

- Comments have been edited for spelling errors
- Comments have been redacted where potentially identifying information was provided. Redactions are marked [...]. Where an entire comment was identifying of an individual or NPO, it has been completely removed.
- Comments in "quote marks" are multiple paragraphs long.

It feels as though the arts is really at a make-or-break point, it seems that there has been mass under investment in infrastructure and buildings and that funding is aimed, understandably, at the artist's work. There does need to be investment in capital expenditure otherwise we will start to see buildings close.

"I think that two key things will help, however you only allowed us to tick one box.

1) Increased funding

2) Decrease in the amount of reporting required. For a small organisation like ours it takes way too much time and resource and it's complicated and repetitive.

Thanks so much for listening."

"Static grants and rising costs are meaning that the gap in our core budget is increasing year by year. We have a small core grant from our district council and a small NPO grant from ACE. If both of these had risen alongside interest rates it would represent nearly £50k extra in our budget, which is around 10% of our income.

We expect to have to fundraise to support projects and activity, but our main risk right now is keeping staff in post and lights on...which is also harder to fundraise for! We need to fundraise 20% of our core costs this year, and this is particularly challenging in a rural context where opportunities for sponsorship and private philanthropy are much more limited - and we receive little press coverage or advocacy for our work.

[...] we are a really key cultural asset to our local and regional community which includes a broad geographic, economic, and social demographic of the UK population. In a context of local government reorganisation where we may be merged with [...] other councils covering a vast geography we are genuinely concerned about the future of our [...] charity."

The last years have been an increasing uphill struggle. Increased accountability, increased work, increased stress, having to work with fewer staff, working harder and harder to stand still or retrench. I believe this is true in many organisations, even those perceived to be successful. I think we are reaching a tipping point where many organisations will just not be able to make it and that will be a huge loss.

The organisation left its site of 50 years at the end of April 2025. We are now non-building based.

"Arts Council England (ACE) rightfully celebrates its progress on protected characteristics such as race, gender, disability and LGBTQ+ inclusion; annual diversity statistics show incremental gains in workforce representation and audience reach across these strands. Yet one dimension of inequality remains stubbornly under-addressed: socio-economic disadvantage. The result is a funding ecosystem that inadvertently reinforces class privilege, with public money, much of it raised through Lottery tickets bought in low-income neighbourhoods, flowing disproportionately to organisations and programmes enjoyed by people who are not themselves living with material hardship.

At the entry level, the arts already demand resources that many aspiring practitioners cannot afford. Undergraduate fees of £9,250 a year, the expectation of unpaid or underpaid internships, and the long 'gig-economy' runway required to establish a freelance profile all tilt the playing field towards those with parental underwriting. The Social Mobility Commission's 2023 report on cultural occupations found that only 16 per cent of workers in the performing arts come from households where the primary earner held a routine or manual job, less than half the share in the general workforce. Put bluntly, talented young people from council-estate postcodes are priced out long before they reach an ACE application portal.

Despite acknowledging socio-economic background as a barrier in Let's Create, ACE has no dedicated investment principle, ring-fenced fund or impact KPI for this dimension of inequality. The omission matters. An analysis of 2022 NPO awards shows that 'socially engaged' organisations working primarily in high-deprivation wards receive some of the smallest core grants, often under £ 150k, while flagship institutions with healthy reserves command multi-million pound settlements. The pattern is not malicious, but structural: established organisations score better against criteria such as track record, governance and financial resilience, so the investment algorithm reproduces advantage.

The paradox deepens when Lottery flows are mapped. Data from the Gambling Commission indicate that ticket sales are significantly higher in the bottom two income quintiles: roughly 55 per cent of weekly players come from households earning below the UK median. Yet DCMS

figures show that the lion's share of culture-sector Lottery grants, whether channelled through ACE or national heritage bodies, lands in significant cities and affluent university towns. In effect, Barnsley, Blackburn and Bradford residents subsidise the orchestras, galleries and festivals most frequently attended by their wealthier counterparts. This is neither transparent nor equitable.

What would a class-aware ACE look like? First, socio-economic disadvantage must be elevated to the same status as the existing four diversity pillars, with mandatory reporting and a modest tranche of portfolio headroom, say five per cent, earmarked for organisations whose primary mission is to tackle that disadvantage. Second, application scoring should weight 'lived-experience leadership' and grassroots impact more heavily, recognising that smaller charities working in food-bank catchments or prison wings rarely match large institutions on financial ratios. Third, ACE should publish an annual Lottery-in/Lottery-out dashboard that compares ticket sales and grant distribution at the local-authority level; sunlight is a powerful corrective. Finally, talent pipelines must be rewired: paid apprenticeships, fee-free masterclasses, and guaranteed living-wage project roles would help working-class artists cross the threshold into sustainable careers.

Until these steps are taken, the uncomfortable truth remains: the people who stake the most on the Lottery's dream of 'life-changing' wins are, paradoxically, helping to fund cultural experiences they are least likely to access. A development agency committed to fairness cannot ignore that contradiction."

As a small [...] company, our major issues concern sharply increasing printing costs (paper prices have increased 60% since Brexit) and sharply increased distribution costs (from 20% to 30% of the return from booksellers (at 50% discount of list price)). The logic would be to increase cover prices proportionally, but this would be stupid in a context of a climate of economic stringency for most potential purchasers. We survive on the basis of years of learnt economic stringency on costs we can control, self-exploitation, the good luck of winning a major [...] prize and selling rights -- and selling our archive at an unexpectedly generous level.

ACE reporting templates are a waste of our time and not helpful for grant-funded publishers whose board reporting, apart from finances, covers a completely different range of kinds of activities to what performing and visual arts carry out. Our board prefers to base decisions on board papers and finds the templates useless for information, guidance or governance. Changing the formats to simplify the requirements, as has now been done twice, actually creates more work for CEO's because we can't copy data over from one year's templates to the next. Requests to include more "granular" information, information for information's sake, which won't

actually be used by anyone is likewise a waste of everyone's time. We need to be using our time productively.

We're operating in a state of real uncertainty, which stresses staff, reduces impact and ability to plan and make cost savings

"Our ACE funding has remained a very small percentage of our overall income since joining the portfolio, despite what we have been told were strong applications for uplifts. [...] Within our group of peers we are one of the largest in terms of activity, engagement and turnover, but one of the lowest funded by ACE. We consistently receive feedback from ACE about the quality of our programmes, but that we need to do even more to engage with a more diverse participant group, especially young people in state education. All of our engagement work is funded entirely privately outside of the ACE core grant. The ACE grant is now insufficient to cover the cost of our [...] programme by some 50%. We rely on participants from higher income families to pay full fees so that we can then cross-subsidise participants from target groups where participation rates are lower. It feels we are consistently stuck between a rock and a hard place in terms of the reality of our financial model and the level of funding ACE provides, vs the expectations they have regarding our reach.

We are also one of the few performing arts organisations that is ineligible for any kind of support through [...] tax reliefs. This means that our peers [...] are also in receipt of a significant level of government support that we are currently unable to access. We are engaged with [...], to advocate for the extension of [...] as part of the spending review. This would genuinely be transformational for us as it would potentially help address what has become (in the perfect storm of inflation, cost of living, difficult fundraising climate etc) a structural deficit for us, and allow us to invest in changes to our model to increase sustainability and engage more young people and audiences. [...]

This might be too much detail, but I think it's a real-world example of the multiple ways in which organisations in the sector have been affected by both economic performance and government policy. We could have managed any one individual issue, but instead have needed to invest our cashflow and contingency reserves while we adapt our delivery and financial models to identify a way forward that will undoubtedly be smaller but hopefully more sustainable."

All these problems are exacerbated by local authority funding drop-off. The forthcoming reorganisation of local authorities makes everything so unstable.

"Just a couple of notes:

1. On standstill funding, we've been funded as part of ACE portfolio since the 1990s. So our grant has increased, but since [...] has been at standstill with minor % increases.
2. We generate and rely on earned income, (sales and commissions). We have been severely affected by the economic downturn, since COVID, and this has put additional severe pressure on our financial position
3. We have been able to make on minor adjustments to salaries, with no significant increases for a number of years"

"ACE is important to us - its principles, its role for the Arts and Culture sector, its frameworks. The level of funding we receive as a percentage of turnover is small at [below 6%] but important – it's the equivalent to around 14% of our overheads but we would feel its loss.

Apart from a small [local council] grant we don't receive any other regular grant funding and we are entrepreneurial by nature. ACE's Core Funding takes some pressure off us to recoup those overhead costs from project contributions - often set by the client. This reduces the need to seek income more aggressively, to slim down creative expenditure in order to create enough [overhead] contribution. It reduces the need for staff to overwork and deliver high targets against more static resources, and it helps the creative vision and ambition of the team to flourish. As this Core Funding reduces proportionally over time, those stresses become more exposed. I am confident that we are maximising our output and our income generation - we are intensely hard working and efficient and monitor this closely, so room for manoeuvre is minimal.

We are an ambitiously artistic company, but the need to 'commercialise' with a small c is more apparent than ever. We are looking for margins, easy wins, efficiency, and we often struggle more to turn down work that does not speak to our artistic vision and values. I cannot increase numbers in the team but they are often dealing with sudden temporary spikes in work as we take on contracts to support our bottom line. There is a constant balancing act.

Learning output is all but gone as it is expensive and unfunded.

Our team of freelancers has reduced a lot as we do less creating work, less outreach and require a smaller pool of expertise.

We have had requests for uplift turned down despite receiving a low grant [...], and being a leading organisation in our field. We clearly have different needs to 2012, and significantly higher costs. We feel the return on investment for ACE is very high based on what we contribute

through reporting, strategic contribution and our work with a multitude of clients, including many local authorities to deliver work directly to communities in a very close marriage with ACE's priorities. [...].

As the leader of the company and taking the overview on our ACE funding, there are questions of imbalance, relevance, fairness and trust. We want the relationship to be successful and balanced. We understand the overarching importance of ACE and its position. We, as everyone, would benefit from an increase in core funding for the reasons outlined above - but internally this is about stress of team, deterioration of reserves - we are losing money every year now - and reduction in learning and artistic creativity.”

The NPO reporting is killing us – it's awful - everyone is complaining - the reporting resources are costing us in real time around 15k a year – it's not fit for purpose - the Investment Principal structure on our board made our board bored and uncreative

As a smaller arts organisation we would appreciate if our reporting for ACE was in line with the size of our organisation. We also believe that the Illuminate portal is still not fit for purpose. Some of the data for the annual survey could be collected via our quarterly reports rather than doubling-up reporting at the end of the financial year and the beginning of a new one.

Uncertainty is undoubtedly leading to increased stress across the sector.

ACE is becoming the ONLY funder of arts and culture, many are closing like Foyle or operate on invite only or also have a very specific focus. I heard that Gulbenkian's art team had ceased. Culture cannot happen without Arts Council - without it, it would only be for those who can afford it. ACE is important as they have robust measures for supporting great art that is meaningful and that has impact - local authorities do not. Many of us in [named northern region] are very worried about devolution, we do not have faith in the local [...] Authority, they do not operate with transparency and do not understand quality or that orgs need to have sound business plans. ACE does this well, their opinion and robust criteria is important to ensure that art and culture is not exclusive to the few or that culture is not a pet project for politicians ego's.

A major concern is the decreasing number of working-class young artists being able to survive as practitioners largely due to the cost of housing.

We in the arts/cultural sector are exhausted by the fact that we are still expected to provide strong evidence (when the evidence already exists) that the sector provides value for money, social and health benefits etc. ACE need more funding. Let's Create is a brilliant strategy. Arts and cultural organisations and local authorities need more money. Arts and culture should run through all the public services, bringing the raft of benefits that they do. We will always need subsidy. We are grateful for public funding and appreciate that there are choices to be made. But there is vast wealth in our country and globally. Tax the rich, distribute wealth equitably. We could all eat, be healthy, warm, educated AND enjoy first class arts and culture. Government needs to be the leading loudest voice resisting the creation of more billionaires and the increasing poverty and vulnerability at the other end of the scale. Arts and culture are expected to plug the gaps in educational, social and health provision, but we are not trained for those specialisms to that extent. However, we can offer a high-quality complement to the statutory services. Fund ALL the essentials, including arts and culture. Fund creative education for early years, primary and secondary. Create the artists of the future and fund the artists of the present, or the arts will die, and we will all be poorer for that.

Museums (in particular civic museums - whether LA run or via independent trust) rely upon core ongoing funding and have done a huge amount to commercialise opportunities, but are at huge risk to being able to keep our doors open owing to the cuts to local government and the pressures on local government funds to deliver Adult Social care and SEND amongst other things. This places all non-statutory services such as museums and culture at risk. The ability for local authorities to support their local cultural sector is also severely compromised in many areas - particularly those outside of London.

CEOs are stressed by the rhetoric coming from government about lack of cultural value as much as by the practicalities. There is a sense that government has not heard the case for culture despite it supporting the UK economy and ensuring our international reputation.

We need the NPO to continue and for ACE to receive better resource from the government. ACE is vital to the cultural infrastructure of the UK, which, at these trying times, is a much-needed source of learning, education, inspiration, hope and comfort to the British public. Art and culture are a key part of what makes England and the UK so great - we need to continue to invest in this key part of our national identity.

This is having a massive impact on us - we have not received any assistance from Arts Council England over the last year except to increase our risk ratings...

Without more funding in the arts, it will be challenging to survive.

"In answer to What do you need right now, if there was the option to select more than one option I would add

simpler reporting requirements

help to innovate your business model"

Our organisation is an important cultural institution in the UK. The frustration of being stretched to the limit is beyond words.

I am not sure how we can carry on like this... the sector is broken... communities in this city are broken. The old guard at venues also need to be replaced.

We have not had an uplift in funding in over 16 years. ACE now accounts for such a small amount while our activity and reach has greatly increased. The last few years have been incredibly difficult financially and the organisation was really at risk of closure. We have done some very significant fundraising and have turned our situation around - but this has been incredibly hard and stressful.

Standstill or alternative funding will result in programme cuts around critical areas eg creative health & artist development, which happen to be the largest growth and demand areas. Increase via Levelling Up for Culture worries me in terms of that being the uplift funding origins.

There is a massive crisis within the arts funding world. The mainstay of our income for years has been trusts and foundations, yet they have retrenched away from the arts completely and/or focussing on organisations with specific remits for mental health and well-being, for example. In

the past, we'd apply for support of projects tackling this, but now many funders will support only charities who have this area of work enshrined in their Memoranda & Articles. We cannot change our business plans fast enough to respond while still delivering the work, but without funding to deliver the work, we close as ACE funding covers only 35% of our core costs. The impact on cultural leaders is severe; I have so many friends in the sector who are burnt-out in their 40s and early 50s, and younger generations are far less willing to flog themselves as I was (quite right too!). For me, working in the arts was a vocation. For successor generations, it's only a job. That's fine, but the biggest unseen subsidy in the arts sector for decades has been the unpaid overtime put in by staff. Without that, I cannot see how we can continue to function (typed at 10:26pm, thereby proving the point!)

I have recently handed in my notice and will be stepping down as CEO in September, entirely based on the lack of available resources to deliver a programme and develop the organisation. A key factor in this was the two delays to the NPO application [...] There has been a huge personal cost to this too, and the experience means I will look beyond the arts sector for something else to do - which is a shame as I have a lot of experience and expertise to share.

"[...]"

I feel our organisations relationship with ACE is very different to the one the partnership frameworks and ACE messaging lay out.

The news of the latest extension year was not something I welcomed - we are under too much pressure to stick to our [former] budget and our [former] activity plan. [...]

I'm very much aware that being a regularly funded NPO is a real luxury in today's climate. But ACE have changed beyond recognition and I'm counting the months until we can move on."

I was ineligible for a bursary at my school because I wasn't English!

It is incredibly difficult and uncertain working in the sector at the moment. The participants we support through free creative activity are experiencing challenges with mental health and wellbeing, poverty and limited access to services. The uncertain future landscape causes a lot of stress for staff within the organisation.

"Ageing buildings and equipment are consuming more of our resources (money and time) to repair or replace, unbalancing the budget.

Increasingly difficult to fundraise from any source (trusts, foundations, private donors) outside London.

Catastrophic decline in local government investment at all levels, not just in the arts, affecting activity levels and partnership working opportunities.

Local government devolution an existential threat as social care and education costs prioritised above arts and culture."

We worked really hard to get NPO and it has stabilised our organisation and enabled us to access more funding, but if we lose it in the next round, we will struggle to survive. That commitment and stability over a number of years is crucial for high quality planning and development as well as reducing staff stress levels. Thanks for doing the research!

We have been on standstill funding for many years. Most new NPO's came into the current portfolio on three times the investment we receive. Yet we are an organisation which delivers excellence and has ambition. We're chomping at the bit to take our ambitions forward: standstill is an issue but delay compounds it. We can work in new ways but at the core are staffing costs. There is a limit to the amount of delivery you can cut.

There is a vast amount of stress making the organisation work and the funding conditions are extremely excessive and add to the stress every quarter. The fear of not meeting these can leave you in tears: with staff and artists to pay it can be just too much. I know from experience these are not needed and the outcomes are not recorded etc.

Thank you for your continued support. We would prefer a shorter audience survey on Illuminate to encourage more quality and audience focussed response. It would also be good to get help with HR and safeguarding policies. Increase in public funding, especially for capital expenditure will help us offer more discounted and free tickets.

We are an arts organisation that work mainly with participants rather than audiences - we put on [...] public performances [...] at deliberately low ticket prices to engage people who have little

contact with the arts, and do not have a venue. With our ACE subsidy at around [...], and trusts & foundation income (our primary income source) dropping off a cliff, we are left in an incredibly precarious position. The message we often seem to get is "increase earned income" but when our primary activity is with marginalised groups, a tiny percentage of our turnover comes from box office and with no significant assets to exploit, this is an almost impossible task, especially with a staff team that is even smaller than it was previously due to the need to make savings. Within our specific sub-genre of the sector, there are organisations that have far greater potential to generate earned income on much higher subsidy percentages than we are, and smaller companies who have come into the portfolio more recently who are delivering less work than us but receiving a larger amount of funding every year. At the point at which a company joins the portfolio, you become 'stuck' at the figure that you start on, which, ten years down the line, makes little sense in the context of the rest of the portfolio - we have unsuccessfully asked for an increase in previous rounds, but even were we granted one, we would have to justify it with more activity, which still leaves the same income gap to fill. To me it seems important that the Arts Council try and understand how much subsidy an organisation needs to survive, based on its capacity to raise / generate its own income and the nature of its work, rather than simply assuming that the level of funding an organisation needed 10 years ago is the same as now, when the climate is completely different and the multi-year trusts and foundations that many of us rely on have changed strategic direction and/or are experiencing 7% success rates in many cases. Without this thinking, it will be smaller organisations and those that, ironically, align most with Let's Create, that will not survive.

It wasn't too long ago that our funding stretched to five staff. Now we have just two delivering increased activity. This might be viewed as more efficient, since we still deliver such a vast programme of activity. Even a modest increase in our funding could enable us to backfill the positions we have lost over the last few years and alleviate the pressure somewhat. And maybe even increase our activity further.

"My biggest concern is that we can't deliver our ambitions for our local community nor fully support our participants and our creative team including freelancers to achieve their goals.

We don't pay artists and freelancers well enough, and I cannot see a way to improve this.

I am concerned our artistic excellence will suffer as we pare investment in production values back to reduce costs. And to meet funders' requirements - or at least make our bids look attractive - in a very, very competitive landscape. One very well-known funder openly said a bid

was rejected - after months of work - as the project management costs i.e. the costs of staff were too high."

As mentioned above, for our core activity we are still at 2012 prices, i.e. no increase for core activity. We received an uplift last time but this was for a specific new part of our work, whereas new organisations that deliver much less than we do came into the portfolio sometimes at more than 2x what we get. Historic underfunding, especially in [specific artform], needs to be addressed.

As an artist-led organisation, led by an artist whose career has consolidated and matured over the last ten years, our ability [...] to support new and lesser-established artists is hampered by our stand still funding. The funds that we get are critical to support the creation of the work of our key artist, but any additional funds would have more than their anticipated impact as structures and systems are already in place. Minimal additional investment could have larger than normal outcomes.

"We are a touring [...] organisation who tour nationally. Our biggest problems have been the rising costs of touring (travel, accommodation, fees [...]) set against a standstill of NPO funding for over a decade and a standstill of fees from venues. Many venues have raised ticket prices, and have had to in order to keep their buildings open, but are unable to pass on higher fees to the touring organisations. Instead, we are faced with extras and extra costs for tech staff that we have never had to face before. We are not willing to underpay our struggling freelancers. Our organisation is critically successful with a loyal audience base and good relationships with venues - our business model is to make shows that sell very well and to work with venues to commission this work.

We are a small organisation - despite this we have managed to keep up with ACE reporting and the principles of Let's Create. Where we struggle would be to try and directly fundraise with corporate / private interests as not being a destination building this option has never ceded results for us.

Our main strategy is to make quality touring work with smaller numbers of people and hope that we can cover the shortfall. Also to shift to other modes of making. We are looking for more collaborations with other companies to share costs, more directing work outside of our company and digital work that we can sell in novel ways.

Historically we were very successful with other funders and trusts but this is becoming prohibitively competitive.

The bottom line is we just need more investment in regional venues and a properly funded touring strategy to help the dissemination of art across the country."

Arts Council England funding is crucial to ensuring the arts in the UK continue to exist. We work with young people and audiences from backgrounds where they would find it difficult to or wouldn't access the arts. The arts are an essential part of every society and Government funding is crucial to keeping the arts alive and central to the wellbeing, joy and humanity of the nation.

Although our experience is relatively positive in terms of the last few years of activity and our earned income position, our modest reserves (we lost 50% of the pre 2020 reserves position as a result of cancelled tours owing to COVID) don't provide sufficient headroom to allow for unexpected shocks or even production related cashflow. The effect of real terms funding cuts means that there is a constant need to achieve more or the same with less money/resources which is organisationally limiting and personally exhausting.

Funding for arts in rural areas is marginalised - 17% of the population lives in a rural area and only 2.5% ACE NPO funds go to organisations based in a rural area (ACE Rural Evidence & Data Review 2019 - the most recent report)

Despite all the energy we've put into developing new partnerships over the past 18 months, plans are failing due to no fault of our own as those sectors and industries and places face their own hard times. It really feels very precarious now and thankless. We need ACE to be on our side and show compassion plus practical action, rather than just inspecting us and putting up our risk rating.

For the first year in a few we are concerned about Trusts & Foundations income - this is scarce so far this year and we have no relevant/specific info on why, other than heavily oversubscribed funds; aiming to develop a new commercial income stream to potentially try and replace ACE income in the future, rather than depend on the uplift we will ask for, if we get the chance of another NPO round. Whilst the ACE reporting templates are usable, they feel irrelevant to the output of our organisation - we have forced them to fit, but would welcome more company-

specific reporting (I haven't heard any NPO peers say that the templates align with their work).
Thanks for asking and listening!

Having the status of an ACE NPO has increased enormously our visibility as an organisation and also reinforced our standing within the arts sector and beyond - we are confident that we would survive with standstill ACE funding as we are fairly successful in accessing other funding from mostly non-arts-based sources but would worry about having to adapt our work too much to agendas other than arts-based agendas

"The funding we receive from ACE has been instrumental in enabling us to create pioneering, practice-leading work [...]. This support has helped us build a strong local, national, and international profile.

The consistency provided by core funding has been critical to developing our reputation and capacity, allowing us to become a trusted organisation. This, in turn, has positioned us to successfully attract regional investment in our new location. The scale and depth of our impact simply would not have been possible without this sustained support."

I strongly feel there is an unspoken expectation of arts organisations and their staff to produce more and more relevant output for less funding. This means we are all relying on people's inherent goodwill to make things happen (both our staff and the artists we work with), but we are reaching the limits of what we can feasibly do, or ask of our artists and staff. We are located in a deprived area, and we also see the effects of austerity - we sometimes get people in not because they want to see the exhibition, but because they want to keep warm. Or who want to talk to our front-of-house, because they simply want to talk to someone. We have had children participating in one of our programmes who had not been fed in the morning - meaning this was now on us. Arts used to provide the dressing on the salad, but there is no more salad.

Where do I start! Overall it feels like crisis management is the norm. Organisations are doing just about enough to keep going in the short-term whilst the public bodies undertake or undergo yet another review. ACE commission reports on organisations, they are reviewed themselves; local councils don't plan for the long-term as many are now subject to transformation under local government reorganisation. Devolution emphasises place-based solutions, but the establishment of new [unitary] authorities takes time to embed. In the meantime, our town and city centres are facing declining economic activity as they transition from being retail led. Recovery is not

uniform; parts of the Midlands and North are recovering very slowly. A more active interventionist state and leadership is required and real strategic planning as to the needs of audiences and place

"We are lucky to have maintained standstill ACE support, however we doubled in venue size in 2000 and yet no uplift arguments have been successful, which continues to restrict any growth or strengthening of our core - which is urgently needed by all organisations of our scale. We are however extremely grateful to have the support and belief of ACE to this day, without which we simply would not exist.

We remain a small, exhausted, underpaid (compared to annual sector analysis) team, who year upon year is expected to do more with increasingly less. There is no room or time to catch our breath; no money to restabilise, there are no more sources of unrestricted / core funding left for us to explore. We run a lean organisation, there is nothing else to trim.

We have felt stuck and in a constant state of firefighting since 2020. There has been zero let-up or time to rebuild, reposition or restore. Sector-wide we are all burnt out. As leaders we must remain strong, 'on the ball' and innovative, to keep our teams energised, empowered and confident whilst we endlessly have to keep putting out the fires on a daily basis whilst seeking out ever-new ways to raise earned income to keep the doors open. It is exhausting and unsustainable.

Inflation and raising minimum wage has battered an already injured sector. Landlords continue to hike up rents, energy company bosses enjoy their huge salaries and bonuses whilst billing hardworking non-profit customers for more and more each month.

We can't keep going on like this, something has to give. The Government must listen to and invest in the sector now or I fear for what it will become - a sector run by and ultimately for, the rich.

Ongoing peer conversations all continue to chime that none of us have experienced such fearful and stressful times in our 30+ year careers. Things are now far worse than in 2020, and continue to get worse on a daily basis.

Government's obsession with AI has overtaken any interest, respect or care towards this country's greatest asset - its culture sector. Artists, cultural workers, and the millions that underpin this internationally renowned, unique resource, are being insulted, undermined, and exhausted by the government. We live in the most culturally diverse and creatively rich country, our culture is what makes us who we are.

The sector is on its knees - Lisa Nandy MP must stop and take stock, care and action NOW to invest in, and crucially protect, the sector which has been demolished by Tory government and now further injured irrevocably by the Labour government's recent spending reviews."

We have been at the same level of investment since 2008. It is not viable to run a building and programmes in the current climate. The organisation cannot be pioneering or innovative. We are stuck and whilst not in a priority place, we serve these communities. New NPOs came into the portfolio without buildings to run at a higher amount in the last round. How do you move out of the level of investment you join at?

COVID was a game changer for us in that it negatively impacted our beneficiaries but enabled us to adapt to a model of working that has made us less reliant on physical structures with substantial oncosts (building rent, travel, transportation etc). This transitional phase will not endure for much longer and eventually the lighter staffing numbers, increased [...] costs and expectations of dual delivery (digital and analogue formats) will eat through budgets, whilst soaring living costs maintain pressure on us to pay staff at an appropriate level as well as upskill and retain them through development. Our options for trust / foundation funding are also depleting rapidly - many previous funders have paused or closed. The leaps of innovation required to surge ahead are alienating to our board and to segments of beneficiaries - even though this adaptability enabled us to transition successfully through and out of COVID. Perhaps unconsciously people in our sector expect that external change will change things (and come to the rescue) as happened in the pandemic, or that things will somehow get better because they can't get any worse. Others will assume the arts will automatically be protected by a Labour government. So, it is hard to be proactive amid this inertia while also perhaps understandable that people want to go back to how things were and are distrusting of technological change. All in all, it seems that innovation will be the only catalyst for growth in this landscape. It may still otherwise be possible for us to survive, albeit in a depleted state.

"I have been running this organisation for close to 20 years. I no longer run it full-time and I manage my staff with experience of the ups and downs of funding and the realities of never really feeling secure. [Recently] we were in an incredibly rocky period and changed our business model and board. Without that work we would have closed during this last 5 years since COVID and without my long standing experience I would be far more stressed, and as a result so would my staff.

We are relentlessly innovating and making efficiencies. The amount of rejections we now receive from trusts & foundations that only 2 years ago were making up a large part of our income is unsustainable and likely to cause us problems in the coming years if nothing lets up. I fear we have been taught we should be resilient to the impossible task of running a sustainable arts organisation at present and I see colleagues leaving the industry in droves."

Inclusive policies adopted by the Arts Council have enabled diverse organisations like ours to grow and develop and provide essential service to wider communities, amplify the voice of many who are not heard, provide employment to hundreds of freelance creatives, contribute effectively to local cultural profile and economy. Long term standstill funding, which in essence is a reduction, has definitely created additional pressures to be able to maintain quality of service and ability to respond where there is established need.

We are losing staff rapidly due to stress and lack of [payrises].

Dealing with the impact of ever-increasing costs is a huge part of my role, and has a significant impact on the delivery of our work - and the ambition we are able to have. We cannot and will not pass cost increases on to those who we work with, as they are the hardest hit by the current financial circumstances, we therefore have to seek more and more creative ways of bringing money into the organisation, simply to maintain our provision, let alone extending it and creating exciting and ambitious art with our community... we're always having to do more with less, which can of course lead to additional creativity of thinking and approach, but it feels that we are beyond this and continuing to try to maintain connections through the creative arts without sufficient resource to do so. Our Chair recently summarised it well when she said that we are continuing to deliver but what isn't seen is the impact of staffing cuts and reductions on those staff that remain - who are working at, or beyond capacity to ensure programmes continue because they feel a responsibility to the community here who rely on the programmes to support their wellbeing.

"We suffer from being in London. Although our doorstep work is in an area with a population comparable to small cities, one of the highest IMD1 percentiles, and low engagement in the country, we are seen as part of overfunded London.

The money doesn't make it from the big institutions to the communities we serve; we are not funded to a level where we can broker the relationships to change this. One more member of staff would make a huge difference."

The level of reporting, embedding Investment Principles etc I believe needs to be funded separately to the amount of funding received to deliver your programme of activity e.g. a %. The amount of admin we have to do versus the amount of funding we receive is disproportionate. There has been little support for new organisations coming into the portfolio compared to those who are leaving!

Proposed PIP and Access To Work changes will have a significant impact on our budgets.

It is becoming impossible. We cannot be leaner - we are now down to a core team of two co-leads and two artist curator trainees. In real terms funding has reduced from ACE (it has basically been at standstill [for almost 20 years]) and funding from our [host] partner is increasingly pressured. If we do have to cease being building based it will have a huge impact as we are one of only three decent sized, accessible gallery spaces in [city named and described].

I did not leave school with a degree (artform specialism) but studied later in life and earned a BA, MA and MBA in later life as a mature student - your questions on this do not capture the nuance of different learning paths

"We have made significant changes to the organisation in the last few years: in 2021/22 we employed [more than double the number of people and FTE staff]. We employ freelance staff for basic [...] administration (funded from core) and [...] management (funded by projects). [...] We still have a relatively healthy level of reserves compared to a lot of organisations but the last few years we have run significant deficits.

We strongly believe in staff wellbeing and good working conditions and so we have stuck to our inflationary pay policy throughout this period, increasing salaries in line with inflation even when inflation was nearly 10%. To offset this, we have not replaced leavers, and we made one post (job share, so two people) redundant. We also reduced fulltime staff to 28-hour contracts (4 days). Our executive and board feel that it is preferable to have fewer staff on competitive salaries than to freeze or reduce salaries for everyone.

We also believe in looking after people, so we generally ensure that our workload is commensurate with our paid hours - including senior posts. We do usually stick to this, except in periods where we are delivering a project, or travelling, or meeting a challenging bid deadline. In those cases, we allow staff to take the equivalent time in lieu. We do not encourage unpaid overtime as a general rule.

Because ACE funding has not risen with inflation, we have had to make very difficult decisions to secure the future of the organisation. For context, our core funding gap (the difference between ACE funding + income from studio rental and the cost of running the organisation) used to be around £200k - today it is around £44k. Our turnover for the 5 years pre COVID was £570k; for the last 5 years it has averaged £370k."

Excessive ACE bureaucracy is taking up time we could be fundraising.

Too much stress, not enough money, not enough staff, never enough time. ACE suggests doing less but are they really going to pay us 25% more for doing 25% less? I think not, but that's the reality. And if we were serious about equality, diversity, and inclusion, we would be doing 50% less and spending realistic money on access, and that's impossible too. Seems like everything just about works as long as there is nothing to rock the boat, but organisational resilience is low so we live on a wing and a prayer that there are no unforeseen challenges that will lead to a higher risk rating and jeopardise our chances of future funding.

Thank you for this survey, but I would like to add that with the statements the questions don't allow me to give a balance on the overall picture which is actually very positive. Yes, my workload has increased (and therefore so has work related stress, just because there's more of it). It's also meant that, in this first few years of being an NPO that it's taken me some time to find the balance of working in unpaid time/making sure I take proper leave etc. However, the stability that being an NPO has provided has also had huge benefits - we're able to do much more of the work we love, employ wonderful freelancers, actually be paid at all for the work we do (whereas previously lots of it was unpaid and stressful and we couldn't afford to take holidays!), and not worry about periods of no income at all. Yes, the reporting and having an Advisory Board for the first time is a lot of admin BUT it's also meant we have data for the first time, have to think about all the ways our work is sustainable, inclusive, dynamic and the best it can be as well as having wonderful people feeding their expertise into our work regularly. Overall, I'd said the NPO funding has been hugely positive for us! I want to be honest that I, personally, struggle to switch off and find a good work/life balance - but that was ever thus. The

NPO has meant that we are infinitely more stable, better resourced, have greater capacity and are able to grow and thrive and help others to too. So if the questions had been more like 'has the stability of being an NPO improved your company/work/capacity/wellbeing/outlook about the company's future' then the answer would have been a strong agree.

"Arts Council investment has enabled our organisation to plan and target other opportunities for future funding relationships. Our business model has evolved in response to a changing environment for culturally engaged work. Our budget therefore maintains a healthy mix of arts and non-arts funding.

Risk Management

External financial risk - our business plan has been developed through a mixed economy programme of work which brings flexibility to budgets and informs our financial management. We have a strong track record demonstrating that where funding might fail to be awarded/decrease in one area it will be made up by success in other areas and we are able to adapt our programme accordingly and maintain delivery against our own aims and objectives and those of our stakeholders."

The security the NPO offers is vital for future planning and it is really hard to maintain a team and work at scale without this. We are in a deprived area and do not have access to high-net-worth individuals who can fund our work, so support from ACE is crucial. Many of our partners and artists we work with have had, or are currently, ACE funded and without it the sector will be decimated. I believe arts funding should be by a non-governmental department, not dictated by party politics. Devolving decision making power to the mayors, for example, who often have little experience, or a narrow view of culture, could be disastrous for the sector.

I fully understand the limitations of ACE. Our biggest single threat is the ever-diminishing audiences and the public's confidence in spending any money on anything other than the household bare essentials. Our earned income is taking the biggest hit and is affecting the ability of so many artists to continue their creative careers. Artists' applications for touring or Developing Your Creative Practice are ridiculously competitive with many more unsuccessful than those who succeed. I have never known so many artists to feel quite so demoralised and in such despair!

NPO funding has transformed our ability to develop long-term relationships with underserved audiences. We are really proud of what we have delivered through such a challenging time financially. But standstill funding means less and less is possible every year. This is both in terms of programme delivery and in terms of organisational development that can unlock increased income generation. We are proud that we are not in a crisis financial situation. We are a non-building-based organisation, and we purposefully keep our overheads as low as possible. This means any additional income we generate can go directly into boosting activity. We work so hard to fundraise and earn income through commissions. But ultimately, there is little radical change we can make to the financial picture in the context of the current operating climate. We see so much potential in the creative relationships we have built with our communities and freelance practitioners. It is frustrating to have to continually cut our cloth smaller and smaller, rather than being able to see creative potential realised.

I find juggling the day to day running of an arts organisation with reporting in line with our NPO status hard. I'll have a good months and then months where other work gets in the way; but to date I have always worked my way through it. It's not so much that I can't do it, it's more the juggling I refer to at the head of this paragraph. As a first time NPO I should also record the creative possibilities the funding affords this organisation are exciting and game changing.

From the organisation I run and those I engage with at governance level, I think a review of ACE's risk register would be helpful to both ACE and supported orgs. Often there is time unpicking organisational specific risks and those that could be managed to mitigate against and external risk out of organisations hand. Although this may not change an organisations risk rating this would allow clarity for ACE staff and organisation leaders as a lot of time is spend talking through aspects that would appear on an organisational PESTLE.

The impact of standstill funding is getting worse year or year (as you would expect). We have cut everything we can except staff. ACE are putting pressure on to increase our reserves which feels out of touch given we are struggling to break even. We are stuck in a position where we have ideas for income generation but can't afford the initial investment to get them up and running because ACE want us to build reserves not spend and there is no funding for small organisations to take these kind of risks. Any capacity building funding which is minimal at best is only available to larger organisations. We are struggling to recruit appropriately skilled Trustees in income generation and with a lack of skills and knowledge in the Trustees we have.

Without ACE funding the sector would collapse, and this would have a huge detrimental effect on wider society.

At our company we are concerned about the decreasing number of working-class people able to enter the arts industries. The industries are dominated by entitled, resourced middle and upper middle-class people and their values and attitudes. Unless you have private means or 'bank of mum and dad' the chances of making it through to a professional career in the arts are slim. One Sophie Willan doth not a summer make.

Our sector is under pressure to think and plan strategically but standstill funding since 2008 and year-to-year uncertainty of funding mitigate against this. ACE collect a lot of data from our sector, but ACE do not make best use of it as an advocacy tool or to understand the impact of the sector.

We are facing the very real possibility that we might have to make staff redundant to keep operating. We are already having to reduce our output, but this puts us in danger with Arts Council, who constantly expect more. Several large funders (Trusts and Foundations) have closed, so all avenues for funding have become hugely competitive. Much of our income relies on partners contributing money to commissions, but all organisations have less money, so everything is shrinking. We want to continue to support the ambition of artists, but it is becoming increasingly difficult.

We are a very small organisation (2 core staff) and the reporting requirements from ACE are the same as the larger organisations who have much more resource and capacity. The investment principles set by ACE mostly all relate to the work we do, but there are some areas where we feel like we're doing extra work to please ACE, rather than doing what genuinely works for our organisation and mission. I think some extra thought around the reporting requirements for large/small and remote/non-remote companies would be really beneficial.

I find it really interesting that this survey seems to have been designed to tell a story of how much arts organisations are struggling and need more public funding. It makes me a bit uncomfortable. My organisation is not struggling financially. The thing is, I think that ACE should be investing more in places where they see success and growth. Just closing ranks and

preserving what is already struggling while filling bigger holes with funding is a short-term solution but is not sustainable. I don't want personally for organisations to fold, but I think that evolution is natural, and the way the portfolio works does not support that at all. Maybe we need to have a bigger re-think.

The impact of standstill funding is negatively affecting our capacity to take talent to the next level and create opportunities for more people from diverse backgrounds to really develop their portfolio and gain more robust, longer term sector experience. People are struggling to find enough paid work in the sector.

I am very close to burnout. I'm mobilising everything I can to protect my team and the future of the organisation, but it has come and continues to come at great cost to myself.

There needs to be more training given to CEOs and CFOs on diversity issues and making their organisations more inclusive. Awareness, especially around race issues, is still lacking and not being tackled effectively enough so there is still under-representation of minority communities in senior leadership and board positions. Arts Council needs to put much more pressure on some of the larger arts organisations and heritage organisations to address this head-on.

"Arts Council England NPO funding is vital to the creative industries. Without them, the already depleted arts offer to communities would reduce significantly. Many artists, administrators, executives, marketing teams, producers, fundraisers, business/company managers would lose jobs and find themselves within the job market - something we are already witnessing at the moment.

ACE NPO funding contributes greatly to our community-based work that also has an international impact, working with academics and NGOs across the world, highlighting the significant talent the [region] has to offer. Our work has won many awards for the significant change it makes to [priority segment] lives. Without future ACE NPO funding, this positive and much-needed work and impact would be negatively impacted. We would struggle to commit to a strategy without long-term NPO funding. Standstill funding however is not enough. We need increased funding; inflation rises just do not cover everything that has increased. We need more funding to cover the decrease in funds available from Trusts and Foundations, the increase in artist/freelancers fees and expense minimums, the cost of set builds for example...everything is rising and it has not

been addressed. You can't have the arts as part of 'social prescribing' and not fund appropriately."

While its technically only 20% of our income, to lose our ACE/public funding would effectively be like pulling the pin from a grenade. We would struggle to survive.

"Gaining funding to do amazing, ground breaking work is always hard, exhausting and very hit and miss, especially working with hard to reach working class communities. Arts Council core funding gives a stamp of approval with other funders, they look to see we are on an 'approved ACE list'. This is especially important as we are in a [...] Priority Place, easily forgotten if you are in a big urban centre and very visible. Arts Council funding is essential to our existence, we wouldn't be able to work if we didn't have it, simple as that. It's the only funder that supports and respects artists to deliver. As a very small team we punch well above our weight and deliver more for the buck than many arts organisations I know. Arts Council NPO funding for us, secures as much again from many other public sources. As a small business two thirds of our turnover goes back into the local economy, on wages services and materials.

We don't just 'do art' but have an effect on many aspects of making a place better, we work and support environmental concerns, health and wellbeing, placemaking, urban design, tourism, education and support and advocate for the arts across the whole area. It's incredible value for money for the government.

Lastly you ask to hear about my experiences of leading an arts organisation. Its stressful, tiring, 24/7, I often feel alone with it all, however it's who I am, my passion, it's delightful and the only thing I would want to and could do.

Commenting on the ACE recent interest in protected characteristics, i.e. social mobility. My background is something I have hidden in the art world, it has not served me in the past to be open about my upbringing. I have found it refreshing recently to speak more freely about where I am from. My working-class background as an artist is completely at the core and success of the work we deliver, it's who we are as an organisation, and it's incredibly important in a working class place to be embedded and connected to the roots of the place.

Arts and culture are the life blood of any place, the thing that makes a place, a way to connect to communities, it's life enhancing. Without amazing hardworking organisations, the world would be a very sad place."

"Whilst we have built a good level of reserves, we are embarking on a capital project to move our engagement activity into a premises with more potential for income generating activity and community engagement.

This said, we envisage needing to run this additional premises on a fairly similar staff structure in order to cover increased overhead costs in the short term.

This is also necessary where we have identified risks associated with our current heritage [...] building, which is in need of significant capital investment.

Alongside capital investment in existing infrastructure and building efficiencies, help is also necessary to innovate/review our business model/lean operations; help to be more green; and help to make the case (through appropriate evaluation) for social impact, leading to increased investment from other sources/sectors."

The challenges we face are not only the standstill funding which is why this is such a difficult period to navigate. We are in the midst of a poly-crisis. Sustainability requires investment, audiences require new work or innovating work for less or free yet it costs more to produce, hard costs are going up driven by inflation and global unrest, access provision from an access to work and an access to programme is costing more (rightly so the provision needs to evolve and improve) and generally audiences have less money to spend so we are ever more commercially reliant which causes mission drift and puts our public funding at risk. However, we approach our challenges in a positive vein and do have ridiculous optimism that we will soon see a shift.