

Department of
**Culture, Arts
and Leisure**

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Mr Kevin Heaney
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18 January 2010

Dear Mr Heaney

RPA – TRANSFER OF FUNDING FOR LOCAL ARTS

The Department of Culture, Arts and Leisure has considered a number of options for the transfer of funding and is now seeking views on the proposed way forward on a number of key issues. I should be grateful for your views on the key issues outlined below.

BACKGROUND

In his statement to Parliament on 26 March 2006, Secretary of State Peter Hain announced his intention to transfer some of the funding for local arts to district councils. Following the restoration of devolution in May 2007, Minister Foster carried out a review of RPA proposals and reaffirmed that responsibility for local arts would transfer to district councils. In her statement to the Assembly on 31 March 2008, Minister Foster announced that the ***“new or enhanced functions and responsibilities of local government will include local arts”***.

Under the new arrangements, the Arts Council will continue to have responsibility for funding regional arts venues and other activity. To ensure a consistent approach to arts planning at a strategic level, the Arts Council will liaise with each district council to agree local arts and cultural plans.

KEY ISSUES

1. Definitions

The Department would propose to use the following definitions (currently used by the Arts Council) to categorize organisations as local, regional and national.

Local: operating within its own district council boundary

Regional: operating beyond its own district council boundary but within Northern Ireland

National: operating within Northern Ireland and touring/offering programmes to the rest of the United Kingdom and/or the Republic of Ireland.

2. Amount of Funding to Transfer

The Arts Council has advised the Department that funding on local arts for 2009/10 is in the region of £1.1m. On this basis, it is recommended that £1.1m would be an appropriate amount to transfer to district councils. While the amount of funding allocated to local arts fluctuates on a yearly basis, a firm amount of funding should be agreed to facilitate future planning. To increase this amount would impact adversely on the Arts Council's programmes. It might also be necessary to review the funding allocation after the first few years when councils have their strategies in place and on the basis of outcomes delivered. The level of funding could also be affected by the outcome of the next Comprehensive Spending Review.

3. Funding Transfer Mechanism

The Department's preferred funding transfer mechanism is that funding would be distributed to the new district councils by the Arts Council. The Arts Council has well established procedures and processes in place to manage the allocation of funding to district councils and to support councils as they develop their grant making capacity. There would also be less risk of double funding i.e. organisations obtaining funding from both the Arts Council and district councils for the same activity. The Arts Council would be well placed to assist the new councils to develop and agree their 3-year local arts and cultural plans. Councils will be expected to take account of their new Community Planning role when developing these plans.

4. Allocation of funding

The Department has considered a number of options in relation to how funding should be allocated to the new district councils. The Department's proposed approach is that funding is allocated on a per capita basis with weightings to take account of social (and other types of) deprivation, and other government priorities. Allocations for Belfast and Londonderry/Strabane would also be weighted to take account of their strategic positions in terms of their capacity to generate tourism and to alleviate the adverse impact on arts organisations in those areas which are currently funded by ACNI. This would ensure that funding for local arts could be disbursed more equitably across councils (currently 5 of the new council areas do not have any organisations in receipt of local arts funding from the Arts Council).

However, careful consideration needs to be given to the adverse impact that this could have on arts organisations currently funded by the Arts Council within the boundaries of the new district councils in Belfast and Londonderry/Strabane. As the organisations currently funded by the Arts Council are concentrated in Belfast and Londonderry, the amount of funding being transferred to those district councils would not be sufficient on its own to enable the new councils to continue the same level of support to the organisations which are currently supported by the Arts Council. Mitigating steps, such as a phased approach, may need to be considered to allow for a smooth transition.

Appendix A sets out an estimate of local arts funding which is currently allocated by the Arts Council in the new district council areas and how funding

would be allocated to the new district councils using the Department's proposed approach. This illustrates how local arts funding for the new district councils in Belfast and Londonderry/Strabane would be reduced, even with the various weightings included.

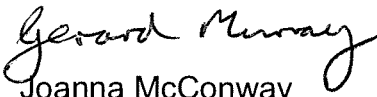
To minimise the risks to arts organisations, mitigating steps might need to be considered e.g. a phased approach using a transitional funding formula to allow time for organisations to make other arrangements. The Department would particularly welcome views on how this could be handled.

5. Match Funding

The allocation of funding to district councils may also include a requirement for district councils to match their allocation of funding for local arts. This arrangement has worked well with the Community Festivals Fund.

I should be grateful for your views on the Department's proposed approach by **31 March 2010**. Please forward your comments to me at the above address or by e-mail to arci@dcalni.gov.uk. Please contact me if you would find it helpful to discuss any of these issues.

Yours sincerely

cc 
Joanna McConway
Head of Arts and Creativity Branch

BREAKDOWN OF LOCAL ARTS FUNDING BY NEW COUNCIL AREA

New District Councils	ACNI current allocations per council area 2009/10	Allocation by population with 10% deprivation weighting. With additional weighting to Belfast and Londonderry/Strabane.
Antrim/Newtownabbey		59,316
Ards/North Down	50,550	66,255
Armagh/Banbridge/Craigavon	51,000	87,019
Ballymena/Carrickfergus/Larne		58,501
Ballymoney/Coleraine/Limavady/Moyle		61,051
Belfast	628,024	322,372
Castlereagh/Lisburn	19,000	77,974
Cookstown/Dungannon/Magherafelt		60,467
Londonderry/Strabane	292,200	180,268
Down/Newry&Mourne	40,000	75,748
Fermanagh/Omagh		51,030
Totals	1,080,774	1,100,000

Notes

Deprivation weighting includes 2% income deprivation, 2% education deprivation, 2% employment deprivation, 2% access to services deprivation, 1.2% health deprivation, 0.4% crime deprivation, 0.4% environment deprivation.

Additional weighting for capacity to generate tourism and to alleviate the adverse impact on arts organisations which are currently funded by the Arts Council. £300k split between Belfast and Londonderry/Strabane based on populations. Belfast allocated £192k (64%) weighting and Londonderry/Strabane allocated £108k weighting (36%).