

Arts Council England's National Portfolio Organisation funding

Purpose of report

For information.

Summary

This paper provides an overview of Arts Council England (ACE)'s latest National Portfolio Organisation (NPO) funding round as background to a presentation from Laura Dyer, Deputy Chief Executive of ACE. It also sets out initial plans for further engagement between ACE and the LGA. The CTS Board is asked to note the paper and share their views on the NPO decision making process.

Is this report confidential? Yes No

Recommendation/s

That CTS Board Members note the contents of the report and share their views on the NPO round.

Action/s

Officers will incorporate the Board's views as they develop their Shared Statement of Purpose with ACE.

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Commission on Culture and Local Government

Background

Let's Create

1. In January 2020, Arts Council England (ACE) published their strategy '[Let's Create](#)', which set out their vision and priorities for the next ten years. The LGA Culture, Tourism and Sport Board fed into the development of this strategy at several points and welcomed its publication, because of its recognition of the important role of local government in a place and its culture and its renewed focus on museums, libraries and 'every day' creative activity.
2. ACE's vision puts at its core three outcomes (creative people, cultural communities and a creative and cultural country) which will improve the cultural offer across the country for everyone. It also sets out four Investment Principles:
3. The strategy will be supported by a series of Delivery Plans, the first of which was published in 2021. It outlines a three-pronged approach to working in place:
 - 3.1 a universal offer that is accessible to all parts of the country ;
 - 3.2 continued work in places where joint investment in culture and opportunity to work with our partners and other arm's length bodies across heritage, sport, film, tourism and civil society are relatively high;
 - 3.3 priority places in which cultural engagement and ACE current investment are too low, and where, as a result, opportunities for creative and cultural engagement are underdeveloped.
4. Fifty-four places across England were selected as 'priority places'. They will remain their priority places for the duration of the Delivery Plan 2021-24. ACE will study local strategic plans and consult with key stakeholders in each place, including communities, local authorities, and cultural organisations, to understand their aspirations and how they connect with the Delivery Plan for 2021-24.
5. Priority places have been identified at local authority district level. Priority places have been selected by comparison with other places in their area, not other places nationally. To establish priority places, every local authority was given a score for **need** and **opportunity based across a range of metrics**. Need was defined by engagement and investment levels, plus other data sources, and opportunity (the capacity and ambition at this moment in time to increase engagement) was defined by a scored set of prompts.

Levelling Up

6. The Government has placed culture as an important pillar in its policies on levelling up. In February 2022, then Secretary of State for Culture Nadine Dorries announced her intention to address the 'historic imbalance' of arts funding: in previous years London has received around a third of all funding.

7. The government's [Levelling-Up White Paper](#) confirmed 100 per cent of ACE's budget uplift must be spent outside London to “significantly increasing cultural spending outside the capital”, which was followed by confirmation funding redistributed away from London would be [focused towards LUCP](#). The additional amount invested outside London by 2025 would be £75.5m: this included a £43.5m uplift to the Arts Council’s programme funding from DCMS, £16m to be moved out of London in 2023/24, and a further £16m moved out of London in 2024/25. The CTS Board has previously called for a wider distribution of funding across the country.
8. Following the publication of the Priority Places list, ACE worked with the Department for Digital, Culture, Media and Sport (DCMS) to identify an expanded list of 109 local authority areas, all outside of Greater London, which will be the focus for additional Arts Council England engagement and investment. These are called the **Levelling Up for Culture Places**.

National Portfolio Organisations

9. National Portfolio Organisations (NPOs) are a group of arts and cultural organisations that get regular funding from ACE. The previous NPO funding programme ran from 2018 to 2022. A [new programme of investment](#) for 2023-26 was announced in November 2022.
10. Applications to be part of this programme were open between January and May 2022. You can read more about the application process [here](#). Applications were particularly high, with submissions from more than double the number of NPOs that ACE invest in. They received a total of 1,730 applications, requesting just over £2 billion over the three-year investment period. More details about the volume of applications and money distributed are available [on the ACE website](#).
11. Each application was taken on its own merits and all decisions were taken by ACE, involving a complex balancing process across region and art form.
12. Decisions were announced on the 4th November 2022:
 - 12.1 ACE is investing £446 million each year from 2023 to 2026. That investment will be made in 990 museums, libraries and arts organisations across the country. This includes 276 organisations that will be joining the programme.
 - 12.2 Funding for organisations outside of London is increasing by nearly £45 million each year.
 - 12.3 The Arts Council’s Levelling Up for Culture Places will see a 95 per cent increase in investment, with 78 designated towns and cities to receive £43.5 million annually, for the next three years.
 - 12.4 There will be a 20 per cent increase in organisations delivering creative and cultural activity for children and young people.

13. Newcomers to the portfolio include Blackpool Illuminations (to commission contemporary artists, and support talent development for a network of light festivals and artists across the North); Unlimited in Yorkshire (who commission work by disabled artists including visual arts and theatre); The Postal Museum (which hosts interactive displays including tours of London's hidden tunnels on the Mail Rail), and intoBodmin (a community arts organisation in an old library building in the heart of Cornwall).
14. Arts Professional magazine has published [detailed analysis](#) of the NPO statistics, including helpful maps of the investment by local authority area. Some of the areas to benefit are as follows:
 - 14.1 The largest increase will be seen in Croydon, an ACE Priority Place, where investment is increasing from £102,205 in 2018/19 to £1,168,980 in 2023/24. The increase results from the area gaining three new NPOs, with an additional two existing NPOs moving into the area.
 - 14.2 Wigan is expected to see the second largest increase. An LUCP and Priority Place, investment in the area is increasing from £113,490 to £1,497,278 a year, due to two new NPOs, while one existing NPO now has its base in the area.
 - 14.3 North Devon, also an LUCP and Priority Place, received the third largest increase, from £95,894 to £1,254,758 a year, after receiving two new NPOs, one of which (North Devon Theatres) will be receiving £1m per annum.
15. In total, **42 local authorities are set to see NPO funding in their area more than double**, with 29 of these located in LUCP and 23 including areas in ACE's Priority Places.
16. **41 local authorities represented in the 2023/26 portfolio that were not included in the last round of funding**. Around half (21) of these local authorities are listed in ACE's Levelling Up for Culture Places, while 15 feature in ACE's Priority Places.
17. The majority of bidders in England for the UK City of Culture 2025 title received sizeable uplifts in NPO funding in Arts Council England's (ACE) new national portfolio, [according to Arts Professional analysis](#). They compared the NPO funding received by eight areas of England that applied to be the next City of Culture in 2021/22 (Bradford, Cornwall, County Durham, Derby, Medway, Southampton, Wakefield and Wolverhampton) with what they are set to receive in 2023/24. Their analysis found seven of the eight areas will see their funding increase, while all have at least new one organisation based in their area joining the portfolio.
18. Arts Professional has also highlighted the [regional implications](#) for the new funding round. More money is still ring-fenced for the capital than anywhere else in the country, equating to around a third of the total portfolio. However, for the first time, the North of England is set to become the region with the most NPOs.

19. The number of NPOs increases in all regions outside the capital.

Implications for Wales

18. Arts Council England does not fund organisations in Wales as culture is a devolved matter.

Implications for inclusion, diversity and equality

19. 'Inclusivity and Relevance' is one of ACE's four 'Investment Principles' and they provide regular reporting on the [diversity and inclusion implications](#) of their work. Their [latest report](#) was published in July 2022.

Financial Implications

20. None

Next steps: Shared Statement of Purpose

21. The LGA and Arts Council England jointly signed a Shared Statement of Purpose in 2016, which set out:

- 21.1. Our shared partnership – how our partnership adds value to councils.
- 21.2. Our shared ambition – how the agreement helps to achieve our respective corporate priorities.
- 21.3. The context within which we are operating – the key economic and political trends that are shaping our partnership and how we support councils.
- 21.4. How we will work together – a set of shared principles that cover a place based approach, funding, leadership and support.
- 21.5. What we will do and actions – how we will monitor and keep the agreement relevant, and a summary of our 2016/17 joint improvement offer for councils

22. This statement was due for renewal in 2020. Because of the context of COVID-19, we instead jointly signed a [joint statement of response to the pandemic](#) between Arts Council England and local authority partners.

23. We are now developing a more detailed shared statement to set out our plans for collaboration over the next three years and will be bringing this back to the Board later in the year.