Evaluation of Arts Council England's Emergency Response Fund (ERF)

SQW

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Summary

1. When the first national lockdown associated with the COVID-19 pandemic was announced in March 2020, Arts Council England (ACE), with support from the Department for Digital, Culture, Media and Sport (DCMS) and HM Treasury, announced the Emergency Response Fund (ERF). The Fund was for creative practitioners and organisations, who were likely to be affected by lockdown measures. It was designed to alleviate immediate pressures, enable the continuation of creative activity, and allow time to stabilise and plan for the future. In the Spring of 2020, ACE provided over £100 million of funding support to 9,858 applicants (7,484 individual creative practitioners and 2,374 organisations) through the ERF.

2. In Autumn 2021, SQW were commissioned by ACE to conduct an evaluation of the ERF to better understand how recipients spent the funding and its effects on successful applicants, as well as the consequences of an unsuccessful application. SQW conducted a large-scale qualitative study, based on structured conversations with a sample of 126 applicants (98 who received funding and 28 who did not) in November and early-December 2021.

3. Nearly half (42%) of those who participated in the research said that they would not have survived the first six months of the pandemic without the ERF funding. Of those who said they would have survived without the ERF, most said they would have had to reduce the scale and intensity of their creative activity.

4. The research found that recipients spent their ERF awards in various ways including:

    *   Day to day living expenses and overheads, such as rent/mortgages, food and insurance

    *   Paying staff salaries, in order to retain staff skills and experience within organisations, and/or hiring sub-contractors or freelancers to support creative or digital activity

    *   Purchasing IT and other equipment to allow for the transition or addition of digital activities, or to allow for working from home

    *   Investing in training for themselves or their staff, to upskill on new technology being used or allow for the creation of new content or activities.

5. Receiving the ERF allowed businesses to reflect on and refine their strategic plans and carry out research and development for new projects or activities. It enabled applicants to continue with their business/creative practice, plan for the future, secure other funding, adapt or add new creative content and activities, upskill themselves and their staff, diversify their creative offer, and maintain or develop connections with existing and new communities. More specifically:

    *   Several organisations interviewed (26 out of 50) said that the funding had enabled them to retain skills within their organisation, whether that be creative skills or administrative and business skills to help boost fundraising and strategic planning.

- Nearly 60% of the research participants who received ERF funding also applied for other funding between March and December 2020 (more of these were organisations than individuals). Most respondents were able to access other funding such as the Culture Recovery Fund (CRF) or Self-Employment Income Support Scheme (SEISS), and several commented this would not have been possible without ERF support.

- Many respondents made the shift to digital/online activity, although this was not possible or practical for some respondents. Examples of these activities include online classes and workshops, livestreaming events, creating podcasts, using virtual and augmented reality (VR/AR), developing apps, and creating or maintaining websites and social media. New audiences were accessed that were national and even international in some cases. Research participants anticipated that they would continue with digital activity though typically in a hybrid model alongside a return to in person activity.

- Several respondents felt the funding had enabled them to better support other creatives, particularly freelancers. Connecting with local communities was also very important to respondents, with a few commenting on the importance of their survival to their locality and others shifting their focus to serving local people. Using digital platforms to continue or introduce new work with schools and young people was also common, as well as engaging with disadvantaged and vulnerable groups.

6. Most of the applicants interviewed who did not receive funding were disappointed with this outcome. The main effects of failing to receive ERF funding were: a lack of resource at the start of the pandemic to pay for living expenses and overheads; having to find additional sources of income often outside of their creative work; and prolonging a period of stress and pressure, impacting their work and mental health. While many of these applicants were eventually able to access other sources of funding, the ERF funding would have been appreciated due to the speed of delivery during the early days of the pandemic.

7. The ACE application process was simplified for the ERF. Guidance provided and communication with the applicant were mostly reported to be helpful with some suggestions made to improve the experience. Grantium, the online project management system, was recognised as challenging across all of the groups interviewed. It was seen as not user-friendly, and particularly daunting for those who had never used it before. There were also accessibility issues for some neurodivergent people, who felt the layout and technical language excluded them.

8. Nearly all of the applicants interviewed intended to apply for future ACE funding, with some respondents feeling that their ERF experience had given them confidence to continue applying for funding and building a stronger relationship with ACE. A few respondents who did not receive funding, however, said their experiences with the ERF have discouraged them from applying in future, as the time and effort required to apply outweighed the benefit.

Arts Council England's reflections on evaluation findings

On 23 March 2020, England went into lockdown to combat the pandemic. While many organisations quickly adapted to support their communities, lost revenue had an immediate and devastating impact on the people and organisations that make up our creative and cultural sector. With support from the Department for Digital, Culture, Media and Sport and HM Treasury, on 24 March 2020 the Arts Council announced it would make a £160 million Emergency Response Fund (ERF) available to support individuals and organisations across the creative and cultural sector in response to this crisis. We commissioned SQW to evaluate this Fund so that we could learn from our experience and that of the people and organisations we set out to support.

The guidance for ERF was prepared very quickly, and while the Arts Council itself faced additional challenges because of the pandemic, including transitioning all our staff to remote working. Due to the speed at which we developed the programmes, we were unable to consult with potential applicants: something we do as much as possible. However, our guiding principle was ensuring that as many individuals and organisations as possible were eligible to apply for ERF and could access much-needed funds. Its guidance was simpler than any we'd previously issued, but we do recognise that even guidance that we see as simple could be challenging to those not used to accessing support from us.

Included in our learning from this process and this evaluation was the confirmed importance of publishing guidance in alternate formats (which we produce as standard), and of harnessing digital engagement as best we can, such as providing open, accessible webinars for prospective applicants.

Since ERF, we have created a new Access Support Team to support those with specific access requirements throughout every stage of their application. We are also in the process of upgrading our online application portal, Grantium, with the updates addressing the applicant feedback in this evaluation.

ERF was the first of the wide-ranging and hugely impactful measures we took to support the creative and cultural sectors during Covid-19. We are proud that this report demonstrates our quick, impactful actions protected businesses and jobs, and supported communities – and we're grateful for the learning opportunity this provided us too.

Nearly all applicants intend on applying for future Arts Council programmes. We look forward to supporting even more fantastic projects and delivering on Let's Create to continue to build a country where everyone has access to high-quality creative and cultural experiences, no matter who they are or where they live

1. Introduction

Context

1.1 The arts and culture sector is an important component of the economic landscape. In the UK, it is estimated that music, combined arts, literature, theatre, visual arts and dance together have an annual turnover of £17 billion, generating £8.6 billion Gross Value Added, and employing over 137,000 people[1]. However, the COVID-19 pandemic has had a disproportionate effect on the sector. The OECD's 'Culture shock: COVID-19 and the cultural and creative sectors'[2] report stated that the cultural and creative sector was among those worst affected by the pandemic, with venue-based organisations (including events, exhibitions, museums and shows) particularly impacted by social distancing measures and lockdown closures.

1.2 The sector composition has exacerbated the impact; nearly half of those employed in the sector were self-employed prior to the pandemic. Indeed, the UK 'Business Impact of Coronavirus Survey' found 70% of employees in the Arts, Entertainment and Recreation sectors were furloughed during June 2020[3].

1.3 As the effect of the lockdown on arts and creative organisations became clear, it was feared that its effect would see businesses collapse, due to sudden lack of revenue combined with limited assets held by such organisations, and practitioners leave their creative practice possibly for good, in order to secure income from different sectors.

The Emergency Response Fund

1.4 With the announcement of the first national lockdown in England in March 2020, the arts and culture sector faced a potentially cataclysmic drop off in revenues. On the 24th March 2020, the day after lockdown was announced and a month prior to furlough payments, Arts Council England (ACE), with support from the Department for Digital, Culture, Media and Sport (DCMS) and HM Treasury, announced a £160 million Emergency Response Fund (ERF). The ERF was designed to *'help alleviate the immediate pressures faced by artists, arts organisations, creative practitioners, museums and libraries... supporting them as they continue to serve their communities during the crisis, and affording them the time to stabilise and plan for the future'*[4].

1.5 The three funds were:

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[1] Centre for Economics and Business Research (2019) Contribution of the arts and culture industry to the national economy. London. CEBR.
[2] OECD (2020) Culture shock: COVID-19 and the cultural and creative sectors
[3] Office for National Statistics (2020) Comparison of furloughed jobs data: May to July 2020
[4] Arts Council England (June 2020) Data Report: Emergency Response Funds for Individuals and for Organisations outside of the National Portfolio.

- £20 million available for individual practitioners, including £4 million distributed by seven benevolent funds supporting individuals who work in arts and culture

- £50 million available for organisations outside of ACE's National Portfolio

- £90 million available for National Portfolio Organisations (NPO) and Creative People and Places (CPP) Lead Organisations.

1.6 The application process differed to usual ACE awards in its rapidity, eligibility and reporting requirements (Table 2-1).

- Individuals and non-NPO or CPP organisations had two application windows in April 2020 with award decisions made approximately two to three weeks after applications closed. Individuals could apply for up to £2,500 and had to complete an application via Grantium[5] outlining lost income due to COVID-19, their track record of working in the publicly funded cultural sector and how they intended to use the time to stabilise, think and plan for the future.

- Non-NPO or CPP organisations, could apply for up to £35,000 via Grantium outlining losses due to COVID-19, their track record of working in the publicly funded cultural sector, what difference the grant would make, and how the funding would help them contribute to delivering the Let's Create strategy through any immediate or future activity.

1.7 The process for NPO and CPP organisations was different. They could apply during a week in May with no upper limit on resource requests in their application. However, ACE guidance stated that organisations should only apply for the minimum they needed to survive until 30th September 2020. These organisations also had to submit an application via Grantium which had two sections: 'Financial viability', which covered income and expenditure, use of reserves and a budget and cashflow forecast, and 'Making a case', which covered confirmation that all other sources of funding had been exhausted, the impact of the pandemic, how the grant would sustain the organisation to 30th September 2020, what difference a grant would make to sustaining the organisation beyond the end of September and how a grant would help them contribute to sustaining and supporting the arts and culture sector more broadly.

1.8 In contrast to other ACE funding streams, there were no monitoring or reporting requirements attached to the funding for non-NPOs or CPPs.

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[5] Grantium is Arts Council England's online project management system.

Table 1-1: Application process features

	Individuals	Organisations	NPO and CPP organisations
Application dates	9th – 16th April 2020 16th – 30th April 2020	9th – 16th April 2020 16th – 30th April 2020	12th – 19th May 2020
Eligibility	Freelance creative practitioners[6] who generate more than 50% of their income through their freelance work	Organisations that were neither an NPO, Music Education Hub or CPP lead organisation, and whose main work (over 50%) is focused on ACE supported artforms and disciplines	NPOs, including Sector Support Organisations, and CPP programme lead organisations on behalf of the CPP consortium.
Award value (£)	Up to £2,500	Up to £35,000	No upper limit
Application process	Application via Grantium Three questions related to: • work cancelled / curtailed due to COVID-19 • their practice and track record • how they plan to use the award.	Application via Grantium Five questions related to: • losses incurred due to COVID-19 • their organisation's work and track record • what difference an award would make[7] • how it would contribute towards Let's Create • any short-term delivery plans.	Application via Grantium Two sections with criteria: 'Financial viability' • actual and planned income and expenditure 30th September 2020, use of reserves and a budget and cashflow forecast 'Making a case' • confirming no other funding available, effect of the pandemic, use of the award and its impact on sustainability and delivery.
Decision timing	2-3 weeks after applications closed	2-3 weeks after applications closed	30th June 2020
Reporting	None specified	None specified	None specified

Source: ACE website

[6] The term 'freelance creative practitioners' includes writers, translators, producers, editors, educators, directors and designers in the disciplines and artforms we support, as well as choreographers, composers, visual artists, craft makers and curators.
[7] This included a simple budget and cashflow, last year's turnover, reserves position, and other emergency funding they expected from other sources.

1.9 A total of 13,889 applications were received during this period (Table 2-2). 71% of these were successful and were awarded to organisations and individuals across the full range of art forms and throughout the country. An average of £2,285 was awarded to individual applicants, and £21,853 on average being provided to non-NPO organisations. £8.3m was awarded to 'Areas of Low Engagement' (the bottom 20% ranked local authorities according to the most recent Active Lives survey)[8].

Table 1-2: Applications received and awarded by ACE region

	Successful individuals	Successful organisations	Unsuccessful individuals	Unsuccessful organisations	Total
London	3,107	686	1,125	364	**5,282**
North	1,553	560	583	352	**3,048**
South East	1,141	491	444	233	**2,309**
South West	873	323	317	179	**1,692**
Midlands	810	314	269	165	**1,558**
Total	7,484	2,374	2,738	1,293	**13,889**

Source: SQW analysis of ACE monitoring data

Understanding the impact of the Emergency Response Fund

1.10 ACE has published extensive data on the types of applicants that applied to the ERF. However, because the Fund was distributed rapidly as an emergency measure, there was limited information available regarding how the Fund was spent, other funding sources used, and the effect of the Fund on survival or continued practice. Consequently, the specific objectives for externally commissioned evaluation research were to explore:

- Its impact on the survival of organisations, and continued practice of individuals

- The extent to which familiarity with funding application processes aided applicants

- The relative effect of the Fund on beneficiaries' financial health and staffing levels over the period

- For beneficiaries, the use of the Fund and its effect on survival, and

- For unsuccessful applicants, the consequences of failing to access the Fund.

1.11 SQW were commissioned to undertake the evaluation of the ERF. The research was based on a structured sample of 126 applicants to provide a comprehensive overview of the effects of the Fund on successful organisations and individuals (98 applicants), by art form and region, and on unsuccessful applicants (28 applicants). The research tool design was based on early design work undertaken by ACE which provided guidance on the scope of the research

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[8] Further information about the nature of the Awards has been published by ACE in a data report and on online dashboards. (see Annex A)

questions. SQW used online survey software to capture qualitative data, code it, and provide regular updates of fieldwork progress, and analysis in Excel to capture frequency of key responses.

Report Structure

1.12 This report provides the results of this qualitative work. It is structured as follows:

- Section three outlines how the arts and culture sector thought the pandemic would affect them at its start and what has happened since

- Section four outlines how the ERF was used by successful applicants

- Sections five, six and seven review its impact on business models, creative practice and communities respectively

- Section eight reports the perspectives of unsuccessful applicants

- Section nine reviews what applicants thought of the application process and

- Section ten provides overall conclusions.

1.13 The report is based on large scale qualitative work. The nature of qualitative work is that issues are explored as part of structured conversations. Because of this free-flowing nature not everyone interviewed will be asked the same specific questions about things that are reported. The report therefore only provides numbers of responses where all respondents have been asked a specific question. Elsewhere descriptive words have been used such as most, some or a few to provide a sense of the scale of response without assuming the precision of a more quantitative method. Direct quotes are also used throughout.

Acknowledgements

1.14 SQW would like to acknowledge the time and insights provided by many people who have contributed to the evaluation research by providing access to relevant data and offering direct insight and reflections of a very challenging time. We know that everyone working in, and supporting the arts and culture sectors are busy, and the effects of the coronavirus (COVID-19) pandemic have created additional stresses. Without stakeholder inputs the evaluation of the Emergency Response Fund would not have been possible.

1.15 In particular we would like to thank:

- Applicants to the ERF for speaking to us and sharing their experiences of the Fund and the effects of the pandemic on themselves and their organisations

- The project team at Arts Council England for reviewing our work, providing data and relevant background insights and support and guidance throughout the evaluation.

2. Effects of the pandemic

Business as usual before the pandemic lockdowns

2.1   To gain a greater understanding of the context surrounding the Emergency Response Fund, as well as the impact of the pandemic on individuals and organisations in the cultural sector, researchers asked ERF applicants to describe what their working life looked like immediately prior to the pandemic.

2.2   The lockdowns occurred during a period of strong performance for the majority of the 126 individuals and organisations that participated in the research. Respondents described working on or delivering projects, productions, events and tours immediately preceding the March 2020 lockdowns. A few reported either having very full diaries or order books or embarking on a significant up-scaling. One organisation said:

'It was very active, getting to the stage where [we] were putting on shows several times a week sometimes. Getting very very busy and then 'bang!' it stopped.'
Organisation – successful applicant

2.3   The majority of these were reliant upon face-to-face interaction for the preparation and/or delivery of their projects including performances to live audiences, workshops and public exhibitions. Nevertheless a few said their business involved a significant level of online business or work naturally suited to socially distant practice. For example, one organisation ran a website related to the arts, while another offered cultural consultancy.

2.4   Many of the individuals and organisations reported that their work prior to the pandemic involved travel to tour their own work or supporting others' work. These respondents included both those actively performing such as dancers and musicians, as well as those responsible for technical production of shows such as lighting and set designers.

- More individuals than organisations reported the importance of their ability to travel to their business. This was because freelancers work flexibly with multiple organisations based around the country including schools, theatres and other arts organisations.

- Individuals located outside of London reported the need to travel to London on a regular basis to work with the cluster of organisations which are located there.

- Some artists were planning to work or tour internationally, while festival or events organisers were planning to host international artists.

## Before the lockdown – additional perspectives from individuals

2.5   Most of the 64 individuals interviewed reported that they did not have a second job, with their creative practice being their full-time role.

2.6 Many had multiple income streams associated with their creative practice. For example, professional dancers reported that their creative practice included both performing and teaching dance; musicians reported writing and performing their own music as well as booking in sets performing covers of other people's work at weddings, and teaching music when not on tour.

2.7 A few individuals reported that, due to the often sporadic nature of freelance work they needed to even out cash flow by doing *'odd jobs'*. These individuals said that they picked up part-time work in between acting jobs, for example, or took on freelance work for marketing agencies alongside their creative practice.

2.8 A few individuals reported a second role alongside their creative practice, with just over half of these roles within the arts sector (such as working in galleries or theatres), and the remainder in other sectors (examples included working for Weightwatchers, a Saturday school, or a sushi restaurant). These individuals tended to be less established creative practitioners whose practice did not bring in either sufficient, or reliable income to sustain them.

2.9 Individuals whose applications were unsuccessful were observably more likely to have a second role. Part of the application requirement was to evidence 3 years of creative work. It could be surmised that those less established individuals who needed to supplement their income, may have found it difficult to adequately document this in their application.

The immediate effect of the pandemic

2.10 National lockdowns led to the widespread cancellation and postponement of activity across the arts. Most individuals and organisations interviewed, including those who had been successful or unsuccessful in their ERF application, had to either cancel work due to the pandemic, postpone activities or both.

2.11 For the majority of these, work was immediately cancelled due to lockdown requirements, this meant the immediate cancellation of tours, shutting of venues such as theatres, music venues and galleries which had a knock-on effect on creative practitioners who are reliant upon these public facing institutions for freelance work, as well as in many cases to showcase their own work.

2.12 Figures 3-1 and 3-2 show the immediate effect of the first national lockdown (from March 2020 to June 2020, though this was extended in some localities). Most organisations and individuals interviewed ceased operations temporarily or worked at a reduced level, with some individuals adapting their practice to incorporate online/socially distanced delivery. Just one individual and one organisation remained fully operational.

Figure 2-1: Impact of first national lockdown on organisations interviewed (n=66)
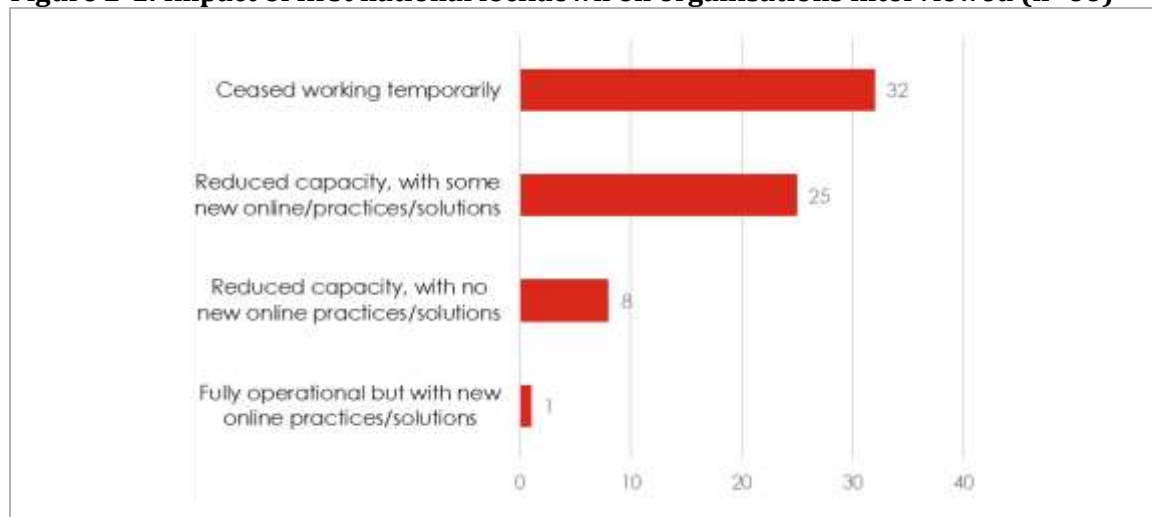
Figure 2-2: Impact of first national lockdown on individuals interviewed (n=64)
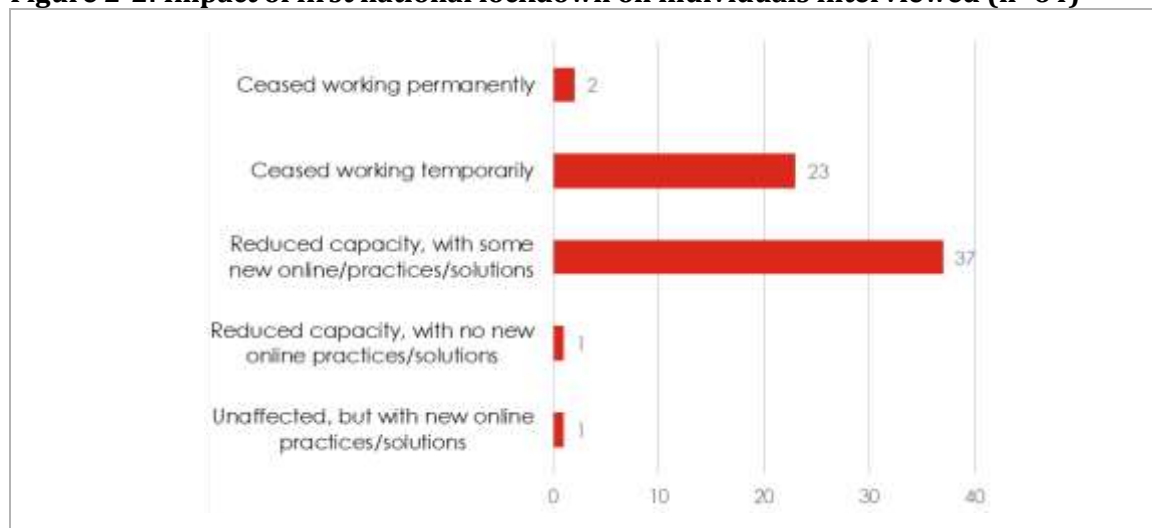
2.13 The impact of lockdowns on income was more pronounced for individuals than organisations. Most of the individuals who reported changes to their income said that they had lost all their income with some saying they lost only a portion of their income. On the other hand, though most organisations, like individuals, reported losing some or all of their income, a greater number reported losing some rather than all of their income.

2.14 A few individuals reported the frustration of having worked, sometimes for several months, on planning a project or event, only for it to be cancelled at short notice. This being particularly frustrating for those who had invested not only their time but also capital investment. One individual described the feeling of having all of their work cancelled:

'It was entirely stopped overnight, any existing projects that I was working on shut down. At that point I felt like I felt like it went into freefall - it was a panic.'
Individual – successful applicant

2.15 A few respondents were unable to perform because their audiences were based in settings that were inaccessible during the lockdowns. These included schools, care homes and community venues. This affected a range of clinically, socially or economically vulnerable people such as dementia sufferers or older people, and those from disadvantaged backgrounds including refugees and migrants. Particularly for those working with vulnerable groups, even as the strictest lockdowns were lifted, face to face delivery remained difficult, and online alternatives were not always viable. One organisation which worked with populations in prisons said:

> *'[The pandemic] changed everything. We couldn't access these people anymore, we couldn't go into the prison anymore, the lockdown just meant people were totally cut off from us. It wasn't possible for us to get the technology out to all the people we worked with to stay in contact with us.'*
> **Organisation – successful applicant**

- Another reported that:

> *'Everything stopped. There was nothing happening at first, and because of the poverty in the area not many people had the means to go online.'*
> **Organisation – successful applicant**

## Subsequent business activity at the time of the research

2.16 The research was undertaken with respondents during November and early December 2021, between 18 and 20 months since they had applied for ERF. At this point most were in financial recovery and staffing had somewhat recovered. It is not possible to say that this is representative of all applicants as there may have been an element of respondent bias to the participating sample.

Financial recovery

2.17 Most organisations interviewed reported that, when comparing Q2: 2021 with Q2: 2020, their commercial revenue had somewhat recovered, but had not fully returned to pre-pandemic levels.

2.18 As Figure 3-3 shows, the majority said that their income from commercial sources had increased between the national lockdown in Q2 2020 and Q2 of 2021, while almost a third said it had remained the same or decreased. For most, this income was driven by the reopening of their businesses, a return to in person delivery, and a gradual return to normal business operations. However, a few said that additional activities undertaken as mitigation strategies during lockdown had contributed to this recovery. These included revenues generated from online activities such as websites, digital events and online classes, and outdoor activities such as art shows and choirs which had become part of their core business model.

Figure 2-3: Organisations' commercial income change between Q2 2020 and Q2 2021
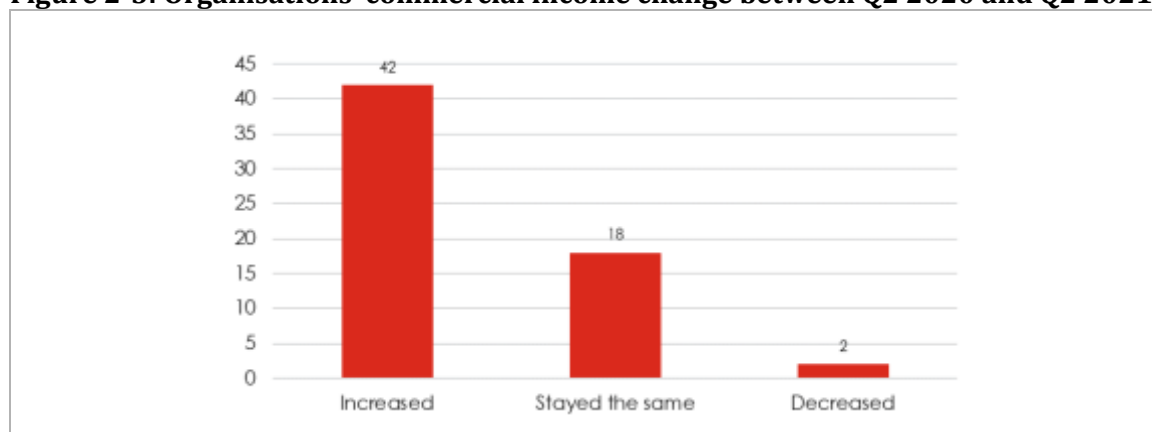
2.19 Most organisations said that commercial income had increased between Q2: 2020 and Q2: 2021, but nevertheless almost three quarters said it remained below pre-pandemic levels. Most said that growth had either not occurred or had not been sufficient to return organisational income to where it was before March 2020. This was ascribed either to remaining restrictions, or to fear of investing in events which might then have to be cancelled again. One respondent said:

'There is always a risk element with our model - we hire venues, artists and publicity and we then rely on ticket income. When you introduce another element of potential closing borders of other countries, this could cancel our shows and result in a huge loss of income.'
Organisation – successful applicant

Staffing recovery

2.20 Between March 2020 and November 2021 staff numbers in just over half of the successful and unsuccessful applicant organisations had not changed. One in six organisations had seen staff numbers increase with a quarter saying staff numbers had decreased (see Figure 3-3 below).

Figure 2-3: Reported changes to staff numbers between March 2020 and November 2021 (n=50)
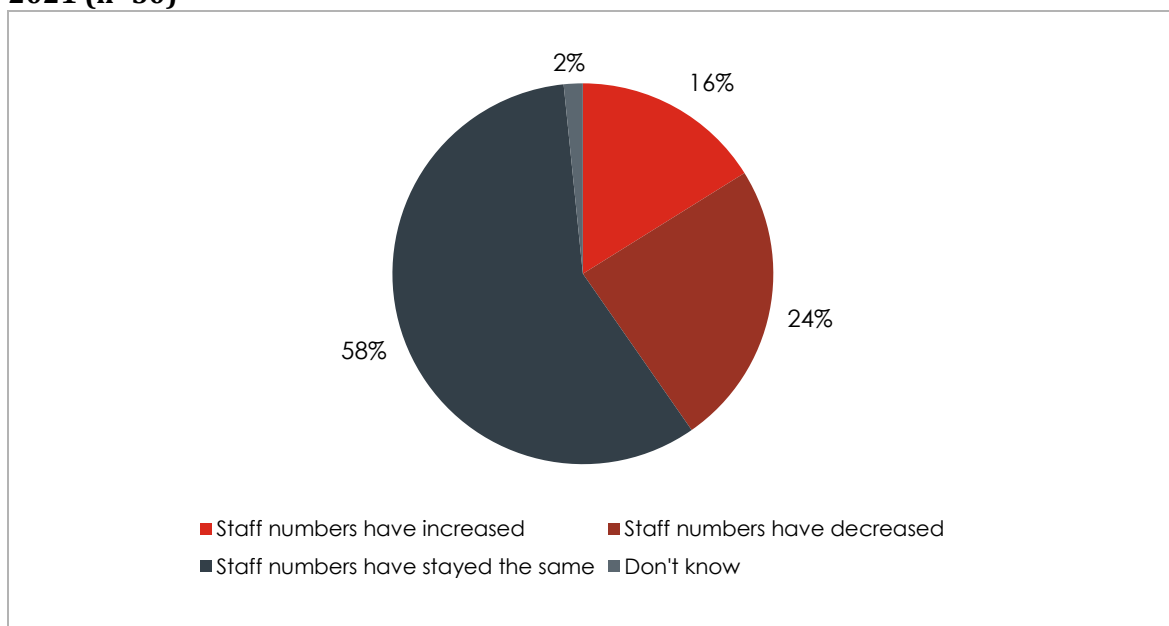
Source: SQW analysis of interview data

2.21 Staffing numbes have not necessarily been stable during that period; staff numbers or hours were said to have fluctuated during the pandemic but were now in many instances back to pre-pandemic levels.

'Two staff handed in their notice prior to the pandemic, which helped. Then, it was a case of how can we keep the rest of our staff? We didn't make anyone unemployed. The financial funds helped to keep these people working and [make] sure the company could continue and produce digital output.'
Organisation – successful applicant

2.22 The numbers of additional staff employed by organisations was modest. Examples include employing a digital specialist or taking on staff in response to reinvigorated demand as restrictions eased and the economy opened up.

2.23 For those who saw staff numbers decrease, this was due to a number of reasons including a reduction in project work, staff members moving on to other roles or other sectors, or having to make redundancies.

'It has reduced....Some people have now moved away or are doing different things altogether.'
Organisation – successful applicant

3. How ERF awards were spent

3.1 Successful applicants interviewed for the evaluation research were asked to provide details about how they had spent their ERF award. All of the successful applicants interviewed have claimed the full amount of ERF funding they were allocated; none were still awaiting payment. What the funding was spent on varied across respondents, and between organisations and individuals.

Living expenses and overheads

3.2 More than half of the successful applicants interviewed mentioned spending the ERF funding on day-to-day expenses, with a relatively even split between organisations and individuals. For individuals, this mainly meant paying for living expenses and food, and for organisations, this often meant covering overhead costs, such as rent/mortgage, insurance and maintenance for their premises. While for most of these applicants, day-to-day expenses was one of multiple things the funding was spent on, nearly a third of the individuals interviewed only used the funding for living expenses, which reflects both the size of the award and the limited amount of savings that individuals may have had to draw upon.

'Rent and things like that - literally just topping up money I had to survive day-to-day.'
Individual – successful applicant

Staffing and sub-contracting

3.3 In addition to the overheads mentioned above, 31 out of the 50 organisations used the ERF funding to cover staffing costs, thereby avoiding redundancy or keeping key staff off furlough and working for the organisation. In at least one instance, the funding was used to help boost the pay of furloughed staff to ensure they received 100% of their salaries. In addition, organisations said that the funding had enabled them to retain skills within the organisation, whether that be creative skills or administrative and business skills to help boost fundraising and continue strategic planning.

'The funding was about survival for us and about holding our core organisation. We wrote a new fundraising strategy and adapted our business model, which had a knock-on effect to the rest of our programmes. We couldn't have done all the other things without this crisis strategy - we wanted to make sure we could adapt our existing programmes to make sure people can access us when they need us most.'
Organisation – successful applicant

3.4 Several respondents mentioned using the ERF funding to work with other creatives in some way, for example, commissioning new work, bringing them in to work on projects and/or

honouring existing contracts. This was often to progress their own work, but also to help support other creatives and artistic communities.

'We used some of it to identify the things that would help us to be more agile online. We took on a freelance film specialist, who looked after our YouTube channel and online events. So that was really valuable and really boosted our sales. We were able to boost royalties for each writer we published.'
Organisation – successful applicant

'We got it primarily to support artists - supported outreach artists to develop work during lockdown which has now gone on to be part of the museum's collections. We supported writers and were aiming to keep the artist community going.'
Organisation – successful applicant

IT equipment and digital innovation

3.5 As the lockdown measures associated with the pandemic made in-person activities and events nearly impossible, creatives, like many others, went digital. For several applicants interviewed, this meant using the funding to adapt existing activity to make it accessible online or for virtual audiences and/or creating new digital content and activities. Examples include moving classes and workshops online, livestreaming new events, creating podcasts, using virtual and augmented reality (VR/AR), developing apps, and creating, updating and maintaining websites and social media.

3.6 To make these digital adaptations, create new online content, and/or simply work from home, many of the applicants interviewed needed new equipment. The ERF funding was, therefore, used to buy IT and other equipment to enable digital creative activity. Individuals typically purchased laptops, as some did not have access to one even to join Zoom calls, or the software and recording equipment they needed to continue their creative practice at home.

'I used the ERF money to upgrade my tech equipment - my old computer couldn't do Zoom calls for example, it was 12 years old - I needed to be able to attend conferences and talk to people - the only way I could do this was to upgrade my computer.'
Individual – successful applicant

'I bought a video camera and used the time to learn how to use it properly. This piece of kit forced me into video which opened up a new area of my business.'
Individual – successful applicant

3.7 Similarly, some organisations needed to provide staff with the equipment they needed to adapt to working from home or to create new digital content. One organisation used the funding to provide some of the disadvantaged young people with whom they work closely with Wi-Fi dongles and laptops so that they could still engage with the organisation's activity and further education online (something they would not have been able to do otherwise).

'A lot of our youth theatre students didn't have access to internet, so we sent them mobile Wi-Fi dongles so they could join our workshops, we supported some students with laptops so they could access online lessons at drama school.'
Organisation – successful applicant

'For us it was very heavily weighted on the adaptation aspect. In order to work online, we had to change our protection policies for young people and vulnerable adults, that required legal assistance. We needed to buy technology to work from home. Everything had to be adapted to be able to work online. The way we communicated had to change. It was almost entirely adaptation.'
Organisation – successful applicant

Workforce development

3.8 A few applicants also reported that they spent the funding on training for themselves or their staff. In some cases, this was to learn about the technology they had purchased, and in others this was to allow for the creation of new content or activities. For example, a Library used the funding for training for staff who were creating online reading content for their patrons.

'One of the challenges for staff, was coming up with wide range of content and to reach out to adults, and we found as people were engaging with training, then they felt confident to start writing book recommendations, reviews etc., and we would do something seasonal to tie in with events for example and slowly we would see people's confidence and ability to do that developing things together, colleagues posting things, people putting together a wide range of info for members of the public… that was a direct result of the funding that we had.'
Organisation – successful applicant

'I spent it on equipment and training courses so that I could make video resources to replace the lost workshop work. I paid for mentoring from a local filmmaker, a training course with an illustration agency and bought some lights, a camera and a microphone to set up a home studio.'
Individual – successful applicant

3.9 In a couple of instances, the funding also allowed applicants to either access or provide mental health support. Two individuals mentioned accessing support groups, and two others specifically mentioned that receiving the funding had reduced the stress and financial pressure they had been under. One organisation offered mental health training to artists, who then went on to work with young people and their families.

'I had a support group through this too which helped my mental health.'
Individual – successful applicant

'We were able to offer mental health first aid training to 12 artists, which not only meant they were equipped to deal with young people and families, but also themselves.'
Organisation – successful applicant

# 4. Effect of ERF funding on business sustainability

4.1 One of the main aims of the ERF was to support creative organisations and practitioners during the early months of the pandemic, to ensure their business survived such that it could resume practice once the lockdown measures were eased. This section explores the extent to which ERF funding contributed to the survival of the organisations and individuals interviewed and explores the ways in which the funding has contributed to other benefits related to business and strategic planning.

Effects on survival

4.2 All but one of the applicants interviewed who were awarded ERF were still trading either as an organisation or an individual creative practitioner. The one individual who had ceased trading said that this was not due to the impacts of the pandemic, but instead, they were offered an interesting job opportunity which they decided to accept.

4.3 Nearly half of respondents said they would have survived the first six months of the COVID-19 pandemic without ERF funding. However, responses were evenly split between those who felt they would have survived but at a lower scale or intensity and those who felt they would not have survived at all (Figure 5-1). Only a few respondents felt they would have survived with minimal difference.

Figure 4-1: Expected survival during first six months of pandemic, without ERF
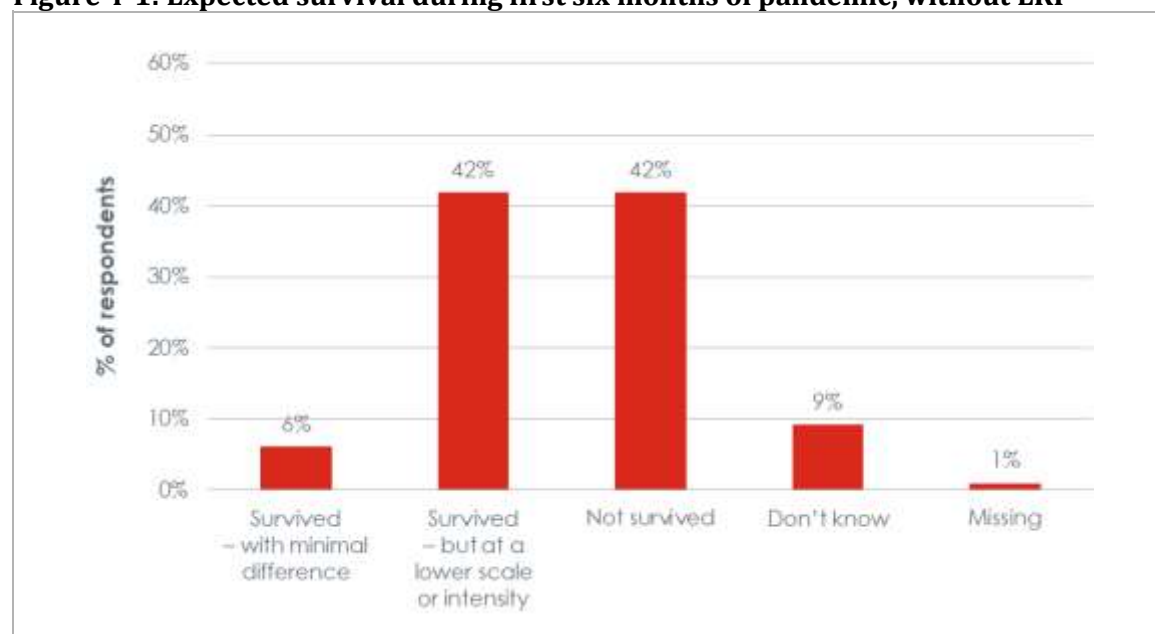
Source: SQW analysis of interview data

4.4 There was a key difference in responses from organisations and individuals. Over half of individuals said they would have survived the start of the pandemic without the ERF, albeit

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at a lower scale or intensity, whilst half of organisations said they would not have survived without the ERF.

4.5 The costs of survival for those individuals who said they would have continued but at lower scale or intensity were described as having to scale back activity, struggle through with another job or rely on savings and other funding sources. For some, receiving the ERF grant made them more hopeful and confident and meant they did not have to think about leaving the sector.

'It would have survived - but it would have been much weaker as I wouldn't have had the ability to develop the opportunity into a new business - my priority would have been surviving not expanding or changing practice.'
Individual – successful applicant

'I definitely would have taken another job. And I would have come out this end of the pandemic not earning money from being a musician- so I would have had to then try and get back into it.'
Individual – successful applicant

4.6 The same was broadly true for organisations who said they would have survived. The costs of survival without the ERF were said to be a combination of scaling down their activities, not being able to support freelancers, do digital development, or develop a pipeline of activities. Others said they would not have been able to continue to connect with their community as much as they had. This suggests that survival without the ERF would have come at the cost of key activities and support for freelancers and wider communities.

'We would have survived, but we wouldn't have been able to support freelancers the way we did.'
Organisation – successful applicant

'I think we probably could have continued, but it would have been in a very reduced form had things been as bad as we thought they were going to be from April 2020.'
Organisation – successful applicant

4.7 Some organisations, by contrast, said they would not even have survived without the ERF, due to having low financial reserves. Almost a third of individuals would also not have survived without the ERF and, for them, they would not have been able to stay in the sector, do new activity or plan or think about their future practice.

'No, we would have had to close, and we were having weekly meetings about this and meeting with lawyers about insolvency.'
Organisation – successful applicant

'It made a crucial difference to our survival and enabled the breathing space on what to do during a crisis situation as well as empowering volunteers to deliver new activities and services.'

Organisation – successful applicant

'I couldn't have survived. I was really pressed for money - the ERF saved me.'
Individual – successful applicant

4.8   ERF was available to organisations and individuals quickly. For many organisations, the ERF was the first available pot of funding and came at a time when there was widespread uncertainty about how the situation would unfold. The speed with which they received the funding, and ease of application process, was recognised by organisations as being really valuable for their survival. It provided some security and meant they could devote their time to adapting or planning future activity, working on other funding applications and it allowed business operations to continue.

'I think it was really valuable - it was at a time where there was little guidance or advice from the government, but ACE came out strongly about how they wanted us to support the sector, specifically focusing on freelancers. It was really important and very quick timing for the funding to be announced and turned around, and it felt really invaluable at a time when things weren't very clear elsewhere.'
Organisation – successful applicant

'The ERF made a huge difference to our security and our feelings of anxiety. It lifted a weight of worry off our shoulders most definitely. If we hadn't got it, our options were drying up…. Whether we could or couldn't have carried on is hard to say, but we would've been emotionally deflated without it.'
Organisation – successful applicant

Effect on business and strategic planning

4.9   Receiving ERF funding meant that some applicants could focus on planning for the future, by conducting research for new projects and/or thinking through their strategic plans and business models. In some instances, this meant hiring consultants to assist, and in others this simply meant having the time to think and make plans.

'We did a little bit of thinking for the future, so we did an awful lot of planning about how we could work in the future and what we could do. For the shows going on this summer, we had plans A-Z depending on the situation. We had plans for all our postponed tours - we dropped the workshops because people didn't want the close contact.'
Organisation – successful applicant

4.10 Several organisations reported changing their business model in some way over this period. Changes included adapting delivery models to incorporate digital/online activity, changing management structures, adding or adapting commissioning activities, and/or diversifying revenue streams. In a few instances, respondents mentioned wanting to become less reliant on things like ticket sales or contracts with venues, by adding online activity or applying for more grant funding, for example. Through changes to delivery models, a few respondents felt they were able to reach different audiences, something they hope to continue.

4.11 A minority of respondents mentioned making more structural changes to their organisation, for example becoming a registered charity (one organisation), forming a new business (one individual) and in one instance becoming a Community Interest Company (CIC).

'Yes it is a more mixed business model which has recognised the need for a mixed funding model more reliant on grants and charitable donations.'
Organisation – successful applicant

'The digital component of the business model has become an essential part of the model - the importance of online work to ease geographic restrictions.'
Organisation – successful applicant

'We've become more global. We were quite good at being digitally connected - we have spread our work out a bit more globally.'
Organisation – successful applicant

4.12 In at least one instance, an individual was able to use the ERF funding to replace another ACE project grant, which was stopped due to the pandemic, in order to carry out research and development for a project they had hoped to work on before the pandemic.

'Just before lockdown, I had applied for an ACE project grant to carry out research and development for a project. But this Fund was stopped due to the pandemic. I therefore used the ERF to facilitate this research during the lockdown. Once restrictions were lifted later on in the year, I was able to get back into the studio and start that project straight away. The ERF provided the finances and time to carry out the research necessary to start the project.'
Individual – successful applicant

4.13 More than a third of the organisations interviewed were able to either retain staff and specialist skills using the ERF funding or hire new staff, something that was seen as key for their business.

'Keeping the website going has allowed us to continue paying the editors but also continue engaging with our community in preparation for recovery from the pandemic.'
Organisation – successful applicant

'It enabled the retention of key staff, which in turn, allowed us to reopen quickly and successfully.'
Organisation – successful applicant

4.14 Three organisations specifically mentioned that the ERF funding had helped them to become more financially stable.

- For one arts centre, the financial stability meant they were able to look forward to reopening and had not feared closing.

'In the long term, it has left us financially viable because we didn't have to drain our reserves which weren't great to begin with….we emerged from it in much the same place we went into it. We never had to fear winding up.'
Organisation – successful applicant

- ERF funding was transformative for a different Arts Centre, as it allowed them to retain a key staff member to fundraise and think about their business plan. The organisation had very little in reserves, and without the ERF and furlough would not have been able to cover payroll costs. This staff member has been able to raise over £500,000 in additional funding. This has not only ensured the financial stability of the centre, it is also allowing them to add additional activity, such as an online platform and artist commissions (something they had always wanted to do). The ERF has enabled them to come out of the pandemic stronger than ever.

'Basically had about £1,500 and couldn't make payroll, remember having emergency Zoom Board meetings the first few weeks, very stressful, but managed to get emergency money from ERF which made the difference…Can't underplay how essential it was, it was the first grant we got and it was released really quickly. The relief of being able to say to the Board, look we've got this grant, this means for the next three months I can be paid full salary and I'll just have to pull out all of the stops, and it enabled a spirit of optimism to commission some artwork.'
Organisation – successful applicant

Effect of ERF on securing other funding

4.15 Interviewees were also asked about other funding they had applied for and/or accessed, and the extent to which their use of ERF had enabled them to make those funding applications. Several other funding and support schemes were made available during 2020, from various sources. More than half of the applicants who secured ERF that participated in the research had applied for other funding between March and December 2020. As presented in Figure 5-2, organisations more frequently reported having applied for other funding than individuals. This perhaps reflects that funding opportunities for organisations appeared to be more readily available than funding for individuals.

Figure 4-2: Were you applying for other sources of funding between March and December 2020 (as well as ERF)? (n=98)
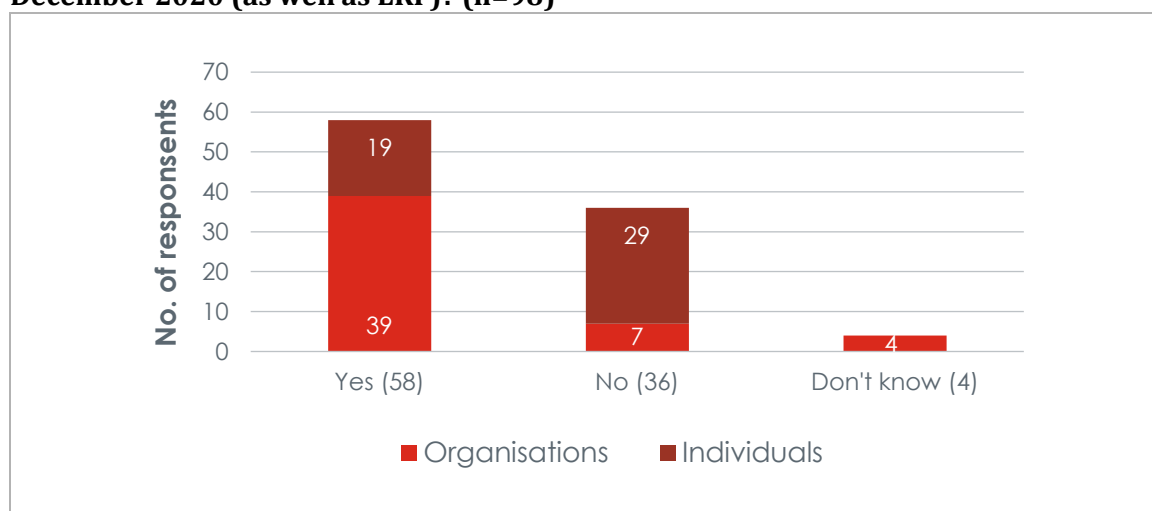
4.16 Participants were also asked about grants, subsidies or other financial support they had received since the pandemic began (not just those they had applied for during 2020), and most (82 out of 98) reported having accessed funding. Respondents mostly reported securing funding from three funds, as follows:

- The Culture Recovery Fund (CRF), which was also administered by ACE on behalf of DCMS, was the most common source of funding organisations applied for and/or received. Several said they received more than one round of the CRF. For a few applicants, receiving the CRF meant they could continue work they had begun with the ERF funding. This Fund was not open to freelance creative practitioners.

  'The grant was balance, it was pragmatic as it gave us enough money that we could survive and then also be able to have a germination of artistic creativity, which we were able to build on with the Culture Recovery Fund (CRF).'
  Organisation – successful applicant

  'The ongoing development of the website as we're starting to come back into full recovery, but that plan was more funded by the CRF but the steps were all put in place by the ERF which kept us ticking over until October.'
  Organisation – successful applicant

- The Coronavirus Job Retention Scheme, also known as furlough, was also accessed by several of the organisations interviewed. For some organisations, this scheme was crucial, as it meant that they could retain staff and avoid redundancies There were nevertheless, instances where organisations lost staff either due to redundancy or migration.

  'Our main goal was to avoid making people redundant, so the furlough scheme was a massive help in doing that.'

Organisation – successful applicant

- By far, the most common support individuals reported accessing was the government's Self-Employment Income Support Scheme (SEISS). This scheme allowed those who had been trading in the two years leading up to the pandemic (who had submitted tax returns), who expected or were already experiencing disruptions in their trading profits to receive grant support. For many of these individuals the funding from SEISS was used to pay for day-to-day expenses while they waited for work to pick up. A handful of individual respondents were not eligible for SEISS, this was often because they may not have been working to the level required in the two years previously (even if they had been freelancers for some time) or traded as a Limited Company, which were not eligible for SEISS. Universal Credit was also accessed by a few respondents.

    'I operate via a limited company so I could only claim a certain percentage of dividends from the COVID job retention scheme - I was getting £750 rather than around £2000 a month which I'd have got on SEISS…I also went on universal credit for a few months.'
    Individual – successful applicant

4.17 Other sources of funding respondents typically accessed include other COVID-19 support packages, for example from local councils, funding from national and local Trusts and Foundations, other government schemes such as Bounce Back Loans and tax rates relief, mortgage holidays, and fundraising efforts (for example Kickstarter campaigns or galas).

4.18 As presented in Figure 5-3 below, around a third of the respondents who received other funding said they would not have been able to access these other sources of funding were it not for ERF, over half, of the responses, however, said it did not affect their ability to access other funding.

Figure 4-3: Would accessing other sources of finance have been possible without your successful ERF application?
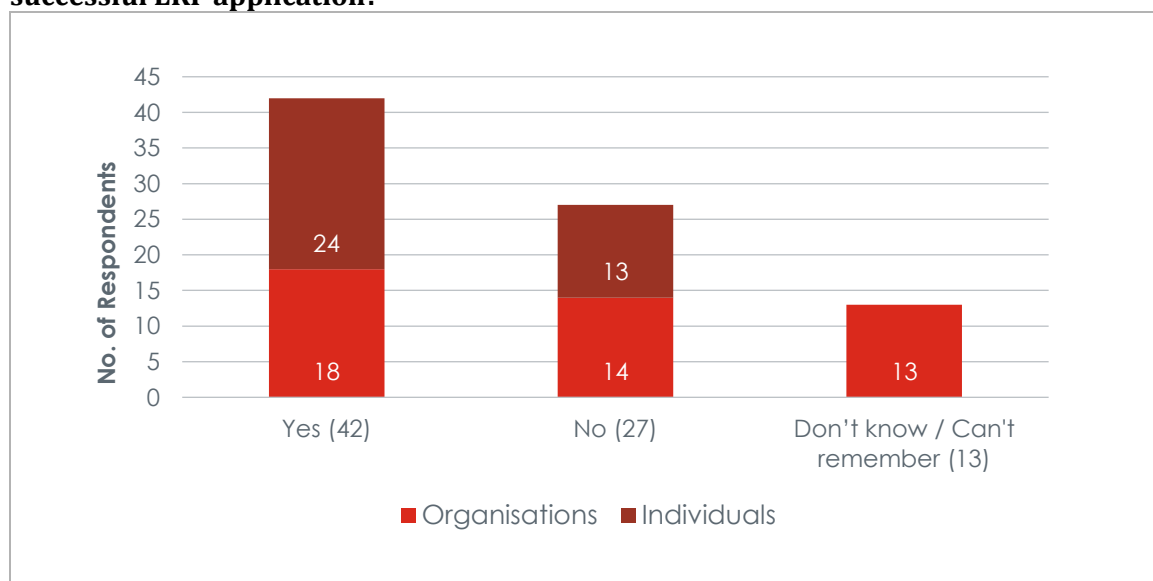
Source: SQW analysis of interview data

4.19 ERF-funded organisations who accessed other funding, were relatively evenly split between those who felt if influenced their ability to access other funding and those who did not. It was less important for those who had other funding in the pipeline already or were publicly funded (for example by Local Authorities). For most of the organisations who felt accessing other funding would not have been possible without ERF, this was because either the organisation would not have survived or they would have lost staff members who were key to fundraising.

'The ERF kept us alive and got us through to 2021. We had applied for CRF but the money didn't come in for a while. We kept the overdraft alive from the bank. If it wasn't for the ERF, we would've lost all the good people we work with and I would've had to go get another job.'
Organisation – successful applicant

'The ACE funding underpinned resources and staff capacity to write bids for additional funding commissions.'
Organisation – successful applicant

4.20 In a few instances, organisations felt that there were not many other options available to them, and in other cases receiving ACE funding meant organisations were more confident and/or felt they were more credible when applying to other funding. The ERF acted as a *'catalyst'*.

'We've been a bit more successful during the pandemic, thanks to ACE credibility, and I wonder whether we would've been successful if it weren't for the ERF.'
Organisation – successful applicant

4.21 One organisation valued ERF because it meant they did not have to seek commercial loans:

'The ERF was designed to get us through the summer. It made it a lot easier as it was one pot of funding dedicated to survival. We would probably have had to go down the loan route, but we don't know how feasible that would have been. It meant we could focus on reopening and applying for other funds such as the CRF.'
Organisation – successful applicant

4.22 More than half of the individuals who accessed other funding felt that this would have been possible without the ERF. Most reported that this was because their work would have continued, or because they had access to other funding such as furlough or Universal Credit quickly, and after time Self-Employment Income Support Scheme (SEISS). In a few instances, applicants could rely on savings or reserves, or had support from partners or other family members. For several of these applicants, however, the ERF was still seen as extremely valuable, as it gave them time to think and helped to relieve some of the pressure they were facing due to the pandemic.

'I think if there had been no prospect of work I personally could have survived through equity release or universal credit - but psychologically I would've been in a very depressed situation.'
Individual – successful applicant

4.23 For the remaining individuals, ERF was said to have been essential to their ability to access other funding. This was because they said that without the ERF, they did not feel their work could have continued. The ERF was seen as a 'bridge' until other funding became available, helping to pay for basic expenses, reducing stress and providing time to plan and focus.

'ERF was a bridge, a bit of a lifesaver…the ERF gave me hope and a bit of breathing space and enabled my application for SEISS to go through and then I had a bit of stability for a while.'
Individual – successful applicant

4.24 One of the individuals felt that having received the ERF enabled them to build the groundwork for other proposals, which they would not have been able to prepare otherwise.

'I wouldn't have done it as I wouldn't have been able to produce the body of work that led me on to the application for DYCP - I wouldn't have had the time to do the groundwork to put together the proposal. ERF bought me enough time to finalise it.'
Individual – successful applicant

5. Effect of ERF funding on creative practice

5.1 The ERF was designed both to provide funding that assisted business survival, as well as encourage innovation and continuity of creative practice to deliver the Let's Create strategy. This section considers the effect of the funding on creative practice as reported by those who successfully applied to the Fund.

Digital innovation

5.2 Nearly half of the successful applicants interviewed talked about the shift to digital and online activity. For many of these respondents, this has been a positive experience and has allowed for the continuation of work during difficult times. The shift to digital has meant organisations and individuals could continue their work in an online format and add additional creative activity. Examples include:

- A dance company which has acted on plans they had had to digitalise some of their activity.

  'We've been able to take all the digital ambitions we had and accelerated them. We've taken the time to think and upskill ourselves in technology, adding another string to the bow over the course of the pandemic. … We developed an app that took 3D captures of our dancers from previous shows but also shows that would have happened if it weren't for the pandemic. This allowed us to support freelancers.'
  Organisation – successful applicant

- A visual arts organisation which used the funding to research and develop new online interactive experiences with partners.

  'In terms of the online interactive, apps development has been good and definitely something we will continue in future. Everything that we did is something that we will be using again, and we'll keep working with the producers on that to.'
  Organisation – successful applicant

- An organisation which has created and produced a podcast, speaking with artists about various topics, something which has helped to promote the organisation and they feel has given artists a voice.

  'The podcast has given us a huge amount of visibility - we've been able to have conversations with amazing artists from around the world. We're now onto series 5, and that really has started something that we feel is here to stay. It's hard to put the value on that, but every single conversation I've had with those artists has changed the way we do things. When we used to do professional classes, we had artists coming into our office space to tell us a bit about what is going on in their lives. Since not doing classes, we haven't had the opportunity

for conversation. But since doing the podcasts, it has been even better. We choose a topic each week we feel is pertinent to artists of today and we've reacted to people on Twitter. Last week we talked about co-creating with communities, we've talked about diversity, running a youth company, women in dance, building brand identity all these sorts of things. Every time I come away from the conversation, I've learnt something about what artists need from us as an organisation. The podcast has been monumental, and we wouldn't have done it without the ERF.'
Organisation – successful applicant

- A library, who used the funding to purchase equipment for staff to allow them to create digital content for their patrons.

  'In terms of equipment, it was a purchase of tablets, tripods, keyboards etc. Thinking about somebody trying to put together some content for a craft activity just with a phone…. there is a huge difference for them now with this equipment.'
  Organisations – successful applicant

- An individual who used the funding to do certain online activities she usually did not have time or funding for, such as Instagram live videos and networking with other artists.

  'I don't know if I would have been able to do that if I was in a state of panic, which I would have been in [without the ERF].'
  Individual – successful applicant

5.3 For a few respondents, particularly individuals, purchasing new equipment or software with the ERF funding opened up new ways of working and income streams. While there was a learning curve associated with using some of this technology, it has often led to more work opportunities and will continue to be used in future. For example:

- An orchestrator was able to purchase a new laptop and software, which has allowed them to record from home.

  'Certainly the new laptop I wouldn't have been able to afford without the grant - it wouldn't have run the Logic software - this enabled me to keep on working. As the year panned out and the smaller projects came in, I was able to immediately work on them - the logic software has enabled me to make demos - a lot of the auditioning is on Zoom too now so I have to make backing tracks [for auditions] as I can't do [musical] accompaniments over Zoom directly due to the delay. The Fund also allowed me the headspace and time to get into this software that I didn't have before - I spent 3 hours a day for about 3 months learning how to use the software.'
  Individual – successful applicant

- An actor, who has transitioned from being a stage actor to an on-screen actor, who has been able to use the lighting and recording equipment purchased with the ERF to self-tape auditions.

  'Enabled me to transition from stage acting to on-screen acting...lighting and equipment has allowed me to film self-tapes for auditions, and I have been in three short films which has brought in some money.'
  Individual – successful applicant

- A musician, who used some of the ERF funding to purchase audio equipment, has been able to *'pivot'* their business to open up new income streams as a recording musician. Previously they had mainly been a live musician, which they has found to be unreliable. They plan to continue to grow the recording side of their business, which they feel will give them more security.

5.4 This innovation was not always limited to online communication. Two organisations, who incidentally are both theatre groups targeted at young people, added radio content to their offer. One created short plays for radio, which were written and produced using the funding, and the other created a radio station targeting digitally isolated individuals.

5.5 Shifting to digital did not work for everyone. A few respondents who tried adopting online approaches throughout the pandemic said that their experience had been unsuccessful or hadn't resulted in any tangible benefits. A number had engaged with online delivery because that's what everyone was doing at the time but had ceased to do so after a short period due to an underwhelming response, a struggle to monetise online delivery, or a general feeling among performers who are used to entertaining a live audience that it was *'quite soulless'*.

'We tried some online sessions, but they didn't work too well.'
Organisation – successful applicant

Upskilling

5.6 Upskilling through training and/or workshops was mentioned by a minority of respondents. This includes improving digital skills, learning how to use new technology, and in some cases learning new art forms or creative techniques. This was often seen as a benefit to individuals and organisations, as they could use these new skills moving forward. Examples include:

- An organisation which used the ERF funding to learn how to use new technology to produce digital activities

  '... delving into VR, AR and installations. We were able to hire in someone to teach us, so these skills are something we can take going forward. It certainly kept us busy and helped us explore new ways of working.'
  Organisation – successful applicant

- A creative practitioner who works closely with schools and young people, who has been able to pivot her work to online delivery and develop new skills.

'I think the benefits of it are both tangible/concrete, but also more long lasting with the skills it gives you.'
Individual – successful applicant

- An artist who was able to use the funding to undertake mentoring and training, which allowed them to upskill and win work, which they felt helped them to avoid having to look for work in other sectors. They were able to get two jobs creating video courses, and using the skills learnt in an illustration course, they were able to create and sell their own artwork. The training they undertook also provided them with marketing and business development skills.

'I was able to upskill and effectively be paid for that...the pandemic has enabled me to make the final transition into being an artist, I wouldn't have been able to do that without the financial support from firstly the Arts Council and then from the government.'
Individual – successful applicant

Time to imagine and think

5.7   For a number of respondents, the ERF funding enabled them to take time to step back, think about and concentrate on their creative practice, and/or develop plans for the future. In some instances, this allowed respondents to reflect on and adapt existing activity:

- A publication organisation was able to step back and review their main activity and find ways to improve it for the future.

'The ERF was crucial to helping us survive – but it also gave us time to think. We've been publishing a magazine month in, month out for 30 years, it means it is a proper treadmill. You don't have time to look up and think – it becomes formulaic and structured. To stop because we were forced to, it kind of gave us a chance to look and think about the way we do things. There's a worry about what we do financially next year because there's still some uncertainty. But we definitely have a better product now, even in our first issue I can tell the difference.'
Organisation – successful applicant

- A theatre company, that is also an NPO, was able to reimagine some of their activity that had been postponed, and how they might move to digital.

'The funding also gave us some breathing space - with the board, we had some time to reconsider what we could do and how we might pivot towards digital. Whilst our projects got postponed, we haven't lost loads of time because we were able to keep developing the ideas. It meant that we could reconceive projects and then by the Autumn we were able to

reconceive our family offer as a 45-minute digital film, so it just meant we had the space to reimagine what that would look like.'
Organisation – successful applicant

- For one freelance creative producer/director, the funding enable them to take the time to re-think projects which were already in development, without having to abandon the work that had already been done. For another artistic director, the Fund provided time for them to think and plan long term into retirement.

'It was a real moment of reflection and everything that has come out of it is going to see me through to retirement.'
Individual – successful applicant

Diversification

5.8 A few respondents took this time to produce new projects, which helped them to diversify their offer and open up new income streams.

- The ERF funding allowed an independent theatre director/performer to develop and diversify their creative practice, through the creation of an online graduate group (to help support out of work artists), publishing of journal articles, delivering online performances and online teaching.

- A playwright was able to research and write a new play, due to be performed in 2022. They felt that the funding allowed them to write without stress and worry, and this was much more useful than spending the funding on a tangible product.

- A theatre company used the time to experiment with new creative activity, which they are using for future projects and funding applications.

'This funding gave our artistic director something to do, to allow time to experiment. He made some puppets which supported our future projects and can be used as part of our future ACE applications to show them the types of things we want to do, so they won't go to waste. We explored all these different ideas - we thought about filming productions, workshops and performances.'
Organisation – successful applicant

Plan for an optimistic future

5.9 Other respondents used the time to think about their business plans or strategize for the future, both coming out of the pandemic and beyond.

- A storyteller who typically works on commission was able to build up their portfolio and felt that the funding:

'Gave me a cushion of time so that I didn't have to put everything out at once. I was able to match fund commissions which weren't offering me enough for the quality of work I wanted to produce. This allowed me to be working during that time, and to put together a portfolio of good quality work. Also allowed me to build the resources section of my website which I can direct future clients to get an idea of the quality of my work.'
Individual – successful applicant

- An organisation that brings together arts and science used the funding to create a strategy and provide new income streams

'Creating a strategy and to understand what the needs were in the community. This enabled how we could fill the voids in our income, and what activity we wanted to do going forward.'
Organisation – successful applicant

- Another organisation was using the time the funding provided to develop new activities, as well as working towards operating more like an NPO.

'Because of the funding we had time to focus on the art without constantly trying to pull something together on quite tight budgets the whole time - sort of taken the first step to operating, from ACE perspective, working on operating more like an NPO because we have had time as an organisation to develop.'
Organisation – successful applicant

Sustainability of effects

5.10 Several respondents indicated that they planned to sustain the changes they had made during the pandemic, as a result of ERF funding. Many of the organisations and individuals who had shifted to digital activity planned to continue this way of work as part of a hybrid model with some in-person activity. This was seen as a good way to continue engaging with those who still did not feel comfortable attending live events and those who may not be in their immediate geography, whilst providing opportunities for in-person activity.

'The whole approach moving forward is that digital is now part of the landscape. We need to continue looking at our digital offer. What I don't want to do is completely abandon the work that we have done, but we do want to approach things differently to become more sustainable and resilient.'
Organisation – successful applicant

'It has definitely extended our reach to a broader community and that will continue - with our work we would look at digital delivery for some things going forward. We're now looking to take on a hybrid model - 4 digital and 1 live in-person for instance. So the knowledge learnt has been phenomenal and it has expanded the work we will do.'
Organisation – successful applicant

'I supposed that digital side of things has changed my practice - I've taught myself skills and learnt ways of working that I wouldn't have thought of doing otherwise - I am reverting to face to face working in schools because that's what I love.'
Individual – successful applicant

5.11 For a few respondents, the move to digital was more challenging, but they recognised the importance, so they hoped to continue in-person activity, while providing online resources to support this.

'I think because we're a theatre company, our preference has always been on live shows and we've avoided digital creative content in the past. Doing stuff digitally costs us more money and earns us less income, so it will never replace touring. It has instead become a hybrid element of our work, with digital resources that go with our live shows.'
Organisation – successful applicant

5.12 There were a further few, however, who either did not change their ways of working or were looking to return to operating the way they had pre-pandemic. This was often the case where human interaction and large audiences were key to success.

'I would like to go back to more face to face rather than Zoom calls. It is difficult to be creative on Zoom. I want to go back to a human approach in creation.'
Organisation – successful applicant

'Hopefully it will pretty much go back to how it was. The main change we had to do was to have less people, and obviously that isn't good for business.'
Organisation – successful applicant

6. Effect of ERF funding on communities

6.1 Creative organisations and practitioners rarely work completely independently, they are part of a network of other organisations, creative practitioners, audiences and clients. As the pandemic has affected all of these groups, the extent to which and the way in which these communities are sustained (or in some cases created) had to change. Successful applicants interviewed were asked to comment on the extent to which ERF funding allowed them to support or engage with their communities.

Connecting and valuing freelancers

6.2 As has been evidenced throughout this report, freelance creatives have been impacted by the pandemic, with the loss of contracts and current and future work prospects. Several of the organisations interviewed, however, felt that they were able to use the ERF funding to work with and support freelancers, for example, by honouring existing contracts, hiring freelancers to help with new digital activities, and involving freelancers in the development and delivery of workshops. In some ways this was about maintaining existing relationships and in others it was about working with new people.

'Because the business has been going so long, a lot of our contributors have been doing it for years – I don't want to lose those people, but I also want to bring new people in. I've now been actively finding new contributors who are much younger and from a diverse range of backgrounds.'
Organisation – successful applicant

'We're now in a far better position to support Let's Create. Our writers have been really well supported. We were able to boost royalties for each writer we published, which was really important for those writers.'
Organisation – successful applicant

6.3 At least two of the organisations researchers spoke to mentioned experiencing a cultural shift regarding their relationship with freelancers seeing them as 'partners' or as an intrinsic part of the creative ecology, and including this in their business models.

'Top of our list is how can we support freelancers and how we can address the balance of power between organisations and freelancers in different ways - how we can contract differently, how we can remunerate differently. We want to become partners with artists, rather than commissioners of artists.'
Organisation – successful applicant

'We are like the centre of a wheel, the dance ecology spills out from that, could pay the artists fees and things like that that they were due, there's a whole trickle effect here, for the dance ecology...suppose we also did a lot of work on organisational values over that period...think the

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organisation is less hierarchical now, and more connected more collaborative, the whole atmosphere is different, a big reset moment. Culture around supporting freelancers and their place in and responsibility towards freelancers is different now.'
Organisation – successful applicant

6.4 A few creative practitioners themselves mentioned how receiving the ERF had provided them with the time to network and engage other freelancers and organisations. One individual felt that receiving the ERF also helped to boost their morale, as they were feeling like part of a network.

'As well as being helpful financially, it was also a morale booster knowing there was a support network and organisations that value the arts especially in a time of crisis.'
Individual – successful applicant

6.1 This was not a universal experience however as some freelancers reported that, both financially and in terms of communication, they felt abandoned by organisations they had been working with, often for prolonged periods of time:

'Organisations were in chaos… freelancers felt stranded… there was so little communication, it felt like info wasn't quite trickling through to us from organisations.'
Individual – successful applicant

• Another described how all of their work was cancelled overnight with no attempts to support them, and that:

'Galleries often have a policy that if a project is cancelled with 1 weeks' notice, they don't have to pay you.'
Individual – successful applicant

Maintaining networks

6.2 For a few applicants, mainly organisations, the funding importantly allowed them to maintain connections with their staff, volunteers and affiliates they worked with. They felt it was important to support those working from home and to stay engaged with volunteers who at the time may not have felt as connected to the organisation due to a lack of in person activity.

'With our volunteers, right at the beginning we were meeting with the team once per week, not obligatory because staff were on furlough, but we sent a regular meeting request and said I'll be here if you want to join me, mainly making sure they were okay, had what they needed. Some of the staff approached me, worried about individual volunteers they had built up relationships with, so we put together a list, and each had about 7-8 volunteers who we phoned up to see how they were, would have a Zoom chat and that worked really well, only once a month or something. And then when we knew we were able to open again, had a sort of series of training days, invited them in for training make sure they were okay with the things put in place to enable them to

work such as the sneeze screen, the proper cleaning that was being done, all the right things in place.'
Organisation – successful applicant

6.3 One respondent said the funding enabled them to spend time keeping connected with event organisations, venues and festivals, to maintain and reinforce their working relationships.

Local communities

6.4 Several respondents also spoke about their local communities, both the importance of their organisation or work within the community, and activities they have been able to undertake with members of the community. For example:

- Two arts centres mentioned their importance to their local community, as a place where people can access different arm forms, participate in group activities, and volunteer their time. In both instances, these centres would not have survived without the ERF, and they felt their local communities would have therefore been affected.

   'We are an Arts Centre but we are also a community resource, so I'd argue that we have a civic community role, which we were able to maintain with this funding.'
   Organisation – successful applicant

- Other organisations mentioned bringing activity to their community for its benefit, ensuring that they were listening to what the community wanted and needed.

   'I think it has been a real reminder to not get stuck in your ways. Being agile, being responsive and that listening to the community is what we're here for, so we have to make sure we're doing that. It hasn't always been easy reimagining our whole organisation, but there have been a lot of positives as an organisation and we'll retain a lot of that going forward.'
   Organisation – successful applicant

   'It has kept the community going, which wouldn't have happened without this funding. We've managed to keep local studios going, which would have folded.'
   Organisation – successful applicant

- In a couple of instances, respondents said the pandemic had made them shift their focus to local communities.

   'It really made me empathetic to other people and this changed me - this has made me want to work with the community rather than the private sector as I did before.'
   Individual – successful applicant

   'Largely changed the creative practices and experiences - the theatre is now focussed hyper-locally and wants to support the local community to live a creative life.'

Schools and young people

6.5 Working closely with young people, either supporting them or including them in the delivery of their work, was another common way respondents interacted with communities. This also includes engagement with schools. In some instances, these were existing relationships, which the respondents continued to engage with throughout the pandemic, but in new ways. In other cases, working with young people or in schools was new. Examples include:

- A library which tried to recreate what it would be like for a reception age child to visit the library (potentially) for the first time

  'We couldn't have their normal class visits, but one member of staff recorded a session for the reception age children walking through the library, what it would be like to actually be there. Every September all reception age children come for first visit, and have a physical walk around, so the staff member did this via video, went through the entrance of library, and then it culminated with a story session. This was a clear direct example of something we could do to properly engage with community but enormously difficult without the equipment (received through ERF funding).'
  Organisation – successful applicant

- An arts organisation that supports youth theatre students, often from disadvantaged backgrounds, who were able to continue their activity online. They were also able to work with and support some of their graduates.

  'We support about 300 students per year on average. Some of the students will be new to us, some will have been with us for a few years. So really those students benefitted most, which meant they were able to access lessons online and different opportunities through online workshops, to really continue to support and engage with our youth theatre students. One of the biggest opportunities was supporting some of our graduates who had left our projects and gone on to drama school, we were able to keep in touch with them during their studies and once they had graduated.'
  Organisation – successful applicant

- A few individuals also reported that they had created resources that children and schools could use during the pandemic. One individual, who provided singing lessons and recorded resources, felt that this was a great support network for the children they worked with during lockdowns.

- One literature organisation was able to use the ERF to continue their work with schools, coming up with new creative activities.

'Those activities we usually do with school would normally be live. It allowed you to continue our work with them. Because it was schools, they really wanted interesting things to do with their young people.'
Organisation – successful applicant

Other audiences

6.6 A handful of respondents mentioned using the ERF funding to engage with vulnerable groups, such as disadvantaged families, older people, and those who are immunocompromised. For example:

- A theatre, which regularly targets disadvantaged families with their work, were able to continue their work and help those who they felt had become even more vulnerable during the pandemic.

  'I think we were very resourceful and that paid off. We didn't just hibernate - we wanted to meaningfully still reach our beneficiaries that are very vulnerable in a new way.'
  Organisation – successful applicant

- A creative practitioner, who is a strong presence in their local South Asian community, was able to provide online dance classes to vulnerable groups within their community.

- A local theatre was able to develop both digital content and a radio show. The radio show was targeted at digitally isolated individuals especially older demographics. They felt a whole new audience was accessed through the programme, as they had predominately worked with young people in the past.

- An arts centre worked closely with an ACE NPO who works with disabled artists, and commissioned a project from them.

  'Their voices weren't really heard during the lockdowns, so it was important that people realise that they're still there, had issues of isolation already before the lockdowns.'
  Organisation – successful applicant

6.7 A few respondents mentioned that through their experiences of the pandemic they have been able to reach audiences in different places; beyond their local areas, to nationally and even internationally.

'It has had to move online, at first it was harder but now I think it's easier to do things and to reach a different audience, I can do an online talk in Michigan and Berlin in the same week. My practice has become a lot more open to new / international audiences.'
Individual – successful applicant

'It's also allowed us to expand more nationally. Being able to offer blended or completely online programmes has been a really important factor for us as a small team - our reach can be so much bigger than where we physically can be in the country.'
Organisation – successful applicant

Sustainability of effects

6.8 Some respondents reported that they intend to maintain this online engagement in some way, as it has enabled them to reach new audiences and geographies in new and interesting ways. For many, digital will be part of a blended offer combining in person with digital activities. There is a feeling that being completely digital for some organisations will not work, and that being only digital could segregate some audiences.

'There's huge benefits to continuing with some online activities, can engage more effectively – but we have a priority to get people back through the doors, particularly families who don't have a digital presence at home -- a lot of the lessons learnt will continue for quite some time.'
Organisation – successful applicant

7. Unsuccessful applicants

7.1 While ACE were able to provide thousands of organisations and creative practitioners with funding through the ERF, they were not able to fund every application they received. In order to gain insights into the current working status of unsuccessful applicants, and whether or how ERF funding could have had an impact on them, researchers interviewed 28 applicants who did not receive ERF funding (12 organisations and 16 individuals).

Trading status

7.2 At the time they were interviewed, all but one of the 28 unsuccessful applicants were still trading, either as an organisation (all 12 respondents) or as an individual creative practitioner (15 of the 16 respondents).[9]

- The one individual who is no longer trading had to get another job in order to support their family and have subsequently started their own business outside of the cultural sector. This individual would like to return to their creative practice in the future, however they feel the limited availability of work means this will only be possible sometime in the future.

- Additionally, while they are currently still trading, one of the organisations interviewed is in the process of trying to sell their business, mainly due to the emotional toll the pandemic has taken on the owners, and the difficulty they have faced in accessing funding for their main activity (an in-person show). If they are unable to sell, they plan to cease trading.

7.3 For a majority of the 12 organisations interviewed, staff numbers remained the same between March 2020 and late 2021.

Effect of not receiving ERF

7.4 Unsuccessful applicants were asked to describe what they had hoped to spend the ERF funding on, and what difference receiving the funding could have made for them or their organisation.

7.5 Largely, the unsuccessful applicants researchers spoke with had hoped to spend the ERF funding in similar ways to the successful applicants interviewed: day to day expenses/overhead costs, time to think and focus on their creative practice, reviewing and adapting business plans, and adapting or creating new content or activities. The effect of not receiving the ERF for these applicants therefore was:

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[9] It is possible that there is selection bias in our sample, as those who were still trading may have been more likely to agree to participate in the study.

- Some applicants did not have the resource at the start of the pandemic to pay their living expenses or overheads, without accessing reserves, support from family/partners or universal credit.

'I would have used it for the most pressing expenses - rent and food - for survival.'
Individual – unsuccessful applicant

'I started trying to build a roof garden as I was so worried about not being able to eat.'
Individual – unsuccessful applicant

- Finding additional sources of income, not necessarily in the cultural sector, affected their ability to focus on their practice. A few applicants mentioned having to find work outside of the cultural sector, at a supermarket or as a delivery person for example.

- Periods of stress were prolonged, impacting on business practices and mental health

'It would have been a weight off the shoulder…to have that would have been breathing space, financial stability for x number of months.' During the first few months of lockdown their *'ability to be creative was zero…the idea of being creative was repulsive.'*
Organisation – unsuccessful applicant

Other funding

7.6 All but one of the unsuccessful applicants interviewed have received other financial support of some kind since the COVID-19 pandemic began. In most cases, this has helped to mitigate the impact of not receiving the ERF, however as it took longer for other support to become available and there was limited clarity around how long some support would last, many applicants still faced uncertainty when they did not receive the ERF.

7.7 Over half of the 12 organisations interviewed felt that receiving ERF funding would not have had an impact on their survival or their ability to deliver activity during the first six months of the pandemic. In most cases this is because they were able to access funding elsewhere.

- For a few of these organisations there was an element of *'hindsight'*, as the ERF was seen as crucial for their organisations when it was announced, but as other funding sources became available not receiving ERF funding had less of an impact.

'At the time the ERF was viewed as instrumental to the organisation but in hindsight, no because of additional funding sources and schemes that were accessed.'
Organisation – unsuccessful applicant

7.8 In comparison, all of the individuals interviewed felt the ERF would have made a difference for them. While some were able to rely on savings or partners' income in order to survive and continue their practice, others were in more dire circumstances. In many instances,

individuals were able to access other financial support eventually, but this was mainly for basic expenses, as opposed to funding for adapting, innovating or creating new work.

7.9 As with applicants that were awarded ERF, those who were not awarded ERF went on to successfully apply for other funding sources. These were:

- Culture Recovery Fund. Half of the organisations interviewed who did not receive ERF accessed this fund, and in some cases, receiving it enabled them to deliver the activities they had included in their ERF application. For example, buying equipment or technology that was needed to reach clients and communities online.

- Coronavirus Job Retention Scheme (furlough) used by half of the organisations and a few individuals. It was seen as very important for staff retention and organisational survival. A few individuals interviewed also received furlough, based on part-time positions they had held. This meant, however, that the payment they received was limited to the hours they had worked (which was often not enough to cover their expenses).

- SEISS. For those individuals who received it, SEISS often helped to cover the day-to-day expenses many were struggling to pay, with one applicant calling it an '*absolute lifesaver'*.

7.10 A few individual applicants reported that they were receiving Universal Credit, in order to pay for day-to-day expenses. In one instance, an individual had received Universal Credit as a stop gap until the SEISS was available. In another instance, Universal Credit was the only option for the individual, and still was not enough to cover their regular expenses, so they therefore had to borrow money from a friend.

7.11 Other support mechanisms mentioned included support from local councils, Trusts and charities, Bounce Back Loans (though it was acknowledged that this would need to be paid back), various tax relief/credit options and for some organisations individual donors.

7.12 Where people were ineligible or unsuccessful with these other sources of funding they expressed disappointment regarding their lack of success with ERF, and felt like they had *'fallen through the cracks'*:

- In one example, an artist who had worked for over 10 years but had recently completed a PhD was ineligible due to the amount of time they had spent as a freelancer over the two prior years. This was extremely frustrating for them, given they were an established self-employed artist. As they were no longer receiving PhD bursaries from their institution and were not eligible for furlough or SEISS, not receiving the ERF had a significant impact on them.

- Researchers also spoke with a Director who is the only employee of their limited company. They typically take dividends as opposed to a salary, so were therefore unable to claim furlough for themself. Additionally, even though they are a one-person company, they were unable to receive SEISS because they are not considered self-employed. In this instance, not receiving ERF had a significant impact on the Director's mental health. The

organisation was able to survive due to small funding pots received from a local charity and their Local Authority.

Innovative practices

7.13 Organisations that were unsuccessful in their ERF applications were sometimes subsequently able to access funding to innovate. They said that this activity therefore took longer or was only possible at a different scale from what would have been possible with ERF. Examples include:

- An organisation who would have used the funding to pay for the software and technology needed to move their classes online, something they considered important to their community. This organisation was able to fund this activity from other sources eventually, however receiving the ERF towards the beginning of the pandemic would have enabled them to make this adaptation faster, as they had to stop all activity during the first months of lockdown.

  'I think we would have been able to progress our ongoing work a bit further. With all our current volunteers, we would've been able to train them and manage the situation. We would've been able to offer the technology to deliver classes with our community, as we weren't set up for technology in the past'.
  Organisation – unsuccessful applicant

- An organisation who wanted to use the funding to stream some of their existing content, as well as filming shows to live-stream for audiences. The organisation also wanted to create resources for schools, bringing musicians and students together, either in person if restrictions allowed or through virtual or recorded music sessions. They were particularly interested in activity that would support GCSE and A-Level students. While they were able to access some funding to stream content, they were not able to secure other funding for the school resources.

Respondent reflections

7.14 The only unsuccessful applicant interviewed who did not receive any other financial support, is incidentally the organisation that is looking to close or sell. While this organisation was unsure if the ERF would have made a difference for them, they had wished the application process had been clearer or there had been more communication from ACE.

'We looked into all kinds of things, but we weren't eligible for anything - including local council and government funding.'
Organisation – unsuccessful applicant

7.15 Generally, the unsuccessful applicants we spoke with felt that it was good that the ERF had existed, but they were disappointed not to receive funding.

- In some cases, the applicants felt they *'fell between the gaps'* because their art form perhaps did not fit with what ACE wanted to fund.

  'The process has left us in a position where we feel that what we do isn't of interest to ACE.'
  Organisation – unsuccessful applicant

- A couple of other applicants felt that perhaps funding had gone to organisations that were known to ACE or who had received funding in the past or had ongoing work with them. One applicant specifically mentioned that they felt ACE do not engage at the grassroots level enough.

  'The ERF felt as though it was very much going to the same old people - the huge NPOs who always get the grants.'
  Organisation – unsuccessful applicant

- A further applicant felt it would have been helpful to have creative practitioners involved in the selection process, particularly those from minority backgrounds as they may have better understood their application.

  'A person of colour or an immigrant would have understood it better. I think that's what I've learned from the pandemic - it's like we are sailing on the same seas but others are on a ship whilst we are on a raft but there's also a difference of perspective from those on the ship.'
 **Individual – unsuccessful applicant**

8. The application process

8.1   The ERF was instigated rapidly. Because of the impending seriousness of the pandemic on the sector *'the ERF became a central focus of activity in a way that no programme had ever been before'*[10]. Other programme activities were suspended as teams across the organisation were diverted to support the ERF application processes. Funding decisions were made on a rolling basis across four weeks, with 354 decision meetings taking place during this period. This was a grant awarding process different to any other.

8.2   This section provides feedback from all applicants regarding their overall satisfaction with this unique process, good practice and areas for improvement, and any differences in experience reported by different groups. It does this by focussing on different aspects of the application process; guidance, communication, Grantium, and Fund administration.

Guidance

8.3   Application guidance was available in written form on the website and applicants were able to request additional accessibility support[11]. Of all 126 respondents, most found the guidance offered by ACE at the time of their application to be helpful (Figure 9-1).

Figure 8-1: Respondent assessment of helpful of application guidance
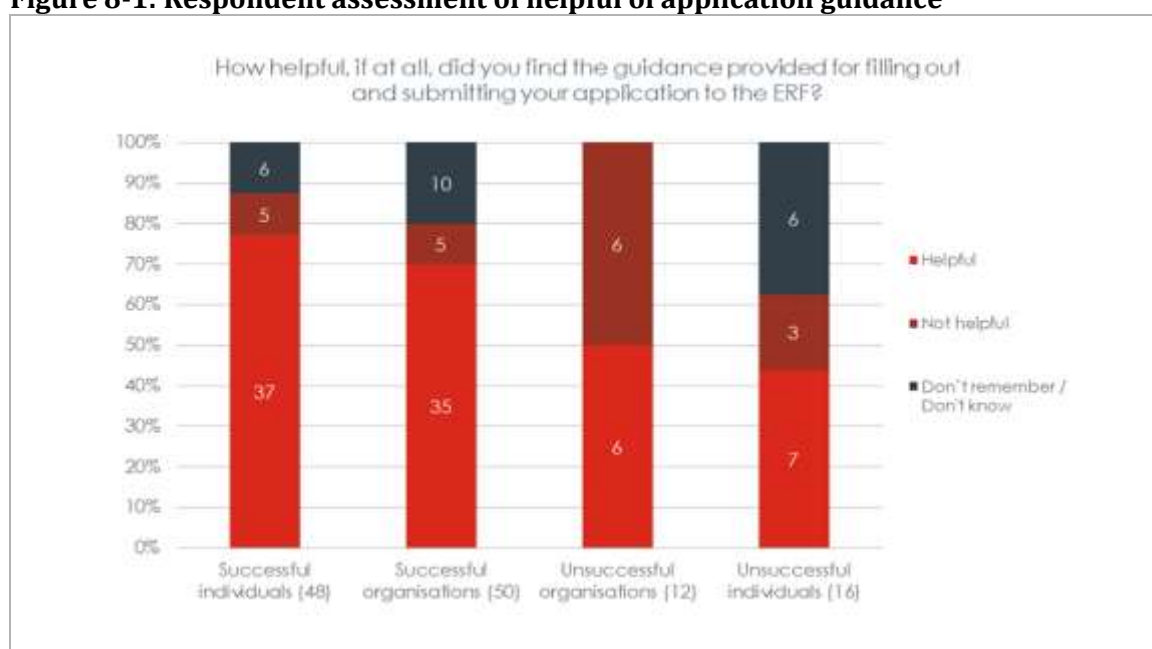
Source: SQW analysis of interview data

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[10] Arts Council England (2020) Review of Arts Council England's Emergency Response Funds process. March – July 2020

[11] Guidance materials were provided: Financial support for NPOs and Lead CPP organisations | Arts Council England, Financial support for organisations outside of the National Portfolio | Arts Council England, and Financial support for artists, creative practitioners and freelancers | Arts Council England

8.4 Respondents said it was comprehensive and easy to understand while a few emphasised the importance of providing effective guidance quickly:

'I found it very straight forward, it was quite clear that they understood everyone was going to struggle quickly, especially those organisations which are public facing.'
Organisation – successful applicant

8.5 A few respondents said the guidance was not helpful and criticism of the guidance was voiced more frequently by unsuccessful respondents:

- some organisations said it was too vague, with ambiguity around eligibility for funding and the amount they were able to request cited as particular deficiencies.

- a few individuals said guidance used complicated language which they felt made the application process more difficult than it could have been. One individual said the language was '*very management speak*'. For some, this led to feelings that the Fund wasn't intended for them, and that ACE weren't interested in their work.

  'You've got to read all the application guidance beforehand and it's so highfalutin. It is not designed for ideas people - you cannot get your ideas across.'
  Individual – successful applicant

8.6 Experiences with access support were mixed. Accessible format guidance was provided in large print, Easy Read and British Sign Language. Those who required additional application support were asked to provide details to the Customer Services team[12]. One individual praised their assigned application guidance officer for their support, although they wished more alternative audio and visual guidance had been provided. However, a different first-time applicant was unaware of the access support available at the time and only realised it existed when they subsequently benefited from it in a more recent application.

8.7 Most of the guidance stated that one-to-one application support was not available but that the Customer Services team could help with practical application-related questions. Three NPO organisations whose applications were successful reported receiving informal application support through their ACE relationship manager.

Communication

8.8 Many applicants initially heard about the ERF through direct communication from ACE, with other applicants becoming aware through word of mouth and social media. Half the applicants interviewed were satisfied with ACE communication:

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[12]Arts Council England (2022) Financial support for artists, creative practitioners and freelancers. https://www.artscouncil.org.uk/funding/financial-support-artists-creative-practitioners-and-freelancers#section-5

- Respondents noted that the timelines associated with the Fund were adhered to and this provided clarity during an uncertain time

- Some respondents were pleased with the speed with which their queries were addressed. Due to a swift response, one applicant recommended the ERF to other artists who were subsequently successful in their applications.

8.9 Aspects of communication considered less satisfactory were:

- *'Unhelpful'* automated responses to queries

- Later requests (with tight deadlines) to provide information that had not been recognised by applicants during the application process

- Communication style that was characterised as *'quite abrasive'.*

8.10 Unsuccessful applicants said they would have liked to have had feedback regarding why their application was unsuccessful. Given the difficult circumstances applicants understood why detailed feedback wasn't available but the publication of decision-making criteria would have been appreciated.

8.11 Three respondents challenged the eligibility criteria, feeling it was not broad enough to support those who needed it.

Grantium

8.12 Respondents across all groups recognised challenges with ACE's application portal, Grantium. Some found the platform inaccessible, overly complicated and difficult to use. Issues with Grantium affected each stage of the application process, with poor design impacting how applicants were able to understand information, develop submissions and access funds.

- Applicants with no prior experience of ACE funding or with no dedicated fundraising colleague or team found Grantium especially problematic. They were not familiar with what was characterised as the platform's counterintuitive design and how applications progress through the system. This therefore disproportionately affected individuals and smaller organisations. For some of those who did have experience, there was still a feeling that the system could be improved, many felt that if they had been new to ACE funding applications they would have found Grantium daunting.

  'It is an open secret that Grantium is difficult to use, but I didn't know that because it was the first time I've used it. You need to put in your details and it's then ten days before they say you can carry on. If you don't know that and you've only got a few days to get it in, it is so difficult. It shouldn't be like that, there's a lot of different systems they could use. The wording isn't user friendly - it has things like 'go back to the wizard.'
  Individual – successful applicant

'It definitely helped that we had an understanding of ACE and Grantium - I'm not sure how hard it would've been for someone completely fresh to ACE processes.'
Organisation – successful applicant

'As soon as you log in, it seems really complicated. You don't know whether you've done it right - it is like they're talking in code or something. It's not very user friendly for people who aren't funding experts. You didn't know if it had gone through or whether you had attached the right things.'
Organisation – successful applicant

- A few applicants experienced accessibility issues in Grantium's design. Its complex layout and technical language was said to exclude neurodivergent people, causing them additional stress and anxiety.

'I am dyslexic - understanding a list of instructions is therefore quite difficult. If you apply for loads of grants it's probably really easy, but when you're doing it for the first time it's difficult - I don't understand the procedures. It doesn't even tell you when you've sent the application. it said sent, but it doesn't say it's been received, and this was a concern.'
Individual – successful applicant

- Another applicant felt that by having the application process online, those experiencing digital poverty were at a disadvantage.

'Digital poverty is also a big issue, it's not just by age, putting the whole application process to digital may be good for [Arts Council England], but it's going to exclude people and those may be the people you most want to reach.'
Organisation – successful applicant

- Two applicants said their experience with Grantium discouraged them from applying for future ACE funding:

'I'd have to think quite carefully before I wanted to go through that process again.'
Organisation – unsuccessful applicant

'I wanted to apply for a project grant as I have a few plays that would be good to get funding for - the scale of the application process and the Grantium portal looked pretty outdated - this put me off applying [for project grant].'
Individual – successful applicant

8.13 Specific accessibility improvements suggested for the Grantium platform included:

- Provision of additional support for applicants who are new to Grantium

- Simplification of portal navigation and formatting

- Clear language and signposting of information

- Explicit confirmation of submission and progress of application

- Improved performance and browser compatibility.

Fund administration

8.14 The majority of respondents were satisfied with the administration of funding. Many appreciated the prompt decision-making and the swift awarding of funds, important in mitigating the repercussions of the COVID-19 pandemic.

'I felt it was a very swift turnaround, which we were grateful for. What was brilliant about ERF was that you didn't need to report back on it. They just took out that whole element, so it was great, so you didn't need to worry about that.'
**Organisation – successful applicant**

8.15 A few applicants found difficulty accessing the funds once they had been awarded, with first time applicants reporting some confusion in submitting their bank details into Grantium. Other applicants faced issues with inflexible automated budget requirements in cases where the use of funds didn't exactly match to finances included in their initial application, although these reported issues were resolved through contacting ACE.

The effect of experience on satisfaction with application process

8.16 Both successful and unsuccessful organisations had more prior experience of ACE application processes compared to individuals (Figure 9-2). For organisations that participated in the research, having had past experience with ACE funding applications does not appear to have made it more or less likely to have received ERF funding, as successful and unsuccessful applicants had similar levels of experience.

Figure 8-2: Before the COVID-19 pandemic, how much experience did you/your organisation have in submitting applications for Art Council England funding?
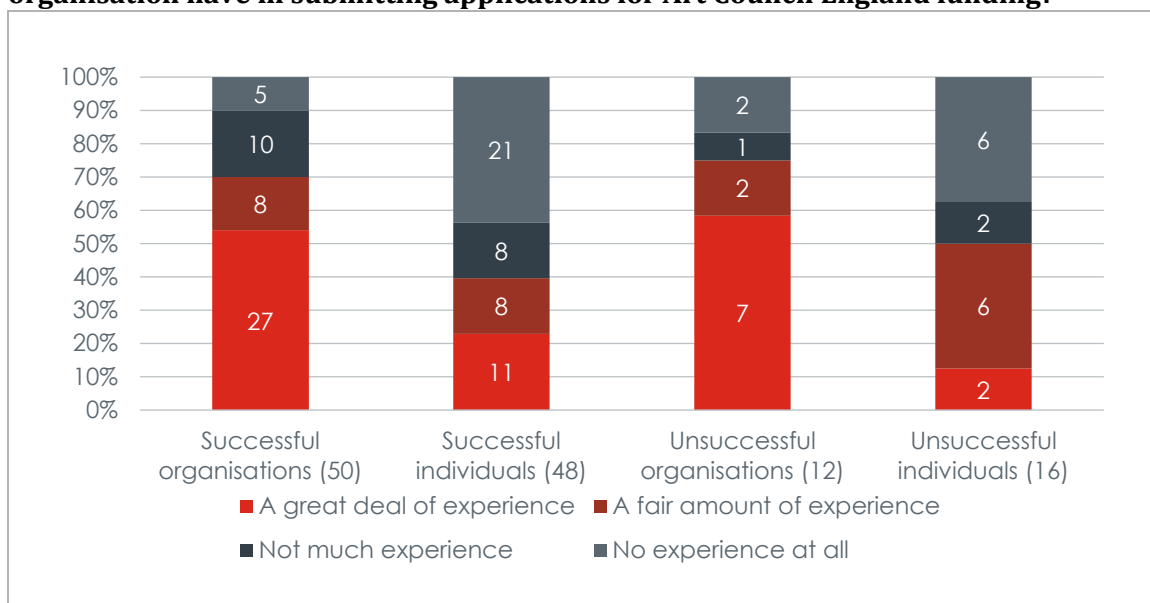
8.17 The effect of this was observed in three ways:

- Organisations who had experience of using Grantium were familiar with its design and how to use it. Individuals were less experienced and were more likely to identify the portal as the main source of improvement required.

- Some applicants with experience of working with ACE reported receiving support from their relationship manager or attending online workshops. They were more able to know what support was available and judge whether ERF was suitable for them and how to frame their application.

- Experience with ACE applications may have helped with interpreting guidance. Although some applicants found the guidance simpler than past applications, a few less experienced applicants were concerned that language acted as a barrier. This issue was exacerbated for inexperienced applicants who found it difficult to access support.

Suggested transferrable practice

8.18 Those respondents who were more familiar with the standard ACE funding application process, or who subsequently applied to the CRF, noted the relatively light touch of the ERF approach. It was recognised by a few that ERF required less effort, and this was appreciated under the circumstances when it was:

'…harder to get help from people in the industry'
Individual – successful applicant

8.19 Respondents were asked to suggest either things that worked well and should be continued in future funding rounds, or things that could have been improved with lessons transferred to other funding. Suggestions included:

- Swift decision making. The short time period between application and award was appreciated as good practice and was especially valued given the economic uncertainties of the time.

- Ensure the application requirements are proportionate to the award value. A few of the smaller organisations seeking more modest levels of award compared with larger organisations said they felt challenged by the application process. These were typically smaller organisations often without dedicated fundraising resource, meaning limited available capacity for bid writing.

   'If you are small, you are at a high level of disadvantage compared to bigger organisations. We don't have the time or staff power to dedicate ourselves to complex application processes. It makes it really difficult and unbalanced.'
   Organisation – unsuccessful applicant

- Be clear about eligibility in terms of applicant profile and expenditure. Some organisations that were successful said they had prepared cautious bids because they were not sure whether an expense might be considered an 'emergency'.

   'Had we known we could have applied for other activities, we might have done some more blue sky thinking at that time.'
   Organisation – successful applicant

- Make accessibility support clearly available to help broaden the number of creative individuals and organisations that ACE supports.

- Have both comprehensive and simplified guidance available to applicants.

- Ensure that all applicants are made aware of other funding opportunities. A few successful applicants said they were now more aware of ACE's funding opportunities.

Post-ERF relationships with ACE

8.20 Nearly all applicants intend to apply for future ACE funding. Some successful organisations and individuals said they have gained confidence through their positive experience and hope to build a stronger relationship with ACE.

   'Yeah definitely - it has given us more confidence and credibility. Other applications often ask whether you've applied for other funding, so if you say you've received unrestricted funding from ACE then I think it has helped our credibility.'
   Organisation – successful applicant

8.21 A few individuals had hoped for more post-decision support. For successful individuals, follow-up support from ACE offering help in managing the awarded funds or resolving any issues would have been beneficial. For unsuccessful individuals, feedback was felt to be particularly important to maintain a positive relationship.

8.22 A few respondents were discouraged from applying for future ACE funding due to their experiences with the ERF. For some, ACE is the primary body for funding their discipline, but they felt the amount of time and effort required to complete an application outweighed the benefit, where they could otherwise be working on earning commercial income.

9. Conclusions

Background

9.1   The Emergency Response Fund was implemented at a time of huge uncertainty for the art and culture sectors. It had a dual purpose, first to provide emergency funds to support individuals and businesses of all sizes across the sector during the first national lockdown. Secondly it was designed to encourage the sector to make good use of the enforced 'down time' to innovate, create and reflect. This research has demonstrated that it was broadly successful in delivering both of those objectives.

9.2   SQW, through this evaluation research, have spoken with 126 applicants to the ERF (98 who received funding, and 28 who did not), to learn about their experiences of the application process, the effect of the Fund (for those who received it) and the consequences of failing to access the Fund (for those who did not). Those who participated in the evaluation were generally representative of the overall population of Fund applicants, in terms of region and art form. It is possible, however that there is selection bias in the sample, particularly for the applicants who were unsuccessful, as those who were still trading may have been more likely to agree to participate in the study.

How the Fund was spent

9.3   ERF was the first funding that was available to people who were struggling with the implications of the introduction of the national lockdowns, decisions were made rapidly, and funding was efficiently distributed to successful applicants. This provided relief and an element of short-term stability for many applicants interviewed.

9.4   ERF Awards were spent across four key categories. Two were associated with individual and business survival; these were associated with covering living expenses and fixed overheads (such as rent), and with paying staff wages or honouring contracts with freelancers and other affected businesses. The other two categories represented investment in capacity and future creative activity. These included investment in IT and digital equipment alongside training, workforce development, or the commissioning of people with specific expertise.

Effect on business models and survival

9.5   For those who received it, the ERF did what it set out to do, first and foremost it allowed creative practitioners and organisations to survive. At the start of the first national lockdown, most of the respondents had ceased operating temporarily or were operating at a much-reduced capacity. Many felt that they would not have survived the first six months of the pandemic without the ERF, and those who felt they would have survived felt their business and/or relationships with communities would have suffered.

9.6 Both individuals and organisations benefited from other public funding support either in addition to or instead of ERF. These often included the Culture Recovery Fund (CRF), SEISS, and the Coronavirus Job Retention Scheme (furlough). A range of other funding sources were also accessed during this time, including support from local authorities, trust funds, income support, and personal or family savings. The speed at which the ERF was made available and administered, for some applicants, made it the most valuable, however.

9.7 Because of this complicated mix of different levels of commercial income and public awards over an extended period, it would be both unwise and unlikely to say that the ERF was wholly responsible for the survival of successful applicants. However, the research demonstrates that while some respondents felt they could have survived without the ERF, for many the scale and intensity of their activity would have reduced, and their ability to raise alternative funds or think about the best business strategy to adopt would have been compromised as their time would have been spent on securing short term responses rather than longer term solutions.

Effect on innovation and creative practice

9.8 The Fund had other consequences, however, as it enabled recipients to innovate, adapting or adding new activity and connecting with existing and/or new communities and audiences in new ways. The most frequently reported innovations that were enabled by ERF investment, relate to the use of digital technology. The sector's investment in IT was used in a wide range of different applications. Some practitioners needed upgraded IT to enable them to communicate with each other and with their audiences, either via Zoom meetings, delivering teaching or professional development using virtual learning environments, or live streaming talks, events or performances. Others invested in digital expertise to create new websites, or sales platforms. A third type of digital investment enabled respondents to create new products such as videos, music recordings or virtual reality pieces.

9.9 Digital innovation was not universal. A few respondents found that their practice could not be transferred to the virtual environment, either because the art form intrinsically relied on in-person delivery, because their audiences were not digitally connected, or simply because they did not like the nature of digital delivery.

Effect on community support

9.10 Some organisations emphasised the importance of ERF to enabling them to continue to support their communities. In some cases, these were communities of practice which were described as a complex network of interaction and inspiration that enabled their art form to generate innovative and exciting work. This included maintaining networks with individual creative practitioners and freelancers to provide them with opportunities for work or social interaction. Other organisations described their communities as the people with whom they shared a sense of place. They were keen to continue working to ensure that they could support their local communities through the difficult and potentially isolating nature of the pandemic.

9.11 There were instances where changes that had been made to business models or creative practice in response to the pandemic completely changed the nature of a creatives work for the foreseeable future. For most organisations and individuals, however, the changes that they made due to the ERF investment will continue in part, and alongside other forms of creative's practice as part of a blended model. Arguably, those ERF-supported investments in skills, technology and strategy will continue to frame their activities into the future, and should reinforce their ability to survive, thrive, reach new audiences, and connect with new people in ways that align with Let's Create.

Effect of having an unsuccessful application

9.12 Most but not all applicants were awarded support from the ERF; 29% of applicants were not funded. Respondents to the research who were unsuccessful were disappointed that they had not been supported, but almost all had continued to trade. Many had accessed other forms of funding to compensate for lost income and this had enabled them to continue to operate and create. The effects of not receiving funding were reported to be both practical and psychological. Those who were not successful with ERF and ineligible for other forms of support faced difficult decisions regarding their creative futures. These tended to be those less well established in their field. For others their lack of success with ERF prolonged a period of stress and uncertainty and led to feelings of isolation or abandonment in some.

Satisfaction with the Fund

9.13 The Fund had a number of unique characteristics. It was significant in scale. It provided over £100 million in funding support to 7,484 individual creative practitioners and 2,374 organisations. It was delivered at pace with funding decisions being made three to four weeks after application windows closed. Compared with business as usual, the application process was streamlined and differentiated between individuals and organisations.

9.14 There were mixed reports from respondents on their satisfaction with the application guidance and communication. Some applicants who had previous experience of ACE funding applications found the ERF application process to be simpler and clearer, something they appreciated. However, others found the ACE application guidance and its language confusing.

9.15 Across both experienced and inexperienced applicants, Grantium was disliked. Those who had experience of the system found the application process to be satisfactory, but many still commented on the system and wished it was more user friendly. Inexperienced applicants found Grantium daunting, and in a couple of instances it has discouraged applicants from applying to ACE again. There were specific accessibility issues mentioned for neurodivergent people, who felt the layout and language excluded them, and the online format of the application did not support those experiencing digital poverty.

Annex A: ERF beneficiaries

A.1 The data in this annex has been drawn from publicly available sources. These are:

- A Data Report published by Arts Council England in June 2020[13]

- Data dashboard relating to award data on NPO/CPP organisations[14]

- Data dashboard relating to non-NPO/CPP individuals and organisations[15]

A.2 Table A-1 provides a summary of how much funding was distributed to different types of applicants. It shows a total of £33.5 million was provided to NPO / CPP organisations, £47.6 million to non-NPO / CPP organisation, and £17.1 million to individual artists and creative practitioners. An additional £4 million was distributed via selected benevolent funds. The total funding distributed was therefore £102 million, with the remainder of the allocated budget redirected into Developing Your Creative Practice, National Lottery Project Grants, and Let's Create Delivery Plan programmes, including Creative People and Places.

Table A-1: ERF funding available and funding distributed

Applicant	ERF Funding Available	ERF funding distributed
National Portfolio Organisations and Creative People & Places lead organisations	£90 million	£33.5 million (to NPOs/CPPs)
Organisations outside of the National Portfolio	£50 million	£47.6 million
Creative Practitioners and cultural workers	£20 million	£17.1 million (to individual artists and creative practitioners) £4 million (distributed via a series of benevolent funds supporting cultural workers)
Total	**£160 million**	**£102 million**

Source: Covid-19: More information | Arts Council England

A.3 The ERF received 13,600 applications (10,295 from individuals and 3,393 from organisations) and made 9,858 awards (7,484 to individuals and 2,374 to organisations); a 72.5% success rate overall. An average of £2,285 was awarded to the 7,484 individuals who received funding, and £21,853 to non-NPO organisations, of which 2,038 received funding. 195 National Portfolio Organisations (NPOs) and Creative People and Places Organisations

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[13] Data report: individuals and non-NPO organisations
[14] Data dashboard NPO/CPP organisations [Accessed 05 November, 2021]
[15] Data dashboard non-NPO/CPP individuals and organisations [Accessed 05 November 2021]

(CPPs) received a total of £33,580,992 in funding, an average of £172,210 per organisation, though these grants to NPO and CPP organisations ranged from £2,620 to £1.5 million.
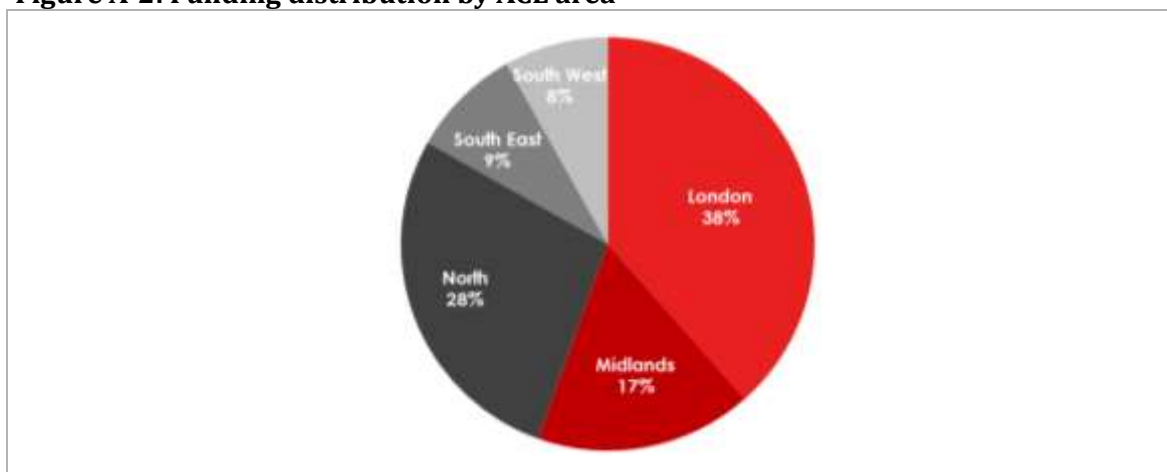
A.4 Figure A-1 shows the distribution of funding provided by art form. The funding broadly reflects the level of impact that lockdown had on each sector, as well as the number of individuals and organisations working in that sector and applying for ERF funding. Theatre, as such, was by far the biggest recipient of ERF funding, receiving £23.7m, with libraries being the least (due to being publicly funded).

Figure A-1: Distribution of funding to individuals and non-NPO/CPP organisations by art form
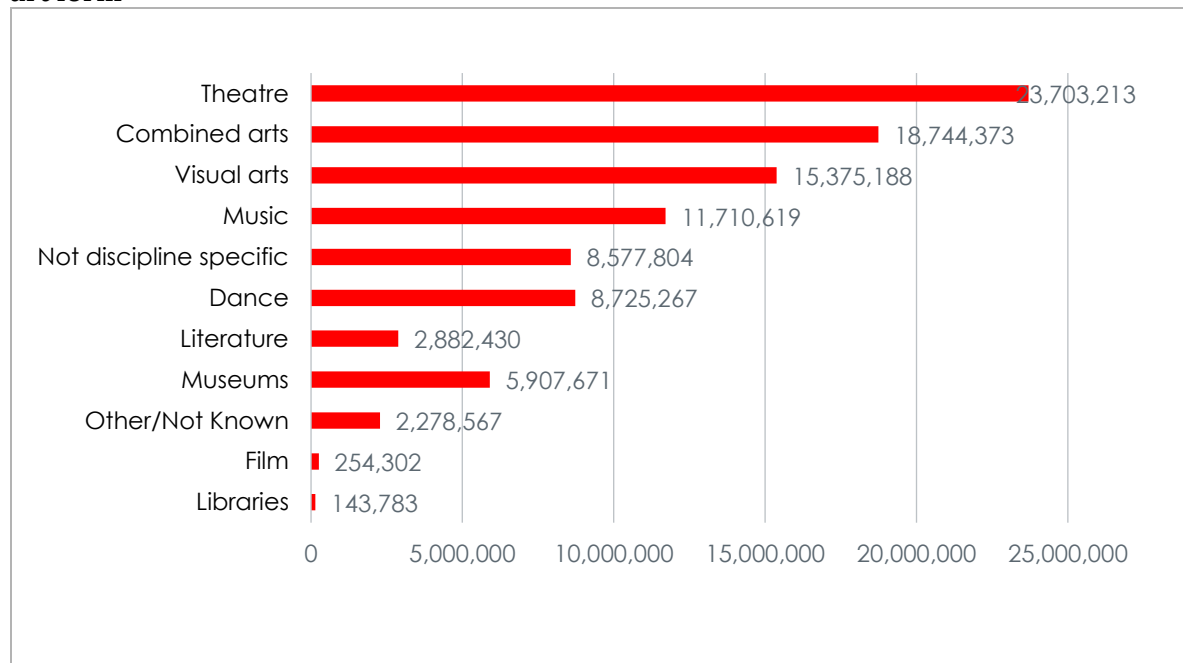
Source: SQW analysis of ACE data

A.5 The geographic funding distribution depicted in Figure A-2 broadly reflects the number of applications received in each area, with London being over-represented due to a larger arts and creative sector than other parts of England. £8.26m was awarded to 'Areas of Low Engagement'. 71.2% (1142) of 1,603 applications in these areas received grants.

Figure A-2: Funding distribution by ACE area

A.6 The Arts Council placed an emphasis in the decision-making parameters on distributing the Fund based on need and requirements. As such, factors such as ethnicity, disability, gender and sexuality were taken into account in the application process. As Table A-2 shows, there was a higher percentage of awards for applicants which met these criteria relative to the 72.5% overall success rate. In addition, the cap of £2,500 was raised for disabled individuals, who could apply for £3,000 to reflect potential additional needs and costs of living.

Table A-2: Funding awarded to BAME, disabled led, female led, LGBT led individuals and organisations

Organisation is:	No. Applications	Awards	% Awarded	Comparison % awarded	Amount Awarded (£)	% of total awards
BAME led	2,720	2,020	74.3%	70.3% for non-BAME	13,057,528	20.17%
Disabled led	1,620	1,285	79.3%	69.9% for non-disabled	8,482,896	13.11%
Female led	7,097	5,339	75.2%	66.5% for non-female	35,324,845	54.58%
LGBT led	2,285	1,763	77.2%	69.8% for non-LGBT	10,213,579	15.78%

Annex B: Evaluation method

Research aims

B.1 Arts Council England commissioned the research to explore the following questions:

- How was the application process experienced by both successful and unsuccessful applicants? Was it experienced differently by those with prior experience of completing Arts Council or other public funding applications?

- What was the financial impact of the period? How did that compare before ERF and afterwards? What were the changes to staffing levels during the pandemic?

- What was the impact that the fund? Did it achieve its purpose in supporting the survival of organisations and continued practice of individuals?

- Among successful applicants, how was the ERF used and did it impact their survival?

- Among unsuccessful applicants, what is their current working status, what difference success with ERF support might have had, and what is their current relationship with Arts Council England?

Evaluation method

B.2 The commission was to undertake a large-scale qualitative evaluation of the ERF based on a structured sample to provide a comprehensive overview of the effects of the Fund on successful organisations and individuals, by art form and region and on unsuccessful applicants by region. The research tool design was based on early design work undertaken by Arts Council England which provided guidance on the scope of the research questions. SQW used online survey software to capture qualitative data, code it, and provide regular updates of fieldwork progress, and excel to capture frequency of key responses.

B.3 Figure B-1 summarises the three-stage evaluation process. The work was commissioned in October 2021 and commenced with a rapid scoping phase to ensure fieldwork could be conducted during November and December 2021. Features of the scoping phase were:

- Inception meetings with key staff from Arts Council England who were involved in establishing the Fund, operationalising it, monitoring and evaluation.

- Mapping the types of organisations that comprised the population using publicly accessible data

- Agreeing data sharing procedures including reviewing the terms of the application to ensure that personal information (namely applicant name, organisation and contact information) could be shared in agreement with GDPR

- Co-design with Arts Council England of four structured interview schedules to be used with successful and unsuccessful individual applicants and organisations.

- Co-design of a sampling framework and communication strategy with applicants that was based on a quota for organisations and individuals by region with monitoring of responses and uptake by type of art form. The sampling approach was modified for unsuccessful applicants in that a higher ratio of people were invited to participate to achieve the required quota.

Figure B-1: Evaluation methodology
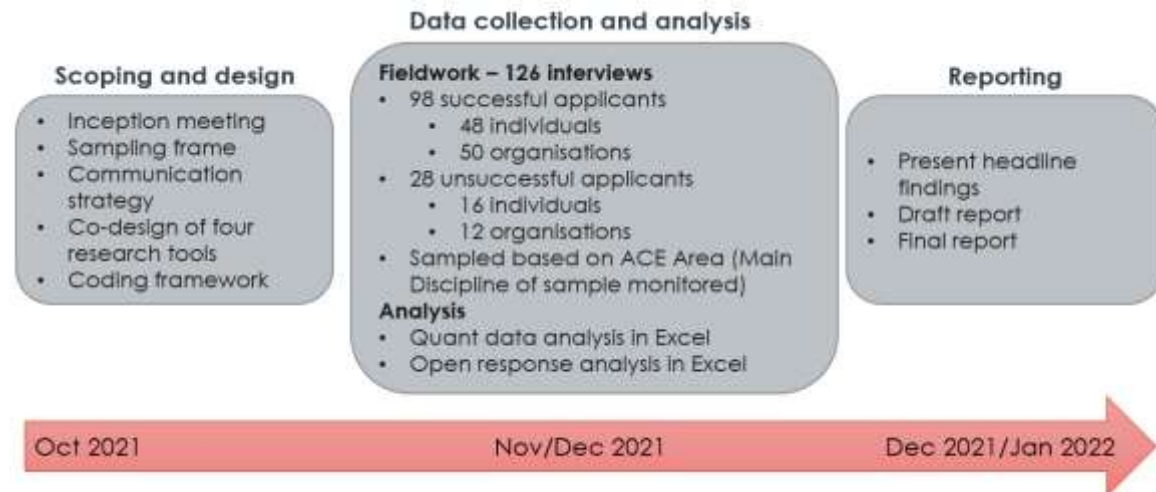
B.4 Following a full briefing of the fieldwork team, the work was launched on November 8 and concluded by December 10. Interviews were undertaken either by telephone or Microsoft Teams and lasted up to 45 minutes. Notes were taken during the calls with recordings used to supplement and quality check notes after the call. All recordings were subsequently deleted.

B.5 A total of 126 interviews were completed. Of these, 98 were from successful applicants (48 individuals and 50 organisations), and 28 were from unsuccessful applicants (16 individuals and 12 organisations). Figure B-2 shows the achieved sample compared with the population by each of the five Arts Council England regions. The achieved sample reflects the population to within two percentage points.

Figure B-2: Sample by region

Evaluation of Arts Council England's Emergency Response Fund (ERF)
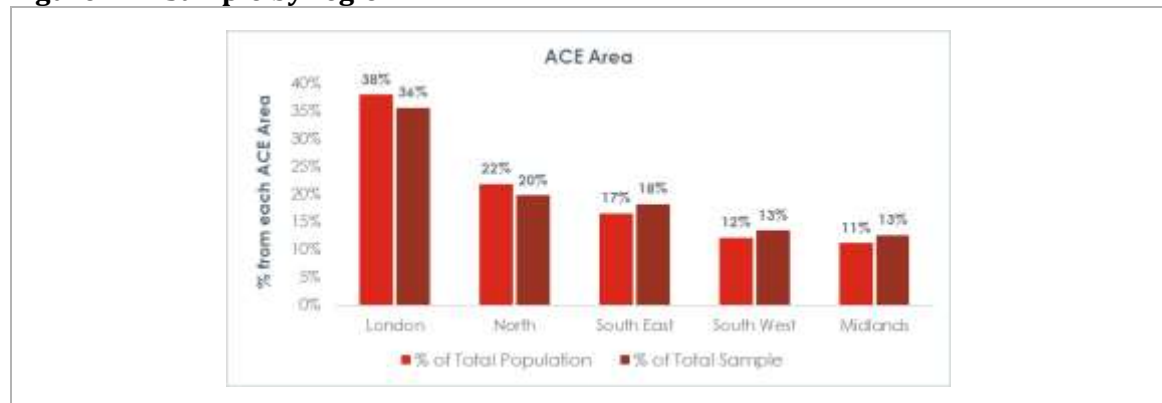
B.6   Figure B-3 shows the distribution of disciplines achieved in the fieldwork sample. This was not part of the design quota, but the random sampling approach used generated a sample which reflects all of the categories used by Arts Council England. Responses to the invitation to participate were higher for those who worked across disciplines or were not discipline specific.

Figure B-3: Sample by main discipline
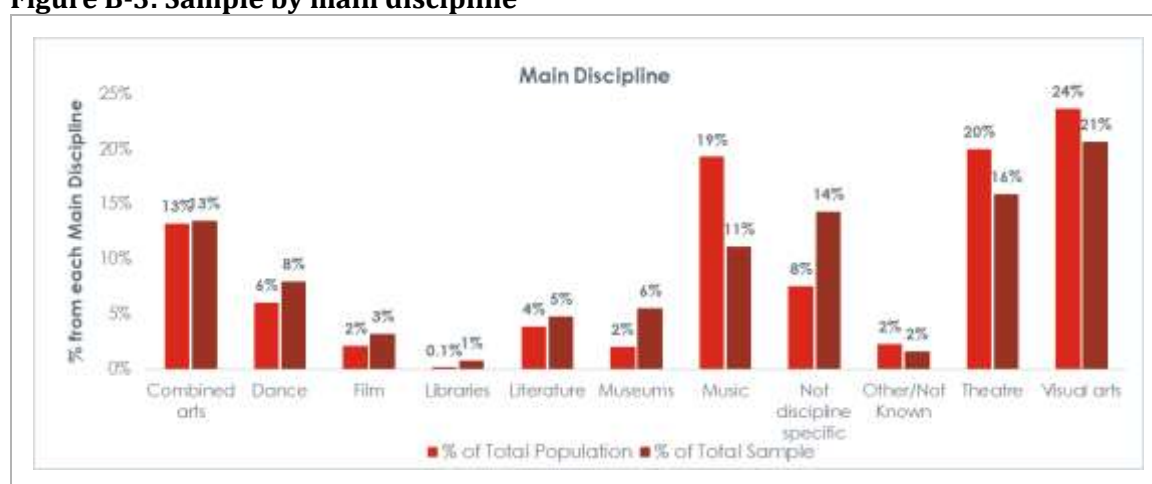
B.7   Several questions were coded during the fieldwork phase using pre-assigned codes built into the survey tool. This enabled analysis of frequent responses to key questions and exploration of any difference between types of respondent.

B.8   A report framework was agreed with Arts Council England and analysis of findings and their reporting undertaken to follow the agreed framework. An internal working paper was prepared for each section from which key themes and illustrative quotes and examples were drawn for the report. Care has been taken throughout to ensure that respondent confidentiality has been assured.

B.9   The qualitative approach was effective as it enabled respondents to articulate their thoughts and feelings in a structured but open way, using their own language and in terms meaningful to them. This was important as their experiences were very diverse and could not easily be predicted within the constraints of a self-completion tick-box questionnaire. The use of pre-codes enabled rapid analysis of rich data – these provide useful oversights of the frequency of key responses. The nature of qualitative data is such that a high frequency of one response does not necessarily give it greater importance than another which may have been mentioned infrequently, but it is something that policy makers need to know to frame a response.

B.10 The volume and richness of the responses have been reported in this document but editorial decisions to choose some responses to illustrate points have meant that we have not been able to represent the nuance and range in its entirety in this report.

SQW

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