

ARTS COUNCIL ENGLAND

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1. Current debates on improving Arts Council England

Although Arts Council England (ACE) was the first arts council to be founded and organised under the 'arm's length' principle, it has experienced some ups and downs in recent years that have called into question the suitability of this model "in pure form". ACE is not the only arts council undergoing major reforms: its partners in Scotland and Wales are going through processes that are even more distinct.

ACE has undertaken ongoing reforms since it separated from Wales and Scotland in 1994, and the latter two have continued to develop their own models in parallel to the process of creating autonomous political bodies (devolution¹).

Meanwhile, constant transformations have taken place in England. In 2002, the various Regional Arts Boards merged into a single decentralised body. This led to a series of reforms that are not yet consolidated, such as the decentralisation of decision-making, the removal of peer evaluations and the restructuring of departments and staff structures.

In 2005, the Department for Culture, Media and Sports (DCMS) commissioned a peer review² of ACE to a team of six independent experts of national repute. The conclusions drawn were in line with what was agreed by the majority of interviewees for this report (from both inside and outside ACE) to be the organisation's main problems. They can be summarised as follows:

- **Greater government interference and gradual loss of independence**
- **Lack of authority over cultural and arts sectors**
- **Budget cuts**

Most interviewees believe that ACE is progressively losing its independence in respect to the government, an example being the highly detailed funding agreement that contains very specific objectives. Just by analysing ACE objectives and sector policies, it is clear to see just how infused they are with the government's cultural policy, which is clearly geared toward the instrumentalisation of art in the interest of social welfare policies (social cohesion, education, integration of ethnic minorities and minorities who risk social exclusion, etc).

The arts sectors, generally in favour of using art to serve social policy, tend to disapprove of ACE's excessive accent because they believe it neglects the

¹ We will insist on the difference between the models in the United Kingdom in the future report on Scotland.

² www.artscouncil.org.uk/pressnews/press_detail.php?browse=recent&id=559

defence of art for art's sake. Indeed, they criticise ACE for valuing instrumental benefits while ignoring cultural and artistic values.

In the debate regarding interference, neither the government nor the different sectors have reservations about the 'arm's length' principle, but rather they question whether this distance should be longer or shorter. According to Charlotte Jones, director of the Independent Theatre Council, "the 'arm's length' principle has not been called into question, or at least no one has brought forward an alternative system".

Meanwhile, ACE's director, Peter Hewitt, declares that such interference simply does not exist. He goes on to state that in the nine years he has held his position at ACE only once has he received a phone call from a minister telling him what he had to do. But artists and representatives of arts organisations unanimously believe that the distance between ACE and the government has become much shorter than what would be desirable.

It is widely accepted by interviewees in England and Scotland that a country with a political class that is concerned with the arts and provides funding for culture is going to be more likely to interfere in cultural matters than those that leave culture in the hands of private initiatives and the free market. This is what has occurred under Blair compared to the Thatcher government and what is happening in Scotland and Wales, where the devolution processes have brought politicians closer to the people and heightened their interest in cultural issues.

Arts sectors are constantly critical of ACE and this has been attributed to its lack of authority and credibility. However, they also agree that this has been the most flourishing time for the arts and that a greater amount of money has been devoted to it. Without a doubt, when asked about the period under Margaret Thatcher, all interviewees agree that it cannot be compared with the current situation. Hilary Gresty, director of the Visual Arts and Galleries Association (VAGA) believes that "it's better with Blair but there is more interference".

During the ten years of Labour government, the public budget for the arts has doubled, there are widely debated cultural policies and, as a few interviewees state, "you can at least talk to them". But there is a fear that this trend will change because there has been a cut – or at least a halt – in the culture budget over the last couple of years, partly due to a drop in National Lottery income, the transfer of funds for the Olympics 2012 and the money spent funding the war in Iraq.

However, what has become most apparent is the exhaustion of ACE as an organisation that has now been in existence for 60 years and, in some ways, its structure presents symptoms of bureaucratisation and loss of incentive in its dialogue with the arts sectors. According to ACE's Director of International Relations "after 60 years in existence, ACE is in need of renewal and fresh air".

ACE has little credibility among the arts sectors. Most interviewees believe that its staff lacks the necessary knowledge to speak of the arts with authority. This

is also one of the main problems exposed in the aforementioned peer review, and it has become the main objective of the reforms that have been undertaken in the past two years.

On the one hand, they have decided to remove the advisory committees, which used to be the basis of the decision-making system (and the international decision-making standard for arts councils which is known as a peer review) but had lost authority. Even the arts sectors agreed, since, in the words of Charlotte Jones, director of the Independent Theatre Council, 'this system was too corrupt and needed to be removed'.

The organisation's own structure has replaced the committees, taking on decision-making tasks. For the new system to work, ACE, the government and the arts sectors agree on the need to hire high-level, experienced experts. Now ACE's main task, it is constantly reorganising positions and contracting professionals of repute in the different areas. Christopher Gordon, former coordinator of the Regional Arts Boards, and today an international consultant on cultural policies, draws a parallel to the educational system stating that "ACE experts should receive the same professional recognition as Education Department inspectors when they visit schools".

With such reforms underway, no one has lost their belief that ACE can recover its authority and recognition that an arts council needs if it is to maintain its independence from the government with respect to the arts sectors.

ACE's director is optimistic about its future. Peter Hewitt confirms that reforms are being carried out and sees a future ACE that "will intensify its role as an arts development agency working in collaboration with other organisations in all areas of activity both nationally and internationally; an Arts Council that presents the government with new challenges and is seen as a space for debating and discussing issues that affect the arts and contemporary societies, such as climate change, ecology and science".

2. Arts administration in England

2.1. Public bodies³

The Department for Culture, Media and Sports (DCMS) is responsible for policies related to the arts, sports, National Lottery, tourism, libraries, museums and galleries, radio and television, the creative industries (including the film and music industries), press freedom and regulation, gambling and heritage. It is now also the department responsible for the 2012 Olympics and Paralympics. The scope of 'creative industries' was extended in 2005, when it assumed responsibility for the fashion design, advertising and art market sectors from the Department of Trade and Industry.

The DCMS organisation chart comprises the State Secretary and three Ministers: one for sport, another for creative industries and tourism, and a third for culture.

On the one hand, the DCMS is the government structure in charge of designing the major cultural policy strategies and assigning the budgets set by the Exchequer. On the other, it is responsible for 63 public bodies that help deliver the Department's strategic objectives.

There are four types of public bodies: **Public Corporations** (Channel 4 TV, Historic Royal Palaces and Horserace Totalisator Board), **Public Broadcasting Authorities** (BBC and Welsh Fourth Channel Authority), **Executive Agency** (the Royal Parks Agency) and 57 **Non-Departmental Public Bodies (NDPBs)**⁴. Around 95% of the Department's expenditure is channelled through these public bodies.

2.2. Non-Departmental Public Bodies (NDPBs)

In general, public bodies have very similar functions, although we will focus on NDPBs in order to place Arts Council England in the context of organisations that execute government policies.

NDPBs are given a role in the public governance system despite not being government departments. Their main feature is that they function at 'arm's length' from central government, and are thus:

- A legal structure separate from the government
- Independent
- Have their own Board of Directors
- Make decisions regarding subsidies and other issues relating to their activity

³ This term will not be translated to avoid erroneous interpretations.

⁴ Until recently Quangos (*quasi-autonomous non-governmental organisations*).

Once again we come across the principle that defines arts councils worldwide: they function at arm's length from the government. However, the relationship between DCMS and public bodies is defined by the Ministry as “a balance between independence and accountability”.

As regards independence, the government believes that certain tasks should be carried out by organisations that are at a distance from political dispute (such as regulators, which must be independent of political interests). They also believe that certain types of tasks should be carried out by organisations with expertise not found in the public administration.

In terms of accountability and transparency, public bodies spend public money and are therefore accountable to the public, the Ministry and Parliament.

Although public bodies, and particularly NDPBs, have a large measure of freedom to determine how they operate, they need to do so within the framework of the policies and priorities developed by the Ministry and agreed by Parliament.

The relationship between the government and public bodies is encapsulated in the following documents:

- **The Public Service Agreement (PSA)⁵**, published every two years by the Ministry of Culture, sets out the general and specific objectives that must be met by organisations that are financially dependent on the Department. PSAs are drawn up according to the Treasury and measure the delivery of the objectives defined in the triennial Spending Reviews (SRs) of public bodies, which are conducted by the Finance Ministry (as described later on).
- **The Funding Agreement** is a detailed list of tasks set for the organisation (based on the PSAs published by the Ministry) as compensation for the public grant awarded. The agreement, which is signed every three years by the president of the organisation and the Secretary of State for Culture, sets out the objectives, strategies, main activities and key outcome-based targets.
- **The management statement and financial memorandum** set out the rules and guidelines that the public bodies should observe in carrying out their functions. They are reviewed periodically, but their content remains fairly constant.

NDPBs are expected to carry out annual activity and economic reports, as well as triennial strategic plans that must be presented to Parliament.

⁵ The current PSAs are defined in the DCMS *2007 Annual Report*, which defines a very comprehensive set of indicators to measure the results that the Ministry aims to obtain in the different areas for which it is responsible.

The Ministry for Culture maintains a wide variety of NDPB structures that differ greatly in size, objectives, type of activity and funding levels. They may be classified as follows:

- **Executive NDPBs** – Established in statute and carrying out administrative, regulatory and commercial functions. They employ their own staff and are allocated their own budgets.

This group includes Arts Council England and other arts councils such as the Museums, Libraries and Archives Council, English Heritage, National Endowment for Science, Technology and the Arts (NESTA) and UK Film Council, among others. Other NDPBs include regional cultural development organisations Culture South West, Culture North East and cultural structures of strategic value such as major museums and libraries: British Library, British Museum, National Gallery, National Museums Liverpool, Tate, etc.

Sports, tourism and gambling organisations also depend on the Ministry. Executive NDPBs include: Sport England, UK Sport, Gambling Commission, National Lottery Commission, Olympic Delivery Authority, etc.

- **Advisory NDPBs** – Providing independent and expert advice to Ministers on particular topics of interest. They do not usually have their own employees but are supported by staff from the Culture Department. They do not usually have their own budget, as costs incurred come within the Department's expenditure.

This group includes the Advisory Committee on the Government Art Collection, Advisory Council on Libraries, and Spoliation Advisory Panel.

- **Tribunal NDPBs** – They have jurisdiction in a specialised field of law. They do not usually have their own staff or budget. One example of this group is the Horserace Betting Levy Tribunal.

All NDPBs receive resources directly from the DCMS for a period of three years. They are thus guaranteed resources that enable them to work with time for planning and performance.

The renewal process for funds conferred to the NDPBs is known as Spending Reviews (SRs), and is agreed upon by the Treasury Department. SRs are drawn up the year prior to the active funding period and constitute a competitive process between all the public bodies, which use public and internal communication tools to achieve higher resources. This is when lobbying and advocacy for the arts becomes a priority for the Arts Council.

3. Arts Council England

3.1. Origin and development

The UK arts funding system has its origins in the 1940s, when the climate of international confrontation initiated a debate on whether governments should fund the arts as an expression of freedom and democracy, and whether this backing should be given through independent structures to prevent the arts from being manipulated by totalitarianism. From this recognition sprang the first national body to support the arts, the Council for the Encouragement of Music and the Arts (CEMA). The objective of CEMA was to offer leisure to the workers enlisted in the army, administering public funds and making donations to the arts. Its founder and first president was the economist John Maynard Keynes. His vision of state support for the arts was largely responsible for ensuring that CEMA evolved in 1946 into the Arts Council of Great Britain.

The Arts Council of Great Britain is considered to be the first arts agency in the world to distribute government funds at 'arm's-length' from politicians. Keynes believed that the Arts Council would only have a temporary existence during the rebuilding of cultural life in the aftermath of the Second World War. Nevertheless, it has continued to the present day and created a model that has been adopted in many of the world's developed countries.

In 1994, the Arts Council of Great Britain was transformed into three new Arts Councils: Arts Council England, Scottish Arts Council and Arts Council of Wales. Since then, each of the nations that comprise the United Kingdom is independent in terms of arts funding.

In 1956, a decentralisation process began in England with the establishment of Regional Arts Associations, which were in charge of assessing local arts needs and creating strategies based on their situation. These were later replaced by the Regional Arts Board.

A second major reform of Arts Council England occurred in 2002 when the Arts Council of England and Regional Arts Boards were legally established as a single arts funding organisation.

More recently, the national office was restructured in October 2006. It aims to address issues which remain since the restructuring in 2002 and to reduce 33 permanent posts, thus saving £1.8 million a year.

3.2. Objectives, legal status and functions

3.2.1. Objectives

A labyrinth of definitions, objectives, aims, ambitions and priorities are encountered while analysing the objectives of ACE. There is an undoubted will to establish clear, well-defined courses of action at every given moment as well as the targets they aim to achieve. In short, the objectives of ACE, which are defined in its statutes of 1946 and which are still intact today, include:

- Developing and improving the knowledge, understanding and practise of the arts
- Increasing public accessibility to the arts
- Advising and cooperating with departments of government, local authorities, the Arts Councils for Wales, Scotland and Northern Ireland, and other bodies on matters concerned with the objects established

These objectives are defined for three-year periods. ACE's ambition for the current 2005-2008⁶ period is:

- **To put the arts at the heart of national life and people at the heart of the arts**

Its agenda for 2006-2008 has six priorities, which are detailed in the strategic document **"Our Agenda for the Arts 2006-8"** (www.artscouncil.org.uk/aboutus/agenda.php):

- Taking part in the arts
- Children and young people
- The creative economy
- Vibrant communities
- Internationalisation
- Celebrating diversity

The priorities reflect those of the DCMS (see the Funding Agreement section), as well as others of their own initiative such as internationalisation.

3.2.2. Legal status

As explained above regarding its relationship with the government, **ACE is an executive NDPB** that is dependent on the Ministry of Culture and has the legal status of a **registered charity⁷ limited by guarantee**, constituted under the provisions of the Charities Act 1993.

⁶ In the United Kingdom, administrative years run from March to February. Thus, the period 2005-2008 begins in March 2005 and ends in February 2008.

⁷ All English cultural organisations that receive public grants must take the form of non-profit organisations, known as charities. It is best not to translate 'charities' literally since in our cultural context this word does not correctly define the meaning used in the English-speaking world.

As a charity limited by guarantee, ACE is subject to the legal regulations of this type of organisation and, among others, can carry out commercial activities provided they are taking part in a philanthropic activity⁸. The benefits of the commercial activity cannot be distributed and must be reinvested in the organisation.

3.2.3. Functions

ACE defines itself as an organisation with two areas of activity:

- **National development agency for the arts**
- **A funding body for the arts**

As a development agency for the arts, ACE plays a proactive role in designing and executing policies and actions to promote the arts, particularly to achieve its triennial priorities. In this area, ACE:

- Is the government's strategic organisation for promoting and developing the arts
- Establishes the direction of the arts policy
- Provides information
- Carries out campaigns and activities to develop and support the arts
- Develops strategic cooperation

The activities it carries out as an arts development agency are highly diverse, and are geared toward one of the aspects of the six priorities. ACE has designed a series of programmes and activities for each of its priorities, including:

Priority	Activity
Participation	Distribution and tour plan
Children and young people	Creative Partnership programme at English schools
Creative economy	Participation in the DCMS Creative Economy programme ⁹
Vibrant communities	Strategy for implementing strategic plans in neighbourhoods of high urban growth and with a shortage of facilities
Internationalisation	Policy to improve opportunities for artists and organisations to work abroad
Celebrating diversity	Implementation of the action plan for race equality in organisations that receive subsidies every three years

ACE commonly uses pilot projects. For a limited amount of time, it launches an activity or programme in order to promote a specific area of interest, during

⁸ Charities must have "charitable purposes" so, in order to avoid the literal translation of "charitable objectives", it should be translated as "philanthropic purposes". In the United Kingdom, arts and culture are deemed philanthropic purposes and their organisations can be legally structured as "charities".

⁹ Arts industries policies are managed by the Ministry for Culture, ACE collaborates in specific programmes.

which ACE deploys all of its tools and a considerable amount of economic resources. Once the time elapses, it decides whether it is continued with less intensity or left in the hands of private organisations for them to continue the task. Some examples of successful pilot programmes are the Audience Development programme (1998-2003) to build new audiences and Decibel (2003-2005) to integrate artists of ethnic minorities into the public funding system.

3.3. Grants, financing and budget

As an arts financing fund, ACE's role is to distribute public resources for the arts, and therefore to:

- **Distribute the DCMS budget for the arts**
- **Distribute the National Lottery funds for the arts**
- **Provide grants for arts organisations for three-year periods (Regular Funded Organizations – RFO)**
- **Provide grants for arts projects, individual artists, organisations and tours (Grants for the arts)**

3.3.1. Regular Funding for Organisations (RFO)

Funding ensures stability to artistic organisations for a period of three years. Regular funding **covers the organisations' fixed expenses** and, in some cases, the costs incurred due to their activities. Organisations that are allocated funding sign a Funding Agreement with the Arts Council to ensure they comply with a series of requirements. The Arts Council appoints a lead officer who supervises their work and carries out an in-depth review of the organisation at least once a year to ensure their activities meet the terms of the collaboration agreement.

A wide variety of arts organisations receive this line of funding without distinction, including large theatres and very small local organisations, organisations offering services and resources for the arts and education centres, which explains the difference in funding sums.

- For the 2006-2008 period, Arts Council England has assigned a regular funding budget of £300 million per year (€450 million).
- 73% of the €450 million goes to 1,100 organisations, the rest is given to 36 organisations that receive funding of over £1 million. These organisations include large operas, orchestras, repertoire theatres and regional theatres.

3.3.2. Grants for the arts

Grants for the arts is ACE's only source of grants **for projects** by individual artists and organisations. While it used to be a complex network that featured up to 126 different lines of funding, in recent years it has become simplified to the point of having only one line open for all disciplines and project types. An example of the Grants for the arts' flexibility is the fact that it only has one application form.

Artists, professionals and organisations can request funding at any time of the year. ACE commits to respond within six weeks to applications for less than £5,000 (€7,500) and 12 weeks for higher sums.

Since 2003, Grant for the arts only distributes funds from the National Lottery. The following were awarded in 2005:

Number of applications received	9,484
Number of grants awarded	4,707
Total awarded	£81.7 million (€122.55 million)

Grants to individuals normally range from £200 (€350) to £30,000 (€40,000), and can cover activities lasting up to three years. The average grant for individuals in 2005 was £5,580 (€8,370).

Grants to organisations normally range from £200 (€350) to £100,000 (€150,000), and can cover activities lasting up to three years. The average grant to organisations in 2005 was £21,634 (€32,451).

During the writing of this report, a major discussion has been underway in the English artistic sectors, including a debate in the House of Lords. The reason is the introduction of the Olympic Games in the share of benefits from the National Lottery, leading to a 35% cut in funding for ACE, which accounts to a drop of approximately £30 million (€45 million) in the budget devoted to project funding.

The arts sectors have responded with force, convinced that Grants for the arts is the only line of funding that helps develop the arts and backs the work of emerging artists and innovation outside the established organisations that receive triennial grants.

3.3.3. The National Lottery

After the funds awarded directly by the British government, the National Lottery is the second source of arts funding in the United Kingdom. The National Lottery was launched by the British Parliament in 1993. From the outset, it established that its profits would go to good causes for the community. These are:

- Arts
- Charities
- Health, education and environment
- Heritage
- Sports

November 2004 marked the 10th anniversary of the funding system. Until then, it had distributed grants for good causes to the value of £16,700 million (€24,549 million).

For every pound that a person spends on a National Lottery ticket, 28p go directly to one of the good causes. Until recently the arts received a sixth of this money, but after including the London Olympics, the sum of money devoted to the arts has dropped considerably.

During the first few years, Lottery money went entirely to projects to build and restore cultural infrastructure. Lottery funds are now distributed through the Grants for the arts project.

3.3.4. ACE budget

The Arts Council administers public funds from the government's ordinary budget and National Lottery profits.

In 2005, the main budgetary items were:

DCMS contribution	£409 million (€13 million)
National Lottery contribution	£164 million (€246 million)
Other income	£20 million (€30 million)
TOTAL INCOME	£593 million (€88 million)

The expenses were as follows:

Grants to organisations – RFO	£35 million (€25 million)
Grants for projects - Grants for the arts	£82 million (€121 million)
Other activities paid from the DCMS budget	£29 million (€44 million)
Other activities paid from the National Lottery budget	£80 million (€120 million)
Structure expenses	£52 million (€78 million)
TOTAL EXPENSES	£593 million (€89 million)

3.4. Relationship with the Ministry and the Funding Agreement

The DCMS Secretary of State and president of Arts Council England sign a Funding Agreement (FA) that sets out:

- The general and specific objectives of ACE for a three-year period
- The DCMS economic contribution for the period
- How ACE will use the Ministry's public funding to achieve its objectives, including its follow-up systems, periodic monitoring and submission of reports

The FA contains the mutual reciprocity criteria and the Ministry describes what it aims to obtain in exchange for public funding, as well as the systems set up to be informed of the results. Obviously, this document is the transparent system used by the government to interfere in the Arts Council's affairs.

The current debate in the United Kingdom concerning the increase of governmental inference in the workings of the Arts Council is extremely vigorous, with special intensity in Scotland and Wales. Most people outside the institutions are of the opinion that the English government is increasingly eroding the Arts Council's executive capacity. However, ACE's Director denies this, ensuring that the Ministry only uses the powers described in the Funding Agreement.

When analysing any document published by a British cultural organisation, it is quite clear that the political vision of the Labour government impregnates all cultural action in the country. This policy, based on defending the social benefits of the arts over artistic values is strongly represented in the Funding Agreement and all ACE actions.

Thus, the FA for the 2005-2008 begins with the Ministry for Culture's priorities:

- Cultural policies dedicated to **children and young people**
- Increasing the impact of culture in **communities**
- **Economic** development
- Modernising and increasing the efficiency of **delivery**

In tune with these principles, the FA goes on to detail the general objectives of the Arts Council for 2005-2008:

1. To improve opportunities for people to engage with the arts and in particular to increase the number of people from priority groups¹⁰ who participate in the arts and attend arts events

¹⁰ Priority groups are defined by the Arts Council as people from Black and minority ethnic groups, people with physical and mental disabilities and people from socially excluded groups.

2. To improve the opportunities for children and young people to experience the arts and develop their artistic and creative skills
3. To support a cultural infrastructure capable of producing internationally recognised artistic work across the arts sector
4. To be an authoritative development agency and advocate for the sector
5. To improve organisational delivery

These objectives are much more than well-intentioned, non-binding words. The FA defines each of the five objectives and identifies the particular targets that the Arts Council must meet. Many of these targets are expressed in quantitative indicators¹¹ and establish how they should evolve.

The list of targets for each general objective is very long. A much more detailed analysis of the FA would be required to learn how the relationship between DCMS and ACE is materialised. Some examples are detailed below:

Objective 1:

- Increase the proportion of Regularly Funded Organisations (RFO) for blacks and minorities to 12% in 2007
- A minimum of 10% of Grants for the arts must be awarded for projects directed or organised by black people or other ethnic minorities
- Continue the Decibel programme (an ACE activity) to enhance the profiles of black and minority ethnic artists

Objective 2:

- Establish that this objective must be delivered through the Regularly Funded Organisations (RFO) and other ACE initiatives
- Implement the Creative Partnership¹² project and improve the creativity of English schoolchildren (this point refers to another document where it is defined)

Objective 3:

- State that ACE must help maintain cultural infrastructure that ensures excellence in the production, promotion and exhibition of the arts

¹¹ Many interviewees agree that the English government, under the initiative of Finance Minister Gordon Brown, wants everything to be based on indicators, despite the fact that in many respects they are difficult to define in the arts sector.

¹² Drawn up in collaboration with the Ministry of Education.

- State that ACE will maintain a series of RFOs and must make an annual assessment of the impact of funds in these organisations based on the quality, management, public benefit and contribution to ACE's priorities

The task section goes on to demand improvements in ACE's internal management and the connection to England's public life.

Another section of the FA establishes the annual resource budget awarded to ACE by the Ministry during the three-year period and how some of the items should be spent.

Thus, if the DCMS's intervention for 2005 is 417,155 thousand pounds, it is clear that:

- 5,000 thousand pounds must be invested in capital expenses (infrastructure)
- 32,000 thousand pounds in the Creative Partnership programme
- 700 thousand pounds in the Young People Arts programme
- 1,800 thousand pounds in the Youth Theatre programme
- 3,000 thousand pounds in the European Capital of Culture
- 2,000 thousand pounds in the restoration of the South Bank Centre in London

The monitoring section asks ACE to maintain a system of indicators to continually measure the performance against objectives and defines a series of technical meetings between DCMS and ACE to analyse the results.

3.5. Structure of ACE

3.5.1. The Council and councillors

The Council has 15 members, nine of whom also take on the role of chair of one of the Regional Councils. The other six are chosen for their characteristics according to a previously defined profile. The chair is the head of the Council.

The chair and Council members are appointed by the Secretary of State.

Each region in England has a structure of councils similar to the National Council. ACE is thus made up of nine Regional Councils including the one in London and a National Council.

The members of the 15 Regional Councils are appointed by the National Council, except the chairs, who are appointed by the Secretary of State.

The National Council meets five times during the year.

The Arts Council statutes do not define the continuance period of the councillors, which is left for the Secretary of State to decide. At present it is four years, with the possibility of one renewal.

The councillors' dedication is voluntary; they are not paid regularly and do not receive a salary. Despite this fact, which is contained in the bill on the creation of ACE, councillors can claim back travel costs incurred due to meetings. The law also contemplates the possibility for Regional Council presidents to receive some sort of remuneration for their work. In this respect, the chairs of the Regional Councils can ask for £6,211 (€9,316) a year as remuneration for 15 days of work per month. The national chair does not receive this payment.

To prevent a conflict of interest and the use in their own benefit of the position of councillor, Council members must comply with:

- Code of Practise
(<http://www.artscouncil.org.uk/downloads/codeofpracticenational.rtf>)
which includes the seven principles of public life
(<http://www.artscouncil.org.uk/downloads/sevenprinciplespubliclife.rtf>)
- Arts Council Policy on registration and declaration of interests, gifts and hospitality
<http://www.artscouncil.org.uk/downloads/policydeclarationinterests.rtf>

These documents define a complete set of obligations and responsibilities that must be followed by Council members.

To summarise, council members must declare any type of interests that they, or people close to them, may have in the cultural sector. In the event of a conflict of interest, the person involved will refrain from taking part in the discussion regarding the issue presenting the conflict. Declarations of interest are published every year in the ACE annual report. Councillors are also expected to comply with the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Provided the requirements defined in the Code of Practice and Policy on registration and declaration of interests are complied with, there is no restriction or incompatibility for becoming a Council member. The law clearly states that Council members may belong to organisations that receive funding, credits or payments to purchase ACE goods and services.

The current structure of the National Council reveals the presence of people linked to organisations that receive regular funding from ACE. Current members of the National Council include its president Christopher Frayling, who is director of the Royal College of Art, a property builder specialising in the regeneration of urban areas, independent arts consultants, festival directors, university professors, an architect who is president of the Society of Black Architects, a university researcher, a strategic change management consultant, the arts director of the MAC arts centre in Birmingham, the director of a hip-hop development agency, a writer, essayist and consultant specialising in cultural policies, a visual artist, a novelist, a journalist and an arts critic.

In addition to the candidates' level of expertise, it also takes into account criteria such as gender, ethnicity, age and territorial parity.

3.5.2. Executive structure

The Chief Executive, appointed by the Council with the approval of the Secretary of State, is responsible for the day-to-day running of ACE.

The Chief Executive presides over the Executive Board, made up of nine Executive Directors of the Regional Councils and the Executive Directors of the four national divisions.

The Arts Council has a national office and nine regional offices.

The national office is in charge of:

- Establishing national strategy
- Maintaining relationships with the national government
- Lobbying and advocating for the arts at a national level

The regional offices are in charge of:

- Establishing regional strategy
- Relationships with city councils, regional agencies and other public and private collaborators
- Developing Arts Council activities at a regional level
- Deciding on the funding for organisations and artists in their region

The grants awarded by Arts Council England are decided at a regional level. The national office only intervenes in evaluations for projects or organisations that involve partners in various regions.

The new structure of the national office that was implemented in the autumn of last year distributes management into four departments:

- **Arts Strategy** – Department in charge of designing and carrying out arts policies. It is formed by music, theatre, dance, visual arts and literature departments, as well as what they call ‘cross-cutting departments’: diversity, participation, economic development and education and learning
- **Arts Planning and Investment** – Managing grants and monitoring subsidised organisations and projects; they undertake the Arts Council’s projects and manage information. Formed by departments dedicated to planning, investments (grants), projects (own) and Creative Partnerships (project of education in schools)
- **Advocacy and Communications** – Designing communications and arts advocacy campaigns. Includes press, publications, public relations, information, internal communication and marketing
- **Resources** – Includes departments dedicated to finance, human resources, information technology, legal services, offices and purchases

As an independent organisation, ACE has its own legal services. The national office has two lawyers.

ACE employs 630 members of staff.

Following the fusion of ACE with the Regional Arts Board in 2003 and as a consequence of the recommendations contained in the peer review of 2005 and from DCMS, ACE has considerably reduced its staff (mostly at the central office) from 711 workers in 2001 to the current 630. It has also closed down one of the two offices that the national organisation had in London. These changes have been the result of a will to optimise human resources and reduce costs.

3.5.3. Responsibilities and departments

The responsibilities of ACE are structured into a series of departments that represent artistic disciplines and cross-cutting programmes. Each department

has its own policy¹³ (extensively disseminated by various means), initiatives and a specific workforce for designing strategies and actions. Describing the policies and activities carried out by ACE in each of these departments would be an enormous task that does not fit within the scope of this report (see www.artscouncil.org.uk for information on disciplines, departments, policies and activities).

The departments are described as follows:

- **Combined Arts.** Comprises multidisciplinary arts, arts centres working on more than one discipline, carnival¹⁴, multi artform festivals and rural touring
- **Dance.** The current initiatives in the field of dance are: arts and health¹⁵, Development of Centres of Advanced Training¹⁶ and the International fellowships programme
- **Education and learning.** A cross-cutting department for all disciplines that makes sure educational and adult learning projects are on the agenda of projects carried out and funded by the Arts Council
- **Interdisciplinary arts.** In charge of innovative arts practice where the arts meet other disciplines such as industry, science, law and ecology
- **Literature.** Although this department considers its core activity to be related to the book and page writer, it also deals with the written word as graphic novels, e-literature, hypertext and literature in performance and visual arts
- **Local government.** Offers local authorities support and collaboration to improve the performance levels of local arts services
- **Music.** Considers music to be a vibrant artform in England, where more people than ever – young people, adults, professionals and amateurs – are playing, singing, creating their own music, downloading, DJ-ing, buying, studying and listening to music. Its policy and activities are dedicated to these segments
- **Research.** The research department works with the arts strategy department to develop effective policy for the arts
- **Theatre.** Gives support to all kinds of theatre performances providing they offer diversity and innovation, and are in tune with the people to whom they are aimed

¹³ Detailed information on the sector policies in: www.artscouncil.org.uk/publications/publication_detail.php?sid=1&id=574

¹⁴ This artistic form would be called festival arts or popular performing arts in Catalonia.

¹⁵ In collaboration with the Health Department.

¹⁶ In collaboration with the Department of Education.

- **Distribution and touring.** Stimulating the distribution and exhibition of the arts (English and non-English) so that they may reach a larger number of people and regions in England and abroad
- **Visual arts.** Includes architecture, artist development, moving image, crafts, live art, new media, photography, public arts, etc.

Although ACE has been severely criticised for not playing a leading role in international relations, it has defined internationalisation as one of its six priorities (despite not being an objective of DCMS) during the present period. It has thus defined its own specific policy to foster the internationalisation of the arts.

The existence of the British Council does not mean that ACE cannot define its international priorities and activities. Indeed, the British Council is not considered by arts sectors to be a suitable tool for disseminating the arts given its strong dependence on the political priorities of the Ministry of Foreign Affairs.

The international policy of ACE has the following objectives:

- To prepare the arts community to work internationally
- To contribute to the extensive internationalisation of the United Kingdom
- To enable ACE to achieve greater international knowledge and capacity

3.6. The decision-making process regarding grants

The independent Advisory Panels were disbanded during the 2003 reform because they did not comply with their objectives. The reason given was that the Panels had acquired high levels of favouritism and the arts sector had lost trust in them.

The Panels were not replaced by any other peer evaluation system, and ACE personnel are currently in charge of evaluating grants and recommending their approval and quantity. The level of responsibility as regards decision-making at different levels of the technical staff is determined by the sum of the grants.

ACE now believes that the best system to evaluate subsidy applications is to have expert personnel which are highly qualified in the different arts disciplines and recognised by cultural sectors. Unfortunately, according to remarks from associations working in the sector, this has not been achieved since the sectors still do not particularly trust or respect ACE. Meanwhile, ACE is busy hiring reputed personnel among the cultural sectors as a means to materialise their vision of what an expert team that is able to make decisions regarding grants should look like.

Each grant application is assigned to an expert from the ACE regional offices known as a lead assessor, who contacts the applicants and informs them of the

latest news regarding their application. The lead assessor presents the application to the development panel, which decides whether or not to award the grant. Panels are anonymous and only the lead assessor is in touch with the organisation requesting the grant.

According to ACE experts, decisions are made according to the priorities established by ACE. Furthermore, according to people from the arts sectors, decisions regarding arts grants have become a mechanical process of tick boxes rather than an assessment of artistic content and criteria.

The lead assessor also monitors the project or organisation once the grant is awarded, and Assessors regularly meet with the organisations that receive triennial backing and even attend the Boards of the RFOs as auditors.

4. Persons interviewed and bibliography

To draw up this report **interviews were conducted with the following people and organisations** from 15-17 May 2007:

- Peter Hewitt. Chief Executive at Arts Council England (ACE)
- Elizabeth Adlington. Head of International Relations at ACE
- Valerie Synmoie. Department of International Relations at ACE
- Henry Little. Head of the Music Department at ACE
- Amanda Rigali. Head of the Distribution and Touring Department at ACE
- David Lammy. Head of International Relations of the Arts Department at the Department for Culture, Media and Sports (DCMS)
- George Cutts. Head of the Theatre and Literature Department at DCMS
- Hilary Gresty. Director, Visual Arts and Galleries Association (VAGA)
- Charlotte Jones. Director, Independent Theatre Council
- Christopher Gordon. Cultural Policies consultant, former chief executive of the English Regional Arts Boards

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