

CULTURE COMMONS, PAUL HAMLYN FOUNDATION AND
CALOUSTE GULBENKIAN FOUNDATION (UK BRANCH)

Grant Giving Bodies in an increasingly devolved policy landscape

INSIGHT PAPER

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Contents

Introduction.....	7
The Roundtable	10
Ecosystem awareness.....	10
Shouldering increased demand	12
Regional disparities determining investments.....	13
Funders of last resort.....	13
Empowering people and the sector	15
Giving powers away	17
Engagement with local government.....	20
‘[X] of Culture’ and Mega Events	26
Engagement with regional government.....	27
Four-nations funding & engagement.....	28
International.....	29
Arm’s Length Bodies	29
Trust in Trusts	31
Operating models	32
Openness to change	33
Summary of Findings & Implications for Policy	38

This Insight Paper was produced by Culture Commons as part of the **‘the future of local cultural decision making’**, an open policy development programme led by Culture Commons and a coalition of UK-wide partners.

Abstract

This Insight Paper captures perspectives on devolution and increased local decision making from senior representatives of major grant giving bodies based in the UK who invest in and/or support the creative, cultural and heritage ecosystem. The perspectives are brought together under thematic headings and possible implications for policy are drawn out. This Insight Paper will be submitted as formal evidence to Culture Commons’ open policy development programme, ‘the future of local cultural decision making’ and inform a series of policy positions.

Keywords

devolution; funding; grant giving bodies; investment

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Culture Commons bring the creative, cultural and heritage sectors together with the research community and policymakers to co-design new policy and influence decision making at the local, regional and national levels. We are leading **'the future of local cultural decision making'** open policy development programme.

You can find out more about us at www.culturecommons.uk

The Programme

['the future of local cultural decision making'](#) is an open policy development programme led by Culture Commons and a coalition of partners made up of local governments, the creative and cultural sectors, arm's length bodies, grant giving bodies and leading research institutions.

Together, the partners are exploring how further 'devolution' and/or increased local decision making might impact on the creative, cultural and heritage ecosystem in different nations and regions of the UK.

More information about the programme can be found on the dedicated [digital hub](#).

Open Policymaking

'The future of local cultural decision making' is an open policy development programme based on a not-for-profit and collaborative partnership model.

Open Policymaking was described by UK Government in 2014 as a process that 'opens up the formation of public policy to a wider variety of stakeholders'.

Culture Commons have adopted some of the key principles sitting behind this approach and elaborated on them when designing this programme, particularly the commitment to transparency.

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Introduction

Grant Giving Bodies (GGBs)¹ are critical to the health of the creative, cultural and heritage ecosystem. An exploration into the ways in which the ecosystem might be affected by devolution and/or 'increased local decision making' cannot therefore be meaningfully had without considering how GGBs might factor.

Culture Commons invited a dozen GGBs from across the UK with a track record of supporting our sectors to a high-level roundtable, co-convened with our open policy development programme partners, Paul Hamlyn Foundation and Calouste Gulbenkian Foundation (UK Branch) - both GGBs in their own right. The meeting was chaired by Trevor MacFarlane FRSA, Director of Culture Commons.

The GGBs we spoke to embody a wide range of organisational objectives and purposes: from supporting the creative, cultural and heritage sectors including individual practitioners to institutions like museums and galleries, to tackling issues of social injustice including homelessness and violence against women and girls, responding to the global climate crisis, and empowering communities to welcome people seeking sanctuary here in the UK.

We were delighted to be joined by senior representatives, including Chief Executives, Directors and sitting Chairs of GGBs with a considerable combined experience and length of service. Most importantly for our purposes, contributors had a working understanding of operating within and across all four nations of the UK and, in many cases, internationally too.

Before the session, we sent the contributors a set of questions to consider, which we used to guide us through the semi-structured meeting:

- How much of your funding activity is delivered in partnership or collaboration with local authorities and decision makers at the local level? How are these partnerships initiated and developed?
- Do you notice structural differences when it comes to collaborating with local authorities in each of the four UK nations?
- How are national level funding cuts coming from local authorities impacting on your funding strategies

and practices, and, in particular your grant making and programmes associated with the creative, cultural and heritage ecosystem?

- What do you think the risks and opportunities of further devolution of powers from national to local decision-making bodies might be from a grant-giving bodies point of view?
- Do you have experience of, or ambition to, devolve more of your organisations own decision-making powers to your grant recipients and/or wider stakeholders?

The next section of this Insight Paper summarises the main points raised during the roundtable. We have, where appropriate, redacted information to honour our commitment to the Chatham House rule but have made every attempt to faithfully represent the views of those we talked to throughout. We differentiate direct quotes in **"bold"**.

The final section lays out a series of possible implications for policy; these are summary views of Culture Commons only and they not necessarily reflect the views of the GGBs or the wider open policy development programme partners.

Findings from this paper will be used to inform the policymaking process which will culminate in the publication of a policy report in November 2024 - details of which can be found on the programme's digital hub: [the future of local cultural decision making | Culture Commons](#)

¹ For the purposes of this programme, we are applying a broad and inclusive definition to 'Grant Giving Bodies' to ensure that we are capturing the range of bodies that invest in and support individuals, communities and organisations within our sectors; this includes Trusts, Foundations and Charitable bodies of all kinds. However, it goes not include Arm's Length Bodies that are sponsored by government departments (in any of the four UK nations); we explore the role of ALBs in an increasingly devolved landscape in a separate paper here: [Arm's Length Bodies in a devolved policy landscape \(culturecommons.uk\)](#)

The Roundtable

The GGBs we convened for this roundtable seemed to come into the conversation without any pre-prepared organisational 'lines to take'. This perhaps speaks to the very live nature of the devolution conversation taking place within GGBs across the UK on the one hand, but also the openness to explore new ideas that the participants came in with.

Whilst the session was semi-structured around a set of questions (see above), the conversation was free flowing, leading to several of the points captured in this report arising spontaneously from the contributors themselves.

As we hope this paper makes clear, GGBs are already beginning to think deeply about devolution and distributed decision-making processes. For some, this manifests as more strategic discussion at board and/or trustee level about how they might respond to more empowered local authorities or metro mayors as new potential collaborators. Others are already proactively investing in programmes that support organisations developing citizen-led decision making at the local level.

Overall, the GGBs we spoke to take a very nuanced view on devolution and recognise that there could be both benefits and risks associated with devolution depending on how it rolls out from here. The GGBs we spoke to appear to be acutely aware of the challenges associated with the creative, cultural and heritage ecosystem because of the often unseen role they have played **"plugging gaps"** left behind by diminishing state and local authority funding. It is yet to be seen how devolution will either compound or resolve some of the funding issues, and specifically what role GGBs might play in facilitating this.

Ecosystem awareness

A headline finding from the discussion was that GGBs clearly understand the creative, cultural and heritage sectors to be a connected and interdependent ecosystem of subsectors, infrastructures and activities.

"You sort of need to have that ecological understanding of the creative and cultural sectors...culture doesn't function like the health service or the school system - it's

not a system. It's not a government-funded, top-down system. It's a complicated, organic, holistic set of things that are driven by personal interests and histories...the stuff that is really hidden is all the organic interrelationships that actually sustain cultural practices and audiences"

GGBs expressed an interest in deepening their understanding of how this ecosystem manifests *within place* - with a particular interest in looking into areas that have fewer creative, cultural and heritage infrastructures and/or lower levels of historical investment (both from GGBs and others).

"You know, democratic public spaces - museums, parks, libraries youth centres [are] drawing out the kind of 'mycelium-ness' of the sectors I think...it does feel like a shift in the conversation when we talk about [culture, creativity and heritage] rather than kind of what's the new business model or how they're going to be funded. I think the answer lies not in restating previous arguments but really recognising their default status in a successful civic ecosystem in a place. And without them, you know what have you got?"

A contributor emphasised the need for places to invest in **"system actors"** - individuals and groups with the connections and skills to **"make stuff happen"** within local ecosystems and who are often associated or embedded within specific localities.

"you know those people who are sort of able to navigate this complexity and actually, if you do that, that might be a lot cheaper than trying to fund delivery of programmes individually"

Several GGBs shared how important a designated cultural services lead within a local authority can be in terms of helping to coordinate activities in the area and, as we will explore further later, the confidence this gives them to invest in a place too.

Another contributor proposed that the definition of 'culture' could be broadened out to incorporate other kinds of local civic infrastructures more explicitly spotlighting how GGBs

often see the creative, cultural and heritage working in cross-cutting ways and having positive impacts in different places.

“There's something about the definition of culture - it feels like it needs to expand to include things like pubs, parks and botanical gardens and you know - all the other things that bring cultural engagement to people”

For one contributor, this ecosystem framing gave rise to several thoughts about how arguments for investments in the arts, culture and creativity might be better embedded within broader narratives about rebuilding civic infrastructures in future.

“[this] does raise that question for me of ‘special pleading’ for the arts and culture in this space and how comfortable I am with that. It does need special pleading, but it also needs to be holistically knitted into something that's bigger - about civic life and citizenship and the things that we care about as a nation and, you know, parks and libraries...I guess it's just a question of how we align ourselves with those bigger stories about what we need for and from local government”

Shouldering increased demand

GGBs consistently spoke of the considerable uptick in demand for their grants and support programmes in recent years.

“we're now inundated with applications”

Much as they would like to, GGBs are unable to fulfil the requirements of all those who need support, including those from our sectors and those on the brink of closure.

“we're having lots of difficult conversations”

“we're having lots of conversations with organisations who are caught up in either cuts that are being programmed in, or cuts they're expecting, or rapid changes to their - well - to their future”

“we're seeing lots of organisations that we fund, at the moment, facing real hardship...the reality is so difficult, financially...so we don't have the resources to fill the gap”

Regional disparities determining investments

GGBs see the effects of the inter- and intra-regional disparities that characterise the UK on a daily basis, including those that manifest within the creative, cultural and heritage ecosystem. As one put it

“I think all grant makers have the same experience in terms of noticing geographic ‘cold spots’ in the country”

GGBs vary considerably in size in terms of the scale of the funds they invest each year. Some of the smaller organisations represented at the roundtable were keen to communicate that this can lead to them having to make more targeted grants.

“we don't have an ambition to support every place - we can't do that”

For some, geographical disparities simply aren't an overt determining factor when considering where their support might be directed, but this appears to be changing over time.

“we have been increasingly cognisant of the geography of our spend and it has informed some of our decisions but it hasn't been a driver”

Funders of last resort

One of the clearest findings from this roundtable was that GGBs do not want to simply mitigate against austerity policies of national governments - this includes **“backfilling”** the cuts that the creative, cultural and heritage

ecosystem has been disproportionately seeing at the national and local levels over the last decade.²

“we don’t want to be a funder of last resort”

“we don't want to become funders of last resort, and that's not what we intended to do, and nor should we be”

“There's just no way we can fill [the] gaps. And I think that's the main difficulty - we don't want to become organisations that just fills the gaps”

This seems to come from a live concern that GGBs simply wouldn't be able to meet their organisational/charitable objectives if they were to simply become part of a crisis management infrastructure as opposed to the enablers they are well placed to be.

“we can't be an organisation that people come to in a crisis because we're just not going to be able to do that - even all of us [GGBs] working together aren't going to be able to do that”

“[we] have noticed...since the COVID-19 years...that there's an increasing pressure on us to take on the role of gap funder, which is something that my board is reluctant to do, since our prime motive is to encourage excellence in any art form”

GGBs were emphatic that their trustees and governance bodies do not see it as their role to cover gaps emerging in statutory services within local councils.c

“We certainly would not [invest in] anything that is considered a statutory provision”

It was not altogether clear from the conversation what role GGBs would see themselves playing if 'creative, cultural and heritage services' were to be placed on a statutory footing (alongside Libraries for example).

A few GGBs self-reflected on how and where they may have

² For an overview, please see University of Warwick's recent research on levels of funding for the arts, culture and heritage in the four UK nations for Campaign for the Arts <https://www.campaignforthearts.org/reports/the-state-of-the-arts/>

“unwittingly created a situation where it is possible for ‘the state’ to step away because there are these other things - philanthropists. And I just, I’m just playing that out in my own mind...”

These exchanges perhaps signal that GGBs see their role as being very separate to that of the state and local government decision making bodies more broadly. We would need to do more work to understand why GGBs have taken this position and how and to what degree they might be encouraged to explore more coordinated working with national governments, should their respective policy objectives align.

Empowering people and the sector

In the main, GGBs are focussed on **“empowering”** other organisations to deliver better quality and more impactful programmes and projects as opposed to delivering them directly.

“we have a huge fund that goes through [major sector association] because we don't have the expertise in-house”

For a few contributors, this helps their trusts to engage groups they could not engage with on their own.

“[organisations we fund] get money to areas that we know we're not reaching or that aren't coming to us”

“we're specifically funding projects that are reaching areas that we can't reach or we're failing to reach”

One large grant-giving body connected this enabling function back to place shaping

“we do what we call ‘third party grant’ programmes with organisations like [major DCMS sector representative body] and [major Trust] where we give them money and they regift it. That worked quite well for us because it gives us more reach and more depth, particularly in areas where we wouldn't have capacity to work. So we're

certainly interested in doing more of that and doing more of it in a place-based way”

Building on this point, several GGBs spoke about the importance of understanding a place *before* making any kind of significant investment.

“I think to try and do something without at least understanding what's in the place already is a big error and sets you back”

As we explore later in this paper, whilst many of the GGBs we spoke to may not invest in local or combined authorities directly, they are often thinking carefully about how they can invest strategically to support citizens to

“hold power in a different way, being kind of innovative in terms of their relationship to their place and their community”

For example, and of particular interest to this open policy development programme, one GGB shared how they had invested in the development of a regional cultural strategy led by a Citizen Assembly, recognising that incorporating the general public through a concerted process of sortition could be an excellent way to support activity that is already taking place across the locality.³

Several GGBs told us that they co-invested in a major, long-term programme called Creative Civic Change⁴ which was designed to help communities take charge of cultural decision making. Significantly, the programme was distributed to communities without a predetermined requirement on the types of outcomes that would result and without the need for detailed pre-set budgets. Citizens and ecosystem stakeholders came together in local areas to become

“like a local decision-making body...I think that’s something we’re probably going to see more of”

³ We explore other ways in which ‘Local Voice’ can be brought into decision-making processes in the paper [“How do we define effective public involvement in cultural decision making”](#) commissioned by Culture Commons from Professor Leila Jancovich et al, University of Leeds and the paper [“What do the public think about the future of local cultural decision making?”](#) commissioned by Culture Commons from Thinks Insight and Strategy.

⁴ More on the Creative Civic Change programme can be found here [About Creative Civic Change - Local Trust](#)

The prediction that distributed decision making is likely to grow is an important finding in the context of this programme.

Another GGB told us how the flagship award they run for a sector had helped a nominated local authority struggling with local decision maker to make the case for culture:

“we know that that the kind of profile [our award provided] was part of some of the arguments [the sector] was able to make around their impact, and the conversations they were having locally, with local authority and other kinds of decision makers.”

Another contributor suggested that GGBs could potentially do more collectively to celebrate the work they are often co-funding to help local champions make the case for wider cultural investments and communicate how our sectors meet local policy priorities.

“what does it mean to live a ‘good life’ and you know culture within that? There are some really great organisations that are mapping out that territory. I think probably our role is to kind of help that conversation survive so that it can help us map out the bigger territory. And that's what feels like a nice role for us. And it's probably quite long term...”

Giving powers away

As organisations that primarily make grants, there was a generalised recognition that one of the biggest decision-making processes that GGBs participate in involves the allocation of funds.

As we touched on earlier, there is an increasingly high demand for grants from GGBs coming from the creative, cultural and heritage ecosystem (and other sectors too). It is therefore significant that some are convening different kinds of decision-making groups to inform grant-allocation processes.

“we are thinking about how participatory grant-making happens. The nearest we have come to it is involving our own [internal youth board] in some shortlisting decision-making processes”

“we haven't got any further than...advisory panels and they don't make any decisions about grants - they're really advising on strategy”

A GGB operating in each of the four UK nations revealed that whilst efforts are being made to diversify decision making internally, particularly grant-making panels, these tended to bring in sector specialists rather than the public per se.

“[diversifying our decision making] is something that we're interested in as an organisation and we increasingly involve external people on our decision making panels...we've often brought external voices onto those decision-making panels. But I think in the past they had mostly been from within the sector or professionals within the sector”

Another introduced the idea of institutional hierarchies leading to differences in exposure to, and therefore potential comfort with, distributed decision-making processes.

“I think [devolved decision making] is a very live conversation at a sort of programme manager level but not necessarily at a trustee level”

The GGBs we spoke to were open about where internal capacity and knowledge was a barrier to devolving decision making as part of their own decision-making processes.

“I think like some others, because we're quite a small trust, we don't really have the capacity or the skills to do a kind of a 'next layer down' level of decision taking”

One smaller grant giving body was quite clear that they do not foresee a time when devolving decision making powers to local communities would be likely for them.

“We are not thinking about making our decision making on our arts funding more participatory. I think we don't

make enough grants every year, really, for that to be sort of something that would be scalable...ultimately [grants] will be decided on by the trustees"

However, the same organisation was quick to point out that, whilst they do not devolve their own grant giving as such, they do often support programmes and initiatives that explicitly seek to support participatory work.

"we support lots of projects that are kind of demonstrating how [the public] can be involved [in decision making] and demonstrating different forms of participatory work and that sort of shift of power...we do support projects that have devolved participatory grant making"

Another GGB told us that a move towards community co-design within their programming had meant that some of their grants were now being directed towards projects that successfully incorporate distributed decision-making processes, for example a programme

"building skills around community co-curation and bringing local communities into that process of decision making and delivery of exhibitions and exhibitions that go on to talk to other communities as well. So we actually had somebody who had experience of being a community leader [involved] in that"

The contributor told us that they had commissioned research 18 months before this roundtable to better understand how they might **"hand over power"** to visitors and the workforce in museums which has developed into a new programme being

"guided very closely - more so than we have in any other programme - by a steering group that's been put together specifically because the voices and the perspectives and the expertise that they bring we just know that we don't have in our organisation."

Another contributor connected several strands together to assess current decision making bodies in places, the steps that could be taken to improve them and proffering GGBs as potential supporters of this capacity building.

“I think it's likely that if there is [a local decision making mechanism] in place, it won't be as diverse as you'd like, it probably won't necessarily have the skills you'd want. I think there is something about peer support, you know, conversations like this [roundtable] and how valuable they could be. There is a lot of expertise - people who would come in and support the kind of upskilling of existing local systems...I'm sure there's loads of people that would give their time to support that kind of development and possibly money too”

This was followed by a thorough discussion about how place-based connectedness and the upward spiral this seems to create in terms of building confidence and attracting investment, including from GGBs.

“there's just something very powerful about where you can convene and facilitate organisations to come together in a place, in a region and those conversations...you can bring new actors and new players into difficult social problems that are perhaps higher up on the agenda in local conversations than art and culture per se”

Engagement with local government

All the GGBs we spoke to self-identify as operating at **“the national level”**. For some this means across the UK, and for others within one or more of the four UK nations they are most closely associated with. Nonetheless, GGBs clearly see themselves as being able to move across the four UK nations.

However, a good proportion of the contributors we spoke to do not regularly collaborate with local authorities directly on a day-to-day basis, and most do not have a formal strategic partnership with councils.

“we fund very little directly to local authorities”

For one GGB, this provides a sense of freedom to peruse their own interests and invest against their own organisational objectives.

“we don't have that much to do with local authorities as yet...I think we actually pride ourselves on being light touch and slightly ‘freelance’ in spirit”

The GGBs we spoke to and who invest in the creative, cultural and heritage ecosystem recognise that they are often just one part of a much wider and complex funding landscape associated with place. Some are already confidently funding cultural infrastructures that are also supported by local authorities in a variety of ways.

“we don't fund local authorities directly, but quite a significant proportion of our arts and culture organisations - local museums, arts organisations - all receive, or many receive, varying degrees of help and support from their local authority”

“we have historically funded, for example, museums that were in local authority control”

“about half of our grant making is towards acquisitions and commissions, and obviously lots of those museum collections are sometimes in the care of local authorities as well - so we're kind of always [funded] local authorities via museums”

Interestingly, GGBs appear to be increasingly looking towards investing in more ‘whole-place’ initiatives alongside other funders, including local authorities, where those initiatives align with their own investment priorities.

“We have more recently found that local authorities are partners in larger scale local projects that we fund”

A contributor talked us through a productive relationship they had built with a local council over time; once established, it proved to be a very sound platform from which to develop deeper collaborations in place.

“we've had great support from [local authority], and that's been so far plain sailing, but [the cultural asset we

invest in together] is of long-standing benefit to the people of [borough] as well as [core city] as a whole. So there's a history there that boded well for our future working together"

Several GGBs told us about engaging with different departments or directorates within local authorities which has changed over time, pointing towards the sense that the creative, cultural and heritage sectors are increasingly being seen as important 'tools' to achieving other policy priorities locally.

"local authorities are happy to talk to us, but often it is health and wellbeing people, not cultural people...that was quite interesting. As the argument about where culture sat started to shift in terms of making the case for culture, we started to begin to talk to other departments and local authorities, not just the cultural ones"

Though not explicitly expressed by our contributors, there was a tension of sorts between those who support the production of artistic creations, whilst others were more comfortable with what is often described as the instrumentalization of culture in policy contexts. How these different starting points might be navigated in an increasingly devolved landscape was not unpacked.

Not all engagements with local authorities have been positive. Whilst it is unusual for trusts or foundations to 'gift' assets to local authorities, one major GGB we spoke to that had attempted to make an asset transfer of a prominent building housing a successful gallery to a local authority for the long-term use of local people spoke about the significant levels of bureaucracy involved.

"we gave [an asset] that we built to the [town council]...it took a hell of a long time to get it through, and was, to my mind, sort of baffling in its complications...it would make me wary of getting embroiled in local authorities in that way, in a similar manner"

The annual funding cycles that local authorities are often working to makes it difficult for GGBs to invest significantly in programmes alongside them over a longer term, which was

seen to be reducing the potential effectiveness of their contributions.

“we're working usually on a long-term funding basis - usually three years - and of course, local authority commitments are much shorter than this”

GGBs also noted how their own investments in cultural organisations and wider civil society groups are being squeezed because local authorities can only ‘match fund’ projects on a rolling annual basis.

“Lots of the organisations we spoke to had a very long standing relationship with their local authority that they had faith in. But now they're on a yearly basis and I think that's made a huge shift in their what they can expect to deliver. Some of them we talk to now have ‘SLAs’⁵ instead of a funding relationship”

Another GGB noted that their relationship with local authorities can be productive but quite precarious, as they often

“rely on a particular relationship with one person within the local authority”

Another contributor proposed that this over-reliance on personal relationships has been undoubtedly exacerbated by

“local authorities having gotten rid of their arts development officers and their arts development teams. So it's not only the money, [it's] that local expertise that was so valuable has been really, really cut back”

Several GGBs accepted that it can be very hard for local authorities to invest in staff with specialist skills who can move across the ecosystem in a place.

“the people who do that kind of knitting in a place are the hardest to advocate for because it's very hard to get excited about local authority arts officers in a public conversation or a public discourse”

⁵ Service Level Agreement

It was proposed that a national recognition of best practice in local authority officers **"bucking the national trend"** could be one way to

"tell that story in order to make it seem like it's just a kind of necessary basic bedrock thing that everywhere should have an arts officer"

One GGB was quite clear, though, they don't see a time in the future when they would be investing in personnel within local authorities.

"I can't see a time that we would ever pay for a position within a local authority - that would be really unlikely"

Some of the increase in demand for GGB grants we touched on earlier are perceived to have come about because of austerity policies imposed from the national level which has seen local authority funding for culture much reduced.

"I think many [of our grantees] are reporting to us a real struggle to have a relationship with their local authority...if they're stripping out the arts and culture funding, then they will be stripping out - or looking to strip out - civic society funding too...I think there's a real worry about that for many, many organisations that are part of that local authority ecosystem"

For some local authorities, this is leading to reputational damage, which in turn is seeing some GGBs (including those represented in our meeting) refraining from making investments in that place due to a lack of overall confidence.

"if you're a local authority area and you're removing a lot of funding for your arts and culture work: a lot of philanthropy works on a literal trust-based model....I mean, every fund around this table has talked about being overwhelmed with applications...we, you know, have to have trust in an area - either short term or long term - in terms of delivery and impact"

GGBs are playing an important role in ongoing discussions around creative, cultural and heritage assets being 'sold off' as part of the efforts of local authorities to balance their

books, either in general or as part of Section 114 notice procedures.⁶

“local authorities getting rid of assets - what does that mean - and especially when they've got a cultural heritage and a depth and aren't necessarily owned by a single actor”

“we're constantly monitoring collections and organisations that are at risk in our network...we will always contribute to consultations or discussions that are happening locally, particularly if we've invested in the collection there. There is a bit in our [grant] terms and conditions which is around decisions being made to do something with that collection that would take it out of public ownership that we have to be consulted on that”

In harmony with other findings from our programme, GGBs suggested that a clear cultural strategy or concerted programme of cultural activity in a local area can **“give confidence”** to philanthropists which can lead to meaningful and longer-term investments that can mitigate against cuts.

In terms of devolution, several GGBs touched on some of the potential risks of devolving to under-resourced and sometimes under-skilled local authorities in the shorter term.

“funding is being decentralised to people who haven't got any money...And being decentralised to people who might not have the sort of expertise that is even around this table, you know, and that, I think, is a great concern”

The issue of 'scale' and the realistic prospect of devolving more decision-making powers to differently sized local authorities was explored and drew attention to some important areas for further exploration.

“I can totally get devolving decision-making powers to citizens in Manchester. I just find it harder when I start to then map it onto, I don't know, you know, where I used to live in [more rural English shire] or you know, out of London suburbs. I just think it gets more difficult the less scale you have”

⁶ For explainer on Section 114, please see Institute for Government <https://www.instituteforgovernment.org.uk/explainer/local-authority-section-114-notice>

Another contributor was keen to stress that different infrastructures and localities are hard to compare using existing methodologies, suggesting that more place-responsive metrics and policy responses might be needed.

“the difference between the infrastructures you find in somewhere like [core city] and somewhere like the whole of [English shire] and how successful they are at sustaining themselves is really telling...So I think there's probably - you need to check what's there but also they're not gonna be equivalent in different places so it's gonna take a more nuanced approach to finding them”

Many other GGBs present agreed that different local authorities are operating in very different circumstances.

“I get it, it's hard...some really difficult decisions are being taken [by local authorities] lately”

“there are some local authorities that are very supportive, you know, operating under really difficult circumstances and budgetary constraints but can see the impact of arts and culture in a different way. And then there are others that aren't...”

When thinking about further devolution in the English context, several contributors shared their concerns about having to engage with a very large number of local authorities with increasing powers in future.

“talking about local authorities [across] the UK, you know there's no story where we would make a settlement with a place a region, with central government, like we couldn't be part of that in every place. So I think it's slightly different how we would see our role”

'[X] of Culture' and Mega Events⁷

⁷ We explore the role that Cities of Culture and Mega Events might play in an increasingly devolved policy landscape in this paper commissioned by Culture Commons from the University of Warwick
<https://www.culturecommons.uk/publications/'city-of-culture'-and-mega-events-as-sites-of-local-cultural-decision-making>

The subject of so-called cultural mega events and national festivals cropped up on several occasions as part of discussion. When discussing engagement with local authorities, one GGB shared that they had thought particularly carefully about hooking their investments to planned festivals to maximise their impact.

“boroughs of culture, places of culture, they may or may not be cities, but, you know, place based cultural happenings...we feel is quite a strategic use of our funding”

Another GGB concurred.

“there does seem to be a correlation between cities and boroughs of cultures maintaining something in the local authority because they've built a cultural plan, or they built a strategy, or they've put some financing in it at such a level that they have to maintain some kind of structure, or that structure has begun to pay off in a way that they continue to keep it”

Another contributor picked up on the ways in which City of Culture bid had acted as something of a catalyst for action which caught the attention of them and their board.

“[the bid team] are very much recycling their City of Culture bid. I mean, it did fail, but not because it was a bad bid. But they're actually reusing a lot of that material ...everyone got really excited around this. So how do we now kind of empower it? How do we really give it some life and make some kind of difference? So I know that - and there's some nods around the table - so I imagine they're talking to others here too who recognise this...it looks really interesting some of the work they're talking about”

Engagement with regional government

All the GGBs that we spoke to were keen to communicate their excitement at the potential of working in more devolved ways with local leaders, particularly with the new

regional power brokers we have in metro mayors running combined authorities.

“I think the one opportunity that we're seeing the most change with is the way we engage with the combined authorities...We are seeing differences in that above anything else, and that does feel at the moment like a real opportunity.”

Nonetheless, GGBs couldn't articulate exactly what those opportunities might be, or what the outcomes of further collaboration might look like, unprompted.

Metro mayors in the English context were mentioned in passing, but not in great detail, and collaborations between national governments and local authorities in the devolved administrations (such as the Verity House Agreement) were not touched on at all.

Four-nations funding & engagement

Many of the GGBs we brought to the table *already* fund and support across all four UK nations. One shared how it is already very possible to distribute funding across the four UK nations successfully, for example via sector representative bodies, in a way that respects jurisdictions but nonetheless benefits the UK ecosystem as a whole.

“there's been a development where a fixed ring-fenced budget, about £200,000 each year, is delegated - we delegate responsibility for decision making around that to the museum development bodies in each of the four nations on the grounds that...they have that real in-depth 'on the ground' knowledge of what organisations in their area and region and nation need...that's been really successful”

A major funder operating across all nations and regions shared that they distribute grants to national representative bodies supporting a DCMS subsector in each, and that this often leads to those funds being directed to the policy priorities within each nation.

“the development bodies in each of the four nations have often taken very different approaches...based on the needs in their in their nation. So...they really have had kind of freedom to respond to the needs that are the most pressing for the organisations that they work with”

International

Despite being a conversation about the transfer of powers from the national level to the regional and local, GGBs have an ambition to help the UK stay connected internationally - particularly when it comes to the creative, cultural and heritage sectors, areas that the UK is known to excel in.

“It’s from small acorns and from the smallest little thing in the most [unintelligible] part of the United Kingdom - the British Isles you know - if there's excellence there and it's strong enough, and with the support upwards, you know it can end up on the world stage as a real flag waver for us internationally...I think it's become very hard culturally for any cultural organisation to get beyond the white cliffs of Dover of late. And I'm sure you all had experiences of that.”

One GGB with a headquarters based overseas but with a branch here in the UK wanted to remind the group that

“when we just kind of see things from a UK perspective we can get very overwhelmed by the ongoing ‘crisis’ - but at the same time we've got amazing depth and breadth of cultural organisations and activity in comparison to even places quite close by the UK and I think we should remember that sometimes”

Arm’s Length Bodies

The potential role that ALB’s might play within a new funding landscape was also a real concern for GGBs. As another major stakeholder in the creative, cultural and heritage ecosystem, we have held a series of roundtable with ALBs

covering DCMS subsectors across the UK and produced an Insight Paper.⁸

Several times, contributors proposed that additional layers of devolution give rise to questions about **“accountability over investments”** that may have come from UK Government, for which accountability would have come from UK Parliamentary mechanisms, or distributed via specialised ALBs who are also accountable to parliamentary scrutiny.

“if you further devolve, as it were, beyond arm’s length body level, and get right down to the local authority, I don’t know how one can account for either the financial side (presumably fairly straightforward) but on the cultural side of actually, where the money is going to and why...”

“I don’t know how you get the accountability for once the grants go out, or central government decision making goes right the way down to the local authority, how that can be attended to on the risk side”

“What worries me is that, you know, there’s a whole other layer of bureaucracy involved in order to ensure that [investment] is properly spent. So when you implement these sort of new layers of governance, by its nature you introduce new layers of bureaucracy and accountability, but they might not be as robust”

A handful of GGBs raised a new point that had not yet surfaced during the course of the programme about how devolving decision making to high profile leaders (either mayors or leaders of councils etc) could see the creative, cultural and heritage sectors brought even further into the political arena, running roughshod over the Arm’s Length Principle itself.

“I think that that latter point [about devolving further] makes the whole art scene even more politically charged than it already is...I think that’s a grave risk, you know, I think it’s become quite clear over the last two decades that politics and arts aren’t a happy mixture by and large...”

⁸ The Arm’s Length Body paper can be found on the programme’s digital hub here <https://www.culturecommons.uk/publications/arm's-length-bodies-in-a-devolved-policy-landscape>

"I think greater political input doesn't serve a great purpose. And in a sense, I think that [national ALB] has sort of been more recently, appears to have been slightly politicized, which has been to its own detriment."

One contributor recognised that more devolved decision making in the regions could be taking us

"back to models of sort of English regions and regional arts boards and regional development agencies...I wouldn't have a huge kind of issue with that, but it's worth interrogating what was good about those things and what wasn't so good."

Trust in Trusts

Cultural Trusts are playing an increasingly prominent role in the governance and delivery of local creative, cultural and heritage services; they were raised as an area for consideration by GGBs.

GGBs have picked up that, in some cases, the Trust model can be deployed as a way to 'economise'.

"I think we're hearing some organisations saying to us that they're in discussions about being put into a trust model, so they'll kind of - the local authority will put everything into some kind of not-for-profit organisation of which they'll be part, and that the driver for that is about 'cost saving'"

A trust on the South coast of England was highlighted for the innovative thinking their team are doing around finding a more sustainable operating model for some of the cultural services it looks after.

"I think [Cultural Trust] have some really interesting ideas around grant funding impact, investing, different ways of bringing finance into an area to kind of scale up an area in very interesting and innovative ways...there are some people talking ambitiously, creatively, passionately there"

Nonetheless, not all GGBs necessarily see Trusts as a 'safer pair of hands' for investment because

"there's lots of kind of desires to find 'the great new model'. And the reality is that's a bit of a mythic conversation to some degree. Is there a great new model that we're all looking forward to - does it exist, or do we just have to recognize that sometimes innovation is about helping people do what they do well?"

Another contributor put it bluntly:

"part of the thing about the Trust model is that it's rewrapping a problem"

Moves from local authorities towards a Trust model to cut costs associated with creative, cultural and heritage infrastructures would not be looked upon favourably by GGBs

"it's about making sure the foundations of something like a Trust model are foundational...local authorities have to recognise that if they're going to go into that kind of situation, [they] can't do it without endowing the organisations - even just endowing financially probably isn't enough anymore - there has to be that kind of level of ongoing support, that peer support for organisations like that, otherwise they're just not going to survive."

"we've seen a lot of Trusts that have ended up having to take forward really substantial pension deficits, for example, which really puts them in a difficult position financially as well."

Operating models

GGBs are aware of the hard work that some sector stakeholders are doing to adapt their operating models to become more 'financially sustainable'.

"we're getting a lot of requests [for funding to] look at different business models, different models of collaboration, different networks"

Some GGBs are responding to this relatively new phenomenon by setting up specific funding mechanisms to enable grantees to bring in consultants to support business model development.

“we have a funding [programme] which is additional funding to existing grantees for work that they can do around consultancy - and that's having to increase to deal with the number of people who are coming to us with requirements around changing their model and their structure in response to cuts to their funding from elsewhere”

Some GGBs also highlighted that blended funding models are emerging that appear to bring several income streams together in new ways.

“we're seeing a rise in philanthropy, from corporate individual sectors coming together to sort of seek partnerships in a way that we just didn't before”

GGBs are nonetheless very mindful that organisations in the creative, cultural and heritage sectors do not yet have adequate levels of support to pivot their operations to confront the new financial realities that they face.

“despite real ingenuity and trying to find ways to change their business model, adapt their business model, try new things, it's really, really challenging for lots of organisations at the moment”

Openness to change

On several occasions, GGBs demonstrated that they had adapted their operations in direct response to the shifting policy landscape and the lived experiences of the people they aim to support.

“we [had] a funding strategy, but this new 'cost of living' landscape forced us to change that strategy”

The Great Places Scheme⁹, a multi-year funding programme led by Arts Council England was cited on a couple of occasions as being a particularly strong example of more place-orientated work that GGBs had contributed to.

“I always think back to kind of that pre-COVID programme...the Great Place Scheme. It was years and years ago and a combination of Arts Council [England], lottery, philanthropy - place-based that did some really, really interesting work and now some evaluation around it. And I just think it all kind of got a bit forgotten and I actually thought it [was] really kind of cool actually. Be nice to see something like that come back, which was a really kind of, you know, meaty grant funding at scale for a local area”

GGBs shared that devolution from centralised decision making bodies to more localised ones could give rise to existential questions about how limited resources are distributed.

“I sort of think we have to do [devolution], but I do think it would be quite painful, and I think it will expose things that perhaps we've been quite happy not to expose, and challenges that go deeper about public understanding and support for public funding of the arts that, you know, is challenging, maybe now we have to do it actually”

A major four nations funder (operating across various sectors including the creative, cultural and heritage ecosystem) made an interesting proposition to the wider group during the session.

“perhaps the most fruitful route...is that sense of: is there a sort of new version of a pooled fund or a strategic intervention of some kind - of collaborative action of grant making bodies and others that would be interesting? Because...it's not promising a little tiny piece of money to every place.”

⁹ For more details on The Great Places Scheme, see Arts Council England's report <https://www.heritagefund.org.uk/about/insight/evaluation/great-place-scheme-evaluation-england#:~:text=About%20the%20Great%20Place%20Scheme,The%20Great%20Place&text=It%20is%20enabling%20cultural%20and,local%20social%20and%20economic%20objectives.>

For one major funder, this brought to mind the Creative Civic Change programme again: a major investment programme that they had co-invested in alongside others that specifically tried to make a longer-term investment in specific geographical areas to see what the added value might bring.

“What we haven't ever done is do it on a geographic basis and the nearest we've come is Creative Civic Change where we decided where [the investment] went but the places decided how [it was spent]”

Two of the investors at the session who funded the initiative indicated that they could **“see [Creative Civic Change] happening again”**. Another was quick to point out that GGBs are perhaps well primed for investing differently because of the bold approaches they often had to take during the instability of the recent global pandemic.

“we got quite close to [coordinated co-investing] during COVID-19 when certainly my foundation just banged some money into the Blue Sky fund etcetera and, admittedly that was under emergency conditions as they were, but we have sort of been there in principle already once. So, it's not like a completely novel idea to boards and trustees”

Another contributor noted that the emergency co-investment fund they had been something of a success, suggesting they'd be open to more of this kind of thinking in the future.

“So during COVID, [three other major GGBs] and us, we all collaborated on a grant programme...that worked quite well for us”

One GGB made a point that was widely agreed with by the other contributors about existing infrastructures being available to build on as part of any GGB-wide response to devolution.

“There probably will be an existing system or panel or grouping or something that exists. So I think there's something about not spending huge amounts of time and money and energy reinventing the wheel”

A major national trust felt that there was a need for different types of funders to come together behind some shared missions, but that there could be a role for a new UK Government to play in making sense of the many funds coming through for the ecosystem too.

“thinking about how the incoming government can convene funders and other funders because if you're one of those local agencies trying to find money, the kind of patchwork of money you would have stitched together pre-COVID is even harder now post-COVID because lottery and larger institutional funders have moved in one direction, I think philanthropy and trust-based funding has moved in another. So there needs to be some kind of drawing together of those and whether that's through funding initiatives like something like a Great Places scheme or just to kind of general expectation that these agencies need to be communicating much better because the trusts and foundations we talk a lot. The sort of lottery funding will talk a lot. There's not, there's not much of a Venn diagram anymore of the bit in the middle. And I think that's a real risk.”

Summary of Findings & Implications for Policy

- **GGBs have long been adapting their organisational objectives, programmes and decision-making processes** to respond to fast-changing policy and social landscapes. We anticipate that GGBs will be able to adapt further in future, including as devolution is rolled out and national governments bolster increased local decision making in increasingly sophisticated ways.
- **Many GGBs already have a well-developed relationship with the creative, cultural and heritage ecosystem** and have been investing in these sectors substantially for some time. Of note is the apparent awareness amongst GGBs that the DCMS subsectors often act like an ecosystem. In addition, perhaps because of the often social and civic priorities that trusts and foundations set for themselves, they are already aware of the ways in which our sectors can cut across several policy areas - from health and wellbeing, planning and social and racial justice. However, this understanding is not something that GGBs recognise as readily in local authorities - particularly those with smaller teams or without specialists covering creative, cultural and heritage policy and services.
- **GGBs could be more aware of the devolution landscape in each of the four UK nations.** With its long, complex and often politically charged context, it is understandable that GGBs may wish to sidestep difficult conversations around territoriality and jurisdiction; nonetheless, we believe that as devolution develops, the increased emphasis on local decision making will likely have a considerable impact on how they distribute funds in future.
- **In general terms, GGBs see the potential 'added value' of devolving decision making** from the national level to regional and local decision makers. Nonetheless, when asked to consider how their own internal decision-making process might also be devolved, GGBs were more likely to cite barriers.
- **GGB interest in exploring how the creative, cultural and heritage ecosystem operates within a**

place - and in particular those places with less creative, cultural and heritage infrastructures or lowers levels of historical investment - indicates a sensitivity to the very different contexts that can see some areas becoming structurally disadvantaged. GGBs have indicated that they see the value of mapping 'cultural infrastructures' across the UK to better understand where their investments might be better directed; this ambition dovetails nicely with the new UK Governments proposed 'Cultural Infrastructure Map'.

- **GGBs have the freedom to engage with and invest in all four UK nations** in a way that, for example, arm's length bodies or national government departments simply can't. We think that GGBs are therefore well placed to invest in programmes that seek to better understand how devolution and four nations activity might support the creative, cultural and heritage ecosystem overall, as well as any 'whole UK' creative, cultural and heritage projects of the future.
- **Grant and support programmes led by GGBs are oversubscribed** and demand from the creative, cultural and heritage sectors has anecdotally increased as state or local authority funding for the ecosystem have dried up over the last decade. Any expectation from the UK Government or local governments that trusts and foundations will simply be able to 'backfill' or act as 'funders of last resort' are ill-founded.
- **Relations between GGBs and local authorities appears to be patchy**, with some engaging regularly in semi-coordinated and complimentary ways, and others feeling completely unable to do so. GGBs have expressed a concern about how accountable local authorities would be if powers to distribute grants were moved away from Arm's Length Bodies and given over to locally elected people (and by extension, potentially communities in general).
- **GGBs have made it clear that it is advantageous for local authorities to have an officer dedicated to the delivery of creative, cultural and heritage**

associated services as it gives confidence to the to co-invest in a programme or place-based project over time. In addition, a cultural strategy or plan appears to be one such way that local authorities could give further confidence to GGBs to co-invest, by demonstrating that there is clear ambition that exceeds to immediate funding cycles and that will presumably be picked up by staff should there be turnover. Furthermore, '[X] of Culture' and other cultural mega events seem to build confidence amongst GGBs that a place is serious about longer term investment in culture, creativity and heritage.

- **There is a palpable sense of excitement at the opportunities that combined authorities in the English context could bring to the table**, though GGBs were less able to articulate what those might be unprompted.
- **GGBs, like many other stakeholders we have spoken to, raised concerns about the annual funding cycles of local authorities and some national governments in the UK.** Annual funding settlements are preventing local authorities from investing in longer term programmes and projects that GGBs would be interested in supporting because there is a perennial risk that funding from the local authority could drop away mid-delivery and expose the other funders (including GGBs) to an unacceptable degree of risk. It is hoped that devolution will result in longer-term funding settlements that will enable local authorities to better plan for the long term.
- **As important new regional power brokers in England, GGBs may wish to consider coming together to run a conference specifically for metro mayors to attend to discuss devolution and increased local decision making more broadly.** This same body may wish to then engage with the devolved administration governments to explore how regional ambitions for metro mayors might be shared across the four UK nations; this could give rise to new projects that bring the UK's creative, cultural and

heritage sectors together and pave the way towards a formalised body as part of the Council of Nations and Regions.

- **GGBs clearly see the value of devolved decision making but are also conscious that they do not have infinite people-power or resources to be able to engage with a large number of new devolved places or structures.** Careful thought will have to be given to level at which a GGB can meaningfully engage for strategic effect. Significantly reduced creative, cultural and heritage teams within local authorities already means that GGBs are often building precarious relationships with talented individuals who, once they leave, can leave a significant gap.
- **A platform that brings national GGBs together, perhaps with other agencies and arm's length bodies,** could be one way to create something of a 'one stop shop' for cultural investment and connection for under-resourced local authorities, as well as build confidence between GGBs and help towards a harmonisation of investment cycles within place. GGBs indicated to us that they can see the benefit of investing in the upskilling and resourcing a place-based cultural governance body of some kind to ensure that the cross-cutting capacity of our sectors are factored into wider local decision-making processes.
- **GGBs appear to be the 'supporters of the supporters' within the creative, cultural and heritage ecosystem.** As devolution develops further, and regional and pan-regional governance structures emerge, GGBs may wish to start thinking about whether they can co-invest in local/regional centralised pots to create something akin to a single cultural settlement for an area. This funding could then be distributed by a local/regional governance mechanisms that could include representation from key GGBs, which would serve the double purpose of providing GGBs with an opportunity to stay connected to the policy priorities of different regions over time.

- **GGBs are supporting stakeholders in our ecosystem to explore new blended funding models already** – something that we know is a priority for the new UK Government. There is clearly more that HM Treasury and teams within DCMS could do to engage with GGBs to explore this in a more systematic way, with the requisite research in place to share learnings wherever appropriate.
- By celebrating best practice associated with local cultural decision making in local authorities across the country, **GGBs could help platform positive reinforcing stories of how our sectors have contributed to meaningful interventions in different kinds of places** and help challenge the sense of crowding out we see in local governments. GGBs have demonstrated that they can be valuable partners to local authorities on place-based initiatives at scale when needed.
- **Some of the GGBs we spoke to are interested in supporting specific subsector(s), with all the specialism and sector knowledge that requires.** It is highly likely the boards associated with these bodies will want to continue supporting the DCMS subsectors they are currently associated with. To this end, new regional and local power brokers will need to continue to stay up to date with national GGBs and those that support specific subsectors that are particularly relevant to their areas.
- **GGBs clearly have an eye on international developments, and in some cases, operate internationally too.** The sense that increased local decision making should not prevent international collaboration was made loud and clear during the session. GGBs have clearly signalled that they want to see the UK staying connected to the international community so we think they could now play an important role in facilitating the programmes they co-invest in to take a concerted 'glocal' approach (global to local) to make sure the UK does not miss out on potential collaborations and maintain its standing on the international stage.

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