



Department
for Culture
Media & Sport

Tailored Review of Arts Council England

Annexes to Main Report

April 2017

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Annex A: Terms of Reference

Part One of the Tailored Review will consider the Arts Council's position and its status as a DCMS-sponsored Non-Departmental Public Body (NDPB):

- Whether the functions performed by the Arts Council remain appropriate for a NDPB
- How the Arts Council's performance and effectiveness is assessed
- The Arts Council's standing; its engagement and its influence with stakeholders

In Part Two, the review will go on to consider:

Efficiency and effectiveness

- The Arts Council's delivery of its current set of functions and responsibilities
- How the Arts Council's priorities align with the government's priorities of ensuring the opportunities of arts and culture are available to everyone regardless of background and benefit communities across the country
- How the Arts Council sets priorities and makes investment decisions
- The Arts Council's role as development agency
- How the Arts Council advocates for the arts and culture
- How the Arts Council influences public attitudes and behaviours
- How the Arts Council innovates and how it plans for the future
- How the Arts Council works with other organisations to reduce costs
- How the Arts Council manages its estate
- How the Arts Council uses digital services, including in its internal cost management

Governance

- The DCMS oversight arrangements for the Arts Council
- The effectiveness of the Arts Council's governance and how this is assessed
- Whether the governance controls in place follow "good practice"
- The Arts Council's internal structures, and the regional v central governance model

Annex B: Challenge Panel and Review Team

Challenge Panel

Role: To challenge the scope, assumptions, methodology and emerging conclusions of the review to ensure that the final report was based on solid evidence and fair evaluation.

Members of the Challenge Panel were appointed in a personal capacity and did not represent any interest group or particular body. Members of the Panel were asked to declare any potential conflicts of interest to the review team.

Chair:

Fields Wicker-Miurin OBE, FKC DCMS Non-Executive Director, Chair of the DCMS Audit and Risk Committee and non-executive director of various companies

Members:

Sally Bacon OBE Executive Director of the Clore Duffield Foundation

Elliott Ball HM Treasury: Head of DCMS Spending and Strategy

Hannah Barry Founder of Hannah Barry Gallery and Bold Tendencies CIC

Deborah Bull CBE Assistant Principal (London), King's College London

Sarah McCrory Director of the Gallery at Goldsmiths

Lesley-Ann Nash Cabinet Office: Director of the Public Bodies Reform Team

David Ross Entrepreneur and Trustee of the National Portrait Gallery

Review Team

Role: To carry out the review, including setting the Terms of Reference, gathering and analysing evidence, and forming recommendations.

Tony Strutt Head of DCMS ALB Public Body Reform Team

Alexandra Gillespie Lead Reviewer

Hannah Hughes Project Support

Anoushka Kenley Project Support

Annex C: List of stakeholders consulted

One to One Interviews

1. Access - The Foundation for Social Investment
2. ARC, Stockton Arts Centre
3. Arnolfini
4. Art Fund
5. Arts Council of Wales
6. Asian Arts Agency
7. Battersea Arts Centre
8. Book Trust
9. Bournemouth Symphony Orchestra
10. Calouste Gulbenkian Foundation
11. Canvas
12. Cause4
13. CDC Group
14. Chartered Institute of Library and Information Professionals (CILIP) (now The library and information association)
15. Christie's Auction House
16. Cornwall Museums Partnership
17. Creative and Cultural Skills
18. Creative Industries Federation
19. Creative Scotland
20. Curve Theatre
21. Esmée Fairbairn Foundation
22. Free Word
23. Fun Palaces
24. Hall for Cornwall
25. Heritage Lottery Fund
26. Imperial War Museums
27. Improbable
28. Independent Theatre Council (ITC)
29. Jerwood Charitable Foundation
30. King's College London (Arts and Humanities Research Council)
31. Libraries Taskforce
32. Museums Association
33. National Criminal Justice Arts Alliance
34. National Centre for Circus Arts
35. National Council for Voluntary Organisations (NCVO)
36. National Foundation for Youth Music
37. National Museum Directors' Council
38. National Theatre
39. Nesta (National Endowment for Science, Technology and the Arts)
40. Royal Opera House
41. Shape Arts
42. Sotheby's Auction House
43. The British Library
44. The Hermes Experiment
45. The Reading Agency
46. The Roundhouse
47. The Royal Academy of Arts
48. The Southbank Centre
49. The Space

50. Tullie House Museum & Art Gallery
51. Turned On Its Head
52. UK Theatre
53. What Next?

The review team also spoke to two individual artists who will not be named to respect their anonymity.

One to One Interviews with Central, Local and Devolved Government Bodies

1. Cabinet Office
2. Cornwall Council
3. Department for Business Energy and Industrial Strategy
4. Department for Education
5. Department of Health
6. Lancashire County Council
7. Local Government Association
8. St. Helens Council
9. The Scottish Government
10. Welsh Government

Roundtable Participants

Roundtable 1: Manchester

1. Abandon Normal Devices
2. Carcanet Press
3. Castlefield Gallery
4. DaDaFest
5. HOME
6. Lakeland Arts
7. Manchester International Festival
8. Marketing Lancashire
9. The Old Courts Wigan

Roundtable 2: Newcastle

10. Arts & Heritage
11. Darlington Borough Council
12. Newcastle City Council
13. North East Culture Partnership
14. Northumberland County Council
15. Theatre Hullabaloo
16. Tyne & Wear Archives & Museums

Roundtable 3: Bristol

17. Arts & Health South West
18. Bristol City Council
19. Bristol Music Trust
20. Libraries Unlimited
21. Situations
22. The British Paraorchestra
23. Watershed

Written Submissions were also received from:

1. Art Fund
2. British Film Institute
3. Darlington Borough Council
4. Local Government Association
5. North East Culture Partnership
6. Sir David Verey CBE
7. The Library Campaign
8. Tyne & Wear Archives & Museums

Annex D: Results of Public Consultation

Purpose of Consultation

An online consultation sought views from the public and from any stakeholders to whom the review team did not speak directly. The consultation ran from 9 August to 20 September 2016. Responses have been broken down into the following sections:

- Who responded?
- The Arts Council's Goals
- The Arts Council's Functions
- The Arts Council's Overall Performance

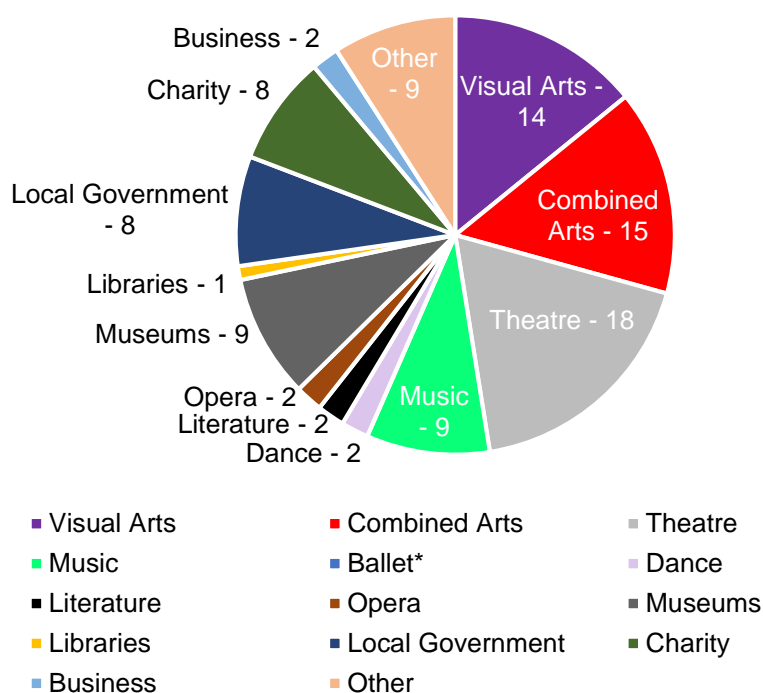
Due to rounding effects, percentages may not add up to 100. Survey percentages are based on the number of respondents answering the question and not the total percentage of total survey respondents.

Section One: Who responded?

Response breakdown

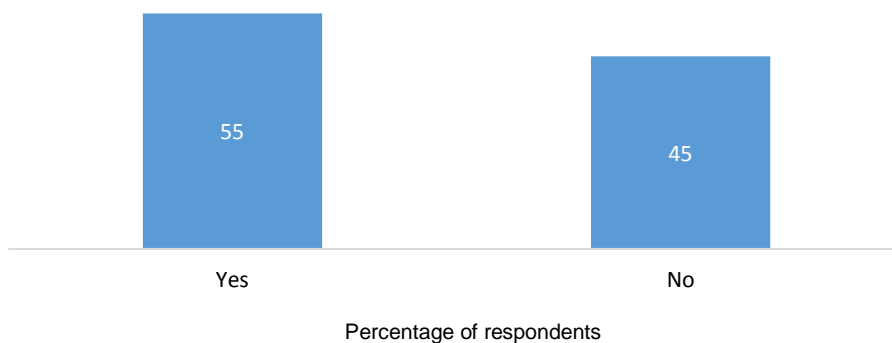
Respondent type	Number of responses	Percentage of responses which contain data (634)
Individual	396	62%
Organisation	238	38%
Total	634	100%
Blanks	17	
Grand total	651	

Percentage of respondents by sector (n=224)

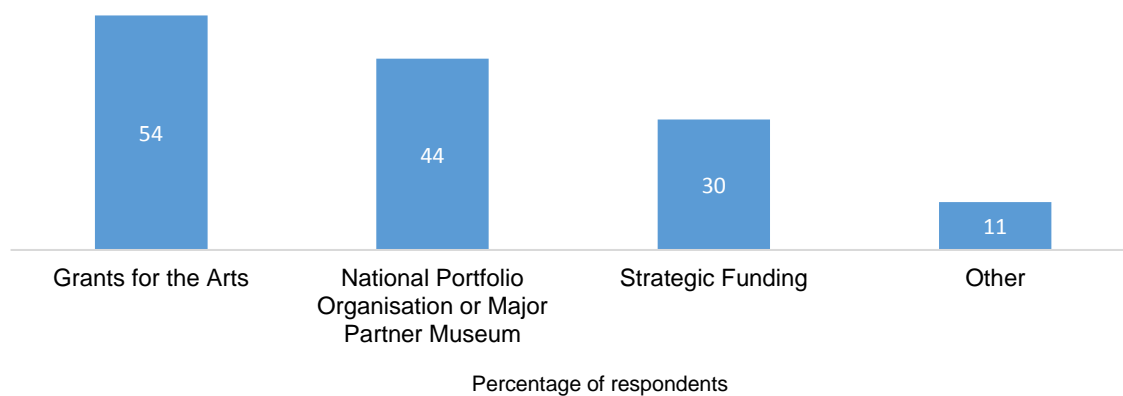


*There were no responses from this sector

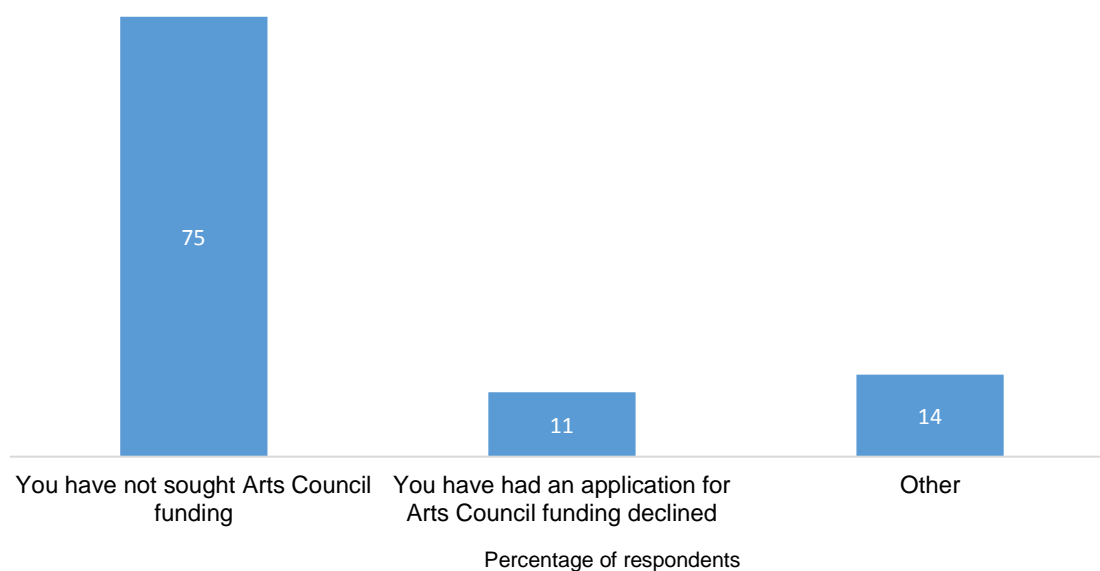
Have you or your organisation received funding from the Arts Council in the last three years? (n=592)



If yes, what sort of funding have you received? (n=315)

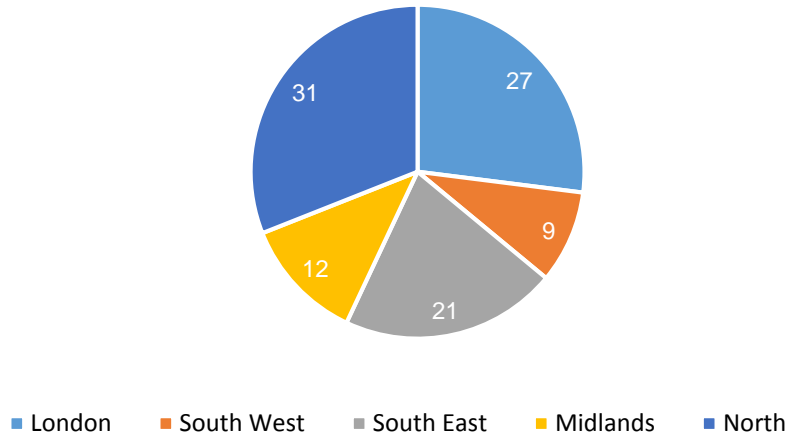


If no, why not? (N=256)

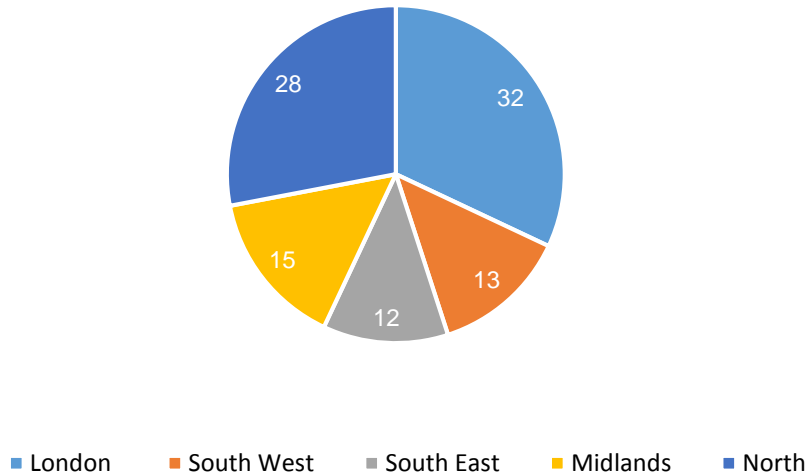


In which of the five Arts-Council designated areas do you live?

Individuals who did not participate in the arts as a professional (n=153)

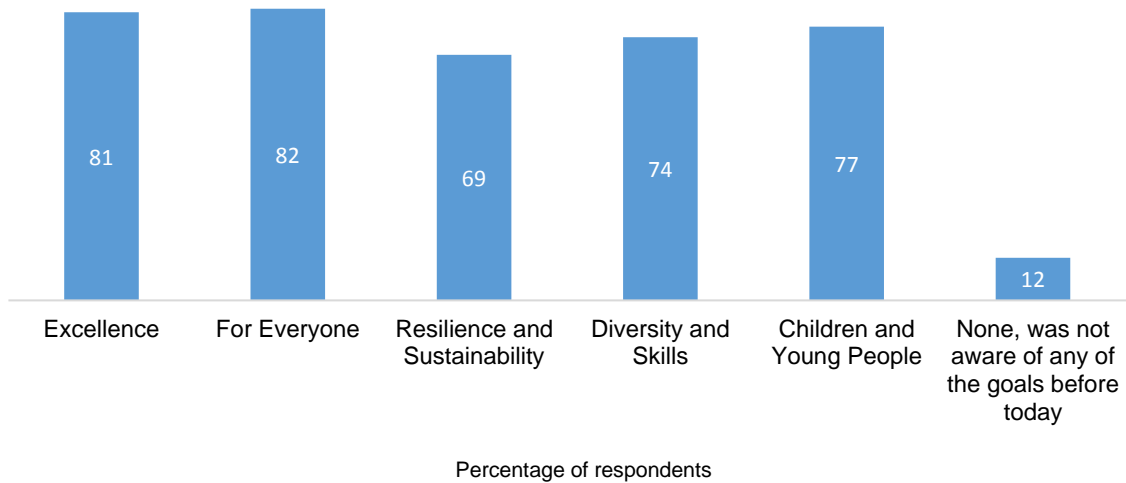


Organisations or individuals who participated in the arts as a professional (n=277)

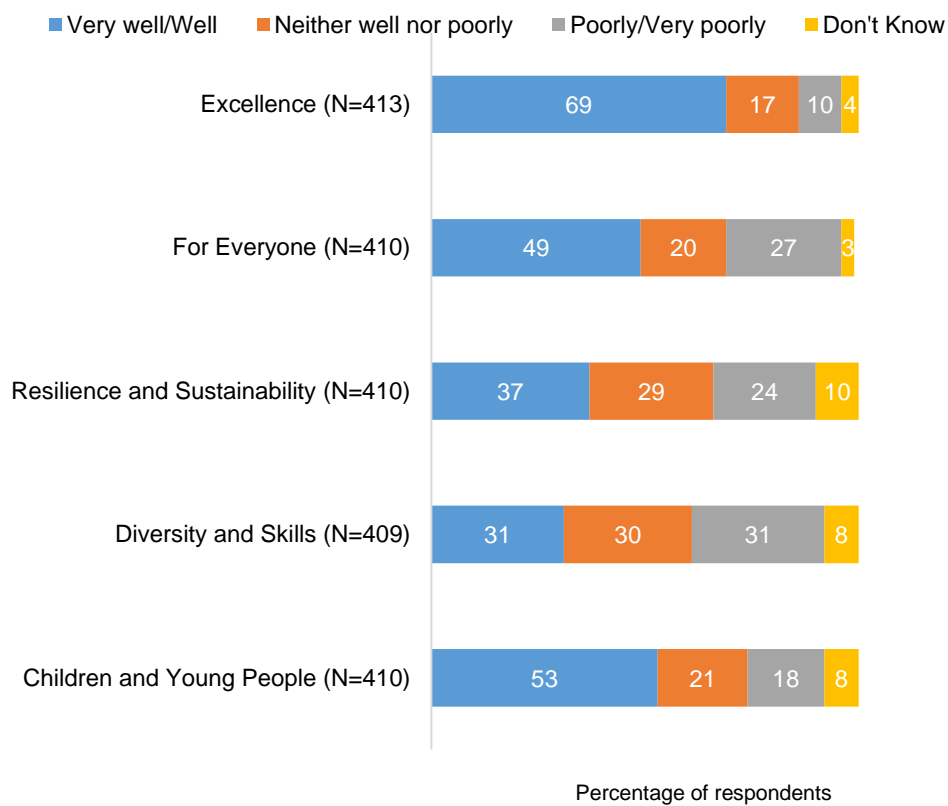


Section Two: The Arts Council's Goals

The Arts Council's Five Goals are shown below. Which of these goals were you aware of before today? (n=519)

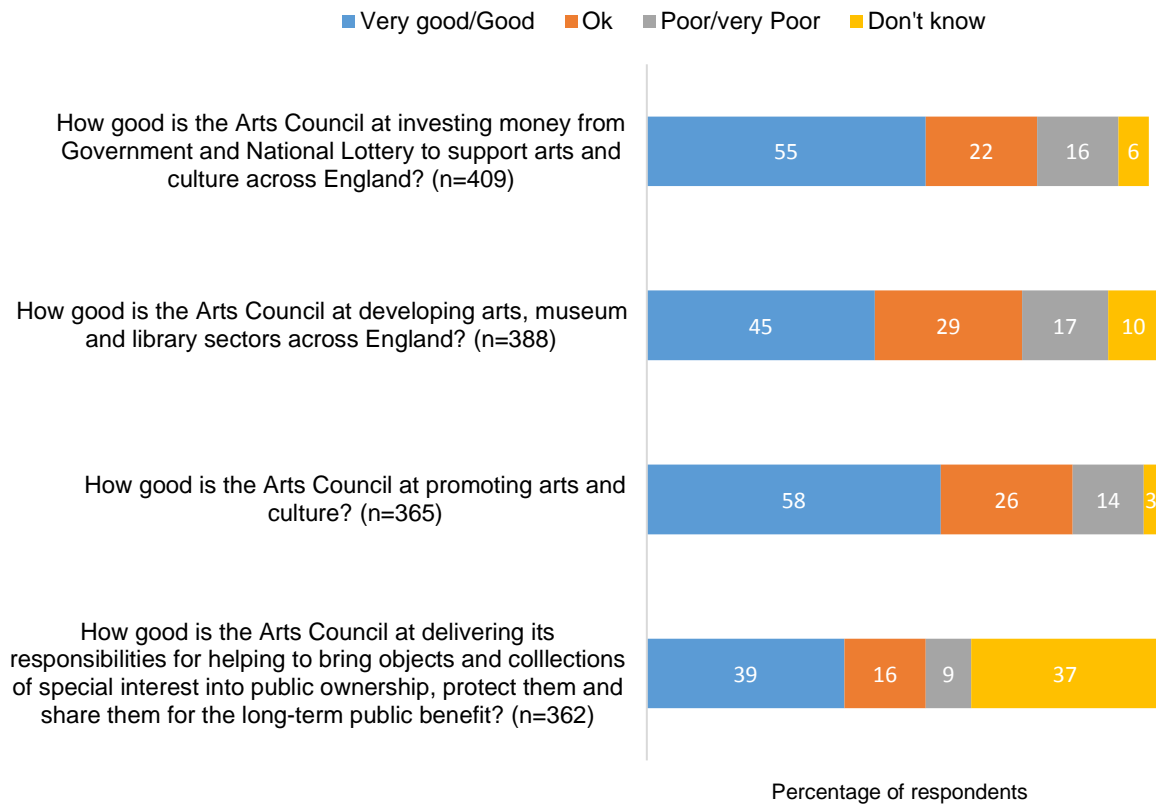


How well is the Arts Council delivering these goals?

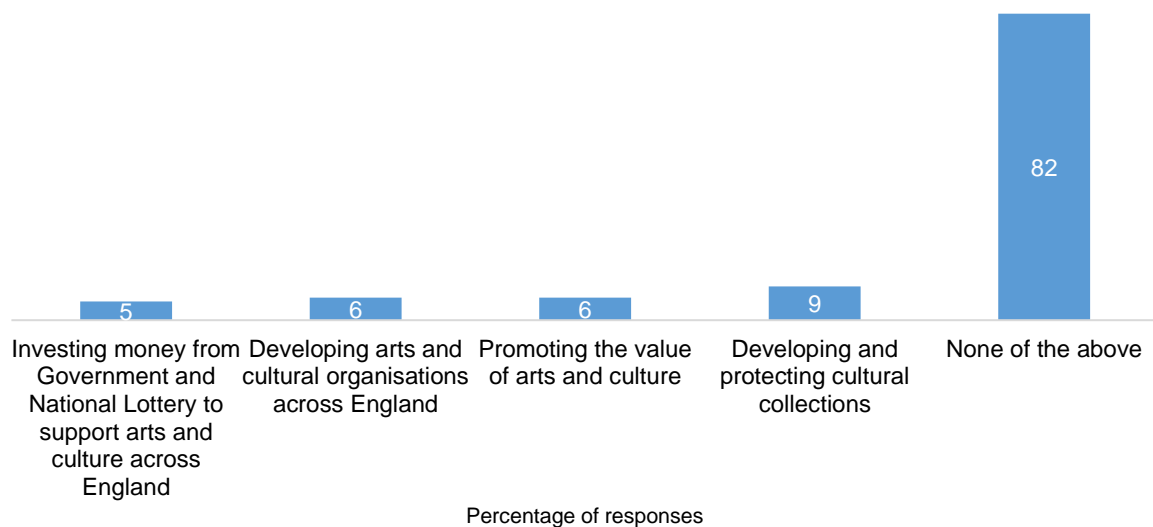


Section Three: The Arts Council's Functions

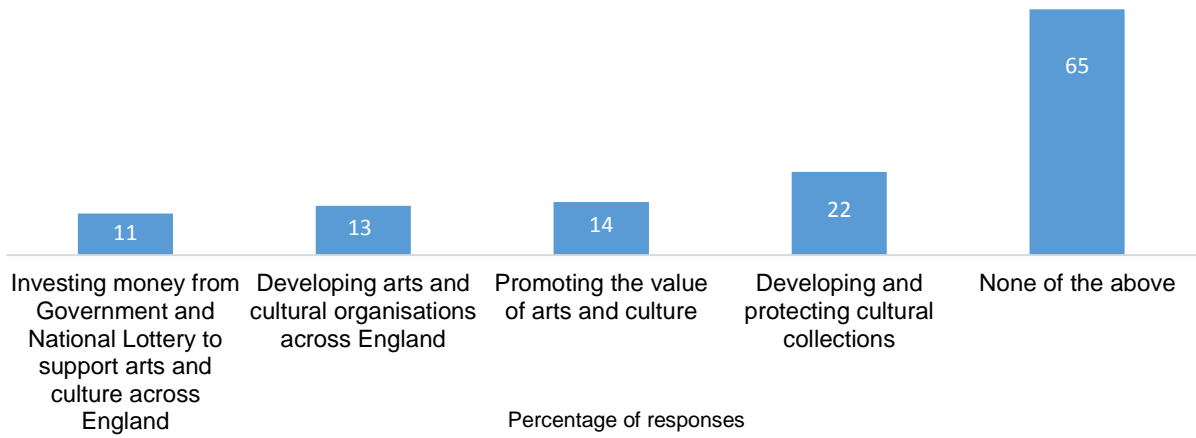
How good is the Arts Council at delivering its functions?



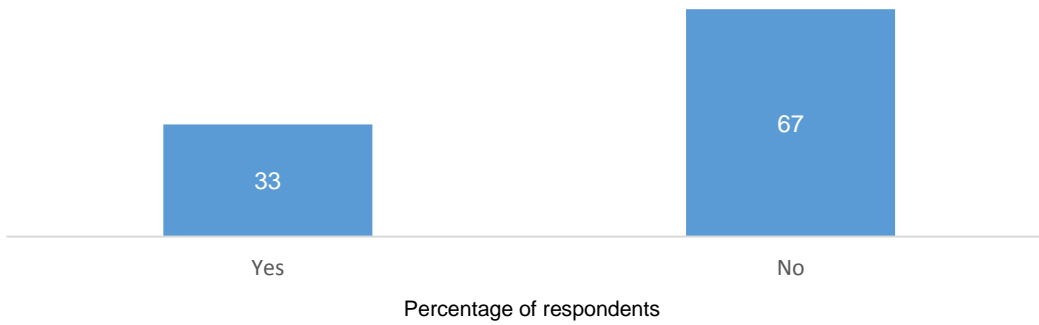
Which, if any, of the Art's Council's functions and responsibilities do you think could be stopped? (n=340)



Which, if any, of the Art's Council's functions and responsibilities do you think could be undertaken by another organisation? (n=341)



Do you think the Arts Council should have any additional roles and responsibilities? (n=237)



Survey respondents were also asked to provide more detail about each of the above functions and responsibilities delivered by the Arts Council.

1. Investing money from Government and National Lottery to support arts and culture across England

How effectively does the Arts Council make grant funding decisions? (n=393)

■ Very/Fairly effectively ■ Neither effectively nor ineffectively ■ Very/Fairly ineffectively ■ Don't Know



Percentage of respondents

How transparently does the Arts Council make grant funding decisions? (n=392)

■ Very transparently ■ Fairly transparently ■ Not very transparently ■ Not at all transparently ■ Don't know



Percentage of respondents

How effectively does the Arts Council encourage bids from new and/or smaller organisations and groups (n=388)

■ Very/Fairly effectively ■ Neither effectively nor ineffectively ■ Very/Fairly ineffectively ■ Don't know



Percentage of respondents

As a recipient of Arts Council funding, how well do you think the Arts Council evaluated the success of your grant? (n=220)

■ Very/Fairly well ■ Neither well nor badly ■ Very/Fairly badly ■ Don't know



Percentage of respondents

2. Developing arts, museums and library sectors across England

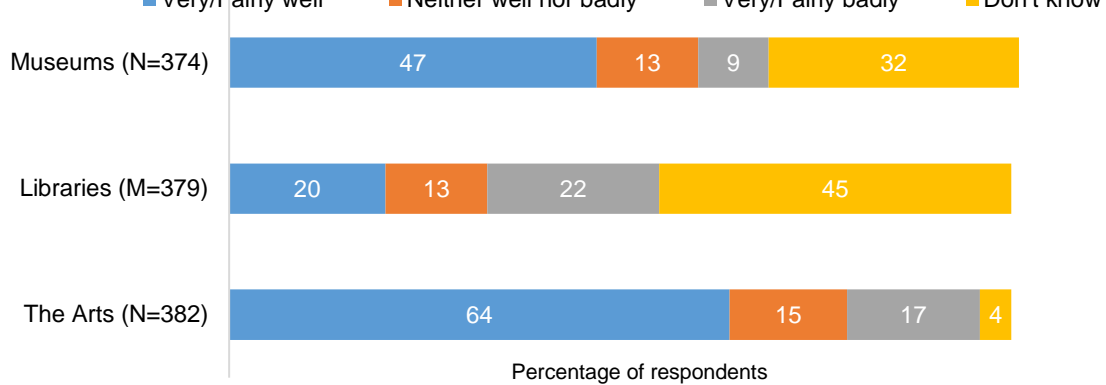
How effectively does the Arts Council support arts and cultural organisations to consider and develop alternative income streams which could compliment public investment e.g. philanthropy, commercial income, social investment? (n=365)

■ Very/Fairly effectively ■ Neither effectively nor ineffectively ■ Very/Fairly ineffectively ■ Don't know



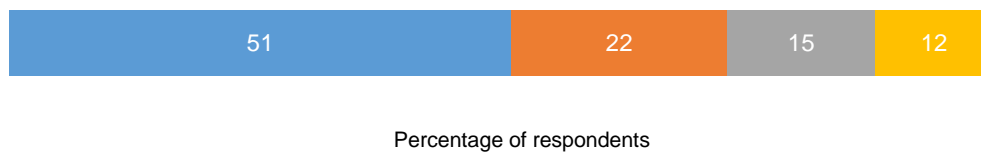
How well does the Arts Council support the development of the following:

■ Very/Fairly well ■ Neither well nor badly ■ Very/Fairly badly ■ Don't know



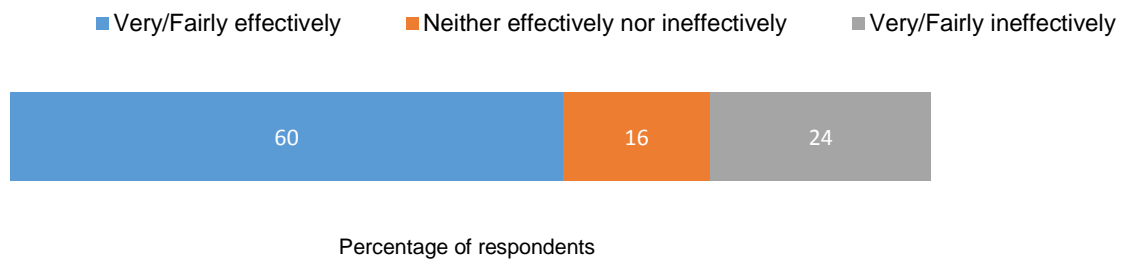
How well does the Arts Council promote partnerships between organisations across the arts and cultural sectors? (n=369)

■ Very/Fairly well ■ Neither well nor badly ■ Very/Fairly badly ■ Don't know

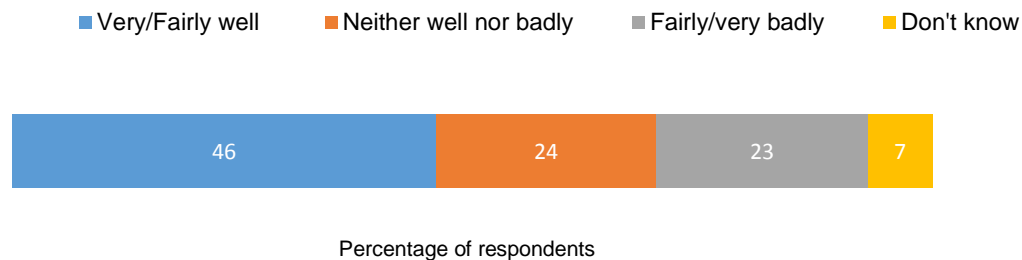


3. Promoting arts and culture

How effectively does the Arts Council advocate for the value of the arts and culture to the public and other stakeholders? (n=334)

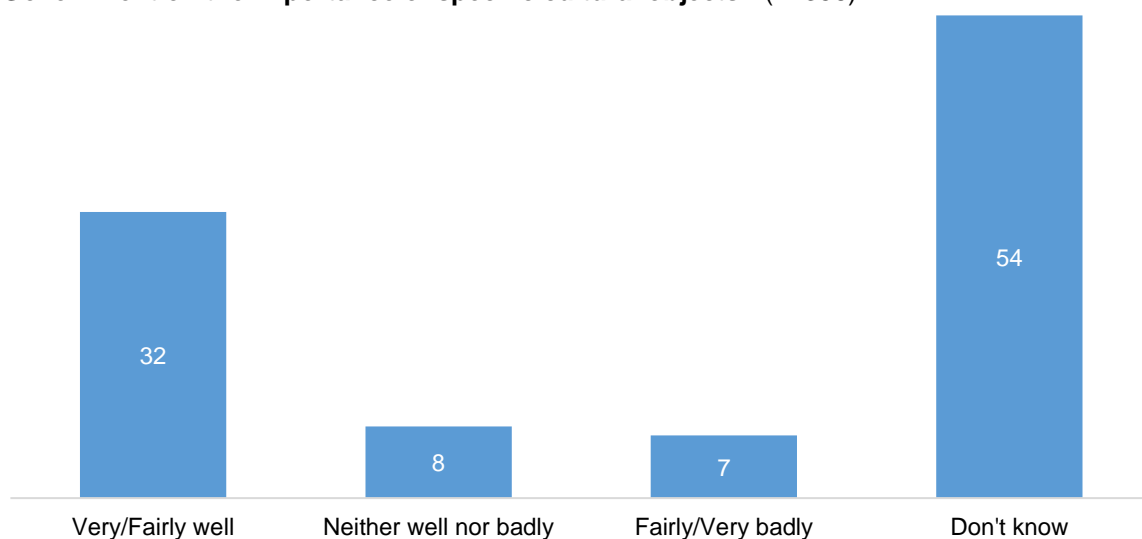


How well does the Arts Council encourage greater public awareness of and enthusiasm about arts and culture? (n=362)



4. Statutory responsibility for helping to bring objects and collections of special interest into public ownership, protect them and share them for the long-term public benefit

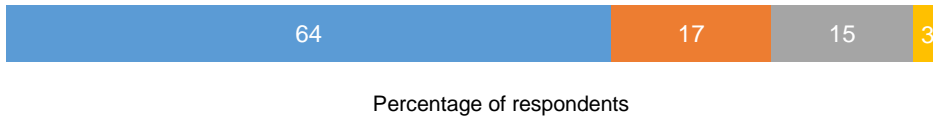
How well does the Arts Council work to keep items of particular cultural significance in the UK e.g. through export controls and supporting the work of the Reviewing Committee in advising the Government on the importance of specific cultural objects? (n=356)



Section Four: The Arts Council's Overall Performance

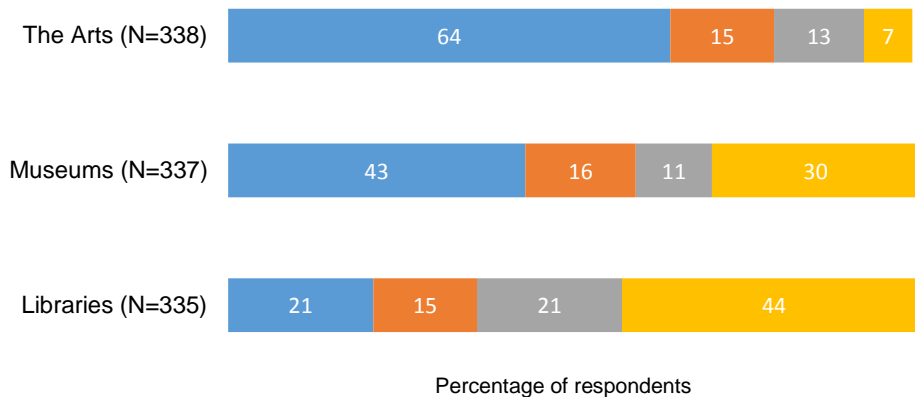
Overall, how well do you think the Arts Council performs as an organisation? (n= 344)

■ Very well/Fairly well ■ Neither well nor badly ■ Fairly badly/Very badly ■ Don't know



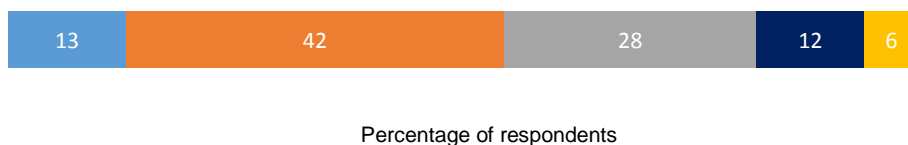
In your view, how well does the Arts Council provide leadership for:

■ Very/Fairly well ■ Neither well nor badly ■ Very/Fairly Badly ■ Don't know



Is the Arts Council an innovative and forward looking organisation (N=341)

■ Very innovative ■ Quite innovative ■ Not very innovative ■ Not innovative at all ■ Don't know

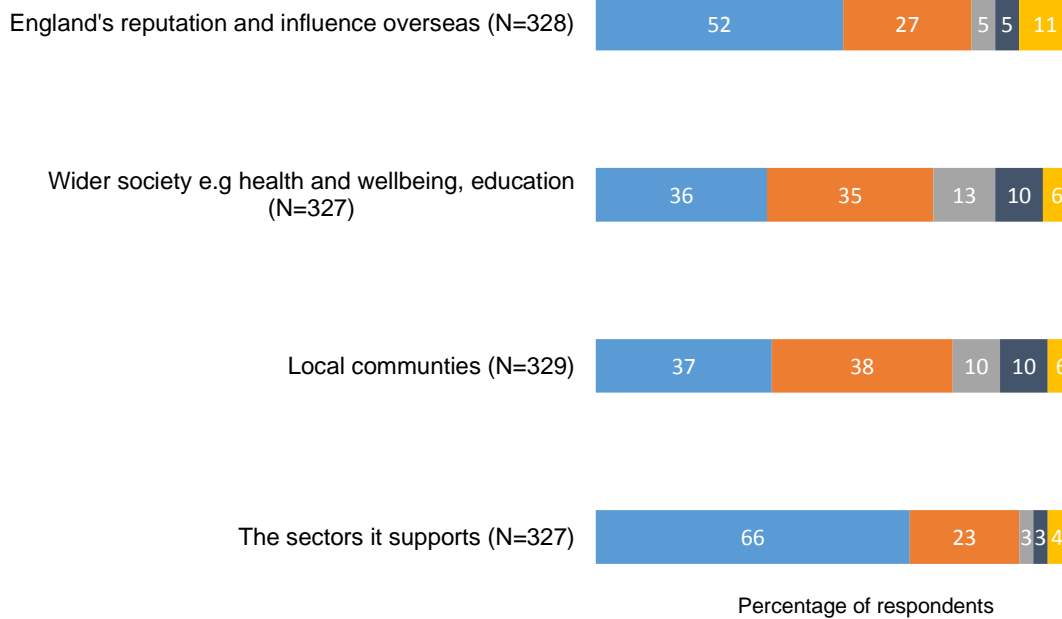


Does the Arts Council provide good value for money overall? (N=272)



How much value do you think Arts Council investment, development and advocacy adds to:

■ Considerable value ■ Some value ■ Not very much value ■ Little or no value ■ Don't know



Annex E: Arts Council England Royal Charter

CONSOLIDATED ROYAL CHARTER (INCORPORATES 2008, 2011 AND 2013 AMENDMENTS)

E LIZABETH THE SECOND by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of Our other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING!

WHEREAS We, by Royal Charter dated the thirtieth day of March 1994 (hereinafter called "the Charter of 1994"), constituted and established a Body Corporate by the name of "The Arts Council of England":

AND WHEREAS it has been represented unto Us that it is desirable in the interests of the better pursuance of the objects for which the Arts Council of England (hereinafter referred to as "the Council") was established that the Council should be reconstituted by Supplemental Charter to give effect to revised and new arrangements for its structure and activities:

NOW THEREFORE KNOW YE that We, having taken the said representation into Our Royal Consideration, by virtue of Our Prerogative Royal and of Our especial grace, certain knowledge and mere motion have granted and ordained and by these Presents do for Us, Our Heirs and Successors, grant and ordain as follows:

1. With effect from the date of this Our Supplemental Charter, the Charter of 1994, except in so far as it incorporates the Council as a Body Corporate under the name of "The Arts Council of England", with the powers and capacities specified in Article 1(2) thereof, shall be and is hereby revoked.
2. The name of the Council may be changed by resolution passed by the majority specified in Article 14 hereof, subject to the approval of Us, Our Heirs or Successors in Council.
3. In this Our Supplemental Charter and the regulations, unless the context otherwise requires:
 - (1) "**Chair**" means the Chair of the Council;
 - (2) "**Chief Executive**" means the principal administrative officer of the Council;
 - (3) "**Code**" means a document which sets out the standards and principles of conduct expected of members of the Council;”

- (4) **"the objects"** means the objects of the Council set out in Article 4;
 - (5) **"organisation"** includes any body whether incorporated or not;
 - (6) **"Area Council"** means an Area Council of the Council established under Article 11;
 - (7) **"regulations"** means regulations made by the Council;
 - (8) **"the Secretary of State"** means Our Secretary of State for Culture, Media and Sport, or such of Our Ministers as for the time being is responsible for the arts, museums and libraries in England;
 - (9) **"written"** and **"in writing"** include any method of representing or reproducing words in visible form;
 - (10) the singular includes the plural, the masculine includes the feminine, and references to persons includes corporations;
 - (11) reference to an Act of Parliament or subordinate statutory provision includes any re-enactment or modification thereof; and
 - (12) subject to the terms of any relevant employment contract, any reference to a power of appointment includes the power of removal.
4. The objects of the Council shall be, for the public benefit, to:
- (1) develop and improve the knowledge, understanding and practice of the arts;
 - (2) increase accessibility of the arts to the public in England; and
 - (3) advance the education of the public and to further any other charitable purpose which relates to the establishment, maintenance and operation of museums and libraries (which are either public or from which the public may benefit) and to the protection of cultural property; and
 - (4) advise and co-operate, where it is appropriate to do so, with the Departments of Our Government, Our Scottish Administration, the Northern Ireland Executive and the Welsh Ministers, local authorities, the Arts Councils and equivalent organisations in the museums and libraries sector for Scotland, Wales, and Northern Ireland (or their successors) and other bodies on any matter related to the objects.
5. In addition to the powers set out in Article 1(2) of the Charter of 1994 (and without prejudice to the powers at law of the Council as a chartered corporation), in furtherance of the objects, but not otherwise, the Council shall have the following powers:
- (1) subject to Article 11 and to such consultation as may be directed by the Secretary of State, to establish and dissolve, and to delegate powers (including the power to make grants) and functions to, Area Councils ;
 - (2) to raise funds and to invite and accept any form of funding, gifts, loans and any form of property;
 - (3) to make grants and loans for charitable purposes upon such terms and conditions as it sees fit, and to enforce, waive, vary, rescind or defer the terms and conditions of such grants and loans;

- (4) to establish funds, including restricted funds, for particular purposes consistent with the objects;
 - (5) subject to such consultation as may be directed by the Secretary of State, to establish arrangements, upon such terms and conditions as it sees fit, with Area Councils for the funding of activities in each geographical area from time to time covered by an Area Council (including grant-making activities);
 - (6) to establish and dissolve panels and committees, consisting of members of the Council or other persons, and to delegate powers and functions to such panels or committees or to other persons in accordance with regulations;
 - (7) to indemnify the members of the Council against personal civil liability for any act done honestly and in good faith in the course of the execution or purported execution of their duties and functions as Council members, except where such a member has acted recklessly;
 - (8) to insure the property of the Council against any foreseeable risk, and to take out other insurances as required;
 - (9) to borrow money and, subject to such consents as may be required by Law, to mortgage or charge any of the Council's property as security for such borrowing;
 - (10) to acquire, purchase, or otherwise take over any business and other undertaking, to accept transfers of assets, and to accept, incur, or discharge liabilities of any kind, and to amalgamate with any other body by absorbing it;
 - (11) to give guarantees and indemnities and to accept, undertake, execute and perform any trusts which may be lawfully undertaken and are consistent with or conducive to the attainment of the objects;
 - (12) subject to the requirements of the law relating to trustees, to invest the moneys of the Council not immediately required for its purposes and to appoint and delegate powers to investment managers;
 - (13) to employ and remunerate staff;
 - (14) to provide and maintain such pension schemes as it sees fit;
 - (15) subject to this Our Supplemental Charter, to make regulations in respect of any aspect of the management and affairs of the Council;
 - (16) to co-operate with any person, body or organisation for purposes connected with the objects; and
 - (17) to do all such other things as may be deemed necessary for the purpose of attaining the objects
6. The money, property and income of the Council, including any money voted by Parliament, shall be applied solely towards the objects, and no portion thereof shall be paid or transferred directly or indirectly to the members of the Council: provided that nothing herein shall prevent the payment in good faith by the Council of
- (1) reasonable out of pocket expenses;

- (2) (subject to the consent of the Charity Commission) such remuneration and other benefits to the Chair as may be determined from time to time by the Secretary of State;
 - (3) payments made in pursuance of the powers contained in Article 5(7);
 - (4) loans, grants or other payments to any organisations, individual, or supplier of goods or services made in accordance with regulations in pursuance of the objects, notwithstanding that any member of the Council may have a connection to such organisation, individual or supplier of goods or services which may confer an indirect financial benefit on that member of Council provided that:
 - (a) such a payment is in the best interest of the Council;
 - (b) any member of the Council in receipt of such benefit complies with the Code;
 - (c) the number of members of Council in receipt of any such material indirect benefit does not constitute more than two thirds of the Council in any financial year (commencing 1 April in each year).
 - (5) (subject to the consent of the Charity Commission) such remuneration and other benefits to those members of the Council who are Chairs of Area Councils as may be determined from time to time by the Secretary of State in consultation with the Chair.
7. (1) The Council shall consist of
- (a) a Chair,
 - (b) the persons appointed by the Secretary of State or the Mayor of London in accordance with Article 11 to be the Chairs of the Area Councils, and
 - (c) such other persons ("appointed members") who may be appointed from time to time by the Secretary of State:
- provided that the total number of members of the Council including the Chair shall consist of fourteen, or such other number as may be provided in regulations.
- (2) The terms of office and periods of appointment of the Chair and the appointed members of the Council shall be determined by the Secretary of State, and for the London based Area Council the Mayor of London in accordance with Article 11.
 - (3) A person who is a Chair of any Area Council who ceases to hold that office shall thereby cease to be a member of the Council,
 - (4) A person who is a Chair of any Area Council or an appointed member of the Council may cease to hold office by resigning by written notice to the Chair. The Chair may cease to hold office by resigning by written notice to the Secretary of State.
 - (5) The Chair, or a person who is a Chair of any Area Council or an appointed member of the Council, may be removed from office by the Secretary of State for reasonable cause by written notice.
8. The Secretary of State may appoint any person to be an observer to attend all or any meetings of the Council or of any panel or committee established by the Council.

9.
 - (1) The Council shall meet at least five times in each calendar year, and the quorum shall be seven or such higher number as may be specified in regulations. The Council may act notwithstanding a vacancy in its number or any defect in the appointment of any member.
 - (2) Subject to this Our Supplemental Charter, the Council may provide for its own procedure in regulations.
10. Subject to the approval of the Secretary of State, the Council may appoint a Chief Executive of the Council. Subject to any directions of the Council, including directions in relation to the requirement to consult in relation to any particular appointment or class or level of appointment, the Chief Executive shall be responsible for the appointment of all other staff of the Council, and may delegate such responsibility as appropriate.
11.
 - (1) There may be such Area Councils for the regions of England as may be established by the Council from time to time with the approval of the Secretary of State.
 - (2) Each Area Council shall consist of twelve members, or such other number as may be specified by the Council in any particular case including:
 - (a) A Chair of the London based Area Council who shall be appointed by the Mayor of London, subject to approval by the Secretary of State. The Mayor of London shall also appoint four other members of the London based Area Council. The remaining members of the London based Area Council shall be appointed by the Council in accordance with regulations. The Mayor of London shall, subject to the approval of the Secretary of State, determine the terms of office, period of appointment and have the power to remove for reasonable cause the Chair of the London based Area Council.
 - (b) The Chairs of all the other Area Councils shall be appointed by the Secretary of State. The members of the Area Council other than the Chair of that Area Council shall be appointed by the Council in accordance with the regulations. The Secretary of State shall determine the terms of office and period of appointment of the Chair of each Area Council.
 - (3) Subject to such reporting, accounting and control mechanisms as may be determined by the Council in regulations, the Council may delegate to the Area Councils the power to
 - (a) determine spending plans for submission to and approval by the Council;
 - (b) determine Area strategies, plans and priorities for submission to and Approval by the Council;
 - (4) Subject to such restrictions as apply to the Council in its capacity as a body of trustees, the Council may by regulations, or by separate instrument, prescribe powers and functions of Area Councils in pursuance of, or in addition to, the powers and functions listed in Article 11(3).
12. The Council shall keep proper accounts and records, subject to any directions of the Secretary of State and shall provide him with such financial and other annual reports in such form and at such times as he may require.

13. The Council shall provide for the safe custody of the Seal of the Council and the method of its use shall be prescribed in regulations.
14. The Council may by resolution passed at a meeting of the Council by a majority of not less than three-quarters of the members present and voting (being an absolute majority of the total number of members of the Council for the time being) add to, amend or revoke any of the provisions of this Our Supplemental Charter or the remaining provisions of the Charter of 1994: provided that no such addition, amendment or revocation shall be of effect unless and until allowed by Us, Our Heirs or Successors in Council. This Article shall apply equally to this Our Supplemental Charter and to the remaining provisions of the Charter of 1994, as added to, amended or revoked under this provision.

IN WITNESS whereof We have caused these Our Letters to be made Patent.

WITNESS Ourselves at Westminster the thirty-first day of May in the fifty-first year of Our Reign.

BY WARRANT UNDER THE QUEEN'S SIGN MANUAL

Annex F: Arts Council England Lottery Policy Directions

Directions Issued To the Arts Council of England under Section 26(1) of the National Lottery Etc. Act 1993

The Secretary of State for Culture, Media and Sport, in exercise of the powers conferred on him by section 26(1) of the National Lottery etc. Act 1993 and having consulted the Arts Council of England pursuant to section 26(5) of that Act, hereby gives the following directions:

1. In these Directions any reference to a section is a reference to a section of the National Lottery etc. Act 1993.

2. In determining the persons to whom, the purposes for which and the conditions subject to which it distributes any money under section 25(1), the Arts Council of England shall take into account the following matters:-

- A. The need to involve the public and local communities in making policies, setting priorities and distributing money.
- B. Its assessment of the needs of the arts and culture and its priorities for addressing them.
- C. The need to increase access and participation for those who do not currently benefit from the artistic and cultural opportunities available in England.
- D. The need to inspire children and young people, awakening their interest and involvement in the arts and culture.
- E. The need to foster local community initiatives which bring people together, enrich the public realm and strengthen community spirit.
- F. The need to support volunteering and participation in the arts and culture and community arts and culture.
- G. The need to support excellence and skills, and to encourage innovation in artform development, in attracting new audiences, visitors and participants, and in value creation and business models.

- H. The need to ensure that money is distributed for projects which promote public value and which are not intended primarily for private gain.
- I. The need to further the objectives of sustainable development.
- J. The desirability of ensuring equality of opportunity, of reducing economic and social deprivation and ensuring that all areas of England have access to the money distributed.
- K. The need to support the long-term managerial viability and leadership of the arts and cultural organisations.
- L. The desirability of working jointly with other organisations, including other distributors.
- M. The need to ensure that all those receiving Lottery money acknowledge it using the common Lottery branding.
- N. The need to require an element of partnership funding, or contributions in kind from other sources, to the extent that this is reasonable to achieve for different kinds of applicants in particular areas.
- O. The need (a) to support projects which are for a specific, time-limited purpose, (b) to ensure that Arts Council England has the necessary information and expert advice to make decisions on each application and (c) for applicants to demonstrate the financial viability of projects.
- P. Where capital funding is sought, the need (a) for a clear business plan showing how any running and maintenance costs will be met for a reasonable period, and (b) to ensure that appraisal and management for major projects match the Office of Government Commerce's Gateway Review standards.

Signed on behalf of the Secretary of State for Culture, Media and Sport

Annex G: Arts Council England Spending Review Letter

The letter in this annex is intended to provide details of the priorities and expectations set by the DCMS Secretary of State in the 2015. The annexes to the letter, which detail the specifics of the settlement, are not relevant to this report and therefore not included in this annex.



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Our Ref:

Sir Peter Bazalgette
Chair
Arts Council England
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Dear Sir Peter

Spending Review 2015

I am writing to inform you about the outcome of the 2015 Spending Review for my Department. DCMS's overall settlement maintains the current resource budget in cash terms over the Spending Review period. In real terms, this represents a 5% reduction to the resource budget by 2019/20. In addition, DCMS will make £1.6 billion of capital investment across the Spending Review period.

This is a very positive settlement. DCMS is rightly contributing to reducing the deficit but this settlement reflects the Government's continued strong support for the economic and social benefits provided by the culture, media and sport sectors, and will allow DCMS to focus on its vision of driving growth and enriching lives. We will do this through our core work of promoting culture, heritage and sport, and driving economic growth by supporting the creative industries, tourism, broadband rollout and the digital economy. It will also enable the Department and its Arm's Length Bodies to achieve our strategic objectives and deliver the Government priorities set out in our Single Departmental Plan. DCMS will also ensure that the UK continues to project itself as a global cultural powerhouse, promoting and protecting British values.

In light of the Government's aim of achieving a structural budget surplus by 2019/20, this settlement is also conditional on a number of efficiency objectives that will enable us to deliver even more value for taxpayers' money.

I am keen to take this opportunity to build on the work of the last five years by further transforming the relationship between DCMS sectors and Government, and enabling them to deliver services with increased efficiency and effectiveness. Over the next five years, therefore, Government support for DCMS sponsored bodies will be focused on helping them to become more resilient, independent and entrepreneurial.

Capital budgets are tighter than for resource spending, making decisions here more difficult. We will therefore focus our spending on completing those major projects that are already underway and maintaining core capital spending to ensure that cultural institutions remain open, supporting the UK's cultural offer for domestic and overseas visitors.

Whilst this is a very good settlement for DCMS, I also recognise that it will be challenging in some areas.

This letter sets out the funding settlement for Arts Council England covering the financial years 2016/17 to 2019/20 on resource and 2016/17 on capital. The total resource grant-in-aid budget will be £1,451.684 million over four years.

The Department has a capital allocation of £1.6 billion for the period 2016/17 to 2020/21. To ensure this funding is spent most effectively, we will be putting in place measures that will allow Ministers, with the support of the DCMS Finance Committee, to actively manage the portfolio of major projects across the Group. Consequently at this stage, we are setting capital allocations for 2016/17 only, and will set budgets for future years as part of this portfolio management process.

Details of your settlement are set out at Annex A with further guidance on specific aspects at Annex B.

Within this settlement I expect you -

- to give a high priority to supporting the delivery of the outcomes of the Culture White Paper which will set out the direction for arts and culture policy for this Parliament;
- to support the local and regional devolution agenda by engaging with local cultural strategies in partnership with the other Lottery distributors;
- to engage fully with a tailored departmental Review of ACE in this Parliament;
- to work with DCMS to engage internationally, especially with high priority countries as indicated by Government. For your organisation, this will include making use of and contributing to the GREAT Britain Campaign, helping us to boost tourism, education and business. I also expect that you will encourage the use of the Culture Diary to support the coordination of UK cultural activity domestically and overseas;

- to continue to pursue commercial and philanthropic approaches to generating revenue which will complement grant-in-aid funding, and to seek innovative cost-sharing solutions with other Arm's Length Bodies to maximise these additional sources of income;
- to ensure that all public bodies, however they are funded, meet increasingly stringent targets for efficiency, including the efficiency of grant administration;
- to continue the role of a development agency for libraries in England with responsibility for supporting and developing libraries. In doing so I expect you to work with the Leadership for Libraries Taskforce and other partners to help shape the strategic direction of the sector, and provide funding where appropriate for development, improvement and innovation in libraries in England;
- to prioritise access to arts and culture for disadvantaged young people and communities;
- to encourage Major Partner Museums to take a strategic approach to partnership working and to seek out opportunities to work across the UK with other museums, cultural and third sector partners, including through the loaning of items, touring of exhibitions, and sharing of expertise.

The Government places a high priority on support for the regions and I will expect you to continue to rebalance your funding towards areas outside London and particularly towards areas of deprivation and low arts and cultural engagement.

In addition, I expect you to work with DCMS to deliver the Department's allocated Government priorities for this Parliament as set out in DCMS's Single Departmental Plan. For your organisation, this includes supporting plans for a new theatre in Manchester, The Factory, and supporting a Great Exhibition in the North.

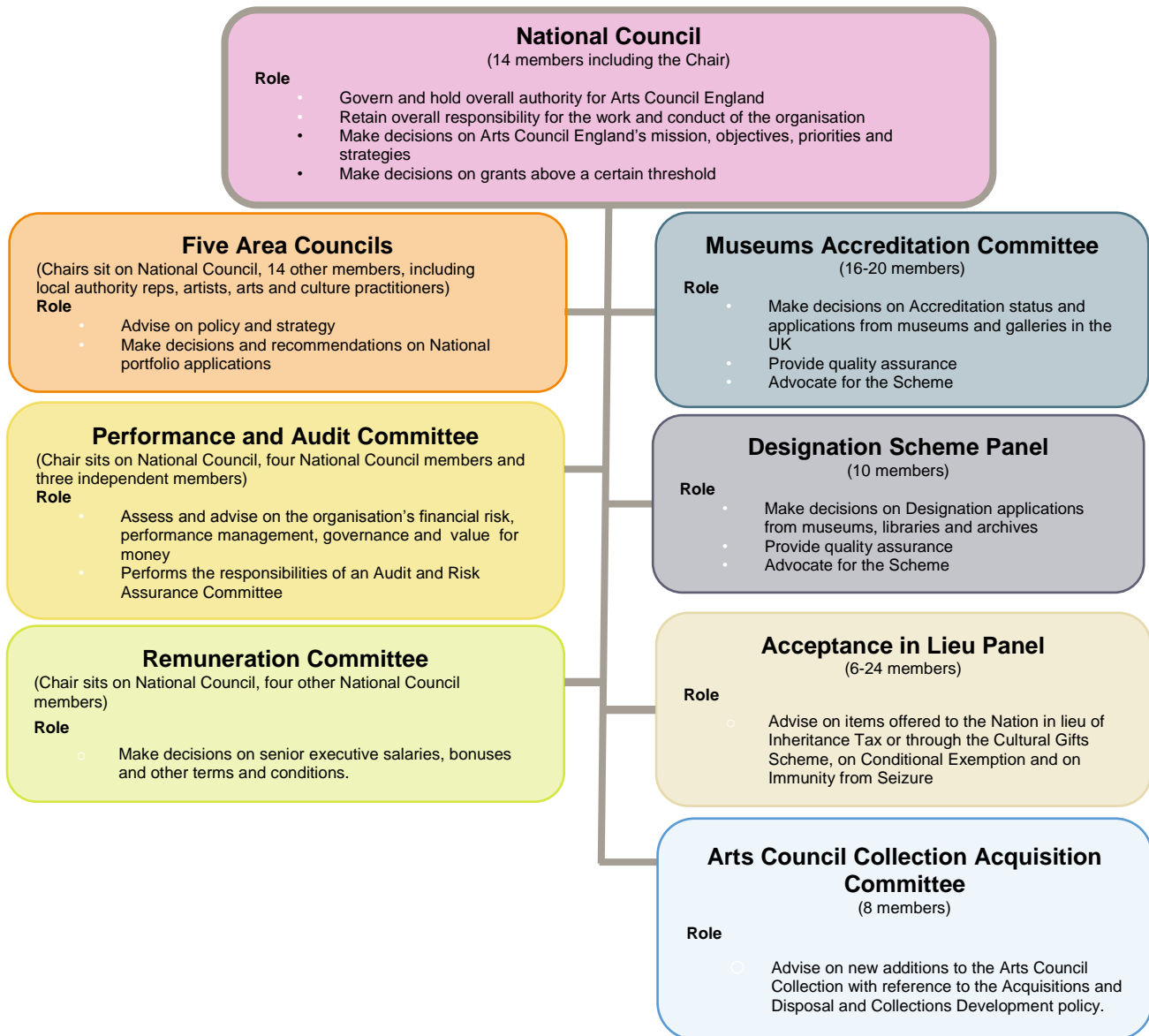
I would also encourage all Lottery distributors to work together to promote National Lottery good causes.

In conclusion, I hope you are as pleased as I am with the Government's continued support for the Department and the importance of the work we do for the nation and its citizens. My Ministerial Team and I look forward to working with you over the next five years.

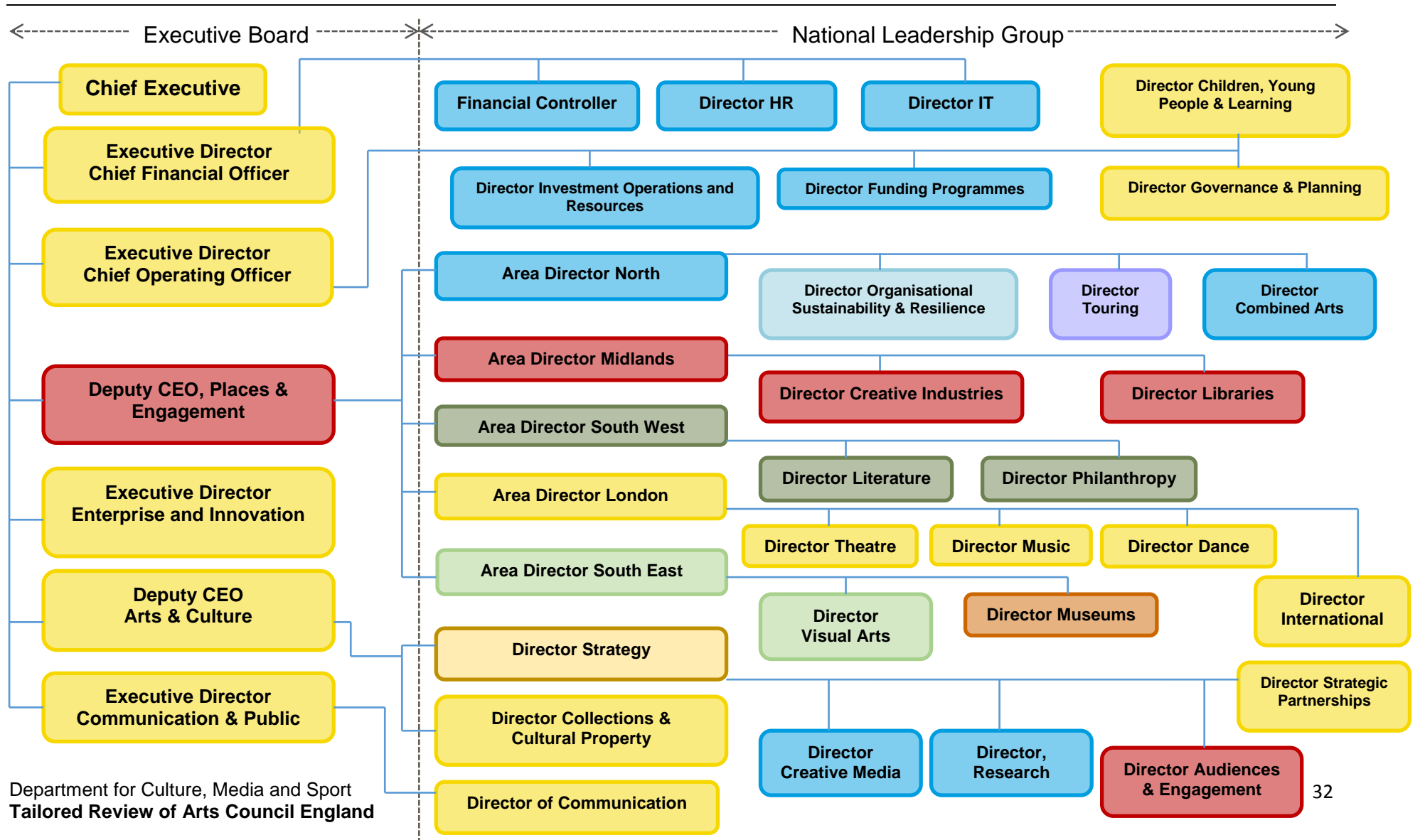
The Rt Hon John Whittingdale OBE MP

Secretary of State for Culture, Media and Sport

Annex H: Arts Council England Non Executive Organisational Structure



Arts Council England Executive Organisational Structure



Annex I: Arts Council England Good Governance Self-Assessment

ACCOUNTABILITY				
PRINCIPLE	SUPPORTING PROVISION		COMPLY	EXPLAIN
<p><u>Statutory Accountability</u></p> <p><i>The public body complies with all applicable statutes and regulations, and other relevant statements of best practice.</i></p>	1.	The public body must comply with all statutory and administrative requirements on the use of public funds. This includes the principles and policies set out in the HMT publication " Managing Public Money " and Cabinet Office/HM Treasury spending controls. The body must operate within the limits of its statutory authority and in accordance with any delegated authorities agreed with the sponsoring department	●	Arts Council England complies with all statutory and administrative requirements on the use of public funds. Compliance is tested by internal and external auditors. In 2015-2016 like the previous two years, we received a clean audit opinion from our external auditors.
	2.	The body should operate in line with the statutory requirements and spirit of the Freedom of Information Act 2000. It should have a comprehensive publication scheme. It should proactively release information that is of legitimate public interest where this is consistent with the provisions of the act.	●	Arts Council England complies with the spirit and requirements of the Freedom of Information Act. In 2015-2016 we received around 250 requests for information under the Act, all were dealt within the 20 day target. Our publication scheme, based on the Information Commissioner's Office model publication scheme is available on our website at http://www.artscouncil.org.uk/document/publication-scheme .

				<p>The publication scheme outlines the type of information that we routinely publish including National Council and Executive Board member expenses, information on grant recipients and the minutes of National Council meetings.</p>
	3.	The body must be compliant with data protection legislation.	●	<p>Arts Council England observes the Data Protection Act. Arts Council England is registered as a Data Controller in the Data Protection Register.</p> <p>We include a disclosure about any information security breaches in our Annual Report and Accounts.</p> <p>The amber rating relates to a backlog of records due for deletion. Work is currently underway to address this issue.</p>
	4.	The body should be subject to the Public Records Acts 1958 and 1967.	N/A	<p>Arts Council is not listed in Para 1. Part 2. Schedule 1 of the 1958 Act (as amended by the 1967 Act) as being subject to the requirements of the Public Records Act.</p> <p>Nevertheless Arts Council England deposits any information of historical significance with the National Archives.</p>

<p><u>Accountability for Public Money</u></p> <p><i>The accounting officer of the public body is personally responsible and accountable to Parliament for the use of public money by the body and for the stewardship of assets.</i></p>	1.	There should be a formally designated accounting officer for the public body. This is usually the most senior official (normally the chief executive).	●	Darren Henley, Chief Executive of Arts Council England has been designated by the DCMS Permanent Secretary as the Accounting Officer for Arts Council England.
	2.	The role, responsibilities and accountability of the accounting officer should be clearly defined and understood. The accounting officer should have received appropriate training and induction. The body should be compliant with the requirements set out in " Managing Public Money ", relevant "Dear Accounting Officer" letters and other directions. In particular, the accounting officer of the NDPB has a responsibility to provide evidence-based assurances required by the principal accounting officer (PAO). The PAO requires these to satisfy him or herself that the accounting officer responsibilities are being appropriately discharged. This includes, without reservation, appropriate access of the PAO's internal audit service into the NDPB.	●	<p>Darren Henley is fully aware of the responsibilities associated with his Accounting Officer role which have been specifically outlined to him. He acts in accordance with the terms of her letter of appointment issued by the Permanent Secretary of DCMS. He has attended Civil Service College Public Accountability training course.</p> <p>He is supported in discharging his duties by the Deputy Chief Executive (s) and Executive Director and Chief Financial Officer.</p>
	3.	<p>The body should establish appropriate arrangements to ensure that public funds:</p> <ul style="list-style-type: none"> - are properly safeguarded; - used economically, efficiently and effectively; - used in accordance with the statutory or other authorities that govern their use; and - deliver value for money for the Exchequer as a whole. 	●	<p>Arts Council England has policies and procedures in place to ensure the proper stewardship of public funds and to ensure that it delivers value for money across all of its activities. It also now has an in-house Senior Officer for Procurement.</p> <p>Grants are assessed in accordance with clear programme criteria which are designed to</p>

				<p>ensure that the programme objectives are achieved. Grants are subject to robust funding agreements with terms and conditions.</p> <p>We have a procurement policy and procurement guidelines to ensure that all purchases are made, and contracts for goods and services are procured, in accordance with Government policy and EU legislation.</p> <p>Arts Council England has an effective risk and assurance framework further details on this are available from our <i>2015-2016 Annual Report and Accounts</i> available at http://www.artscouncil.org.uk/publication/arts-council-england-grant-aid-and-lottery-distribution-annual-report-and-accounts</p>
	4.	The body's annual accounts should be laid before Parliament. The Comptroller and Auditor General should be the external auditor for the body.	●	Arts Council England's accounts are laid before Parliament in July each year and are also logged with the Charity Commission. The Comptroller and Auditor General is the external auditor for the Arts Council.

ROLES AND RESPONSIBILITIES				
PRINCIPLE	SUPPORTING PROVISION		COMPLY	EXPLAIN
<p>Role of the Board</p> <p><i>The public body is led by an effective board which has collective responsibility for the overall performance and success of the body. The board provides strategic leadership, direction, support and guidance.</i></p> <p><i>The board – and its committees – have an appropriate balance of skills, experience, independence and knowledge.</i></p> <p><i>There is a clear division of roles</i></p>	1.	<p>The board of the public body should:</p> <ol style="list-style-type: none"> 1. meet regularly; 2. retain effective control over the body; and 3. effectively monitor the senior management team. 	●	<p>Arts Council England’s National Council is its non-executive board. The non-executive board members also act as the trustees of the Charity.</p> <p>National Council meets at least 10 times a year. It exerts effective control of the organisation and monitors the senior management team.</p> <p>National Council’s terms of reference are available at http://www.artscouncil.org.uk/sites/default/files/download-file/National_Council_terms_reference.pdf</p> <p>The minutes of National Council meetings are also available from our website at http://www.artscouncil.org.uk/national-council/national-council-minutes.</p> <p>National Council undertake a self-assessment of their effectiveness each year. Any issues to emerge from this assessment are</p>

<p>and responsibilities between non-executive and executives. No one individual has unchallenged decision-making powers.</p>				<p>summarised in the Annual Report and Accounts.</p> <p>The personal performance of the Chief Executive and individual Executive Directors are also reviewed through the Remuneration Committee.</p>
	2.	The size of the board should be appropriate.	●	<p>National Council currently has 14 members, the size of the board was decided following an independent review of the Arts Council's governance in 2012.</p>
	3.	Board members should be drawn from a wide range of diverse backgrounds.	●	<p>Appointments to National Council are made by the Secretary of State for Culture Media and Sport.</p> <p>Members of the Arts Council's National Council have a broad mix of skills: artform knowledge and expertise; local government experience; and experience in the Arts Council's priorities, like digital, diversity and resilience. The female to male ratio on the board is 5:9. Two members of the board are of BAME origin. One board member has declared a disability.</p> <p>When the National Council considered its</p>

				effectiveness in 2015 one of the issues identified was the need to improve black and ethnic minority, female and individual artist representation on National Council. We will be working with the Department to achieve better balance in these areas in the next recruitment round to National Council.
	4.	The board should establish a framework of strategic control (or scheme of delegated or reserved powers). This should specify which matters are specifically reserved for the collective decision of the board. This framework must be understood by all board members and by the senior management team. It should be regularly reviewed and refreshed.	●	<p>National Council has established a framework of strategic control. It includes terms of reference for National Council and the Executive Board that make it clear which matters are reserved to National Council.</p> <p>There is also a <i>Scheme of Delegated Financial Authority</i>.</p> <p>The terms of reference and scheme of delegation are reviewed regularly.</p>
	5.	The board should establish formal procedural and financial regulations to govern the conduct of its business.	●	<p>The Arts Council's has a set of procedural and financial regulations to be adhered to by National Council, its Committees and staff. They include:</p> <ul style="list-style-type: none"> • <i>Council Regulations</i>: These regulations govern the conduct of formal National Council and its committee meetings.

				<ul style="list-style-type: none"> • <i>Code of Conduct for national and area council members:</i> This sets out the standards of behaviour expected from council members such as the declaring and registering of interests. • <i>Staff Code of Ethics:</i> This sets out the standards of behaviour expected of staff. • <i>Scheme of Delegated Financial Authority:</i> This specifies who has the authority to commit financial expenditure on Arts Council England's behalf.
	6.	The board should establish appropriate arrangements to ensure that it has access to all such relevant information, advice and resources as is necessary to enable it to carry out its role effectively.	●	<p>National Council is supported by a dedicated Governance Secretariat team and there is a dedicated budget for National Council.</p> <p>The Chair of National Council reviews the agenda and papers for each meeting to ensure that they contain all the relevant information needed to enable National Council to reach a decision.</p> <p>National Council also has regular access to advice from executives and staff.</p> <p>The Governance Secretariat act as first point of contact for queries from National Council members.</p>

	7.	The board should make a senior executive responsible for ensuring that appropriate advice is given to it on all financial matters.	●	The Executive Director of Finance and Corporate Services is also the designated Chief Financial Officer and is responsible for ensuring that the board receives appropriate advice on financial matters.
	8.	The board should make a senior executive responsible for ensuring that board procedures are followed and that all applicable statutes and regulations and other relevant statements of best practice are complied with.	●	The Executive Director and Chief Operating Officer is responsible for the Governance of the Arts Council. He is assisted in this role by the Director of Governance and Planning.
	9.	The board should establish a remuneration committee to make recommendations on the remuneration of top executives ²⁹ . Information on senior salaries should be published. The board should ensure that the body's rules for recruitment and management of staff provide for appointment and advancement on merit.	●	Arts Council England has established Remuneration Committee which makes decisions on Executive Board pay and bonuses. The terms of reference of the Remuneration Committee are available on our website at http://www.artscouncil.org.uk/national-council/remuneration-committee . Remuneration of Executive Board members is published in the annual report and accounts.
	10.	The chief executive should be accountable to the board for the ultimate performance of the public body and for the implementation of the board's policies. He or she should be	●	The Chief Executive is accountable to the Board for the ultimate performance of the public body and for the implementation of the Arts Council's policies.

		<p>responsible for the day-to-day management of the body and should have line responsibility for all aspects of executive management.</p>		<p>The agenda of all National Council meetings includes a report from the Chair and Chief Executive.</p> <p>National Council has delegated the day-to-day management of the organisation and all aspects of executive management to the Chief Executive – Darren Henley. Darren Henley is supported in this role by the rest of his Executive Board.</p> <p>There is ongoing dialogue between the Chair, National Council Members and the Chief Executive on any areas of concern.</p>
	11.	<p>There should be an annual evaluation of the performance of the board and its committees – and of the chair and individual board members</p>	<p>● □</p>	<p>National Council and the Performance and Audit Committee carry out annual evaluations of their effectiveness. However, other sub committees and panels like the Remuneration Committee and undertake biennial reviews.</p> <p>Formal appraisals of individual council members take place once every two years. Although there is on-going dialogue between the Chair and other members of National Council about their performance</p>

				Annual reviews of the Chair have been undertaken by the rest of National Council.
Role of the Chair <i>The chair is responsible for leadership of the board and for ensuring its overall effectiveness.</i>	1.	The board should be led by a non-executive chair.	●	National Council is led by a non-executive chair, Sir Nicholas Serota CH.
	2.	There should be a formal, rigorous and transparent process for the appointment of the chair. This should be compliant with the code of practice issued by the Commissioner for Public Appointments . The chair should have a clearly defined role in the appointment of nonexecutive board members.	●	<p>The Chair is appointed by the Secretary of State for Culture Media and Sport following an open recruitment process compliant with the Code of Practice issued by the Commissioner for Public Appointments.</p> <p>The Chair has been a member of the recruiting panel for all members of National Council appointed during his term.</p>
	3.	The duties, role and responsibilities, terms of office and remuneration of the chair should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance and with any statutory requirements.	●	<p>The Chair of Arts Council England received an appointment letter from the Secretary of State setting out his terms and conditions of appointment including the level of remuneration.</p> <p>In addition the Chair's responsibilities are set out in the <i>Management Agreement</i> with the Department for Culture Media and Sport available on our website at http://www.artscouncil.org.uk/sites/default/files/download-file/DCMS_funding_agreement.pdf</p>

	4.	The roles of chair and chief executive should be held by different individuals.	●	The roles of Chairman and Chief Executive are held by different individuals.
Role of Non-Executive Board Members <i>As part of their role, non-executive board members provide independent and constructive challenge.</i>	1.	There should be a majority of non-executive members on the board.	●	All the members of the Arts Council's National Council are non-executive board members.
	2.	There should be a formal, rigorous and transparent process for the appointment of non-executive members of the board. This should be compliant with the code of practice issued by the Commissioner for Public Appointments .	●	<p>All members of National Council (with the exception of the Chair of the London Area Council) are appointed by the Secretary of State for Culture Media and Sport following an open recruitment process compliant with the Code of Practice issued by the Commissioner for Public Appointments.</p> <p>The Mayor of London appoints the Chair of the London Area Council with the approval of the Secretary of State through an open recruitment process.</p>
	3.	The duties, role and responsibilities, terms of office and remuneration of non-executive board members should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance and with any statutory requirements.	●	Members of National Council are provided with appointment letters by the Secretary of State and Mayor of London which meet these requirements.
	4.	All non-executive board members must be properly independent of management	●	All members of National Council are independent of the Arts Council's Executive Board i.e. its management.

	5.	All non-executive board members must allocate sufficient time to the board to discharge their responsibilities effectively. Details of board attendance should be published (with an accompanying narrative as appropriate).	●	<p>All members of National Council allocate sufficient time to their role with the Arts Council This includes attendance at events and external meetings as well as attendance at formal National Council meetings.</p> <p>Attendance is formally recorded for all National Council meetings.</p> <p>Details of member attendance at National Council meetings is published in the Arts Council's <i>Annual Report and Accounts</i> available at http://www.artscouncil.org.uk/publication/arts-council-england-grant-aid-and-lottery-distribution-annual-report-and-accounts.</p>
	6.	There should be a proper induction process for new board members. This should be led by the chair. There should be regular reviews by the chair of individual members' training and development needs.	●	There is a proper induction process for new National Council members and there are periodic discussions between council members and the Chair around their development needs.

EFFECTIVE FINANCIAL MANAGEMENT				
PRINCIPLE	SUPPORTING PROVISION		COMPLY	EXPLAIN
<i>The public body has taken appropriate steps to ensure that effective systems of financial management and internal control are in place.</i>	1.	Annual Reporting		
		The body must publish on a timely basis an objective, balanced and understandable annual report. The report must comply with HM Treasury guidance.	●	Arts Council England publishes an objective, balanced and understandable annual report which is compliant with HM Treasury Guidance. See our latest <i>Annual Report and Accounts</i> at http://www.artscouncil.org.uk/publication/arts-council-england-grant-aid-and-lottery-distribution-annual-report-and-accounts .
	2.	Internal Controls		
		The body must have taken steps to ensure that effective systems of risk management are established as part of the systems of internal control.	●	Arts Council England has established an effective system of risk management as part of the system of internal control. Details of the risk and assurance framework are set out in the Trustee Management Commentary of the Annual Report and Accounts. The risk management arrangements are also reviewed by the internal auditors.

	<p>The body must have taken steps to ensure that an effective internal audit function is established as part of the systems of internal control. This should operate to government internal audit standards and in accordance with Cabinet Office guidance.</p>	<p>●</p>	<p>Arts Council England has established an effective internal audit function. The function is delivered out by an external firm Mazars, appointed through the Government Framework.</p>
	<p>There must be appropriate financial delegations in place. These should be understood by the sponsoring department, by board members, by the senior management team and by relevant staff across the body. Effective systems should be in place to ensure compliance with these delegations. These should be regularly reviewed.</p>	<p>●</p>	<p>Arts Council England has a comprehensive internal delegated authority scheme which sets out the approved financial delegations. This <i>Scheme of Delegated Financial Authority</i> is reviewed annually.</p> <p>National Council are of the view that the policy is appropriate for the organisation and spending decisions that we make.</p> <p>The Chairs of each body assisted by the Governance Secretariat review papers for meetings to ensure that the recommendations made are in line with the Scheme of Delegated Authority.</p> <p>In addition, the grant payment system requires evidence that the decision has been made in accordance with the Scheme of delegation.</p>

		<p>There must be effective anti-fraud and anti-corruption measures in place.</p>	<p>●</p>	<p>Arts Council England has internal procedures in place for preventing, detecting and reporting fraudulent activities.</p> <p>There is an anti-fraud policy and anti-fraud procedures. They cover fraud, corruption and bribery. An annual report on these procedures is provided to the Audit Committee.</p> <p>We also have rules in place governing the acceptance of Gifts and Hospitality by either staff or national council members.</p>
		<p>There must be clear rules in place governing the claiming of expenses. These should be published. Effective systems should be in place to ensure compliance with these rules. The body should proactively publish information on expenses claimed by board members and senior staff.</p>	<p>●</p>	<p>Arts Council England has clear rules in place governing the claiming of expenses by staff and council members.</p> <ul style="list-style-type: none"> - Expenses Policy for Council Members - Expenses Policy for Staff <p>Information on the expenses claimed by board members and members of our Executive Board is available on our website at http://www.artscouncil.org.uk/our-executive-board/executive-board-expenses.</p>

		The annual report should include a statement on the effectiveness of the body's systems of internal control.	●	Arts Council England's Annual Accounts includes a statement on the effectiveness of the Arts Council's internal control.
	3.	Audit Committee		
		The board should establish an audit (or audit and risk) committee with responsibility for the independent review of the systems of internal control and of the external audit process.	●	Arts Council England has established a Performance and Audit Committee with responsibility for the independent review of the systems of internal control and of the external audit process. The terms of reference of the Performance and Audit Committee are available on our website here http://www.artscouncil.org.uk/national-council/performance-and-audit-committee .
	4.	External Auditors		
		The body should have taken steps to ensure that an objective and professional relationship is maintained with the external auditors.	●	Arts Council England has taken steps to ensure that an objective and professional relationship is maintained with the external auditors. The National Audit Office has appointed KPMG to undertake the external audit of the Arts Council on its behalf. Arts Council England liaises with the NAO and KPMG throughout the year, discussing technical

				issues, planning audit visits and ensuring that KPMG receives all the information they require on a timely basis.
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COMMUNICATIONS				
PRINCIPLE	SUPPORTING PROVISION		COMPLY	EXPLAIN
<i>The body is open, transparent, accountable and responsive.</i>	1.	Communications with Stakeholders		
		The public body should have identified its key stakeholders. It should establish clear and effective channels of communication with these stakeholders.	●	<p>Arts Council England has identified its key stakeholders through mapping sessions.</p> <p>We engage with our stakeholders through a suite of communications channels including: the website; newsletters; social media; email and events.</p> <p>We are able to monitor the effectiveness of our communication, for example through open rates on our newsletters, clicks on social media, and attendance at</p>

				<p>events.</p> <p>We also target key stakeholders through focused media campaigns. We monitor the effectiveness of media cut-through with media monitoring and analysis.</p>
	2.	Communications with the Public		
		<p>The public body should make an explicit commitment to openness in all its activities. It should engage and consult with the public on issues of real public interest or concern. This might be via new media. It should publish details of senior staff and board members together with appropriate contact details.</p>	<ul style="list-style-type: none"> ● 	<p>We conduct a Stakeholder Survey, on a wide and balanced sample of our stakeholders, to gain insights around perceptions of how we are perceived.</p> <p>We also regularly consult stakeholders on key proposals. An example of this is the consultation with the sector in February 2016 about our investment approach for 2018-2022. Further details are available from:</p> <p>http://www.artscouncil.org.uk/our-consultation-sector</p> <p>http://www.artscouncil.org.uk/our-investment-plans-2018-22/report-and-our-response</p> <p>We publish details of our National Council and Executive Board members</p>

				on our website.
		The body should consider holding open board meetings or an annual open meeting.	●	<p>Arts Council England have considered open board meetings and decided that this is not the best way of demonstrating our openness and transparency. Attendance at open board meetings or annual general meetings tend to be small and limited to those who have availability during the day and can afford to travel to those meetings. Instead we use our website, social media and the Chair and Senior Executives' attendance at events across the country to consult, listen, and communicate our strategy.</p> <p>For the last three years we have invested in a sector led conference to allow free and open debate around cultural policy. We have found this a more effective tool for generating debate and ideas than a formal ACE annual event.</p> <p>We hold regular briefing sessions for our regularly funded organisations and this year will be holding sessions for non-NPOs for them to find out more about the new investment process.</p>

		The body should proactively publish agendas and minutes of board meetings.	●	<p>Arts Council England publishes the minutes of all its National Council meetings, with any redactions made in accordance with the Freedom of Information Act.</p> <p>Arts Council England does not publish the agendas of National Council meetings as the meetings are not open to members of the public. However the minutes of the meetings provide an indication of the items discussed at a Council meeting.</p>
		The body should proactively publish performance data.	●	Arts Council England's Annual Accounts and Report include performance data for the year in question.
		In accordance with transparency best practice, bodies should consider publishing their spend data over £500. By regularly publishing such data and by opening their books for public scrutiny, bodies can demonstrate their commitment to openness and transparency and to making themselves more accountable to the public.	●	<p>Arts Council England publishes all grants awarded on our Website and all payments over £5,000.</p> <p>We have considered whether we should publish spend data over £500 in line with guidelines in April 2015, but due to concerns about the level of resource which might be involved in preparing the payment schedule we opted for the £5,000 threshold.</p>

		<p>The body should establish effective correspondence handling and complaint procedures. These should make it simple for members of the public to contact the body and to make complaints. Complaints should be taken seriously. Where appropriate, complaints should be subject to investigation by the Parliamentary Ombudsman. The body should monitor and report on its performance in handling correspondence.</p>	<p>●</p>	<p>All correspondence is responded to within Arts Council England’s Service Level Agreement. Arts Council England has a full and comprehensive three stage complaints process open to all. It is fully accessible in different formats and specialist assistance is offered to those with access needs. The process is designed using the Parliamentary Health Service Ombudsman’s principles of good complaint handling and is a shared complaints process with the other National Lottery funding providers. We have a dedicated Complaints Manager appointed with the appropriate skills to respond to complaints, third-party objections, raised concerns and allegations.</p> <p>Responses are subject to our Quality Assurance process to assure high quality. The Complaints Manager prepares quarterly and annual reports which are distributed to senior management teams for review and action. Learning from this information informs process/policy review where appropriate.</p>
	3.	Marketing and PR		

		The public body must comply with the Government's conventions on publicity and advertising . These conventions must be understood by board members, senior managers and all staff in press, communication and marketing teams.	●	Arts Council England complies with the Government Communication Service Professional Assurance's definition of advertising, marketing and communications and complete the business case form for each activity over £100,000.
		Appropriate rules and restrictions must be in place limiting the use of marketing and PR consultants.	●	Arts Council England submits an annual spending control application to DCMS and adhere to Cabinet Office controls (all consultancy expenditure above £20,000 in cases where: new contracts are expected to exceed 9 months, existing contracts are to be extended beyond 9 months, or the expenditure is on procurement related consultancy).
		The body should put robust and effective systems in place to ensure that the public body is not, and is not perceived to be, engaging in political lobbying. This includes restrictions on board members and staff attending party conferences in a professional capacity.	●	Arts Council England does not engage in political lobbying, and neither board members nor staff purchase, or are provided with, passes for party conferences from Arts Council funds. The Arts Council has a role to advocate for arts and culture, and as a steward of public funding it is accountable to Parliament. As such we provide information for Select Committees, Members of Parliament and Government Departments on our work, and the value arts and culture can bring to the nation.

CONDUCT AND BEHAVIOUR				
PRINCIPLE	SUPPORTING PROVISION		COMPLY	EXPLAIN
<i>The board and staff of the public body work to the highest personal and professional standards. They promote the values of the body and of good governance through their conduct and behaviour.</i>	1.	Conduct		
		A code of conduct must be in place setting out the standards of personal and professional behaviour expected of all board members. This should follow the Cabinet Office code . All members should be aware of the code. The code should form part of the terms and conditions of appointment.	●	Arts Council England has adopted a code of conduct for National and Area Council Members. A copy is given to all council members on their appointment and they are asked to confirm that they have read and understood it. It is based on the Cabinet Office Model.
		A code of conduct must be in place setting out the standards of personal and professional behaviour expected of all staff. This should follow the Cabinet Office code . All staff should be aware of the provisions of the code. The code should form part of the terms and conditions of employment.	●	We have a <i>Staff Code of Ethics</i> , which has recently been updated. It is based on the Cabinet Office code. All staff are required to read the code and declare that they have read it.
		There are clear rules and procedures in place for managing conflicts of interest. There is a publicly available register of interests for board members and senior staff. This is regularly updated.	●	Arts Council England have clear rules and procedures in place for managing conflicts of interest. The register of interest of all National Council members are available on our website. The register of interest of senior staff members are available on request. In addition all related party transactions i.e.

				<p>transactions between Arts Council England and an organisation or individual that a national council or senior staff member has declared an interest in are disclosed in our <i>Annual Report and Accounts</i>.</p>
		<p>There are clear rules and guidelines in place on political activity for board members and staff. There are effective systems in place to ensure compliance with any restrictions.</p>	●	<p>Arts Council England's <i>Council member code of conduct</i> and <i>Staff Code of Ethics</i> set out rules and guidelines on political activity which are enforced.</p>
		<p>There are rules in place for board members and senior staff on the acceptance of appointments or employment after resignation or retirement. These are effectively enforced.</p>	●	<p>The <i>Staff Code of Ethics</i> makes it clear that former members of staff are expected to continue to observe the duty of confidentiality after they have left the Arts Council's employment. This requirement for confidentiality after leaving is also explicitly covered in staff contracts of employment.</p> <p>Former employees are also obliged to disclose their former employment in any applications for funding for up to five years following the end of their employment contract.</p> <p>We have considered whether we should extend the rules beyond this, but it is legally quite difficult to do so.</p>

				There are no rules in place for National Council Members. National Council Members are appointed by the Secretary of State for Culture Media and Sport or in one instance, the Mayor of London.
	2.	Leadership		
		Board members and senior staff should show leadership by conducting themselves in accordance with the highest standards of personal and professional behaviour and in line with the principles set out in respective codes of conduct.	●	The Nolan principles have been incorporated into both the Staff Code of Ethics and the Council Member code of conduct. This makes it clear that board members and senior staff are expected to show leadership by conducting themselves in accordance with the highest standards of personal and professional behaviour.