

Shaping the next
**ten
years**

Draft strategy
for consultation

Summer 2019

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Introduction

In December of this year Arts Council England will publish our next 10-year strategy. It will come into effect in 2020 and take over from our current strategy, *Great Art and Culture for Everyone*. The new strategy will extend and develop the Arts Council's support for our country's artists, curators and librarians, cultural organisations and their workforces, and the communities they serve.

We start from a position of strength. From the national accomplishments of the 2012 Cultural Olympiad and the 14-18 NOW commemorations of the centenary of the first world war, to the local achievements of the Creative People and Places programme, the last 10 years have seen a flourishing of culture and creativity in this country. Cultural organisations and artists have risen to the challenges presented by the economic uncertainty of austerity and continued to make outstanding work.

So why does the Arts Council need a new strategy? The short answer is that, in the years since 2010, the world has changed. Economically, technologically, socially and environmentally, the last decade has been a period of significant transformation – and there is every indication that over the next decade that transformation will accelerate. In such a rapidly shifting landscape we cannot continue to operate in the ways we always have done. We need to change with the world, as it changes. We need to think and work creatively to overcome the challenges, and make the most of the opportunities, that such change brings.

And we need to go further in addressing old challenges, as well as readying ourselves to meet new ones. We are proud of the arts and culture that we support today. But while our original strategy made strides in bringing arts and culture to people around the country, too many gaps remain. Inequality of access to publicly funded culture still exists across our country; for children and young people, opportunities to experience culture and creativity often depend on background and postcode; and throughout our sector a lack of diversity persists. It's time to bridge these gaps: to support and celebrate the cultural and creative lives of everyone in England.

With the strategy that we are proposing here, we are looking to shape a country that encourages every one of us to express our creativity; for the joy, satisfaction and wellbeing that living a creative life brings, and for the way in which creativity and the culture that comes from it allow us both to adapt to our world and to adapt it; to change, and to make the changes that we want to see. We are looking to the future, and to ways we can support artists and cultural organisations to evolve to meet new challenges as effectively as possible: through improving their environmental sustainability; through building better, nimbler business models; and through innovating and taking risks in all areas of their work in order to create inspiring, entertaining and moving cultural experiences. We want communities in villages, towns and cities up and down the country to experience the benefits of investment in culture, and we want to support children and young people to develop their creative potential to the full. We intend to make sure that the doors are open for the finest, most exciting artists and cultural leaders, no matter where they come from, to step through.

The document you have in front of you today is not the Arts Council's next 10- year strategy; rather it is a draft of that strategy. It is built on the evidence we

have gathered, including extensive consultation with the public, our partners and stakeholders, creative practitioners and cultural organisations.

But in order to turn this draft strategy into a finished one, we need to ask, once again, for your help. We want you to tell us whether we've got it right – and how, in your view, the challenges raised might best be met. We also want to hear from you about what should be in the delivery plans published over the course of the decade, which will set out in more detail how we intend to realise our outcomes in each period.

This is a strategy that has partnership at its heart, and the first piece of partnership working starts here. Your contributions now will ensure that our next 10-year strategy is smart, robust and ambitious enough to carry us all through the decade to come.

About Arts Council England

Arts Council England was established by Royal Charter in 1946 to champion and develop arts and culture across the country. We are an independent charity as well as an arms-length non-departmental public body, and are accountable to the Department for Digital, Culture, Media and Sport (DCMS). We were established as a distributor of National Lottery funds under The National Lottery Act 1993.

In 2011 we expanded our responsibilities to include the support and development of museums and libraries, alongside the arts. We are tasked with various statutory UK-wide responsibilities that enable objects and collections of special interest to be acquired, shared and protected for long-term public benefit. We also work with the Department for Education to deliver a network of Music Education Hubs, ensuring every child in this country has access to a high-quality music education.

Our main sources of income are Grant-in-Aid – that is, the money we receive directly from government – and National Lottery funding. Our remit is to use all these funds in the public interest to support arts and culture as a whole.

DEFINITION:

Creativity

We use 'creativity' to mean the process through which people apply their knowledge and intuition to make, express or imagine something new or individual to the creator. Creativity is present in all domains of life. For this strategy, the Arts Council is most concerned with the creativity associated with the making of 'culture'.

DEFINITION:

Culture

'Culture' means many things to many people and is regularly used to refer to food, religion and other forms of heritage. In this strategy we use culture to mean all those areas of activity associated with the artforms and organisations that Arts Council England supports: collections, combined arts, dance, libraries, literature, museums, music, theatre and the visual arts. However, as the advent of new technologies and other societal changes alter the way that many artists, curators, librarians and other practitioners work, as well as the ways in which culture is made and shared, the traditional boundaries between and around cultural activities are disappearing, and we expect this to accelerate over the next decade. We are excited by these changes and expect to evolve the types of cultural activities that we will support over the next decade.

01. Where we are now

We are now nearing the end of the period covered by Arts Council England's first 10-year strategy, *Great Art and Culture for Everyone*. Presented in the autumn of 2010, the strategy's aim was simple: to build for the first time, with the public and our partners, a shared vision and a joint set of priorities to support and develop arts and culture in this country.

At its centre were five clear goals designed to guide our investment and development work for the following decade: that excellence would thrive and be celebrated in the arts, museums and libraries; that everyone would have the opportunity to experience and be inspired by them; that artistic organisations, museums and libraries would be resilient and environmentally sustainable; that their leadership and workforce would be diverse and appropriately skilled; and that every child and young person would have the opportunity to experience their richness.

The strategy clarified the Arts Council's role, purpose and aspirations: to ourselves, to our partners, to policymakers and the public. Its launch coincided with an era of austerity in which funding for arts and culture from local and national government contracted, but the shared goals and strong partnerships which the strategy enabled allowed us to support artists and cultural organisations to develop, even in challenging economic circumstances. It gave a clear rationale for our investment and allowed us to work with others so that great arts and culture could be made, experienced and appreciated by as many people as possible.

The successes of that first strategy have been significant. England's artists continue to flourish at home and on the world stage, and are vital sources of talent and enterprise for our country's creative industries, which are major drivers of the national economy. Communities around the country have benefitted from investment in culture. Our cultural organisations have responded boldly to the economic challenges of the last 10 years, increasing earnings and developing new revenue streams to counter the impacts of reduced public funding, while at the same time improving their environmental sustainability and beginning to expand the diversity of their teams and the work they produce. As a result of all of this, there is now a much clearer understanding of the role that the arts, museums and libraries can play in building the identity and prosperity of places, creating stronger communities and enriching people's lives.

And yet there is more to be done. As we prepared for this new strategy we set out to understand how we could build on the achievements of the last, and achieve greater success in the areas where challenges remain.

We started with a conversation involving more than 5,000 people from around the country – members of the public, children and young people and their families, artists, curators and librarians, leaders of cultural organisations and those working in national and local government and in education. We asked them how they experience creativity and what their cultural lives look like, what the arts, museums and libraries mean to them and what they believe public money should and shouldn't fund. We reviewed more than 100 reports into the work delivered by artists and arts organisations, libraries and museums, and the ways in which the public benefits from them. We commissioned a horizon scan of the next decade, to identify the key external trends and changes that are likely to impact the cultural sector. We also

looked at evidence about leadership in arts and cultural organisations, their economic and environmental sustainability, and about the role cultural activity has to play in the fields of health, wellbeing and criminal justice.

From our analysis of this evidence we identified a set of key issues facing the arts and culture sector that we believed a new 10-year strategy should address. Together, these issues made up our '**case for change**'. They were:

- that across the population, there are **significant differences in how 'arts and culture' are defined, understood and valued**; many people are uncomfortable with the label 'the arts', and associate it only with either the visual arts or 'high art', such as ballet or opera. At the same time most people in this country have active cultural lives and value opportunities to be creative
- that there are still **widespread socio-economic and geographic variances** in levels of engagement with publicly funded culture
- that the **opportunities for children and young people** to experience culture and creativity inside and outside school **are not equal** across the country
- that although awareness of the issue is greater than it used to be, there remains a **persistent and widespread lack of diversity** across the creative industries and in publicly funded cultural organisations
- that the **business models of publicly funded cultural organisations** are often **fragile** and generally lack the flexibility to address emerging challenges and opportunities, especially those relating to operating within the digital economy and in the context of declining public funding
- that many creative practitioners and leaders of cultural organisations report a **retreat from innovation, risk-taking and sustained talent development**

We then consulted again with the public and stakeholders to test whether they recognised the issues we had identified, and if they supported our view that our next strategy should address them. On both counts the answer was yes – although participants also told us that in seeking to tackle these issues, the Arts Council should keep in mind the considerable achievements of the last decade.

The strength and vitality of our creative practitioners, our cultural organisations and the workforce in our sector, combined with a shared recognition of the challenges ahead, means that we can approach the next 10 years positively, and with confidence in our ability to achieve more, and reach further. It is now time to take the next step.

02. The challenges ahead

Change in the cultural sector is already underway. Through the consultation, participants highlighted organisations and individuals across England already meeting the challenges that our research identified. They pointed to partnerships with the technology sector, the wider creative industries and higher education; initiatives around arts and health; and the growing support and celebration of everyday creativity. Such initiatives are exciting and inspiring. The challenge now is to adapt and expand them in order to accelerate and deepen the wider development and impact of our sector.

As we look towards 2030, the external shifts and challenges facing not only artists and cultural organisations but the wider world, are daunting. Technology and its applications continue to evolve at speed, presenting us with new opportunities and posing new questions. Pressure on public funding is likely to grow, as health and social care costs continue to rise and the proportion of older people in our population increases. Artificial intelligence and machine learning are poised to revolutionise the world of work. Global financial instability appears likely to escalate, while the impact of the UK's exit from the European Union on our national politics and economy has yet to be fully understood. Our country will continue to grapple with cultural divisions and historic inequalities. And, overshadowing all of this, climate change and environmental degradation look certain to be the pre-eminent forces shaping our social, political and economic landscape up to 2030 and beyond.

Our intention is that this strategy will help put in place conditions that enable creative practitioners, cultural organisations, and their workforces, to respond to what lies ahead and to shape it for the better. For Arts Council England, the strategy will determine our role as advocates for culture and creativity, and our approach to development and investment, for the next 10 years.

03. A vision for what we want to achieve

Over the next decade, we want England to become a country where the creativity of each of us is valued and given the chance to flourish, and where every one of us has access to a rich and remarkable range of high-quality cultural experiences.

When we have the time and the tools to develop our own creative potential we feel fulfilled and empowered. Whenever we encounter culture, whether through museums or libraries, theatres or galleries, carnivals or concert halls, it uplifts and entertains us, increases our knowledge and understanding, unites us and brings us joy. Culture and creativity help us make sense of the world and of ourselves: they provoke and inspire us, offer us moments of transcendence, encourage us to empathise and bind us more closely together. If access to them is limited by where we come from or what we do, the whole of society loses out.

With this strategy, Arts Council England acknowledges the breadth and depth of culture in this country and sets out to champion the cultural lives and creative acts of every person living here. Most of us already lead creative and cultural lives: we join book clubs, we take craft classes, we stream music. The task for the Arts Council is to enable **more people to take advantage of more opportunities to develop and express their creativity**, and to support them to engage with the widest possible range of culture. We will do this because we believe that everyone, everywhere should benefit from public investment in creativity and culture, given their power to enrich our lives and to transform the communities in which we live and work. And we will do this because we want England to be one of the most creative countries in the world.

We envisage a country transformed by its culture and at the same time, constantly transforming it: a truly creative nation in which we all can play our part.

04. How we will achieve this vision

Arts Council England is the national development agency for creativity and culture. We champion, develop and invest to ensure that everyone, everywhere can nurture their own creativity and access the highest quality cultural experiences.

The outcomes we set out to realise through this strategy are ambitious and cannot be achieved by the Arts Council working alone. We will seek out partners who share our vision and who want to work with us to strengthen creative and cultural opportunities in cities, towns and villages across the country. These partners will come from across local government and from The Department for Digital, Culture, Media and Sport, from further and higher education and schools, and from inside and outside the cultural sector. They will come from the commercial, public and not-for-profit sectors, and will include patrons, private donors and trusts and foundations.

As a national development agency, the Arts Council has a unique role to play in establishing the conditions in which creativity and culture can thrive across the country. We will employ our expertise and research capacity to identify new opportunities and spot emerging challenges, and use our influence to bring people together to consider the best ways to respond. We will advocate for and invest in great ideas, and support their delivery to increase impact. We will use our national perspective to spot and partner with others to deliver development work that strengthens the cultural life of this country. Where appropriate, we will work in partnership with organisations such as media producers, healthcare providers and other government departments and National Lottery distributors, in order to engage with the public more directly.

We need all of our stakeholders and partners – national and local government, the public, cultural organisations, artists, private companies, individual donors and other funders – to experience and understand the reach and impact of our investment. If that impact is clearly communicated and fully grasped, we believe that public, private and commercial investment in culture and creativity will increase.

Arts Council England's investment already enables an enormous range of cultural activities – including a community cultural hub in a disused pub in Stoke, a military museum in rural Dorset, a novel that went on to be Waterstones book of the year, and multiple transfers of plays and musicals to Broadway. However, the success of this new strategy will depend on our ability to understand a still wider range of culture, including in the amateur, voluntary and commercial sectors. Much of this work will not require our financial investment, but if we can confidently connect the everyday culture and creativity that already fills people's lives to the organisations that we fund and, from there, to the commercial creative industries, then we will ultimately achieve more as a development agency for the country as a whole.

A large part of our energy and resources over the next decade will be focused on creating opportunities for children and young people, both inside and outside of schools, to develop their creative potential and to support them to access the highest quality cultural experiences. We know this is a priority for both the public and the cultural sector, and our ongoing partnership with the Department for Education will remain key to our work in this area. Securing the creative and cultural lives of children and young people is vital to realising this strategy's vision for 2030.

As the national development agency for museums and libraries we have particular responsibilities for the country's collections and cultural property – that is, the precious objects that make up our cultural heritage. Collections play a critical role in helping us better understand ourselves and the world around us, as well as sparking new expressions of creativity, and we support public access to them through a number of statutory responsibilities, which we deliver on behalf of the government. The Government Indemnity Scheme, which offers a crucial alternative to commercial insurance, allows organisations to be able to afford to put valuable cultural objects on public display. The Acceptance in Lieu and Cultural Gifts Schemes provide tax incentives which bring many important cultural objects into public ownership. Our delivery of export controls seeks to balance the movement of cultural goods with the need to protect our cultural heritage, by providing the opportunity to retain national treasures in the country. Together, this work plays a vital role in ensuring that our country's collections are developed, enjoyed and protected, both now and for the future. Over the next 10 years, alongside our statutory functions, we will work to secure and improve public access to them, to ensure that they continue to delight and inspire as many people as possible.

The cultural organisations we invest in already enrich the lives of people around the country. We have a responsibility to support them to develop and improve the ways they work so they can continue to create and share high quality culture. At times, this may require challenging conversations and difficult choices. It is our job to ensure that any organisation in receipt of public investment – including the Arts Council itself – delivers the best possible value to the public.

05. The new strategy

Arts Council England's strategy for 2020-30 is built around three outcomes and three investment principles. They are designed to work together to enable more people to take advantage of more opportunities to develop and express their creativity, to support them to access the widest possible range of high-quality culture, and ultimately to help create a country in which creativity and culture enrich the lives of every one of us.

The outcomes focus in turn on individual creativity; the role of culture in shaping the places where we live, work, learn and visit; and the type of professional cultural sector we think will be needed over the next decade. The principles set out what we will look for in the cultural organisations, individual artists and creative practitioners that we invest in over the coming decade.

The outcomes and principles are fundamentally interlinked. People are more able to develop their creative potential if they have easy access – off and online – to high quality cultural experiences, and the knowledge, expertise and collections in their libraries and museums. Such provision must be locally accessible but part of a national ecology: one that is ambitious, inclusive, collaborative, dynamic, environmentally sustainable, relevant, internationally connected and highly innovative. And that national cultural ecology must in turn be driven by people from all of our communities who have been given equal opportunity to develop their individual creative potential. Taken together, the outcomes and principles depict the creative and cultural nation we want England to become by 2030.

Outcomes:



Investment principles:



06. The outcomes



We believe that everyone can be creative and that each of us has the potential to develop our creativity further. Taking part in personal creative acts delights and fulfils us, and helps us relate to the wider world. Participating in creative activities in our communities – from photography clubs and dance classes to craft circles and local choirs – reduces loneliness, supports health and wellbeing, sustains older people and helps to build and strengthen social ties. As we travelled the country to speak to the public about this strategy, people everywhere confirmed how much they valued opportunities to develop and express their creativity, both on their own and with others, and shared their concerns that the libraries and community spaces that play a pivotal role in organising such activities were under threat.

Over the next 10 years we will work to help communities design and develop more opportunities for creativity, and better signpost those that already exist. We will encourage more museums, libraries and arts organisations to use their collections, knowledge, skills and resources in their work with communities to provide more activities that allow people to develop their creative potential.

We know how highly the public values opportunities for children to take part in creative activities, and that they wish to see more of our funding aimed specifically at supporting children to develop their creative potential. The pre-school years play a vital role in readying children for school, as well as being influential in setting the compass for future creative and cultural activity.

We believe it is critical to develop a high-quality early years creative offer across the country and we will support libraries and cultural organisations, community partners and the public to co-design and deliver an improved programme of creative activity for young children and their families.

Children and young people themselves told us that, as well as helping them to express themselves and develop their skills and confidence, taking part in creative activities offered them a means of dealing with anxiety, stress and social isolation. Meanwhile, employers from all industries and sectors value creative skills and critical thinking in their workforces and want to see those skills developed more effectively in young people. But the number of state schools teaching the arts continues to decline, and while most young people have significant enthusiasm for cultural activity that stimulates their creativity (much of which they undertake in their own time, and often online) their access to high quality creative and cultural opportunities outside of the home is currently heavily determined by background and postcode.

We will make the case for a stronger focus on creativity and critical thinking across the curriculum, both to school leaders and to the Department for Education (DfE), and will encourage the DfE to increase its investment in cultural education across the board, so that more children and young people in this country have opportunities inside and outside school to develop their creative potential.

Currently, the opportunity to establish a successful creative career remains unfairly dependent on personal background. We want to help young people understand what a career in the cultural sector or the wider creative industries looks like, and support everyone, regardless of background, who wishes to embark on one. The future success of our cultural sector depends on being able to draw on a talent pool that is much wider and deeper than at present.

Over the next decade, Arts Council England will focus on ensuring that everyone has the opportunity to develop and express creativity throughout their lives. We will help grow and champion opportunities for people from every place, and at every stage, from pre-school to older age, to take part in creative activities in their communities. The cultural sector depends on a wide range of skills and experiences to thrive. We will help those who wish to do so take up roles in the cultural sector and the creative industries, no matter what their background. We will also give greater support to individual artists and creative practitioners who want to turn their creativity into a career.

Cultural communities

A collaborative approach to culture helps villages, towns and cities across the country to thrive

Arts Council England already works in partnership to develop and strengthen cultural opportunities in villages, towns and cities across the country: through our Creative People and Places programme, the Cultural Development Fund, the Great Place Scheme, and many other programmes, and through the hundreds of millions of pounds of capital and revenue funds that we have invested in cultural organisations and artists across the country. As a result, recognition has grown across the board of the powerful role culture can and should play in shaping the places where we live.

Over the next decade we will work with a wide range of partners, including local government, business, further and higher education and schools, healthcare providers, the criminal justice system, the commercial and voluntary sector and other funders, to ensure that culture continues to help build thriving communities. We want to see communities that are more socially cohesive and economically robust, and in which residents experience improved physical and mental wellbeing as a result of investment in culture.

Such progress will only be possible if there is a shared commitment to removing the barriers that currently prevent many people from taking part in publicly funded cultural activity. Many cultural organisations are in the process of evolving how they make and share culture in order to address this, while others already hold it as a core purpose. Museums play key roles in providing local communities with access to culture, and shaping their sense of themselves. Libraries reach relatively broad audiences, from all backgrounds and ages, and provide meeting places, maker spaces and focal points for creative and cultural activity within local communities. Our Creative People and Places

programme offers clear evidence that when individuals and communities are involved in shaping their own creative and cultural lives, and when the cultural sector works with a breadth of community partners, the range of people who benefit from publicly funded cultural activity widens significantly.

We believe that a collaborative approach, where cultural organisations cooperate to reach as wide an audience as possible, and where communities fully participate in the process, will result in richer, more relevant publicly funded culture, as well as ensuring that limited resources go further, and civic and social benefits are delivered.

We will support local cultural organisations, including libraries, museums, Music Education Hubs and arts organisations, to work more closely together, to develop a better understanding of the needs and interests of their communities, and to use that intelligence to collaborate on delivering shared outcomes for those communities.

We believe that cooperation between cultural organisations and local partners is particularly effective when it is undertaken to support children and young people. We will encourage cultural organisations to work with local education providers in order to ensure that every child in their area has opportunities to access high-quality culture and develop their creative potential – for example, through the planning, resourcing and delivering of a joined-up cultural education programme.

There is growing evidence of the connections between creative and cultural activity and improved health and wellbeing. We want to develop deeper partnerships with the Department of Health and Social Care, the NHS, and others to support further research in this area and learn from international best practice, and to explore the potential of promising new approaches such as social prescribing.

We believe members of the public should have access to a full range of cultural opportunities wherever they live – but cultural provision in this country is currently uneven, especially outside larger metropolitan areas. We will look for partners to work with us to build cultural capacity, through local programmes, touring (especially into communities with the least access to publicly funded culture), capital investment and distribution models that have been enabled by new technologies. We will encourage greater digital access and engagement with our museum collections and the improvement of digital services offered by the library sector.

We want our cultural sector in every part of this country to be outward-looking. We will therefore support cities, towns and villages that use culture to connect internationally, and that reflect the diverse influences of their diaspora communities, to build collections and create and present work that enriches the culture they produce.

In all of this work, Arts Council England will use data to build and share a more sophisticated picture of investment at a local level, and to operate more effectively as an expert and strategic national development agency that is able to invest at scale in order to seize opportunities and deal with big challenges. We will ensure that our programmes benefit all communities, urban and rural, across our country, and that the public, as well as talented artists, curators and librarians, have access to opportunities wherever they live.

A creative & cultural country

England's cultural sector is innovative, collaborative and international

To achieve the first two outcomes, this country must have a professional cultural sector that is committed to innovation and collaboration, and that aspires to be world-leading – in the way it makes art, in the imagination and expertise with which it manages our collections and develops our libraries and in the content it creates and distributes.

Many of this country's cultural organisations and creative practitioners are already celebrated internationally, with reputations that contribute to England's position as a global tourist destination. We want to build on this success and support more organisations and practitioners to deliver work to the highest international standards. As this country moves to reposition itself within Europe and the wider world, we will seek to encourage and develop a cultural sector that is outward-looking and globally connected, and that is committed to working with and learning from international talent. We will encourage our organisations to bring the very best of world culture here, to delight audiences and to inspire current and future generations of artists. And we will support the development of new international partnerships that build co-investment, trading opportunities and joint research on collections. These in turn will yield financial and cultural benefits for the country as a whole.

Through this strategy we will support the organisations we invest in to become more innovative. As technology evolves, so our museums, libraries, arts and cultural organisations must evolve too, focusing on developing new works of art and creative content, reimagining our existing culture for contemporary audiences and experimenting with new ways of reaching the public. They must also become more collaborative, working with each other to learn best practice, share resources and jointly develop talent. We will help them to forge new partnerships with further and higher education,

the technology sector, the charitable and voluntary sectors and the commercial creative industries. By drawing on this wider pool of expertise we believe opportunities for innovation in creative content, services and business models will flourish.

While recent funding pressures have made it harder for many of our cultural organisations to experiment and undertake formal research and development, we believe that risk-taking and innovation are critical to the ongoing success of our sector. In future, the Arts Council will do more to support innovation and more explicitly demonstrate our appetite for risk and tolerance for failure.

The cultural sector already acts as an incubator for the commercial creative industries: spotting and growing talent and undertaking early development of new content and services. We intend to deepen those connections, supporting the creative industries to build our international reputation for creativity and act as an ever-more-important engine for our country's economy.

We want to work in partnership with further and higher education and the commercial sector to strengthen training opportunities so that more people working in the cultural sector become ready adopters and developers of new technologies. We believe that this will increase the adaptability of people coming into creative careers, supporting them to move back and forth between the publicly funded cultural sector and the commercial creative industries, circulating knowledge and skills as they do so.

Finally, and most importantly, our cultural sector will only ever be as strong as the talent on which it is built. Many artists from this country have developed global reputations for the quality of their work and are in demand around the world. However, it is also the case that many of our most promising creative practitioners and cultural workers, especially those with disabilities, those from Black or minority ethnic backgrounds, and those from less privileged circumstances, continue to struggle to develop and sustain financially viable careers. Unless we address these injustices, our country's cultural output will fail to reach its true potential, and the global competitiveness of our sector will come under threat.

Over the next decade the Arts Council will provide more direct support for independent creative talent: our freelance directors, writers, makers, performers, designers, composers, producers, painters, curators, librarians, sculptors and choreographers. And we will need the organisations we support to do more to aid the development of independent artists, whose work is critical to a vibrant creative sector that speaks to all our communities.

07. The investment principles

To achieve the outcomes we have set out in this strategy, both Arts Council England and the organisations and people we invest in will need to change. Over the next 10 years, as well as adapting our own ways of working, our workforce and our approach to environmental sustainability, the Arts Council will support the organisations and people we fund to ready themselves for the future.

In order to move ourselves and our sector forward, our new strategy introduces **three principles** that will apply to our investment, especially in relation to the National Portfolio: that is, the group of organisations to which we provide core funding over each investment period. The application of these principles will develop so that they become more demanding over each investment period between 2020 and 2030, and in line with the level of funding being sought.

The organisations and people we support in the National Portfolio will demonstrate:

Ambition and quality – they will be committed to developing their creative potential in order to deliver work of the highest quality and match themselves confidently against local, national and international peers.

Inclusivity and relevance – they will be reflective of the diversity of their communities, welcoming to individuals from every background and valued by the communities and partners with which they work.

Dynamism and environmental sustainability – they will be capable of adapting to meet the opportunities and challenges of a rapidly changing world, and leading the way in addressing climate change and resource exploitation.

As the national development agency for creativity and culture, we will support the change and improvement that is needed to put these principles into practice, undertaking research, identifying best practice and establishing partnerships and development programmes. Over the next 10 years we want to create an environment in which cultural organisations can more readily change and develop, as well as come and go.

By 2030 we anticipate that we will be investing in organisations and people that differ, in many cases, from those that we support today. Some will be members of our current National Portfolio that have evolved to meet the future needs of audiences and artists. Others will be new to us. All of the organisations that we fund will be dynamic, championing good leadership, collaboration and success through creative and business innovation. Together they will reflect the diversity of our country and will work in ways that are valuable to, and valued by, their communities, creative practitioners and partners.

Ambition & quality

Cultural organisations are ambitious and committed to improving the quality of their work

We are committed to the pursuit of excellence in everything we do. We will deploy our expertise and resources to bring about improvements in quality and the innovations that arise from that. We believe in the value of training and skills, and we will use our investment to support organisations to develop talent and improve quality – across the full range of their creative work and processes, and in the ways that they run their organisations.

We believe that greatness can be achieved across the spectrum of cultural activity in this country. We do not consider that certain types or scales of artistic activity are inherently of higher quality or value than others; excellence can just as readily be found in a village hall as a concert hall – in both the process of participation and in the work that is produced. We are equally committed to backing organisations and individuals who have the potential to create excellence in everything they do and to supporting those who are already established at the top of their game.

Judgments about quality are inevitably subjective, but we will continue to work to establish a shared language around it – one that brings in self and peer-evaluation and the public view. We will take responsibility for the judgments on quality and value that determine our investment decisions.

Inclusivity & relevance

England's diversity is fully reflected in the organisations and individuals that we support and in the culture they produce

In 2011 Arts Council England launched the Creative Case for Diversity. This offered a way of exploring how all cultural organisations and creative practitioners could enhance their work by embracing a wide range of influences and practices. The Creative Case has helped focus attention on the decisions that cultural organisations make about the work that they produce, present and collect. It has led to a wider recognition that choices about which artists to commission, what repertoires to stage, which exhibitions to mount and which performers to employ play an important part in reflecting the diversity of our country and ensuring that public money is invested to the benefit of all our communities.

The Creative Case for Diversity has deepened the quality of cultural provision in this country, giving voice to new practitioners and bringing new audiences, visitors and participants to organisations. We believe it is now time to build on this work and address the persistent and widespread lack of diversity and inclusivity in cultural organisations' leadership and governance, their broader workforce and in the creative practitioners with whom they collaborate.

We will work with partners to create a new framework that takes an holistic approach to inclusivity and diversity. As well as the culture that organisations produce and present, it will take into account governance, leadership, workforce, visitors, participants and audiences. When considering diversity, it will include socio-economic background as well as the range of protected characteristics including age, disability, sex, race and sexual orientation.

Using this framework as a guide, cultural organisations will need to work with us to set ambitious targets which reflect the communities

Dynamism & environmental sustainability

Cultural organisations are dynamic and environmentally sustainable

within which they work. The Arts Council will then hold them to account if these targets are not met.

We also want the organisations we support to extend the work of the Creative Case for Diversity in other ways. We want them to strengthen their relevance to the communities and partners they work with. We will therefore ask them to demonstrate how they are listening to the voices of the public, including children and young people, artists, and creative practitioners, as well as those of partners, such as local authorities, schools and further and higher education.

We want all the organisations we invest in to be valued for the way they reflect and collaborate with their communities, as well as for the quality and ambition of their work.

As we move through the next decade, we expect the challenges facing cultural organisations – from pressures on funding, changes in tastes and habits, technological advances and the accelerating impacts of climate change and resource distress – to remain acute. To navigate this territory successfully, cultural organisations will need to become more dynamic and more environmentally sustainable.

We will support the organisations in our National Portfolio to develop workforces with the skills to operate effectively in shifting environments. Good governance and leadership will be critical in inspiring positive change and growing teams that are happy, inclusive and able to draw on the widest range of ideas and experiences. These leaders and teams are most likely to build successful businesses over the next decade. We will support such organisations to become more entrepreneurial and to develop business models that help them maximise income, reduce costs and become more financially resilient.

We will support the development of a richer data culture and encourage the adoption of appropriate new technologies across all aspects of cultural businesses. We know that as a sector we are not fully utilising the power of data to understand our audiences and the impact of our work. Partnerships with the technology sector and further and higher education will help us improve in this area.

The cultural sector has taken significant steps to reduce its carbon footprint. We will help to create conditions in which the organisations that we fund are able to accelerate and measure their progress in reducing their environmental impact. We will support the sector through access to advice and the sharing of best practice.

Over the course of this strategy we will require those who apply to join our National Portfolio to demonstrate the steps they are taking to improve the dynamism of their organisations and to improve their environmental sustainability.

08. An arts council that is fit for the future

To realise the outcomes and ambitions of this strategy Arts Council England must change. We too will need to become more inclusive, ambitious, relevant, dynamic and environmentally sustainable, and demonstrate best practice in all these areas.

We are aware that we can only deliver this strategy if we work in partnership with others, and our success as a national development agency will therefore depend on having the skills and capacity to broker such partnerships. One of our key strengths lies in the distribution of our staff in regional offices across the country, allowing us to work closely with those we invest in and partner with, including local government, to better serve local communities. We aim to retain this structure over the next decade. As well as growing and strengthening our local and national connections, the Arts Council will continue to develop international partnerships. We want to broker more global opportunities for our sector and bring best practice, wherever it happens in the world, to this country.

Our workforce, leadership and governance must evolve to ensure that we more closely reflect the public and our stakeholders. We have made progress in recent years in building a more inclusive Arts Council, but we know there is more work to be done, and we are ready to do it. We will establish appropriate targets and report our progress against them.

We will continue our research work in order to improve our understanding of what the public and our stakeholders want from us, and to establish that the public gets the best possible value from the way that we spend their money. We will review the ways in which we gather data from the sector to ensure that our decision-making is better informed, and to create an effective insight and advocacy tool for the organisations and individuals we work with. We will invest in appropriate new technologies and use them to improve existing services for our sector, as well as develop new ones. We will accelerate the reduction of the Arts Council's own environmental impact.

We will simplify our application processes, and we will become a more flexible investor. We will get better at demonstrating the public value of all our investment – and we will ask those who receive our funding to do the same. We will develop alternative investment tools (such as loans or stakes) to support our traditional time-limited grants.

In the future, before making investments, we will ask ourselves a number of clear questions in order to focus our decisions and clarify our process. We will consider how well a potential investment helps us to achieve our outcomes, taking into account how it measures up against the priorities that we will establish in our delivery plans and considering the extent to which it enables us to achieve a good balance of delivery against the three outcomes, and across artforms, museums, libraries and disciplines, geography, development, risk and innovation. We will examine how well it aligns with our three investment principles and we will ask ourselves if our investment is truly needed, whether the activity or service would happen without our support, and whether our funding would leverage additional investment that might otherwise be lost. We will give thought to the best type and duration of investment (revenue or capital funding, grant, loan or stake) for the proposal under consideration.

Finally, we are committed to providing a clear account of the impact we are having across the country. We will supply regular reports to the public and our stakeholders on the investments we are making on their behalf and our progress on delivering the outcomes set out in this strategy. We will develop a set of performance measures – covering areas such as the take-up of publicly funded cultural and creative opportunities by adults, children and young people, the value of the cultural sector to the nation’s economy and the diversity and geographic spread of our investment – that we will report against regularly in order to track progress.

Arts Council England

The Hive
49 Lever Street
Manchester
M1 1FN

Website www.artscouncil.org.uk

Phone 0161 934 4317

Email enquiries@artscouncil.org.uk

Textphone 020 7973 6564

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Please send these comments to our Enquiries Team at:

The Hive
49 Lever Street
Manchester
M1 1FN

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