



## Department for Digital, Culture, Media & Sport

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Sir Nicholas Serota  
Chair  
Arts Council England  
21 Bloomsbury Street  
London WC1B 3HF

Dear Sir Nicholas,

First of all, I want to thank the Arts Council for the crucial role it has played in supporting the cultural sector through Covid-19. I know the sector has faced significant difficulties, and the recovery remains challenging - but your support has protected so many cultural organisations across the country and put them in a position to reopen and re-engage with their communities.

The government supported organisations through our unprecedented £2 billion Culture Recovery Fund because we know just how much our world-class arts and culture can enrich people's lives. Our theatres, museums, performance venues and other arts institutions go a huge way in making people proud of their home towns and cities, and can transform communities up and down the country. That should be true wherever people live.

From my very first day in DCMS, I've been clear that my main mission is to increase access to arts and culture - particularly in parts of the UK that have too often been overlooked.

Arts funding comes from taxpayers across the country, and so it should benefit every part of the country. But for too long there has been an imbalance in funding - with a large proportion of the pot going to London-based organisations compared to those based in other parts of the country. At the moment, Arts Council spending in London is £21 per capita, compared to an average of £6 per capita across regions outside of London.

I know that you personally have been a long-standing supporter of levelling up our arts and culture, and I fully endorse the vision in your "Let's Create" strategy that Arts Council England should "provide communities in every corner of the country with more opportunities to enjoy culture, and celebrate greatness of every kind."

In line with that ambition, I successfully made the case to the Treasury for additional investment for the Arts Council at the recent Spending Review. As a result, this Government will increase investment into the Arts Council in every year of the Spending Review. We have made the largest ever one-off investment in the arts in this country's history through our £2 billion Culture Recovery Fund, and now we are increasing investment once again as we head into our full recovery from the pandemic.

As we recover, I believe it's time to correct the historic imbalance that has seen regions outside of London not getting their fair share of national funding. I am writing to you to instruct the Arts Council to use the extra investment secured at this Spending Review to ensure that *even more people* and places have access to world-class cultural and creative opportunities - the types of opportunities that can change a person's life.



And so I am instructing the Arts Council to significantly increase investment outside of London over this Spending Review period, and to rebalance funding between regions to achieve a more even distribution of funding, including through a reduction in the Arts Council's London budget.

Alongside a rebalance of funding, I would like the Arts Council to work closely with the London portfolio to explore their potential for establishing, or increasing, their presence or activity outside of London. I know that this will not be the right thing for every organisation, but I believe that some culturally significant organisations should seize the opportunity to establish themselves in other parts of the country.

Those areas are just as full of creative talent; it's time for the people who live there to be given an equal opportunity to experience and take part in the best our arts and culture has to offer. I think it's only right that organisations that make up the National Portfolio can help demonstrate how it is truly national.

And so I'm also instructing you to prioritise funding for organisations in areas of low cultural engagement with lower historical Arts Council spend in order to increase access and to achieve a more even distribution of support across the country. In those places, I want you to prioritise funding for organisations that can demonstrate they will engage with diverse communities and people from lower socio-economic backgrounds so that this investment can ensure that even more people can benefit from creative and cultural opportunities.

I also instruct the Arts Council to work with the largest recipients of National Portfolio funding to increase the proportion of their cultural activity outside of London - particularly in places that have lower cultural investment and engagement - by 31 March 2026.

I recognise and appreciate that London is full of hugely valuable creative and cultural organisations, and that these organisations don't just benefit the whole country, but also massively enhance the UK's international reputation as a home of world-class art and culture. I am confident that the Arts Council can deliver on these instructions in a way that does not damage London's role, and I ask the Arts Council to continue to prioritise its ongoing support for these organisations as they recover from the Covid pandemic.

But I also believe that our arts and culture are for everyone, and that everybody should have the chance to enjoy, participate or work in them, no matter what their background or where they are from. These changes will make a fundamental difference in villages, towns and cities up and down the country.

Further detail on my priorities for the next National Portfolio funding round are annexed below.

Yours sincerely



Rt Hon Nadine Dorries MP  
**Secretary of State for Digital, Culture, Media and Sport**

## **ANNEX: Further details for NPO 2023+ process and guidance addendum**

The Secretary of State understands that this Annex will inform an addendum for applicants to be published by the Arts Council England (ACE), in addition to the first part of the National Portfolio Organisation (NPO) guidance which has already been published.

These objectives are designed to support the approach set out in the Levelling Up White Paper both by ensuring a redistribution of investment from London to places outside of London - and in particular to a set of agreed 'Levelling Up for Culture Places' (LUCPs) [LINK] - and by improving access and opportunity for a wider range of people.

The Secretary of State recognises that the decisions about which organisations are selected to be NPOs, together with their specific levels of funding, rests entirely with the Arts Council's National and Area Council(s) based on the published criteria and the applications received from organisations.

The Secretary of State instructs ACE to achieve the following through its investment in the 2022-2025 period:

**Objective 1: ACE to increase its Grant-in-Aid and Lottery funding outside of London to ensure a more even distribution of cultural investment across the country. At the same time it will ensure London continues to host organisations of national and international significance.**

All of ACE's indicative RDEL programme Grant in Aid uplift received at Spending Review 2021 (£43.5 million for the period 1 April 2022 to 31 March 2025) should be invested in order to benefit creativity and cultural activity outside of London, and where possible in LUCPs.

A reduction of £24 million per annum in the budget for NPO investment in London to be delivered via:

- A redistribution of £16 million per annum to NPO investment outside of London (and where possible LUCPs will be prioritised) from 1 April 2023.
- A redistribution of a further £8 million from London to other areas (which may include LUCPs) by 1 April 2025.

In making the decisions about how the reductions are applied in London, the Secretary of State instructs ACE to factor in the following considerations:

- that ACE will seek to increase the number of NPOs across England in the 2023-6 funding round compared to the 2018-22 round;
- the important role that London NPOs play in supporting London's tourist economy is maintained as London recovers from the pandemic;
- that ACE will seek to build a balanced portfolio in London, considering art-forms, disciplines, a mix of organisations with national and international significance and those providing a distinctive cultural offer to their communities.

The Secretary of State notes that ACE may also seek to use this funding round to create a more balanced NPO portfolio in terms of a more equal distribution across all 32 London boroughs, and in terms of providing better access and opportunity for those people within London who currently benefit less than others.

The Secretary of State notes that any reductions from the London budget - as has been the case in previous NPO funding rounds - could result in budget reductions for organisations across the National Portfolio in London, and also could result in removing organisations of all sizes from the portfolio completely, depending on their applications.

**Objective 2: Ensure a greater focus on broadening access to culture, increasing diversity in the sector, increasing cultural activity and engagement in areas of low cultural engagement / historical investment and increasing the national presence of London-based organisations.**

In making decisions to help achieve this objective, the Secretary of State instructs the Arts Council as follows;

- That the enclosed list of jointly agreed LUCPs are - where possible - to be prioritised for investment decisions as outlined for Objective 1.
- That this increased investment in LUCPs will be a combination of investment into new NPOs based in those places, enhanced investment in NPOs already based in those places, and investment into new activity delivered by NPOs based outside of those places working in partnership with those places.
- That ACE will prioritise investment for organisations that can demonstrate they will engage with a broad range of communities, including individuals from lower socio-economic backgrounds, and promote access to culture.
- That ACE will work with NPOs that receive £2 million per year or more (at the start of the 2023-26 funding round), to increase the total activity from this group that benefits LUCP areas by 15% by March 2026.
- ACE will work with this cohort of organisations to ensure that cumulatively there is a 15 % increase in activity that benefits those places by 31 March 2026.
- Activity which responds to the needs and aspirations of, and directly benefits, the public in those places is also expected. Activity can include creating new work, touring, community collaboration, education and outreach and participative activity.
- As part of increasing activity, these organisations are to consider how they can increase the resources they allocate to partnerships with, and support for, other cultural organisations in these places, in order to help them to develop their business and cultural models. This could take the form of mentoring, co-commissioning, talent development or training.
- Organisations should ensure that their cultural activity widens access to culture, engaging children and young people, and adults, who are currently under-represented in terms of benefiting from public investment in culture.

**Objective 3: Supporting London-based organisations to relocate**

In making decisions to help achieve this objective, the Secretary of State instructs ACE:

- That £8 million of the reductions to the London budget will be delivered by the end of the 24/25 Financial Year.
- To help achieve this level of redistribution and increase benefits felt across the country, ACE will identify a number of NPOs that are currently based in London and support them to consider relocating from London by 31 March 2025.
- To ask all London organisations applying to the portfolio to consider whether relocating outside of London would benefit them.
- That, within the limits of subsidy control legislation, ACE will, where possible, provide NPOs that wish to relocate outside of London with practical support to make their move a success.
- That this should be accompanied by financial support for feasibility studies where needed.

The Secretary of State notes that ACE will need to carry out legal assessments in relation to any support provided in connection with Objective 3 to ensure that it complies with the forthcoming Subsidy Control Act.

ACE are to update DCMS officials regularly on the progress of achieving the above objectives, and are to notify DCMS as soon as is reasonably practicable of any challenges or unintended consequences which may arise in pursuing these objectives.