

**Arts Council responds to ComRes**

**report on investment process consultation***Published 14 July 2016*

Since 2010, the Arts Council’s investment has been directed towards the delivery of our 10-year strategy, *Great Art and Culture for Everyone*. This strategy (the first in the history of the Arts Council) was shaped in collaboration with the arts and culture sector and reflects our shared ambition for the development of the arts, museums and libraries across England.

*Great Art and Culture for Everyone* is built around five goals. These are, in brief, excellence; access for all; a resilient and sustainable sector; a diverse and skilled workforce, and high quality cultural engagement for children and young people.

We are midway through that strategy. Prior to the launch of our next investment cycle (which will run from 2018), we have considered the progress we have made, and what changes will help us achieve our goals.

**Real progress – but challenges ahead:**

Working together, we’ve ensured that we continue to produce and enjoy the best of art and culture across the country, and we’ve seen some outstanding talent emerge.

We’re reaching more people than ever before; and culture plays a prominent role in the life of our nation - in education, in our communities and in the wellbeing of our citizens. We have been recognised as a vital contributor to the national economy, supplying the talent that fuels the fast-growing creative industries. The Culture White Paper earlier this year put art and culture at the heart of a vision for national regeneration.

But we face challenges, most recently the EU referendum vote which makes the environment in which we operate more uncertain. We have also seen significant losses in Local authority funding, amounting to some £56.6million over the last five years. So far, the sector has broadly weathered these cuts, but we need to plan for the future.

We also need to reach communities where there has been little cultural provision and engage them in projects that feel relevant to them, and which they will value. Our investment in art and culture must better reflect contemporary England; we must bring about greater diversity among our creative practitioners, our workforce and our audiences; and we have to ensure children and young people have access to a quality cultural education wherever they live and whatever their background.

**The financial context:**

In the 2015 Autumn Statement, arts and culture received a 4-year settlement from the Treasury, which will see our funding remain at the same level in 2018. However, the Chancellor has indicated there is likely to be fiscal tightening following the outcome of the EU referendum. We will need to plan for a range of scenarios.

We remain committed to a shift in investment from London to the rest of the country so we can continue to build up the cultural infrastructure across all of England.

We do not anticipate that the economic picture will affect the decisions about our investment processes that we are sharing today

**Consulting with our sector:**

We’ve worked hard to make our decision-making and our funding processes more transparent and we want to be responsive to our sector’s needs.

Earlier this year we shared our initial thinking about how we might shape our investment strategy from 2018. Proposals included:

* introducing three funding bandings in the National Portfolio relating to size of grant
* lengthening our funding agreements from 3 to 4 years
* taking an integrated approach to funding arts, museums and libraries
* better, more targeted support to individual artists
* changes to our Grants for the Arts and strategic funding programmes.

[Read our Proposal document for more detail](http://www.artscouncil.org.uk/sites/default/files/download-file/Our-investment-2018-onwards_15-2-16.pdf)

The consultation was led by ComRes and involved more than 1,000 stakeholders in a number of in-depths interviews and roundtables across the country, as well as online consultation.

[Read the ComRes Report for more on the sector’s response to our proposal document](http://www.artscouncil.org.uk/report-and-response-how-well-invest-2018)

We’ve listened, and guided by the views of our sector, we’ve made some changes to the way we will be investing.

We think these changes will help us make better progress towards our strategic goals. They will enable us to invest in the most ambitious work, provide more support to creative talent, relieve the administrative burden on smaller organisations, and help shape a more diverse, resilient and enterprising portfolio.

**On the following pages are the changes we will be making across our funding streams from 2018.**

**Integration of arts, museums and libraries funding**

**We will:**

* Integrate libraries and museums within the portfolio, Grants for the Arts and Strategic funds. We will only fund arts and museums activity carried out by libraries, not their statutory work, which is the funding responsibility of local authorities.
* End the ring-fencing of funds for arts and museums in the National Portfolio, and for libraries in Grants for the Arts, to enhance the potential for collaborative bids.

**Support for individual artists and creative practitioners**

**We will:**

* Make special provision for individual artists to develop their creative practice.
* Strengthen guidance on fees and salaries.
* Look to National Portfolio Organisations to describe clearly how they will support individual artists, and ask those in Bands 2 and 3 (see below) to do more to support the development of individual artists and creative practitioners.

**Changes to the structure of the National Portfolio**

**We will:**

* Introduce 4-year funding agreements for 2018-22. While some stakeholders in the consultation process were interested in seeing a two-year break clause, others thought it would exacerbate the uncertainty we are trying to address through a longer investment period, and so we have decided not to adopt a break clause.
* Introduce three funding bands: Band 1: £40k- £250K, Band 2: £250k - £1m, and Band 3: over £1m.
* These three bands will have commensurate expectations and approaches to monitoring and reporting, so that those who receive less funding will see their administrative burden reduced, and those who receive the most investment, will be required to do more to contribute to all five of the Arts Council’s goals, to drive diversity, nurture talent, and to play a key role in supporting the wider sector.
* Organisations of all scales and type are vital to the health of the cultural ecology. We will be clear that the new bands do not imply a hierarchy of importance: they enable us to match our expectations against the scale of our investment. The guidance documents will detail the criteria for application and our expectations of funded organisations.
* Introduce a new category of ‘Sector Support Organisations’ covering organisations that offer support services to our sector, rather than producing arts and culture themselves. Originally named ‘Service Organisations’ in our proposals, we changed the name following feedback from the sector to more accurately reflect the role of organisations within this group and the breadth of work they perform.

**Changes to Grants for the Arts**

**We will:**

* Change the name of Grants for the Arts to ‘Grants for the Arts and Culture’ to reflect the breadth of activity eligible for funding.
* Clarify eligibility and application criteria for creative industries, creative media and digital activity to ensure our investment is able to support a wider range of creative practice that delivers public benefit.
* Provide further details of changes to Grants for the Arts and Culture in autumn.
* Continue to use a standardised format for applications. While we listened to the sector’s views on introducing different formats for applications, we decided that only a standardised format would allow us to assess all applications consistently and fairly. We will continue to promote the use of an Access Fund to help remove barriers to the application process.
* Continue to provide a feedback statement for unsuccessful grant applications under £15,000. While there was some desire from the sector to see more detailed feedback at this grant application level, the high volume of applications we receive would have made this too costly to administer. We think it is very important to invest this resource into front line arts and culture activity, rather than additional administration cost.

**Strategic Funds**

**We will:**

* Continue strategic funding that contributes towards our five goals.
* We will develop a place-based scheme, building on and complimenting the work of our existing funds Creative People and Places, Creative Local Growth and Ambition for Excellence.  We will also work to deliver the Great Place pilot scheme, announced in the Culture White Paper.
* Deliver greater diversity through all our funding streams, while developing specific strategic funds to help deliver our diversity agenda. Announce the outline of our strategic funds programme for 2018-22 in the autumn.

**Timeline**

**October 4:** publication of guidance for National Portfolio applicants and further details published on our strategic funds and Grants for the Arts and Culture.

**October (dates tbc)**: briefings for applicants.

**October 26:** National Portfolio portal opens.

**June 27 2017:** Portfolio funding decisions announced.

**January 2018:** new funding programmes open for Grants for Arts and Culture and strategic funds.

**1 April 2018**: We begin to make our first National Portfolio grants.