-led organisations – in terms of size – is markedly different to the portfolio as a whole. The shape of the National portfolio as a whole is as follows:-

- 29 per cent small organisations (ie turnover less than £250,000)
- 33 per cent medium organisations (ie turnover £250,000-£750,000)
- 38 per cent large organisations (ie turnover greater than £750,000)

But for diverse-led organisations it is as follows:-

- 52 per cent small organisations
- 38 per cent medium organisations
- 10 per cent large organisations

At the same time, Black and minority ethnic- and Disability-led organisations at all scales tend to be more dependent on Arts Council England funding than their peers of a similar size, although note that small sized Black and minority ethnic-led organisations generate more income as a percentage of their total from earned sources than the average small sized NPO:

**Table:** Diverse-led NPOs compared with all other NPOs 2012-15

[In the following lists we detail for each size:

- Status: Number of NPOs in this category; Average Arts Council England investment as % of total income (NPO only); Average earned income as % of total income]

### **Small**

- Black and minority ethnic led: 28; 58.6; 26.7
- Disability led: 7; 66.8; 16.9
- All: 197; 51.3; 23.2

### **Medium**

- Black and minority ethnic led: 22; 49.8; 21.7
- Disability led: 4; 45; 8.3
- All: 226; 38.3; 28.5

### **Large**

- Black and minority ethnic led: 5; 30.2; 48.5

- Disability led: 2; 18.5; 43.2
- All: 266; 23.2; 53.4

(**Note:** Organisation size is based on total income reported in the NPO survey: organisations with a total income of less than £250,000 are small, those with income between £250,000-£750,000 are medium and above £750,000, large. Figures taken from annual survey 2012-13, not every NPO is included in 'All' NPO statistics. Only NPO investment included in the heading 'Arts Council England investment' and this can omit significant additional income received through strategic funds.)

This raises a number of implications relating to organisational resilience and the use of strategic funds to support the development of Black and minority ethnic- and Disability-led organisations. In the new portfolio we may consider how to raise the scale of work produced by Black and minority ethnic- and Disability-led NPOs, through the leveraging of funds from other sources and encouraging organisational development and the broadening of reach. In some cases, this involves reducing the reliance on Arts Council England investment. In other cases, it might be exploring how greater Arts Council England investment can leverage more income from others sources to enable the organisation to grow in ambition and reach.

One possible implication of this for the 2015-18 NPO round is that the Arts Council, alongside ensuring that it maintains its investment levels in Black and minority ethnic- and Disability-led NPOs at the same levels in terms of the percentage of the portfolio, should consider whether it is funding these NPOs at a level that allows them to develop. In general terms, we might want over time to see the profile of our investment in Black and minority ethnic- and Disability-led organisations reflect the size profile of our investment in the portfolio as a whole.

## **Section Three: Analysis of current draft National portfolio for 2015-18.**

### **3.1 Information and analysis of how Disability-led applicants fared during the assessment process**

## **Table:** Disability-led applicants by area

[In the following list we detail for each item:

- item: North; Midlands; South West; South East; London]
- Applications: 4; 1; 2; 1; 7
- **Recommended:** 2; 1; 0 ;1; 5
- Success rate: 50%; 100%; 0%; 100%; 71%
- New applicants: 1; 0; 1; 0; 0
- **New applicants recommended:** 0; N/A; 0; N/A; N/A
- Success rate: 0%; N/A; 0%; N/A; N/A

## **Table:** All applicants compared by area

[In the following list we detail for each item:

- item: North; Midlands; South West; South East; London]
- Applications: 245; 106; 122; 99; 305
- **Recommended:** 186; 87; 82; 70; 245
- Success rate:76%; 82%; 67%; 71%; 80%
- New applicants: 46; 16; 43; 33; 66
- **New applicants recommended:** 9; 4; 11; 6; 16
- Success rate: 20%; 25%; 26%; 18%; 24%

Because of the small numbers of Disability-led organisations applying, it is difficult to draw comparisons with all applicants. However, the two new Disability-led applicants were both unsuccessful. Nine Disability-led organisations are recommended for the proposed portfolio, a decrease of four from the current levels. There were no new Disability-led applications for dance, literature, music and visual arts.

## **Disability led**

[In the following list we detail for each item:

- goal or risk: All Applicants (15); Proposed to be in Portfolio; Rejected]

## **Criteria score - Goals**

- Outstanding: -; -; -

- Strong: 9; 7; 2
- Met: 6; 2; 4
- Not met: -; -; -

### **Risk (Governance)**

- Major: 2; 1; 1
- Moderate: 5; 1; 4
- Minor: 8; 7; 1

### **Risk (Financial)**

- Major: 4; 1; 3
- Moderate: 5; 3; 2
- Minor: 6; 5; 1

No Disability-led organisation scored 'outstanding' against the goals criteria. Two Disability-led applicants were rated as 'strong' on the Arts Council's goals but were not included within the portfolio (the equivalent of 13.33 per cent of all Disability-led applicants). One organisation was rated as minor (governance) and moderate (finance) in relation to posing a risk to investment, and one was rated as moderate and major.

In total, 83 **unsuccessful** applicants were scored as 'strong' (82) or 'outstanding' (one) on how they met the Arts Council's goals (the equivalent of 9.45 per cent of all applicants).

### **Recommended Applications**

- DaDa - Disability & Deaf Arts (N) (NPO) (CA)
- Zende Productions (N) (NPO) (Theatre)
- Carousel (N) (NPO) (CA)
- Attitude is Everything (L) (NPO) (Music)
- Deafinitely Theatre (L) (NPO) (Theatre)
- Vital Xposure Limited (L) (NPO) (Theatre)
- Shape (L) (NPO) (VA)
- Extant (L) (NPO) (Theatre)
- Disability Arts Shropshire (M) (NPO) (VA)

## 3.2 Information and analysis of how Black and minority ethnic-led applicants fared during the assessment process

**Table:** Black and minority ethnic-led applicants compared by area

[In the following list we detail for each item:

- item: North; Midlands; South West; South East; London]
- Applications: 16; 8; 3; 5; 32
- **Recommended:** 13; 8; 3; 2; 25
- Success rate: 81%; 100%; 100%; 40%; 78%
- New applicants: 2; 0; 0; 2; 5
- **New applicants recommended:** 1; N/A; N/A; 0; 1
- Success rate: 50%; N/A; N/A; 0%; 20%

**Table:** All applicants compared by area

[In the following list we detail for each item:

- item: North; Midlands; South West; South East; London]
- Applications: 245; 106; 122; 99; 305
- **Recommended:** 186; 87; 82; 70; 245
- Success rate: 76%; 82%; 67%; 71%; 80%
- New applicants: 46; 16; 43; 33; 66
- **New applicants recommended:** 9; 4; 11; 6; 16
- Success rate: 20%; 25%; 26%; 18%; 24%

As the tables above illustrate, Black and minority ethnic-led applicants had higher or comparable success rates than non Black and minority ethnic-led applicants in the North, Midlands, South West and London. They had considerably lower success rates in the South East. Mitigations are included in the Area equality analysis. For new applicants, the figures are too small to draw comparisons, but in London, where there were five new Black and minority ethnic-led applicants, their success rate of 20 per cent is comparable to all new applicants in London (34 per cent). There were no new Black and minority ethnic-led applications from the Midlands and the South West.

There were no new Black and minority ethnic-led applications for dance, literature and the visual arts.

### **Black and minority ethnic-led**

[In the following list we detail for each item:

- goal or risk: All Applicants (15); Proposed to be in Portfolio; Rejected]

### **Criteria score – Goals**

- Outstanding: 10; 10; 0
- Strong: 31; 30; 1
- Met: 21; 10; 11
- Not met: 2; 0; 2

### **Risk (Governance)**

- Major: 3; 1; 2
- Moderate: 31; 22; 9
- Minor: 30; 28; 2

### **Risk (Financial)**

- Major: 10; 2; 8
- Moderate: 30; 27; 3
- Minor: 24; 22; 2

One Black and minority ethnic-led applicant rated as ‘strong’ on how they met the Arts Council’s goals and was not included in the first draft portfolio (the equivalent of 1.61 per cent of all Black and minority ethnic-led applicants).

In total, 83 **unsuccessful** applicants were scored as ‘strong’ (82) or ‘outstanding’ (1) on how they met the Arts Council’s goals (the equivalent of 9.45 per cent of all applicants).

### **Recommended Applications**

- Paraiso School Of Samba
- South Connections Ltd
- Alchemy Anew
- Peshkar Productions
- St Pauls Afrikan Caribbean Carnival Ltd
- RJC Productions Ltd

- Wasafiri
- Jazz re:refreshed Limited
- Yaram Arts
- Art Asia
- No.w.here Studio
- Otolith Collective Limited
- Masquerade 2000
- Mahogany Community Ventures Ltd
- Nutkhut
- EMCCAN C.I.C.
- Gem Arts
- Liverpool Arabic Arts Festival
- Akademi South Asian Dance UK
- African Cultural Exchange Limited
- Sonia Sabri Company
- Company Chameleon
- Peepal Tree Press
- Bharatiya Vidya Bhavan
- Tomorrow's Warriors Ltd
- South Asian Arts-uk
- Kali Theatre Company
- Upswing
- Eclipse Theatre Company Ltd
- Tiata Fahodzi Ltd
- B3 Media
- Institute of International Visual Arts
- SAMPAD (South Asian Arts Development)
- Africa Oye Limited
- Darbar Arts Culture and Heritage Trust
- Bigga Fish Ltd
- Raw Material Music & Media
- Urban Development
- 20 Stories High
- Carnival Village Trust
- Rich Mix
- Asian Arts Agency
- Punch Records DJ Workshops Ltd
- Talawa Theatre Company

- Tamasha Theatre Company Ltd
- Rifco Arts
- Milap Festival Trust
- Autograph ABP
- The New Art Exchange Ltd
- The Newtown Cultural Project Limited

### 3.3 Levels of investment: Disability-led NPOs in current draft portfolio

#### Disability-led organisations

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At a headline level there is a decrease in the number of Disability-led NPOs from 13 to nine. In cash terms there is also a decrease in funding for Disability-led NPOs of £757,119 which can be attributed to the significant reduction in number of Disability-led organisations in the proposed portfolio. Three Disability-led NPOs have been recommended to receive significant uplifts: Extant, Attitude is Everything and Carousel. There are no recommendations for significant decreases in funding. In percentage terms this is a 15 per cent reduction in cash investment, compared to the 0.4 per cent reduction for the portfolio as a whole.

Only two applications were received from new Disability-led organisations, neither of which was successful. The low number of new applications is a cause for significant concern and significantly impacted on our ability to refresh the proposed portfolio. Supporting the development of Disability-led organisations, particularly outside the National portfolio, needs to be a key priority. We will need to take mitigating action through strategic funds and Grants for the arts to facilitate the development of a cohort of Disability-led organisations which are empowered and positioned to apply for NPO funding in the future.

**Table:** Comparison of current and proposed portfolio for Disability-led organisations on an area basis

#### Disability Led

[In the following list we detail for each item:

- area: NPO Funding 12/15 (£); Proposed NPO Funding 15/18 (£); Variance between 12/15 and 15/18 (£); % Increase / Decrease; Total Number of NPOs in 14/15; Total Number of Proposed NPOs in 15/16; Variance; % Increase / Decrease]
- London: 2,917,228; 2,630,541; -286,687 [red]; -9.83%; 7; 5; -2 [red]; -28.57%
- Midlands: 210,527; 211,217; 690 [Green]; 0.33%; 1; 1; 0; 0.00%
- North: 1,250,615; 881,189; -369,426 [red]; -29.54%; 3; 2; -1 [red]; -33.33%
- South East: 528,746; 592,464; 63,718 [Green]; 12.05%; 1; 1; 0; 0.00%
- South West: 165,414; -; -; 165,414 [red]; -100.00%; 1; 0; -1 [red]; -100.00%
- **Total:** 5,072,530; 4,315,411; -; 757,119 [red]; -14.93%; 13; 9; -4 [red]; -30.77%

## All

[In the following list we detail for each item:

- area: NPO Funding 12/15 (£); Proposed NPO Funding 15/18 (£); Variance between 12/15 and 15/18 (£); % Increase / Decrease; Total Number of NPOs in 14/15; Total Number of Proposed NPOs in 15/16; Variance; % Increase / Decrease]
- London: 497,146,964; 485,247,306; -11,899,658 [red]; -2.39%; 254; 244; -10 [red]; -3.94%
- Midlands: 170,663,696; 173,316,304; 2,652,608 [Green]; 1.55%; 91; 86; -5 [red]; -5.49%
- North: 208,035,971; 210,934,602; 2,898,631 [Green]; 1.39%; 207; 184; -23 [red]; -11.11%
- South East: 88,333,838; 87,471,906; -861,932[red]; -0.98%; 71 69; -2 [red]; -2.82%
- South West: 56,763,104; 59,953,596; 3,190,492 [Green]; 5.62%; 80; 82; 2 [Green]; 2.50%
- **Total:** 1,020,943,573; 1,016,923,714; -4,019,859[red]; -0.39%; 703; 665; -38 [red]; -5.41%

As the tables above demonstrate, while the change in proposed funding to Disability-led NPOs (between 2012-15 and 2015-18) is -14.93 per cent, the decrease for All NPOs is -0.39 per cent. And while the

number of NPOs has changed by -5.41 per cent (between 2012-15 and 2015-18), the comparable percentage for Disability-led NPOs is -30.77 per cent. There is a substantial uplift for Stage text to invest in digital engagement. Applications from Graeae and Heart n Soul were both scored 'outstanding' in response to goals criteria.

There are no Disability-led organisations in the current proposed portfolio in the South West. There is a decrease in the number of Disability-led organisations in London and the North and standstill in the South East and Midlands.

The North would currently lose one Disability-led organisation and one prominent Disability-focused organisation in, which will result in a significant local geographic impact and also across theatre and combined arts nationally. There is a need to mitigate against the potential loss of artistic and sector leadership through ensuring continued engagement through Grants for the arts and strategic funding programmes.

A wider concern is the lack of new Disability-led applications submitted. There were no new applications from Disability-led organisations in London, the Midlands and the South East. There is an opportunity to explore how strategic funds can be utilised to strengthen the resilience and artistic ambition of Disability-led organisations that are currently funded through Grants for the arts and other funding streams, with a view to preparing them for future application. Additionally, there are no proposed Disability-led organisations in the South West in 2015-16 (down from one in 2012-15): the decision to not include either of the applications from Disability-led organisations was taken in the belief that neither would make a significant contribution to the National portfolio. We propose that we prioritise arts and Disability in the South West Area Plan for 2015-18 in order to mitigate the risks and issues that arise from these choices.

### **3.3 Levels of investment: Black and minority ethnic-led organisations in current draft portfolio**

At a headline level there is a decrease in the number of Black and minority ethnic-led NPOs from 56 to 49. In cash terms there is also a

decrease in funding for Black and minority ethnic-led NPOs of £1,680,584. This will allow us to link the work of the Creative people and places programme and that of the Hat Factory and Khayaal Theatre. A proposed uplift for Watford Palace Theatre will further strengthen diversity provision in the area in addition to the relocation of Kinetica to Thurrock from London. Tiata Fahodzi, a Black and minority ethnic-led theatre company, will join the South East portfolio from London.

In addition two existing Black and minority ethnic-led organisations which currently receive £644k across the 2012-15 period chose not to apply. Excluding the impact of UKCCA there is a net increase of £605,424 in funding for Black and minority ethnic-led organisations in the proposed portfolio. There has been increased cash investment in Black and minority ethnic-led organisations in the North, Midlands, London and the South West. Significant uplifts are proposed for Black and minority ethnic-led organisations including Asian Arts Agency in Bristol, Rifco in Watford and Gem Arts in Gateshead, strengthening our combined arts, music and theatre offer. The uplifts also recognise the increasing contribution and impact of Black and minority ethnic-led organisations based outside London, Birmingham and Manchester.

There remains a small cohort of Black and minority ethnic-led organisations in music that have scored 'outstanding' against our goals criteria which have requested significant uplifts but are not currently recommended to receive uplifts. This represents a further opportunity to reward excellence and artistic ambition as well as to invest in organisations with strong national and international reach and demonstrated success around engaging Black and minority ethnic audiences.

A significant challenge emerging in the current investment round was the low number of new applications (eight) from Black and minority ethnic-led organisations, of which one is recommended as part of the proposed portfolio. More work is needed to build the resilience of Black and minority ethnic-led organisations outside of the National portfolio and to support them to both meet and increase their artistic ambitions. The lack of new applications resulted in limited opportunities to refresh the portfolio and will be prioritised as part of proposed mitigating actions outlined under section four of the equality analysis.

**Table:** Comparison of current and proposed portfolio for Black and minority ethnic-led organisations on an area basis

### **Black and minority ethnic Led**

[In the following list we detail for each item:

- area: NPO Funding 12/15 (£); Proposed NPO Funding 15/18 (£); Variance between 12/15 and 15/18 (£); % Increase / Decrease; Total Number of NPOs in 14/15; Total Number of Proposed NPOs in 15/16; Variance; % Increase / Decrease]
- London: 14,380,318; 13,584,879; -795,439 [red]; -5.53%; 28; 25; -3 [red]; -10.71%
- Midlands: 6,402,518; 6,646,963; 244,445 [Green]; 3.82%; 8; 8; 0; 0.00%
- North: 5,382,912; 5,302,350; -80,562 [red]; -1.50%; 15; 13; -2 [red]; -13.33%
- South East: 2,760,843; 1,325,712; -1,435,131 [red]; -51.98%; 3; 2; -1 [red]; -33.33%
- South West: 1,015,554; 1,401,657; 386,103 [Green]; 38.02%; 3; 3; 0; 0.00%
- **Total:** 29,942,145; 28,261,561; -1,680,584 [red]; -5.61%; 57; 51; -6 [red]; -10.53%

### **All**

[In the following list we detail for each item:

- area: NPO Funding 12/15 (£); Proposed NPO Funding 15/18 (£); Variance between 12/15 and 15/18 (£); % Increase / Decrease; Total Number of NPOs in 14/15; Total Number of Proposed NPOs in 15/16; Variance; % Increase / Decrease]
- London: 497,146,964; 485,247,306; -11,899,658 [red]; -2.39%; 254; 244; -10 [red]; -3.94%
- Midlands: 170,663,696; 173,316,304; 2,652,608 [Green]; 1.55%; 91; 86; -5 [red]; -5.49%
- North: 208,035,971; 210,934,602; 2,898,631 [Green]; 1.39%; 207; 184; -23 [red]; -11.11%
- South East: 88,333,838; 87,471,906; -861,932 [red]; -0.98%; 71; 69; -2 [red]; -2.82%
- South West: 56,763,104; 59,953,596; 3,190,492 [Green]; 5.62%; 80; 82; 2 [Green]; 2.50%

- **Total:** 1,020,943,573; 1,016,923,714; -4,019,859 [red]; -0.39%;  
703; 665; -38 [red]; -5.41%

As the tables above demonstrate, while the change in proposed funding to Black and minority ethnic-led NPOs (between 2012-15 and 2015-18) is -5.61 per cent, the decrease for all NPOs is -0.39 per cent. And while the number of NPOs has changed by -5.41 per cent (between 2012-15 and 2015-18), the comparable percentage for Black and minority ethnic-led NPOs is -10.53 per cent.

A total of 62 Black and minority ethnic-led applications were received, including 10 new applications. Forty-nine Black and minority ethnic-led organisations have been recommended for funding of which 47 are existing NPOs and two would be new entrants. Three Black and minority ethnic-led applications in the North were not recommended for funding, of which two scored 'not met' against goals criteria. This is likely to have an impact in relation to small-scale national touring as well as potential loss of artistic leadership. This should be considered in the mitigation section through Grants for the arts funding.

There were no new Black and minority ethnic-led applications in the Midlands and the South West, however both areas are proposing to maintain funding for all their existing Black and minority ethnic-led organisations. In the Midlands, three Black and minority ethnic-led organisations are recommended to receive significant uplifts in funding. Asian Arts Agency in the South West is proposed for a significant uplift (from £451,129 for 2012-15 to £842,610) because of the significant national role it plays.

In London there is one new Black and minority ethnic-led joiner to the portfolio – Jazz re:refreshed. Three Black and minority ethnic-led organisations are proposed to leave the portfolio. All three are combined-arts organisations. Yaram and Tomorrow's Warriors are both recommended to receive uplifts. Counterpoint Arts, a new applicant which provides strong local and national leadership in relation to working with newly arrived communities and refugee groups leading on the Platforma initiative and Celebrating Sanctuary events, will join the portfolio.

## 3.5 Art form analysis: Black and minority ethnic-led organisations

**Table:** Comparison of current and proposed portfolio by art form

### Black and minority ethnic Led

[In the following list we detail for each item:

- art form NPO Funding 12/15 (£); Proposed NPO Funding 15/18 (£); Variance between 12/15 and 15/18 (£); % Increase / Decrease; Total Number of NPOs in 14/15; Total Number of Proposed NPOs in 15/16; Variance; % Increase / Decrease]
- Combined arts: 11,555,591; 10,274,866; -1,280,725 [red]; -11.08%; 22; 19; -3 [red]; -13.64%
- Dance: 2,369,563; 2,500,378; 130,815 [green]; 5.52%; 5; 5; 0; 0.00%
- Literature: 765,024; 514,335; -250,689 [red]; -32.77%; 3; 2; -1 [red]; -33.33%
- Music: 4,462,320; 4,269,839; -192,481 [red]; -4.31%; 11; 10; -1 [red]; -9.09%
- Not art form specific: -; -; -; 0.00%; 0; 0; 0; 0.00%
- Theatre: 5,592,845; 5,551,289; -41,556 [red]; -0.74%; 10; 9; -1 [red]; -10.00%
- Visual arts: 5,196,802; 5,150,853; - 45,949 [red]; -0.88%; 6; 6; 0; 0.00%
- **Total:** 29,942,145; 28,261,561; -1,680,585 [red]; -5.61%; 57; 51; -6; -10.53%

### All

[In the following list we detail for each item:

- art form: NPO Funding 12/15 (£); Proposed NPO Funding 15/18 (£); Variance between 12/15 and 15/18 (£); % Increase / Decrease; Total Number of NPOs in 14/15; Total Number of Proposed NPOs in 15/16; Variance; % Increase / Decrease]
- Combined arts: 176,405,555; 180,641,930; 4,236,375 [green]; 2.40%; 184; 178, -6 [red]; -3.26%
- Dance: 107,901,698; 118,066,236; 10,164,538 [green]; 9.42%; 57; 57; 0; 0.00%

- Literature: 20,217,935; 19,940,803; -277,132 [red]; -1.37%; 52; 46; -6 [red]; -11.54%
- Music: 289,095,026; 276,794,897; -12,300,219 [red]; -4.25%; 97; 95; -2 [red]; -2.06%
- Not art form specific: 7,988,714; 8,259,074; 270,360 [green]; 3.38%; 8; 5; -3 [red]; -37.50%
- Theatre: 298,226,041; 296,952,467; -1,273,574 [red]; -0.43%; 173; 167; -6 [red]; -3.47%
- Visual arts: 121,108,604; 117,870,427; -3,238,177 [red]; -2.67%; 132; 122; -10 [red]; -7.58%
- **Total:** 1,020,943,573; 1,018,525,834; -2,417,739 [red]; -0.24%; 703; 670; -33 [red]; -4.69%

There is a reduction in the number of Black and minority ethnic-led NPOs proposed for the portfolio in 2015-18 across all art forms with the exception of visual arts, where there is a proposed standstill. There is also a reduction in proposed funding in 2015-18 for Black and minority ethnic-led organisations across all art forms, with the exception of dance.

Four out of five Black and minority ethnic-led dance companies are recommended to be included in the proposed portfolio. Sonia Sabri Company and Company Chameleon are recommended for significant uplifts. There is a strong diversity offer emerging around children and young people and goal five. Significant investment has been made in product. The key challenge for the Black and minority ethnic-led sector is securing bookings and show dates as venues and promoters take fewer risks, and tend to perceive the work created by Black and minority ethnic artists as risky in relation to audiences. Based on current proposals one Black and minority ethnic-led literature organisation would leave the portfolio, resulting in Wasafiri and Peepal Tree Press being the remaining two Black and minority ethnic-led literature NPOs.

The theatre offer in the South West is strengthened by the proposed inclusion of Black and minority ethnic-focused companies Tangle and Acta Community Theatre. There is a significant gap in terms of Black and minority ethnic-led and -focused theatre across the Midlands. This is partially offset through work by Black Country Touring and the Birmingham Rep in particular, though the latter may be impacted by a standstill award.

Out of 11 Black and minority ethnic-led music applications, there were four applications recognised as ‘outstanding’ against goals criteria, of which three (Tomorrow’s Warriors, Urban Development and Punch Records) requested significant uplifts. The former is strong in the area of Jazz music, whilst the latter two have a particular strength in urban music. All three, however reach Black and minority ethnic audiences. Of these, only Tomorrow’s Warriors are recommended for a significant uplift.

### 3.6 Art form analysis: Disability-led organisations

#### Disability Led

[In the following list we detail for each item:

- art form: NPO Funding 12/15 (£); Proposed NPO Funding 15/18 (£); Variance between 12/15 and 15/18 (£); % Increase / Decrease; Total Number of NPOs in 14/15; Total Number of Proposed NPOs in 15/16; Variance; % Increase / Decrease]
- Combined arts: 1,478,413; 1,171,620; -306,793 [red]; -20.75%; 3; 2; -1 [red]; -33.33%
- Dance: -; -; -; 0.00%; 0; 0; 0; 0.00%
- Literature: 17,499; -; -117,499 [red]; -100.00%; 1; 0; -1 [red]; -100.00%
- Music: 527,939; 625,818; 97,879 [red]; 18.54%; 1; 1; 0; 0.00%
- Not art form specific: 165,414; -; -165,414 [red]; 0.00%; 1; 0; -1 [red]; 0.00%
- Theatre: 1,391,685; 1,447,103; 55,418 [green]; 3.98%; 4; 4; 0; 0.00%
- Visual arts: 1,391,580; 1,070,870; -320,710 [red]; -23.05%; 3; 2; -1 [red]; -33.33%
- **Total:** 5,072,530; 4,315,411; -757,119 [red]; -14.93%; 13; 9; -4 [red]; -30.77%

#### All

[In the following list we detail for each item:

- art form: NPO Funding 12/15 (£); Proposed NPO Funding 15/18 (£); Variance between 12/15 and 15/18 (£); % Increase / Decrease; Total

Number of NPOs in 14/15; Total Number of Proposed NPOs in 15/16; Variance; % Increase / Decrease]

- Combined arts: 176,405,555; 180,641,930; 4,236,375 [green]; 2.40%; 184; 178; -6 [red]; -3.26%
- Dance: 107,901,698; 118,066,236; 10,164,538 [green]; 9.42%; 57; 57; 0; 0.00%
- Literature: 20,217,935; 19,940,803; -277,132 [red]; -1.37%; 52; 46; -6 [red]; -11.54%
- Music: 289,095,026; 276,794,897; -12,300,129 [red]; -4.25%; 97; 95; -2 [red]; -2.06%
- Not art form specific: 7,988,714; 8,259,074; 270,360 [green], 3038%; 8; 2; -3 [red]; -37.50%
- Theatre: 298,226,041; 296,952,467; -1,273,574 [red]; 0.43%; 173; 167; -6 [red]; -3.47%
- Visual arts: 121,108,604; 117,870,427; -3,238,177 [red]; -2.67%; 132; 122; -10 [red]; -7.58%
- **Total:** 1,020,943,573; 1,018,525,834; -2,417,739 [red]; -0.24%; 703; 670; -33 [red]; -4.69%

There is a reduction in the number of Disability-led NPOs proposed for the portfolio 2015-18 in four art forms. No Disability-led NPO applications were received for 2015-18 in dance and literature, while music and theatre see an increase in proposed investment in 2015-18 compared to 2012-15.

The loss of disability-led and disability-focused organisations across literature is further impacted by Survivors' Poetry not submitting an application for funding. This can be mitigated against through Grants for the arts.

There is a detrimental impact on theatre but there is also an opportunity to mitigate against the loss of disability-led and accessible productions through Grants for the arts and strategic funds.

The inclusion of Into art into the visual arts portfolio significantly strengthens provision for adults and children with learning disabilities across the visual arts. Action Space is currently proposed to be funded at standstill; there is an opportunity to award an uplift to increase studio provision for artists with disabilities to support talent development.

There is also a recommended uplift for disability-focused Project Art Works to strengthen its resilience in the South East.

### **3.7 How the proposed National portfolio scores on its contribution to the Creative case for diversity**

The Arts Council asked **all** applicants to the new portfolio to outline the contribution they would make to the Creative case for diversity. This is in recognition of the fact that all the organisations that we invest in – not just those which are Black and minority ethnic- or Disability-led or Black and minority ethnic- or Disability-focused– have a responsibility to ensure that the work that they produce, present and distribute is accessible and relevant to the communities they serve and reflects the diversity of contemporary England. It should be noted that some organisations failed to provide sufficient evidence for us to accurately assess their contribution to promoting equality of opportunity, fostering good relations and the elimination of unlawful discrimination, while others struggled to apply the Creative case to their practice. These scores will support relationship managers to manage conversations in relation to the Creative case for diversity as part of the negotiation period for new funding agreements. The Creative case for diversity is one way in which the Arts Council is seeking to implement the Equality Act 2010 and encourage our portfolio organisations to play their part.

Of the 670 organisations proposed for the new National portfolio; 34 are rated as 'Weak' in their potential to contribute to the Creative case for diversity (five per cent), 103 are rated as 'Met' (15 per cent), 280 are rated as 'Good' (42 per cent), and 253 are rated as 'Strong' (38 per cent).

#### **Creative case scoring**

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##### **Proposed portfolio**

Total: 670

[In the following list we detail for each item:

- Creative case score: No. of organisations; % of proposed portfolio]
- Strong: 253; 38%
- Good: 280; 42%

- Met: 103; 15%
- Weak: 34 ;5%

## **Unsuccessful applicants**

Total: 207

[In the following list we detail for each item:

- Creative case score: No. of organisations; % of proposed portfolio]
- Strong: 41; 20%
- Good: 81; 39%
- Met: 40; 19%
- Weak: 45; 22%

Of the 294 organisations scoring ‘strong’ against the Creative case, 245 (83 per cent of all organisations that scored ‘strong’) are included in the proposed portfolio. Of the 361 organisations scoring ‘good’, 279 (75 per cent of all organisations that scored ‘good’) are included in the proposed portfolio. Of the 143 organisations scoring ‘met’, 102 (75 per cent of all organisations that scored ‘met’) are included in the proposed portfolio.

In the scoring for the proposed portfolio, 80 per cent of organisations were rated as ‘Good’ or ‘Strong’. However, these were scores of the statements set out in the applications, and these figures are likely to fluctuate as the more detailed conversations take place during the funding agreement finalisation stage and over the funding period. Taking this into account, it is one of the areas for mitigation included within the action plan. In the most recent Stakeholder Focus survey, 70 per cent of respondents felt that the Arts Council had a ‘strong’ or ‘some’ impact on ‘Promoting arts and culture that reflect the diversity of contemporary England’ (an increase from 67 per cent in 2011). A potential action might be to establish very clear guidelines on judging an organisation’s contribution to the Creative case in order to ensure consistent and reliable scoring as part of the risk assessment process. This should be combined with a goal that 30 per cent of the new National portfolio is rated as ‘strong’ and able to evidence their contribution to the Creative case for diversity by 2017-18.

## Section Four: Mitigating action

### 4.1 Strategic funding

We propose that strategic funds for the period 2015-18 be used to address gaps and weaknesses in the proposed portfolio as identified by this Equality analysis. This fund will focus investment on delivering the Creative case for diversity and our wider equality agenda across all protected characteristics. The fund will focus on artistic excellence, increasing resilience and diversifying audiences, the workforce and the leadership of the arts sector to reflect the diversity of contemporary England. In some cases, this work can be delivered through a specific focus on diversity within existing planned strategic funds (eg around resilience). In others, it would require a dedicated funding stream of £5-6million.

It is proposed that we use strategic funds to:-

1. Increase the opportunities for Deaf and Disabled artists nationally to produce high quality work and provide opportunities to platform and showcase work produced in order to extend its reach and develop new audiences. This will build on the good work already delivered by Unlimited and Unlimited 2
2. Invest in strengthening resilience of Disability- and Black and minority ethnic-led organisations with a particular focus on supporting organisations not in receipt of National portfolio funding, with the aim of helping them to deliver and increase their artistic ambition, strengthen their business models and extend their reach to new audiences. We need to invest for growth and strengthen the pipeline of existing and new Black and minority ethnic- and Disability-led organisations
3. Establish a national network of Agents for Change who will work within NPOs to support talent development, artistic excellence and audience development working across protected characteristics
4. Build on the legacy of decibel and our current work around Sustained Theatre through a Creative case commissioning programme to establish national producing consortia to develop and celebrate a

broader spectrum of Black and minority ethnic practice and increase the amount of Black and minority ethnic work for touring

5. Invest in a bespoke programme of leadership and workforce development to reflect the diversity of contemporary England across the arts workforce

6. Respond to place based opportunities to strengthen diverse led practice particularly in Luton

7. Respond to challenges around specific art forms eg impact on carnival in the current investment round

### **4.3 Grants for the arts funding**

We need to work to ensure that we have increased numbers of Black and minority ethnic- and Disability-led (particularly Disability-led) organisations in 2018-21 and beyond. This means that we will need to use Grants for the arts and focused advice to identify Black and minority ethnic- and Disability-led organisations to apply for Grants for the arts (including some Black and minority ethnic- and Disability-focused organisations that are leaving the portfolio at this round). This would complement support provided under Strategic Funds (point two above).

### **4.4 Research and advocacy**

The following actions will need to be undertaken over the 2015-18 funding period:-

a) Consideration of whether our current definition of a 'diverse-led' organisation remains fit for purpose

b) Research into barriers that might be currently preventing the development of a dynamic arts and cultural sector that enables diverse talent, both managerial and artistic, to assume positions of leadership across the sector

c) Consideration of the efficacy of publishing company-by-company data on the profile of their workforce (both permanent and freelance – and including volunteers and boards) in order to aid transparency, improve accountability and encourage increased employment of people with protected characteristics within the arts and cultural sector

## **Conclusion**

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In conclusion we believe that the Creative case for diversity is only one element of the suite of ways which we will work with all of the incoming NPOs to ensure that their contribution to the presentation, production and participation of art and culture is representative of the diversity of contemporary England. By embedding equality and diversity in funding agreements and monitoring using risk registers we will continue to produce accurate data and long-term fulfilment in this area.

The action plan aims to work in alignment with the area action plans, which will allow a consistent and coherent approach to delivery. Taking this approach into account there is anticipation that the current indicated levels of ‘Strong’ and ‘Good’ for the proposed portfolio in relation to contributions to the Creative case for diversity may well go down before going up again, as the scoring is based on proposed activity and will be measured against actual activity delivered over the 2015-18 funding period.

## **Section Five: Action plan**

### **Negative Impact**

- Low number of applications from Disability-led organisations

### **Level of impact**

- Medium

### **Reason, evidence or comments in relation to negative impacts**

- Only two new applications were received nationally from Disability-led organisations

### **Action required**

- Using Grants for the arts at an area level to work with appropriate organisations to get them ‘NPO ready’ for the next funding round

- Use strategic funds to work with applicants whom have not been successful on this occasion to build peer partnership and collaborative opportunities Area Directors

### **Responsibility/Timescale**

- Art form Directors
- SRMs/RMs
- Director of Diversity
- Senior Officer Funding programmes
- Area Directors
- Senior Officer E&D

By March 2017

### **Negative Impact**

- Low number of applications from Black and minority ethnic-led organisations

### **Level of impact**

- Medium

### **Reason, evidence or comments in relation to negative impacts**

- Only 10 new applications were received from Black and minority ethnic-led organisations

### **Action required**

- Using Grants for the arts at an area level to work with appropriate organisations to get them 'NPO ready' for the next funding round
- Use strategic funds to work with applicants whom have not been successful on this occasion to build peer partnership and collaborative opportunities

### **Responsibility/Timescale**

- Area Directors
- Art form Directors
- SRMs/RMs

By March 2015

- Director of Diversity
- Senior Officer Funding programmes
- Area Directors
- Senior Officer E&D

By September 2015

### **Negative Impact**

- Inconsistent scoring of NPOs contribution to the Creative case for diversity

### **Level of impact**

- High

### **Reason, evidence or comments in relation to negative impacts**

- The current proposed portfolio was scored as 80% 'Good' or 'Strong', which appears high.

### **Action required**

- Embedding the Creative case for diversity within the corporate training programme

### **Responsibility/Timescale**

- Senior Officer, E&D
- Senior Officer, Planning
- Director of HR

By October 2014

### **Negative Impact**

- The changes in artistic leadership, particularly within theatre, are not taken into account or able to be represented.

### **Level of impact**

- Medium

### **Reason, evidence or comments in relation to negative impacts**

- The current definition uses governance as a measure not artistic leadership, production or presentation

### **Action required**

- Research to be undertaken in relation to the 'diverse led' definition
- A new set of metrics and/or measures are required to enable the full growth and changes to be shared

### **Responsibility/Timescale**

- Director of Diversity
- Executive Director Arts and Culture
- Art form Directors
- Area Directors
- Director of Research

By September 2015

### **Negative Impact**

- Inconsistent and limited data sets available for equitable equality analysis to take place

### **Level of impact**

- High

### **Reason, evidence or comments in relation to negative impacts**

- The data sets used for the equality analysis were varied and looked at a limited number of protected characteristics

### **Action required**

- More detailed information to be collected from all portfolio organisations and published to allow for internal and external discovery and comparison

### **Responsibility/Timescale**

- Director of Research
- Director of Investment
- Executive Director Arts and Culture
- Area Directors

By March 2016

### **Negative Impact**

- Lack of significant leadership opportunities for Disabled and/or Black and minority ethnic artists within the wider arts sector

### **Level of impact**

- High

### **Reason, evidence or comments in relation to negative impacts**

- The low level of applications that were received from organisations with Black and minority ethnic and/or Disabled artistic leadership.
- The low level of data available as to the opportunities available and reach of said opportunities to artists from other specific protected characteristics
- The low level of applications successful within this NPO round and new organisations to the portfolio

### **Action required**

- More robust data collection and publication
- Evaluation of talent development programmes to ensure they have extended reach and delivery
- Changes to the annual survey questions and collection processes to ensure sufficient information is gathered in relation to all relevant protected characteristics.

### **Responsibility/Timescale**

- Director of Research
- Executive Director Arts and Culture
- Director of Diversity
- Senior officer E&D
- Funded organisations team
- Senior Officer, Planning

By March 2016

### **Negative Impact**

- Luton has been hit by a significant impact of the reduction of the delivery of Black and minority ethnic- and diverse-led work in this area.

### **Level of impact**

- High

### **Reason, evidence or comments in relation to negative impacts**

- The initial investment criteria have changed and the organisations are no longer felt the most appropriate to deliver the long-term needs of the area and art form

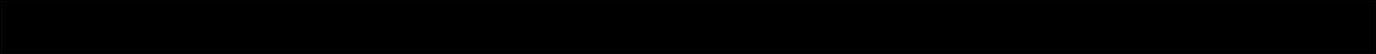
### **Action required**

- Consultation at a local level to ascertain the needs of the audiences and artists
- Development opportunities created within strategic funds to ensure Black and minority ethnic and Diverse leadership growth

### **Responsibility/Timescale**

- South East Area Director
- Director Combined Arts
- Executive Director Arts and Culture
- Arts and Culture Directors

By March 2015



# Appendix A: Clarifying note in relation to assessment for diversity and equality

20 March 2014

## Introduction

Appendix A sets out for ease of reference all the references to diversity and equality contained in our published National portfolio organisation (NPO) guidance. This clarifying note sets out in more detail the way in which the stage one assessment will contribute to us ensuring that our NPO assessment process and decision making matches our published guidance.

### **1. Judging the applicant's contribution to the Creative case for diversity in to the assessment process**

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For the purposes of judging an organisation's contribution to the Creative case, we are not interested in whether or not the organisation is diverse-led. Rather, the focus here is on the applicant's programme and its contribution to the Creative case.

Assessors are asked to record at least one statement in the meeting the goals assessment section that records the assessor's judgement on how well the applicant has articulated how their work will contribute to the Creative case for diversity.

Assessors will need to look at the application in the round (and where relevant use information we hold on the applicant already) as applications will not necessarily have a section headed up– 'meeting the Creative case for diversity', indeed it is possible that the applicant may not use the term 'Creative case for diversity' at all. The assessor will need to consider the following questions.

- Is there evidence that the applicant has put/sees diversity and equality as an integral aspect of the artistic process from beginning to end or does the evidence suggest they see it merely as a statutory duty add on?

- Does the application suggest that the work the applicant proposes producing/presenting will reflect the diversity of contemporary England?
- Does the application suggest that the work the applicant proposes to produce/present will significantly reflect members from one or more of those groups that can be defined in relation to the protected characteristics?
- Is there evidence that the applicant will be sharing resources, knowledge, experience, artistic platforms etc with artists from diverse backgrounds?
- Is there evidence that the applicant will seek over the life of the funding period to maintain/increase/target artists/audiences/participants from diverse backgrounds.

Assessors should not try to construct a positive statement about the Creative case for diversity if the evidence is not there. If the evidence is not there, then the assessor should make this clear in the assessment.

You should consult with your diversity Relationship Manager or Senior Relationship Manager if you need to clarify your understanding of the Creative case for diversity and what features/evidence in an application would suggest the applicant was addressing it.

The statements made will pull through to the summary assessment that area management teams (AMTs) will have in front of them when creating the area portfolio.

The AMTs will be asked to consider the statements made by the assessors and record on the return spreadsheet those applicants they judge to be 'weak' 'met' 'good' 'strong' in terms of their contribution to the Creative case for diversity.

The Investment Centre will then be able to.

(a) Analyse the National (five areas combined) portfolio and report on how well or otherwise those applicants that were 'met' and 'strong' in terms of the Creative case for diversity fared in getting on to the recommended portfolio.

(b) Identify those applicants who are recommended for inclusion on the portfolio but where a key condition of funding must be a better articulation of how their work will contribute to the Creative case in the applicant's business plan/funding agreement.

## **2. Using the monitoring information**

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Separately, we will also report on the extent to which applicants that are diverse-led have been successful, or not, at each stage of the NPO/Major partner museum decision making process. We are making a distinction therefore between the extent to which the portfolio delivers the Creative case for diversity where our ambition is that all our funded organisations will do so; and the extent to which the eventual portfolio comprises a number of organisations that are diverse-led.

For all applications we should have good quality data on the leadership of applicants in terms of three of the protected characteristics—ethnicity, disability and gender.

We will use this data to check the extent to which diverse-led organisations are being included/excluded at each stage of the decision making process, and in order that we can decide on any mitigating action as appropriate.

## **Appendix A**

### **National portfolio organisation guidance**

#### **Expectations of National portfolio organisations**

#### **Equality and the Creative case for diversity**

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Arts Council England is a publically funded and accountable organisation and we have a duty to ensure that our funds are invested prudently, that organisations are well-run and that the work we support observes legal standards on pay and equality.

Arts Council England observes the public sector Equality Duty 2011 and the protected characteristics as defined in the Equality Act 2010. We are also committed to promoting equality across differing socioeconomic groups.

Applicants to the National portfolio that proceed successfully to the stage where a funding agreement is negotiated will be expected to submit a three-year equality action plan at the same time as they submit their three-year business plan (see Section seven: finalising the funding offer).

However, we expect that applicants will not only observe minimum legal standards but will demonstrate a willingness to set high standards of practice. In particular, we wish to see how applicants' obligation to promote organisational equality is complemented by a commitment to diversity in their work.

We believe that our national diversity is one of our great resources and we expect the work that we fund will reflect this and will be alive to the opportunities that diversity offers.

By diversity we mean the multitude of ethnicities, faiths and socioeconomic classes that make up modern England. Our concept of diversity includes disabled people, older people and people of all sexual orientations. The geography of diversity spans England's regions, from the most rural to the inner city.

Our national diversity offers new opportunities for collaboration, from creative partnerships to sources of revenue.

This arts-driven concept of diversity as opportunity represents a shift in perspective, from regarding diversity as a prescriptive aspect of equality legislation to understanding its creative potential and the ways in which it can promote long-term organisational resilience.

We call this the Creative case for diversity. You can read more about this [here](#). In completing the application form, organisations should find opportunities to tell us how their work will support this progressive and positive perspective.

## **Goal one**

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As part of goal one, National portfolio organisations will also be expected to show how they will contribute to the Creative case for diversity through the work they produce, present and distribute, and how their work is accessible and relevant to the communities served by the organisation.

## **Goal two**

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Through goal two we intend to help more people engage with and be inspired by the arts. National portfolio organisations will demonstrate how they are sharing their work with as large and wide an audience as possible, including those who are currently least engaged with arts and culture.

## **Goals three and four**

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Goals one, two and five are built on the foundations of goals three and four. We want the models of cultural provision within the National portfolio to be financially and environmentally sustainable, and we want an appropriately skilled work force which is truly diverse and reflects contemporary England.

## **Preparing your application**

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Tell us how your programme reflects the diversity of contemporary England.

Show how you will increase the number and range of people who have the opportunity to experience and participate in high quality art/culture.

Tell us how you will work to ensure that more people who are currently least engaged in arts/culture are experiencing your work/collections. We are particularly interested in reaching more people outside the 'highly engaged' segments as defined in the Arts Council's recent research (Arts audiences: insight, 2011).

What partnerships are in place to ensure that a diverse range of children and young people are engaged?

## **Prompts for assessors**

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In what ways does the work reflect the diversity of contemporary England? How successfully will the proposal enable more people who are currently least engaged in arts/culture to experience the work?

How inclusive and accessible is the programme for all children and young people?

## **Balancing**

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Diversity: overall, we want our investment in the arts [here meaning NPO portfolio] to create the conditions in which there is a diversity of leaders, producers and creators of art and audiences, reflecting the diversity of contemporary England and our commitment to advance members from the protected characteristics.

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