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# Funding arts and culture: everyday experiences from organisations

What are the everyday experiences of arts and cultural organisations in generating and diversifying income? **Daniel Ashton** shares research findings.

In 2011 Arts Council England (ACE) introduced its first round of National Portfolio Organisation funding in which 695 organisations joined the portfolio – [compared to 849 organisations that were part of the Regular Funded Organisations (RFO) portfolio](https://artlyst.com/news/arts-council-funding-cuts-latest/). The outcomes of this funding scheme took place in the context of the UK government austerity programme and reductions in the budget made available by the Department of Culture, Media and Sport.

In July 2014, the Arts Council for England (ACE) made its announcement for investment in arts and culture in England for the period 2015-18. Much of the press coverage addressed this as a matter of ‘winners and losers’ and how demand and the number of applications outstripped available financial resources.

For the funding period 2015-18 there were 663 organisations and the current portfolio, which runs until 31 March 2023, comprises 828 organisations. For the 2023-2026 funding round, ACE received a record-breaking 1,730 applications [where the annual budget available for NPOs is £428m but applications exceeded £655m](https://www.museumsassociation.org/museums-journal/news/2022/07/ace-reveals-record-breaking-npo-applications/).

In this brief outline of the ACE NPO scheme, two challenges emerge relating to the amounts of funding availability and funding cycles and processes. This article shares research published in the [*European Journal of Cultural Studies*](https://journals.sagepub.com/doi/10.1177/13675494221118386)exploring the experiences of arts and cultural organisations in applying for and then securing, or not, funding.

## Funding in times of austerity, Brexit, Covid and … austerity

The life of the NPO scheme over the last ten years has run alongside massive socio-economic challenges and transformations which have impacted on the funding landscape for arts and cultural organisations. The constant presence of austerity measures has met with Brexit, Covid and a renewed emphasis on austerity in relation to the ‘cost of living’ crisis. In response, the need for arts and cultural organisations to secure income from a diversity of sources has become ever important.

Several national reports in the last 5 years ([Bazalgette, 2017](https://journals.sagepub.com/doi/full/10.1177/13675494221118386#bibr13-13675494221118386); [Department for Culture, Media and Sport (DCMS), 2016](https://journals.sagepub.com/doi/full/10.1177/13675494221118386#bibr18-13675494221118386); [Harvey, 2016](https://journals.sagepub.com/doi/full/10.1177/13675494221118386#bibr26-13675494221118386)) highlight the prevailing government and cultural sector policy direction towards encouraging organisations to diversify income. Most recently, (ACE) published its 10-year strategy, [*Let*’*s Create*](https://www.artscouncil.org.uk/lets-create)stating that organisations will ‘develop business models that help them maximise income, reduce costs and become more financially resilient.’ This priority for diversifying income is central the contemporary funding landscape and requires arts and cultural organisations to identify and understand funding opportunities and openings in relation to an ever-wider range of possible sources.

## Researching the experiences of arts and cultural organisations

To understand what this means for arts and cultural organisations a project was designed involving a series of research visits with organisations from across literature, music, theatre, visual arts and combined arts. The research visits took place between February 2017 and August 2018 and overlapped with the application and decision stages for the ACE NPO 2018–2022 funding round.

The sample included currently funded (n = 6) and first-time funded (n = 3) NPO organisations, and organisations that had been unsuccessful (n = 1) or that had not applied (n = 1). Organisations were a range of sizes and participants were a mix of: creative director/chief executive for established organisations (5/13), creative director/chief executive that founded the organisation (4/13), and specialist fundraising/development managers (4/13).

For each participating organisation, there was a research visit consisting of a career biography interview addressing career background, current role, organisational context, wider sector and policy contexts, and arts funding experiences and practices, and an object interview using a range of funding application forms/proposals as discussion prompts. In bringing together the research findings from all the research visits and research, three themes were identified.

Firstly, ‘simultaneous sources’ explores how organisations find and balance multiple income sources. One of the challenges identified in engaging with multiple sources was experience and familiarity. This was articulated by a participant in the following - ‘it’s a different kind of skill that unless you’re doing it all the time, I think it can be quite daunting’. There were also instances of experienced participants outlining new or ongoing challenges. For example, difficulties encountered using the online portal Grantium – something covered several times by [*Arts Professional*](https://www.artsprofessional.co.uk/news/sector-struggles-aces-online-funding-portal). Overall, the adjusting to the structure and requirements of a multitude of funding forms was a notable issue. Closely linked to this with, participants raised specific challenges including the tensions between the order of questions and what makes sense for the project; limitations on including supporting documents; character and word limits and the impact on how a project is communicated and the need to complete a section of the form with financial information to meet a cut-off date but not being able to go back and edit it.

Secondly, ‘timelines’ explores the complexities of managing possible income streams and the impacts on the ability of organisations to manage their activities, events and projects. Insights from participants showed how income diversification goes beyond identifying and securing funds from a variety of sources to complex decision-making about the ongoing balancing of sources with impacts that extend beyond the organisation to audiences, beneficiaries and project freelancers. Whilst this research focuses on organisations, this point also shows how organisations’ experiences and conditions closely connect with those of freelancers.

Thirdly, ‘working with change’ explores the experiences of organisations in undertaking their core aims and activities in times of socio-economic change and in sync with changing policy directions. The wider contexts of change and upheaval impacted on the day-to-day experience of organisations in applying for funding. Across the experiences explored, funding could be summarised as being continual and episodic. Continual in terms of always writing funding applications, and episodic in terms of the specific life cycles of applications and decision-makers.

## Organisational portfolio precarity

In moving between and bringing together funding sources, organisations are

undertaking a form of portfolio working - applying for, and in receipt of, different types of funding from different sources at the same time. The variety of funding possibilities translates into a varied and continual set of deadlines and milestones and opportunities to secure funding.

This way of operating, however, is precarious in terms of the uncertainty in securing funds and the instability in sustaining activities, events, relationships and, at times, the organisation itself. Financial capacity and certainty might periodically be addressed as income is generated and comes into the organisation, but the overall experience of precarity remains because expanding funding opportunities do not necessarily equate with increased funding and ongoing security.

Reflecting on the circumstances and experiences explored, the concept of organisational portfolio

precarity was developed. Organisational portfolio precarity addresses how the priority for income diversification requires arts and cultural organisations to move between and maintain multiple funding sources and that this is less about flexibility and adaptability (often seen as a positive of portfolio working) and more about uncertainty and precarity.

This research considers a range of examples in which arts and cultural organisations struggle with the priority to diversify income and the associated state of organisational portfolio precarity. Examples include: working on existing projects while simultaneously planning new projects; managing and maintaining projects and relationships with communities and participants when expected funds do not follow through; modifying plans and the commitments of others involved in a project depending on what funding decisions are made and whether this matches the application; and issues of procurement, retrospective payments and cash flow that have implications both for the staff salaries and the employment of freelance practitioners.

Rather than equating income diversification as the route to resilience and sustainability, the experiences of arts and cultural organisations discussed in this article highlight the complexities and uncertainties*.* Whilst the experiences explored in this research project pre-date COVID-19, connectingwith findings from the [Culture in Crisis report](https://www.culturehive.co.uk/CVIresources/culture-in-crisis-impacts-of-covid-19/) make it clear that the experiences and concept of organisational portfolio precarity resonate.