

PROPOSALS

Public investment in art and culture from 2018 onwards

Below we have set out our proposals across all areas of our investment.

1. One national portfolio, different bands

We believe that a National portfolio of organisations plays an essential role in helping to achieve the strategic goals of Great Art and Culture for Everyone. National portfolio organisations represent some of the best arts and cultural practice in the world, and they play a vital role in sustaining a network of excellence and innovation across the country. We expect to fund the portfolio at broadly the same level of overall investment as is currently the case.

Feedback we have received though is that our current ‘one size fits all’ approach to NPOs presents considerable challenges to smaller organisations in the portfolio, and does not help us to achieve our strategic aims.

We think that the variation in size, scale and purpose of organisations within the national portfolio should be reflected in different approaches to both the application process and the funding agreement, and to monitoring and reporting requirements.

Proposals

- While there will be one portfolio, we are considering ways to divide this into bands related to the size of annual grant. Each band would have different funding agreements and different approaches to application, monitoring and reporting. We would also establish a new category of service organisations to deliver specific activity.
- All organisations that apply will have to be clear how their work contributes to the Creative Case for diversity and will need to demonstrate progress on their equality action plan.

Our proposed bands are:

- **£40k to £250K:** This is likely to be the largest group. The expectations we would have of organisations in receipt of less than £250k would be less than is currently the case. Approximately 464 of our current national portfolio organisations fall into this category
- **£250K to £1m:** This band is likely to have similar expectations and responsibilities as those we currently have of NPOs. Approximately 167 organisations within our existing portfolio fall under this category.
- **More than £1 million:** We would expect organisations funded at this level to play an active leadership role within the art and culture sector. We would require more clarity from these organisations in terms of activities that they might undertake to demonstrate their leadership role. We might also need more from them in terms of reporting.

We anticipate that we would give a planning figure to such organisations, linked to the activities they propose in their funding applications. Approximately 69 organisations within our current portfolio would fall under this category.

- **Service organisations.** Service organisations would include organisations supporting the arts and culture sector, for example Bridge organisations. They might be funded at any value above £40k per year. Library sector organisations would be eligible to apply for NPO funding as a service organisations. Approximately 9 organisations within the current portfolio fall under this category.

Funding agreements

We propose extending national portfolio funding agreements to 4-years, to help enable longer term planning.

We want your views on...

Do you support the approach to banding the portfolio by funding amount? What are the risks and the opportunities of this approach?

How should the requirements for each band vary?

Are there any risks to the proposed 4-year funding agreement?

2. An integrated approach to funding museums and libraries

The Arts Council is responsible for the development and support of a full range of activities across the arts, museums and libraries, all of which collectively help to deliver our strategy. We believe that we should consequently adopt an integrated approach to funding the arts, museums and libraries.

Integrating funding will stimulate greater collaboration between arts organisations, museums and libraries, and build on the existing links between them. This will be a positive development for practitioners, audiences and communities: each sector will share its expertise with the others. We are already seeing the benefits of this at a local level, where museums, libraries and cultural organisations collaborate on creative projects.

We also think that integration will stimulate healthy competition for funding. Of course we are mindful of our responsibility to balance the overall cultural ecology - in practice, our initial modelling shows that the likely impact of this change will be fairly limited. We believe that this approach will help us achieve our strategic goals by identifying and funding work of the highest quality, representing the best public value, whether created in a museum, a theatre or a library.

We would work with national funders such as the Heritage Lottery Fund to identify the existing range of support available to museums and libraries, to ensure that our investment approach would be complementary. It is important to note that for libraries, our investment would be focussed on development projects, as Local Authorities would remain core funders of the library service.

Proposals

- We propose to integrate museums into the National portfolio, and amalgamate the Major Partner Museums budget. We propose the same banding approach and application process as set out earlier.
- We propose that library sector organisations would be eligible to apply for National Portfolio funding as a ‘service organisation’

- We propose that arts and cultural organisations could feature activity with and in libraries in their application to be a National Portfolio Organisation
- We propose that museums and libraries are offered the opportunity to apply to the Grants for the Arts programme for project activity.
- We propose that all strategic funds (with the exception of Capital) are open to museums and libraries.

We want your views on...

Do you support the principle of integrating museums and libraries into the national portfolio?

Are there types of funding that arts organisations, museums or libraries should be ineligible to apply for?

What are the opportunities and risks of taking this approach?

3. More support for individual artists

Grants for the arts is our Lottery-funded grant programme for individuals and arts organisations that use the arts in their work.

Artists and creative individuals require time to develop their practice and talent, their resilience and their market-readiness. We need to find a way of supporting artists to have this time to develop.

We are also mindful of the fact that while £48m of project funding was awarded directly to individuals in the period 2012-15 through Grants for the Arts, individuals have a lower success rate than organisations, and this is especially pronounced in grant applications for over £15k.

Proposals

- We propose a separate budget line within the Grants for the Arts programme for individual artists/creatives (by ‘creatives’ we mean

individuals engaged in creative work within our remit to support art and culture).

- We will consider how a simple and flexible grants programme could support a diverse range of artists at an early stage of their careers.

We want your views on...

What are the opportunities and risks of taking this approach?

How can we encourage artists, who are at an early stage of their careers and who are new to the Arts Council, to apply for grants? Are there any barriers to address?

4. Changes to our Grants for the arts programme

The way in which people make, experience, share and consume arts and culture is changing, and the activity we fund should reflect this.

For the same reasons set out above, we also believe that the Arts Council should adopt an integrated approach to funding arts, museums and libraries.

Proposals

- We propose a funding criteria that ensures we are flexible enough to respond to new ways that people make, experience, share and consume art and culture. For example, activity we might fund would include prototyping new cultural and creative industry products and services; artistic or cultural games; or digital content about arts and culture including educational content and documentaries.
- We propose that museums and libraries are eligible to apply for project funding where this contributes to the Arts Council's strategic goals.

We want your views on...

How do we need to develop Grants for the Arts to make it more broadly accessible and relevant to all artists and arts and cultural organisations?

How can we ensure the Grants for the Arts budget meets increased demand? Are there any particular areas of demand we will need to consider?

5. Changes to our Strategic funds

Strategic funding is used alongside our National portfolio investment to respond to challenges and opportunities in the arts and culture sector.

We would like to make it easier for people to navigate our strategic funding programmes, and we also want to make it easier to measure the impact of our investment in strategic funds.

From 2018, we expect to largely focus our strategic funds on work that contributes to our priorities around resilience and sustainability; diversity and skills; and children and young people.

We also propose to focus strategic funds on place-based approaches. Investment in art and culture demonstrates value through the effect it has at a local level, in our towns, cities and communities. We recognise that to deliver our goals we have to work in partnership and to take full account of priorities and aspirations of local partners and communities. We will have many mutual priorities with these local partners, and a place-based approach will help us to get the best reach and engagement at a local level.

Proposals

- We propose that arts, museums and libraries are all eligible to apply to strategic funding (with the exception of Capital).

- ***Resilience and sustainability***

We would expect to use strategic funds to support organisations to explore different business models, share best practice, explore different ways to share services, grow income streams and provide support for mergers and collaboration.

We would also develop our portfolio of investment options, building on work we have done to develop social investment, loans, R&D and incubators. We would work in partnership with other organisations to bring in investment, expertise and new thinking to help drive resilience across the arts and cultural sector.

Finally, we will use our current criteria for Capital investment to prioritise the consolidation and improvement of the existing arts infrastructure, rather than investing in significant expansion or new buildings.

- ***Place-based investment***

We propose to increase our focus on place-based partnerships and planning to identify mutual priorities/aspirations for cultural development and investment over a medium to long-term span. We will consider creating a joint approach with other National Lottery distributors and national partners in particular places as we develop this approach.

We will trial a place-based approach to building cultural capacity through additional investment in three or four places that demonstrate local leadership and vision through consortia in order to develop the cultural ecology, grow audiences and achieve economies of scale.

We will continue to develop our Creative people and places (CPP) programme, targeting areas of low engagement (with a focus on specific population groups where there is lower engagement).

- ***Diversity and skills***

We propose that we continue to invest in sector leadership, including a more diverse approach to leadership development. We will prioritise a focus on disability and BME candidates at all levels of the workforce.

- ***Children and young people***

Our investment will continue to deliver the Cultural Education Challenge in which we have prioritised disadvantaged and early years children and young people. Our current investment in work focused around children and young people is undertaken alongside Dept for Education resources (£83mpa). We want to be ambitious and increase the number of organisations working to ensure that no child misses out on the opportunity to visit, experience and participate in extraordinary cultural work, and be able to know more, understand more, and review the experiences they've had.

We want your views on...

Do you think that the proposed areas of focus for our strategic funds are the right ones?

Are there any other areas that you think we should support through strategic funds?