

## Scrutiny Committee

Meeting to be held on 10 June 2011

Electoral Division affected: All
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### Arts Council England Funding

(Appendix 'A' refers)

Contact for further information:

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#### Executive Summary

Arts Council England has issued information about funding for 2012-2015 of its National Portfolio Organisations which has far-reaching effects on arts organisations within Lancashire.

The County Council, through the Arts Development Team within Cultural Services, along with District Councils and individual arts organisations are concerned about the levels of funding secured for the Lancashire region in comparison to the rest of the North West. This will have significant implications on arts organisations operating across Lancashire, as well as on how the County Council delivers its support to the arts infrastructure across the County.

#### Recommendation

- i. The Committee is asked to note the report and to receive the presentations from a representative of Preston City Council and from two major Lancashire arts organisations; and
- ii. Consider if and how it wishes to reflect these views to the Arts Council.

#### Background and Advice

As part of the recent Government Spending Review the Arts Council's funding nationally will be cut by 29.6% over the next four years. In light of this the Arts Council has undergone a strategic re-modelling of its funding arrangements, covering its financial support to regularly funded organisations, its grants for the arts programme and its strategically managed funds.

From April 2012 a new National Portfolio Funding programme comes into effect for regularly funded organisations. A competitive application process was launched nationally in late 2010, and was open to all organisations to apply. Applications received were evaluated against the Arts Council's mission to deliver

*Great art for everyone.* Organisations needed to show how they would contribute towards creating the conditions in which great art can be made, experienced and appreciated by everyone.

At the end of March 2011 the Arts Council announced its allocations to arts organisations across the country through the National Portfolio Funding programme, taking us through the next four years. The new funding measures come into play from April 2012 for a three year period. Current funding is broadly maintained for the next twelve months as had previously been announced, and there will be increased opportunities for project grants over the coming years through the lottery. Details of the funding programme for the North West are set out at Appendix 'A'.

This process was the first time in years that a snapshot of the arts across the country could be gleaned in any way. In many ways the implications for Lancashire were not good. Some of our long standing arts organisations lost their regular funding and there were limited successes from the process. We are now left with a much reduced Arts Council investment in the arts infrastructure of the county at a time when resources are tighter everywhere.

We have four years until the doors open again for National Portfolio Funding. Lancashire Arts Development Service is keen to use this time to look critically, and in depth, at the state of the arts in Lancashire. In so doing we should look clearly at:

- how we develop, maintain and support an arts infrastructure for the County, and what role the authorities can play in this
- what key projects should be prioritised across Lancashire to enhance artistic ambition across the County
- how we can develop a co-ordinated and vocal artistic leadership across Lancashire
- how political support for the arts can be enhanced and developed
- best practice around the region, and how we can learn from it in Lancashire
- the role that arts and artistic excellence could play in the economic growth of Lancashire.

To move these forward LADS had already commissioned All About Audiences to prepare a report into how the Arts Service could best provide effective support to the arts infrastructure across Lancashire over the coming years.

Findings are due in late June 2010, and should inform a more strategic discussion within the County, and across the sector, about how we focus our ongoing support to the arts sector.

This report outlines the decisions made by the arts council and the implications for Lancashire in a broad sense.

## Arts Council Decisions

Table 1 provides full detail of all organisations who receive funding from the Arts Council in Lancashire, as well as in Blackburn with Darwen and Blackpool.

Currently the Arts Council provides regular funding to 13 arts organisations across Lancashire, to a value of around £1.5m per annum. All these organisations have agreed funding settlements up to March 2012, (a 6.9% reduction in their funding from that provided in 2010/11 was agreed in October 2010). In addition Action Factory in Blackburn with Darwen receives significant funding from the Arts Council as indicated.

On March 30<sup>th</sup> 2011 the Arts Council of England published their National Portfolio Funding decisions for 2012 -15. Over 1300 applications were received nationally, with only 695 organisations receiving funding.

Six Lancashire based organisations have had their regular funding cut by 100% from April 2012. These are Folly, Litfest, Mid Pennine Arts, Prescap, Preston City Caribbean Carnival and the Storey Gallery. In addition Action Factory, based within Blackburn with Darwen, lost its regular funding.

Of the organisations that maintained their funding status, Ludus have been offered a significant reduction in their settlement of 69.9%, with both the Dukes and Horse & Bamboo receiving an 11% reduction in real terms over the three year period. Burnley Youth theatre received a 9.5% increase and More Music fared best with a 52.9% increase.

In addition, the Spot On Rural Touring project submitted a successful application in partnership with Cheshire Rural Touring, as the Cheshire Lancashire Touring Partnership. Figures in this report include 50% of the award made to Cheshire Lancashire Touring Partnership to represent the value for Lancashire. ***Please note in Arts Council reports and spreadsheets this award is solely valued under Cheshire County.***

Two new bids were also successful from Blackpool Unitary Authority, The Grundy Gallery and Blackpool Grant Theatre for a dance project, totalling £165,000 per year.

On these figures,

- Funding for 12/13 in Lancashire goes down to £786,439 from a budget of £1,433,529 in 11/12. This represents a 45.13% reduction.
- If we include Blackpool and Blackburn with Darwen funding for 12/13, it stands at £951,439 down from £1,562,299 in 11/12. This represents a 39.1% reduction.

It should also be noted that Curious Minds has received substantial funding to act as the regional development agency for children and young people and the arts in the North West. Curious Minds currently leads on this work in Pennine Lancashire

and Merseyside. We have not included these figures in the Lancashire picture, as we would argue all regions will benefit equally from this investment. It is good news however that this agency has such a strong presence in Lancashire, and is now one of the new Bridge Delivery agencies that will provide a direct connection between the work produced by arts organisations and schools and communities.

	<b>12/13</b>	<b>13/14</b>	<b>14/15</b>
Curious Minds	£1,351,000	£1,386,000	£1,423,000

### **ACE Spend across the North West**

Table 2 at the end of this report outlines the comparative spend across the North West region. Again, this highlights the real disparity across the regions, and how Lancashire has fallen behind other areas. The growth in Cumbria, with its obvious comparisons to Lancashire, should be noted. Some other points are:

- Investment per head of £0.60p in Lancashire in 2012/13 compares with £4.26 per head in Cumbria. This is a reduction from £1.08 per head for Lancashire in 2010/11
- From 2012/13 Lancashire (incl. Blackpool) will have 8 National Portfolio Organisations compared to 14 in Cumbria. In 2010/11 this figure for Lancashire, (incl Blackburn with Darwen) was 14.

### **Other Arts Council sources of funding**

The National Portfolio Funding programme is one of a number of funding programmes that Arts Council runs. It also supports projects through its Grants for the Arts programme, funded through the national lottery. This funding pot is due to grow from £149m in 2010/11 to £223m in 2014/15 and it is expected that those organisations who have not received funding will be able to access project funds through this route.

The Arts Council also funds specific strategic projects. Further details about how it intends to fund strategic projects will be announced in 2011.

Lancashire Arts Development Service are looking to produce a comparable table around both grants for the arts and strategically managed funds, to further aid the comparison of funding secured in Lancashire and across the region.

### **Transition Process**

The Arts Council has provided LCC with a £47,000 transitional fund to assist those arts organisations who are facing an uncertain future following their funding decisions. With a 12 month grace period, Lancashire Arts Development Service is working with the Arts Council to deliver a robust and targeted support service to assist organisations to remodel themselves during 2011/12. This will focus not just on business support and development, but will look at creative excellence and new potential commissioning streams.

### **LCC Arts Development Service Funding**

LCC Arts Development Service provides strategic funding to seven principal arts organisations in Lancashire. Strategic funding approved for the year up to June 30<sup>th</sup> 2012 is as follows;

<b>Organisation</b>	<b>2011/12</b>
The Dukes	168,172
Horse and Bamboo	22,391
Litfest	16,628
Ludus	26,678
Mid Pennine Arts	25,443
More Music	25,029
Prescap	19,953
	304,294

In addition LCC Arts Development Service provides grant funding for specific projects delivered by other arts organisations in Lancashire, not just those receiving strategic support. The service will also be developing more commissioning opportunities into 2011/12 and beyond.

Lancashire Arts Development Service is currently researching local authority investment in the arts across the region to enable us to get a clearer picture of where Lancashire sits in comparison to other authority areas.

**TABLE 1: Lancashire Arts Organisations**

<b>Organisation</b>	<b>10/11</b>	<b>11/12</b>	<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>Real % change from 12/13</b>	<b>Comments</b>
Burnley Youth Theatre	54,967	51,174	63,00	64,449	66,125	9.5%	
The Dukes	273,592	254,714	254,714	260,572	267,347	-11%	
Folly	153,046	142,486	0	0	0	-100%	
Horse & Bamboo	132,030	122,919	122,919	125,746	129,016	-11%	
Litfest	70,171	65,330	0	0	0	-100%	
Ludus	301,781	280,958	95,000	97,280	99,809	-69.9%	
Mid Pennine Arts	188,828	175,799	0	0	0	-100%	
More Music	65,611	61,084	105,000	107,415	110,208	52.9%	
Nuffield Theatre (Lancaster Uni)	99,204	92,359	102,359	104,816	107,541	-1.3%	
Prescap	78,594	73,171	0	0	0	-100%	
Preston City Caribbean Carnival	41,978	39,082	0	0	0	-100%	
Spot On	46,667	43,447	43,447	44,446	45,602		50% of Cheshire Lancashire Touring Partnership from 12/13
Storey Gallery	33,304	31,006	0	0	0	-100%	
<b>Sub-total</b>	<b>1,539,773</b>	<b>1,433,529</b>	<b>786,439</b>	<b>804,724</b>	<b>825,648</b>		
<b>Blackburn with Darwen</b>							
Action Factory	138,314	128,770	0	0	0	- 100%	
<b>Blackpool</b>							
The Grundy	0	0	45,000	45,000	45,000	+100%	
Blackpool Grand Theatre	0	0	120,000	120,000	120,000	+100%	For Dance project
<b>TOTAL</b>	<b>1,678,087</b>	<b>1,562,299</b>	<b>951,439</b>	<b>969,724</b>	<b>990,648</b>		

**TABLE 2: Comparative ACE spend across the North West**

Please note the award for Cheshire Rural Touring has been split between Cheshire and Lancashire, and these figures have been amended accordingly. This table will be slightly different from Arts Council spreadsheets.

Area	11/12	12/13	13/14	14/15	Comments	Population (2009)	Amount per head of population (£/head) in 12/13
Cheshire		471,146	481,983	494,515	5 NPO incl 1 new NPO	1,005,800	0.47
Lancashire(incl. Blackburn with Darwen & Blackpool UA's)	1,562,299	951,439	969,724	990,648	8 NPO incl 2 new NPO	1,585,500	0.60
Cumbria		2,106,906	2,151,020	2,211,884	14 NPO incl 2 new NPO	495,000	4.26
Merseyside		8,068,483	8,252,306	8,510,810	20 NPO incl 3 new NPO	1,350,600	5.97
Gt. Manchester		10,878,294	11,131,437	11,371,268	34 NPO incl 6 new NPO	2,601,000	4.18
North West Region		22,476,268	22,986,470	23,579,125		7,037,900	3.19

## Consultations

Other Local Authorities in Lancashire and local arts organisations have been consulted and their views will be represented in the presentations to be given by:

- Alex Walker, on behalf of Preston City Council
- Joe Sumsion, on behalf of the Duke's Theatre, Lancaster
- Mandy Precious, on behalf of Burnley Youth Theatre

## Implications:

There are no direct implications at this stage.

## Risk management

There are no risks at this stage.

## Local Government (Access to Information) Act 1985

### List of Background Papers

Paper	Date	Contact/Directorate/Tel
Arts Council England funding for 2012-2015	30 March 2011	<a href="http://www.artscouncil.org.uk/funding/national-portfolio-funding/">http://www.artscouncil.org.uk/funding/national-portfolio-funding/</a>

Reason for inclusion in Part II, if appropriate

N/A