Response from Chris Hodgkins to the National Lottery Good Causes: Fund What Matters to You call for evidence.

Chris Hodgkins is a jazz musician, band leader and arts advocate with a decades-long track record of supporting the UK music sector at both the community and national levels. Having co-founded the Welsh Jazz Festival and Welsh Jazz Society, and directed the nationally funded Jazz Services Ltd, his career bridges local cultural engagement and national policy creation, including the establishment of the Parliamentary Jazz Awards and as Secretary to the All Party Parliamentary Jazz Group. His extensive experience gives him unique insight into how funding frameworks can best serve grassroots arts and music and cultural heritage.

1 Introduction

In the interest of transparency and ensuring that the crucial issues facing jazz and grassroots music in England are effectively tackled, this response addresses key consultation points on arts lottery funding rather than using the standard online questionnaire.

1.1 This paper covers three important areas of lottery funding of the arts in England.

- National Lottery Project Grants
- Additionality
- Supporting Grassroots Live Music Fund (SGLM)

1.2 Summary

This submission sets out a comprehensive critique of how National Lottery funding operates within Arts Council England (ACE), focusing on three interconnected areas: **National Lottery Project Grants**, **additionality**, and the **Supporting Grassroots Live Music Fund (SGLM)**. Drawing on FOI disclosures, ACE data, sector research, and first hand knowledg, it demonstrates that England's current Lottery-funded arts system is structurally imbalanced and systematically disadvantages jazz, grassroots music, freelancers, and small organisations.

The document shows that the **absence of artform policies** since 2010 has resulted in generic, opaque assessment processes that favour established institutions. Jazz success rates in Grants for the Arts averaged **4.4%**, fell to **1.2%** under NLPG, and dropped to **2%** in SGLM — evidence of a system unable to assess jazz and grassroots musics fairly. Grantium's complexity, inaccessible language, and the exclusion of jazz organisations from venue-ownership-based funds further depress access.

The analysis of **National Lottery Project Grants** reveals a stark structural imbalance: between 2018–2023, **NPOs secured awards at an average rate of 74.4%**, compared with **42.7%** for non-NPO applicants. In jazz, NPO success rates averaged **82.5%**, while non-NPO jazz applicants fell below **1–2%** of all eligible applications. This occurred despite NPOs already receiving substantial Grant-in-Aid revenue and a 5% uplift to core funding. Although new rules introduced in 2023 restrict NPO eligibility, they do not resolve the underlying imbalance.

The section on **additionality** shows that ACE has increasingly used Lottery funds to supplement NPO revenue funding — a breach of the principle that Lottery money must not replace Government spending. Since 2015, the number of NPOs has risen by **49%**, and Lottery allocations to NPOs have reached hundreds of millions, including **£35.76m** for English National Opera. This diversion reduces the funds available to freelancers and small organisations, driving down NLPG success rates from **~50%** to **~38%**.

The analysis of **Supporting Grassroots Live Music** shows that while SGLM delivered transformative benefits, ACE's response avoided acknowledging structural barriers. The new SGM fund, funded by DCMS rather than ACE, broadens eligibility and removes the ring fence that protected grassroots venues — diluting support and re-exposing small venues to competition from larger organisations. Sector research shows the scale of the crisis: **11,000 venues lost since 2019**, **1.5 million young people abandoning ambitions to perform**, and the emergence of "live music deserts" where access to live music is becoming geographically unequal.

Across all sections, the evidence reveals a cultural system where institutional advantage is reinforced, grassroots infrastructure is collapsing, and Lottery funding is increasingly used to stabilise ACE's portfolio rather than expand opportunity.

1.3 Conclusion

The document demonstrates that England's Lottery-funded arts system is no longer functioning as intended. National Lottery Project Grants have drifted from their purpose as an open-access fund for freelancers, small organisations and experimental work. Additionality has been eroded, with Lottery money routinely used to support NPO core programmes. Grassroots venues and independent musicians face structural barriers, collapsing infrastructure, and declining access to funding.

ACE's recent reforms — including restricted NPO eligibility — are welcome but insufficient. They do not address the deeper architectural problem: a centralised system that privileges institutions, lacks artform policy, and treats grassroots music as a temporary funding priority rather than essential cultural infrastructure.

The evidence points to one conclusion: **only structural reform can restore fairness, rebuild the talent pipeline, and ensure Lottery funding delivers genuine public value**. The New Deal's dual-pillar system, dedicated grassroots body, restored additionality, artform-specific policy, and Recording Support Scheme will provide the coherent national framework required to reverse decline and deliver cultural democracy.

2.1 Lack of art form policies and applications to Grants for the Arts 2012-2016 and National Lottery Project Grants(NLPG) 2026-2023

2.1.1 In Brief

The absence of **artform policies** meant that applications to Grants for the Arts (2012–2016) and National Lottery Project Grants (2018–2023) were assessed through a **generic, one-size-fits-all framework.** Without tailored criteria, jazz and grassroots musics were forced to compete on terms designed for established artforms with institutional infrastructure, administrative capacity, and historic advantage. This structural flaw is not incidental — it is a direct consequence of ACE's strategic shift away from artform policy under *Great Art for Everyone* (2010–2020) and *Let's Create* (2020–2030).

In practice, the removal of artform policy produced **opaque decision-making**, **skewed allocations**, and **systematic disadvantage** for jazz and grassroots musics. The evidence is clear:

- Jazz success rates in Grants for the Arts averaged **4.4%** of all music applications (2012–2016).
- Jazz success rates in NLPG fell to **1.2%** of all eligible applications (2018–2023).
- Jazz success rates in the Supporting Grassroots Live Music Fund were **2%** (2022/23).

These outcomes cannot be explained by quality alone. They reflect a system designed without the tools needed to assess jazz and grassroots musics fairly.

Compounding this, **Grantium's poor usability**, inaccessible language, and sector-wide lack of confidence in lottery applications further depress jazz participation. Jazz organisations — which typically **do not own premises** — were also excluded from much of the Government's small-venue funding, further widening inequity.

The data below, drawn from ACE documents and FOI disclosures, evidences the structural flaw: without artform policy, funding becomes **administratively neutral but culturally biased**.

2.1.2 Conclusion

The statistical record from 2012–2023 demonstrates a consistent pattern: **jazz and grassroots musics are structurally disadvantaged** within ACE's generic funding architecture. The removal of artform policies created a system in which applications are judged without reference to the realities of each artform — its venues, promoters, touring ecology, educational pathways, or economic model.

This flaw is compounded by Grantium's accessibility issues, the exclusion of jazz organisations from venue-ownership-based funds, and the dilution of the Supporting Grassroots Music Fund. The result is a funding landscape where jazz receives **between 0.88% and 1.6%** of eligible NLPG awards, despite being one of England's most diverse, contemporary, and internationally recognised artforms.

The deeper structural issue is that ACE's generic approach **cannot deliver equity**. Without artform policy, redistribution formulas, or tailored criteria, the system defaults to historic advantage — favouring institutions with administrative capacity, legacy infrastructure, and established artform status.

This is why Section 3 of the New Deal questions ACE's use of Lottery funds for NPOs, which breaches the principle of additionality and further entrenches imbalance.

The evidence is unequivocal: **only structural reform — not procedural refinement — can correct the systemic disadvantage faced by jazz and grassroots arts and music.** The New Deal's dual-pillar system, artform-specific policies, restored additionality, and dedicated grassroots body provide the remedy that ACE's legacy architecture cannot.

2.2 Lack of art form policies and applications to Grants for the Arts 2012-2016 and National Lottery Project Grants(NLPG) 2026-2023

The Arts Council has eschewed art form policies in favour of Great Art For Everyone (2010 – 2020) and Let's Create (2020-2030. With the absence of art form policies, decision making and funding allocations end up being skewed and opaque. The sections below of lottery funding and NPO funding evidence this basic flaw in the Arts Council's operations and section 12 questions the use of lottery funding to fund NPOs which is in breach of the additionality rule

2.2.1 Introduction and summary

- **Grantium has faced significant criticism from users in the UK, especially in the arts sector, for its poor usability, confusing design, and inaccessible language**
- **Musicians have a lack of confidence when applying for lottery funding**
- **Grass Roots Venue Fund - However, it is worth noting that jazz organisations tend not to own their premises, and were excluded from much of the Government's funding for small venues**

Set out below are statistics gleaned from Arts Council England documents and freedom of Information Inquiries.

From 2012 to 2016 the average success rate for jazz awards against all music applications was 4.4%. Please see table 6

From 2018 to 2023 the average success rate of jazz awards, as a percentage of all total eligible applications, was 1.2%. Please see table 7

The success rate of Jazz applications to the *Supporting Grass Roots Live Music Fund* 2022/23 was 2%. Please see table 8

2.3 Grants for the Arts - investment in music and jazz 2012/2016

The tables below show the awards for jazz. In 2012/2013 the number of successful jazz applications for lottery funding was 37 rising to 146 in 2019/20, reducing to 69 in 2023. In fairness to Arts Council England this may be due to several reasons: a lower number of applications, the quality of the applications, or an insufficiency of funds.

Lottery Awards for 2012 to 2016 in Table 6 has a success rate for jazz awards, as a percentage of all music applications, rising from 3.5% to 5% in 2016.

From 2012 to 2016 all music awards increased from £10.9m to £18.9m. Jazz awards increased from £0.6m (39 awards) in 2012/13 to £1.8m (99 awards) in 2015/16

Grants for the Arts investment in music and jazz 2012/2016

Decision Year	2012/13	2013/14	2014/15	2015/16
All music applications	1,058	1,301	1,638	1974
Music awards	495	652	863	959
Success rate %	46.8%	50.11%	52.68%	48.56%
All Music Awards £s	£10,958,337	£14,198,508	£14,791,496	£18,949,401
Jazz Applications	69	99	115	169
Jazz Awards	37	61	70	99
Jazz Awards £'s	£576,498	£1,206,711	£1,001,544	£1,843,492
Success rate of jazz awards as against all music applications	3.5%	4.68%	4.27%	5%
% Increase in jazz awards on previous year	-	64.86%	14.75%	41.42%

Table 1 Source: Arts Council, England

2.4 National Lottery Project Grants to music and jazz from April 2018–2023

Table 7 shows the declining success rate % of successful applications against total eligible applications from 49% in 2018 to 37% in 2023

In Table 8, from 2018 the success rate of jazz awards, as a percentage of all total eligible applications, decreased from 1.5% to 0.88% in 2023.

From 2018 to 2023 the total of all music awards increased from £10.8m to £15.4m. The numbers of jazz awards decreased from £2.09m (135 awards) in 2018/19 to £1.9m (69 awards) in 2022/23.
Table 7 contains other data such as the success rate percentage of all music awards against total eligible applications is an average over the six years of 7.06%

Success rate % of successful applications against total eligible applications

Decision Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Total number of eligible applications	8,793	9,107	6,942	9,627	7,836	7,810
Total number of successful applications	4,296	4,543	2,936	3,968	2,992	2,895
Successful applications [£s]	£85,596,208	£99,712,522	£61,299,276	£109,118,061	£105,045,514	£114,603,317
Success rate % of successful applications against total eligible applications	48.9%	48.9%	42.3%	41.2%	38.2%	37.1%

Table 2

Success rate of jazz awards, as a percentage of all total eligible applications

Decision Year	2018/19	2019/20	020/21	2021/22	2022/23	2023/24
All music Applications	1547	1779	1763	2142	1626	Not available
All Music Awards	659	739	479	638	498	539
Success rate % of all music awards against total eligible applications	7.6%	8.1%	6.9%	6.6%	6.3%	6.9%

All Music Awards £s	10,823,451	13,572,936	8,254,914	14,993,889	15,407,336	Not available
Jazz Applications	251	283	188	260	184	Not available
Jazz Awards	135	146	64	104	69	Not available
Jazz Awards £	£2,096,608	£2,807,727	£1,070,259	£2,345,291	£1,924,654	Not available
Success rate of jazz awards as a % of all jazz applications	53.7%	51.5%	34%	40%	37.5%	Not available
Success rate of jazz awards as a % of total number of eligible applications	1.5%	1.60%	0.92%	1.08%	0.88%	Not available
Success rate of jazz awards as a percentage of total successful application	3.3%	3.2%	2.1%	2.6%	2.3%	Not available
% Increase (decrease) of jazz awards on previous year	-	8.1%	(56.1%)	62.5%	(66.34%)	Not available

Table 3 Source Arts Council England

Notes to the table

'All Applications' includes successful, rejected, and ineligible applications, and is likely to include multiple resubmissions of the same or similar projects.
'Jazz Applications/Awards' are defined as any application where Jazz was identified as a relevant music art form in the application process.
'Decision Year' refers to the date ACE committed to fund a project. The date of payment and/or activity will be later than this date, and in some cases, activity may not commence in the same financial year as the decision. Amounts awarded are subject to change and are correct as of the Date reporting is completed (07/09/2023).

2.5 Supporting Live Music Venues

There were two funding streams: **National Lottery Project Grants** and **Supporting Live Music Applications** in 2022/23. Only 10 jazz applicants received monies for Supporting **Grass Roots Live Music** (SGM). (see table 9 below)

That fund was planned to close in March 2023. A key recommendation from the 'Supporting Grassroots Live Music Evaluation Report' undertaken by 'the hub' is this:

"……a priority must be ensuring that such venues and promoters are as equipped as possible to make successful applications"

Supporting Grassroots Music Fund has been extended beyond March 2025

A new fund to support grassroots music has just been announced which will offer grants of up to £40k to rehearsal spaces, recording studios, festivals, venues, and promoters.

Funded by the Department for Culture, Media and Sport (DCMS), the SGM fund is part of the UK government's Creative Industries sector vision, which aims to grow the creative industries by £50bn by 2030. It will be administered by Arts Council England (ACE) and follows on from the funder's Supporting Grassroots Live Music programme, initially launched in 2019.

The problem is that instead of focusing on small grassroots venues, the Arts Council has decided to broaden the scope, and thereby dilute the crucial need to fund grassroots venues.

However, it is worth noting that jazz organisations tend not to own their premises, and were excluded from much of the Government's funding for small venues

2.5.1 Jazz applications to the *Supporting Grass Roots Live* Music Fund 2022/23

Total National Lottery Project Grant (NLPG) music applications	496
[of which] total Supporting Grass Roots Live Music applications	97
Total NLPG funds awarded	£15,407,336
Total amount of money awarded to *Supporting Grass Roots Live Music* applications	£2,060,925
Percentage of total NLPG funds	13%
[of which] total jazz applications in Supporting Grass Roots Live Music	10
Total amount of money awarded	£212,993
Percentage of total amount of money awarded to *Supporting Grass Roots Live Music*	10%

Table 4 Source: Freedom of Information (FOI), Arts Council England

3 National Lottery Project Grants Funding of National Portfolio Organisations

3.1 In Brief

National Lottery Project Grants (NLPG) were designed as an open-access fund for individuals, small organisations and experimental work. However, between 2018–2023, **National Portfolio Organisations (NPOs)** secured NLPG awards at **far higher rates** than the independent sector — averaging **74.4%**, compared with **42.7%** for non-NPO applicants. In jazz, NPO success rates averaged **82.5%**, compared with **43.4%** for all jazz applicants.

This created a **structural imbalance**: institutions already receiving substantial public subsidy were drawing disproportionately from a fund intended to support freelancers, grassroots organisations and early-stage work.

Reform has now been introduced. Under the new rules, NPOs are **barred** from applying for NLPG under £30,000, **restricted** from applying for £30,001–£100,000 except for touring, and **limited** to specific strategic strands for larger grants. These changes are welcome — but insufficient. With severe funding shortages, NPO access to touring funds still risks diverting resources away from the grassroots ecology that NLPG was designed to support.

3.2 Conclusion

The data from 2018–2023 demonstrates a clear pattern: **NPOs consistently outperformed the independent sector**, securing NLPG awards at nearly double the rate of freelancers, small organisations and grassroots promoters. In jazz, the disparity was even more pronounced, with NPOs achieving success rates above **80%**, while non-NPO jazz applicants fell below **1–2%** of all eligible applications.

This was not simply a matter of organisational capacity. It was the predictable outcome of ACE policy that allowed institutions with guaranteed public funding to compete directly with independent practitioners for Lottery funds — a breach of the principle of **additionality**, and a distortion of NLPG's intended purpose.

The recent tightening of NPO eligibility rules is a step forward, but it does not resolve the underlying structural imbalance. With limited funds available, NPO access to touring strands still risks diverting resources from the grassroots touring ecology, where support is most urgently needed.

To restore fairness, NLPG must adopt a **clear funding policy**:

- NPOs should be **fully restricted** from applying for touring funds unless the project demonstrably generates long-term income or reduces overheads (e.g., building ownership).
- NLPG should be **ring-fenced** for freelancers, non-NPO organisations and grassroots promoters.
- Annual transparency data should be published to monitor NPO impact on open-access funds.

Only through these measures can NLPG return to its original purpose: supporting independent creativity, early-stage work, and the grassroots cultural infrastructure essential to England's cultural democracy.

Table 5 below illustrates National Lottery jazz Project Grants to NPOs.

The success rate of National Lottery Project Grants awards to total applications by NPOs is an average of 74.4%. When the average success rate 74.4% is compared to the average success rate of 42.7% for the total number of successful applications against total eligible applications the National Lottery Project Grants Scheme for individuals and non-NPO organisations in Table 2 above, there is a marked difference

The success rate of National Lottery Project Grants jazz awards as a percentage of all NPO jazz applications ranges from 75% in 2018/19, through 100% from 2019/2021 and back to 50% in 2022/23. The average is 82.5%. When this is compared to **table 9** (the success rate of jazz awards as a percentage of all jazz applications), the average success rate for jazz awards against all jazz applications for 2018/2023 is 43.4%. There is a substantial difference from the success rate of NPOs to that of individuals and non NPO applications – National Portfolio Organisations stand a better chance of succeeding

3.1 National Lottery Project Grant applications made by National Portfolio Organisations 2018–2023

Decision Year	2018/19	2019/20	2020/21	2021/22	2022/23
Total applications	40	47	29	70	23
Awards	26	36	25	47	17
Success rate %	69%	77%	85%	63%	78%
Awards £s	£789,446	£1,953,710	£1,188,853	£2,473,442	£1,008,536
Jazz Applications	4	6	2	8	2
Jazz Awards	3	6	2	7	1
Jazz Awards £	£79,662	£518,704	£109,288	£363,625	£85,576
Success rate of jazz awards as a % of all jazz applications	75%	100%	100%	87.5%	50%
Rate of successful jazz awards as a percentage of total applications	7.5%	12.7%	6.9%	10%	4.3%

Table 5 Source: Arts Council England. Amounts awarded are subject to change and are correct as of the date Arts Council England reporting is completed on the Freedom of Information Inquiry of 25th September 2023

3.2 National Lottery Project Grant applications made by National Portfolio Organisations NOT identified as jazz related: 2018-2023

Tables 11 and 12 below show the breakdown between applications for jazz projects made by non-jazz NPO's and applications for jazz projects by jazz NPOs. The average success rate of jazz awards, as a percentage of all jazz applications, is 73.3% and 70%

The success rate for National Portfolio Organisations is greater than that of organisations and individuals applying for National Lottery Project Grants. No one can blame NPOs for applying, but this Arts Council policy has unintended consequences which need urgent attention. There is not a level playing field and it is also divisive.

Decision Year	2018/19	2019/20	2020/21	2021/22	2022/23
Total applications	32	35	27	54	18
Awards	22	27	23	34	14
Success rate %	69%	77%	85%	63%	78%
Awards £s	£639,114	£1,328,419	£1,065,498	£1,746,303	£860,485
Jazz Applications	2	3	2	3	1
Jazz Awards	2	3	2	2	0
Jazz Awards £	£30,000	394,971	£109,288	62,471	0
Success rate of jazz awards as a % of all jazz applications	100%	100%	!00%	66.66%	0%

Success rate of successful jazz awards as a percentage of total applications	6.25%	8.57%	7.4%	3.7%	0%

Table 6 Source: Arts Council England. Amounts awarded are subject to change and are correct as of the date Arts Council England reporting is completed on the Freedom of Information Inquiry of 25th September 2023

3.3 National Lottery Project Grant applications made by National Portfolio Organisations IDENTIFIED as jazz related. 2018–2023

Decision Year	2018/19	2019/20	2020/21	2021/22	2022/23
Total applications	8	12	2	16	5
Awards	4	9	2	13	3
Success rate %	50%	75%	100%	81%	60%
Awards £s	£150,332	£625,291	£123,355	£727,139	£148,051
Jazz Applications	2	3	-	5	1
Jazz Awards	1	3	-	5	1
Jazz Awards £	£49,662	£423,913	-	£301,154	£85,576
Success rate of jazz awards as a percentage of all jazz applications	50%	100%	0%	100%	100%
Success rate of successful jazz awards as a percentage of total application	12.5%	25%	0%	31.25%	20%

Table 7 Source: Arts Council England. Amounts awarded are subject to change and are correct as of the date Arts Council England reporting is completed on the Freedom of Information Inquiry of 25 September 2023

3.4 National Portfolio Organisation jazz applications to the National Lottery Project Grants 2018 – 2026

The jazz applications and jazz awards are for jazz and jazz-related organisations. Please note, the number of jazz organisations is about 7.

NPO Round	All Applications	All Awards	Award (£)	Jazz Applications	Jazz Awards	Jazz Award (£)
National Portfolio 2018-22	1173	857	£1,637,818,918	53	33	£43,586,368
2022-23 Extension	833	831	£410,378,190	33	33	£10,995,928
2023-2026 Investment Programme	1720	985	£1,325,487,339	53	40	£21,963,999

Table 8 Source: Arts Council England FOI 18 September 2023

Notes to table 13
Total NPO counts are based on specific agreements, and as such may represent migrations and novations across multiple agreements.
The 2022-23 NPO Extension was only eligible for NPOs already funded in the 2018-22 Portfolio
Jazz-related figures for the 2022-23 NPO Extension are based on the assumption of continuation of information provided for those NPOs in the National Portfolio 2018-22 round.
NPO Award (£) value refers to full award at the point of decision when ACE committed to fund the project, for the full duration of the NPO round.

3.5 National Lottery Project Grants – A change to NPO Eligibility Rules, and the Structural Imbalance

National Lottery Project Grants were designed as an open-access fund for individuals, small organisations and experimental work. However, evidence shows that National Portfolio Organisations (NPOs) now secure Project Grants at far higher rates — averaging **74.4%**, compared with **42.7%** for individuals and non-NPO organisations. In jazz, NPO success rates reach **82.5%**, compared with **43.4%** for all jazz applicants. NPOs have also received a recent **5% uplift** to their core funding.

This creates a structural imbalance: institutions already receiving substantial public funding are drawing disproportionately from a scheme intended to support freelancers and independent practitioners. The result is a non-level playing field that disadvantages the very groups most reliant on project funding.

Reform was needed to restore fairness. Options include ring-fencing funds for freelancers, tightening NPO eligibility, strengthening "additionality" tests, and publishing annual transparency data. These changes would protect the independent ecology and ensure the scheme delivers genuine public value.

Better late than never: There has finally been a change in the rules with regard to Arts Council England: National Portfolio Organisations (NPOs) Please see: https://www.artscouncil.org.uk/ProjectGrants

If you are an officially designated National Portfolio Organisation (NPO), the rules regarding your eligibility to apply for National Lottery Project Grants are highly restrictive:

• The £30,000 and Under Rule: NPOs (and Investment Principles Support Organisations, or IPSOs) are strictly barred from applying to National Lottery Project Grants for £30,000 or less. [

• The £30,001 to £100,000 Restriction: NPOs cannot apply for general project grants within this mid-tier bracket either, unless the application is specifically for the Touring Projects strand.

• Allowed Strategic Strands: NPOs are only permitted to apply for larger National Lottery Project Grants if they target specific strategic categories, such as Touring Projects, Major Projects, or Place Partnerships.

However with the shortage of funds NPOs should be restricted from applying for funds for touring and there needs to be a funding policy in place that is unequivocal funds should be used if it provides an income generating project over time or cuts overheads such as NPOs owning their own building.

4 Additionality - Arts Council England: Growth of National Portfolio Organisations using Lottery Funding

There has been a 49% increase in the numbers of NPOs since 2015. The subvention from the DCMS has been supplemented by lottery funds

4.1 In Brief

Arts Council England's use of National Lottery funding for National Portfolio Organisations (NPOs) has created a long-running structural imbalance in England's cultural funding system. Since 2015, the number of NPOs has increased by **49%**, with Lottery funds increasingly used to supplement DCMS subvention. Between 2012 and 2026, hundreds of millions in Lottery income — intended for additional, time-limited, developmental work — have instead been allocated to NPO core programmes, including major awards such as the **£35.76m** allocated to English National Opera.

This diversion of Lottery resources has directly reduced the funding available to individuals, freelancers, micro-organisations and non-NPO applicants. Success rates for National Lottery Project Grants have fallen sharply (from **~50%** in 2018/19 to **~38%** in 2022/23), with London applicants dropping to **32%**. Meanwhile, NPOs have historically secured Project Grants at far higher rates — averaging **74.4%**, compared with **42.7%** for non-NPO applicants.

Although new rules introduced in 2023 restrict NPO eligibility to specific strands (Major Projects, Touring, Place Partnerships), the underlying imbalance remains: NPOs continue to draw disproportionately from Lottery funds, and additionality — the principle that Lottery money must not substitute for Government funding — has been eroded.

4.2 Conclusion

The evidence is unequivocal: Lottery funding has been systematically redirected towards NPOs, undermining the purpose of National Lottery Project Grants and eroding the principle of additionality.

NPOs already receive substantial Grant-in-Aid revenue, yet continue to access Lottery funds at disproportionately high rates, leaving freelancers, grassroots organisations and independent practitioners facing declining success rates and reduced opportunity.

The recent tightening of NPO eligibility rules is welcome but insufficient. As long as NPOs remain eligible for major Lottery strands — particularly touring — the imbalance will persist. Lottery funding will continue to "level down," crowding out the very groups the scheme was designed to support.

Restoring fairness requires structural reform:

- a clear separation between revenue funding and Lottery funding;
- strict additionality tests;
- ring-fenced Lottery allocations for freelancers and non-NPO organisations;
- transparency reporting on NPO Lottery draw-down;
- and a funding policy that prioritises income-generating or overhead-reducing projects for NPOs.

Without these changes, Lottery funding will continue to reinforce institutional advantage rather than expand cultural opportunity — and the independent ecology that sustains England's cultural life will remain at risk.

4.3 Additionality - Arts Council England: Growth of National Portfolio Organisations using Lottery Fundin

There has been a 49% increase in the numbers of NPOs since 2015. The subvention from the DCMS has been supplemented by lottery funds

Year	Number of Arts Council England funded National Portfolio Organisations	Percentage increase or (decrease) on the previous year
2012/15	703	-
2015/18	663	(5.6%)
2018/22	828	19.9%
2023/26	985	18.9%
Increase of numbers of NPOs on 2015/18	**322**	**48.5%**

Table 9 Source: Arts Council England

4.3.1 Lottery Funding of National Portfolio Organisations 2023/2026

On 4 November 2022, Arts Council England announced that it will be investing £446 million per year in 990 organisations through its 2023-26 Investment Programme. This is made up of £351.8 million from the Department for Digital, Culture, Media & Sport (DCMS), £0.5 million from Department for Education and £93.9million from The National Lottery. [1]

Then on 31 March 2023, ACE announced funding for NPOs for 2023/2026. There are 985 NPOs of which 275 are new applicants. 985 organisations will receive in total £444.5m. This is made up of £370.6m of core funding and £73.9m of lottery funding

A Freedom of Information Inquiry by the author to Arts Council England on 7 April 2023 elicited the following facts:

> *….there are annual budgets that have been signed off by Executive Board and National Council, but they are subject to change if DCMS confirm a reduced settlement.*
>
> *Excluding restricted funds and income from National Lottery, these budgets currently stand at the following:*
>
> - *Grant in Aid core admin before IFRS 16 adjustment £15.764m*

[1] Arts Council England: Investment Programme 2023-26 Process

- *Grant in Aid core Programme £370.675*
- *Grant in Aid Capital programme £11.819*

A further Freedom of Information Inquiry, from the author, on the 14 April 2023 provided the following:

The final accounts for 2022/2023 are still being finalised and will be published at a later date. However, the current figures state:

- *Lottery income was £252.74m*
- *Lottery expenditure was £448.53m.*

Expenditure is notably higher than income because we have committed to paying out grants to NPOs for the next three years.

Lottery budgets for 2023/2024 are estimated at £251.7m, though this is dependent on lottery sales across the year so may change.

On 12 April 2023, £35.36m of lottery funding was awarded to English National Opera. There was the following announcement from Arts Council England and English National Opera:

Following development work by the English National Opera (ENO), Arts Council England has set a budget of up to £24 million investment for 2024-26. The company will now start the process of making an application to the Arts Council for an award up to this amount. ENO's developing plans are based on a reimagined artistic and business model with a primary base out of London, whilst continuing to own, manage and put on work at the London Coliseum.

The provisional budget of up to £24 million investment for 2024-25 and 2025-26 is to support the ENO make a phased transition to this new artistic and business model, and will include work split between their new main base and London. This will be subject to application and assessment with a decision by the Arts Council expected this summer. This funding would be in addition to the £11.46 million already agreed for 2023/24.

The shared ambition is for the ENO to be in a strong position to apply to the Arts Council's National Portfolio of funded organisations from 2026[2]*.*

4.3.2 Lottery funding is being awarded to NPOs at the expense of individuals and non-funded organisations

Applicants to the National Lottery Project Grants programme will have some light shed on a stock response to failed applicants from the Arts Council England of an "insufficiency of funds".

Under Lottery funding, the Projects Grant lottery application process and form is now so cumbersome (even for very small amounts) you almost need to be a funding specialist to be able to get it. It also takes hours / days to apply. It needs reforming into a much simpler form for smaller grants that wouldn't exclude people who aren't arts administrators / funding specialists. At the moment it is very exclusive

In the year 2018/19, the success rate was almost 50% for applicants to National Lottery Project Funding; by 22/23 that was down to 38%. Success rates for those with a London address are lower: currently 32% in the present financial year.[3] **Creative Lives In Progress** in 2023 asserted the success rate was as low as 10 – 20%[4]. In either case, due to lack of funding, success rates are way down.

In 2018/22, as well as receiving core funding from the Lottery, Arts Council England's National Portfolio Organisations were awarded over half of all Strategic and Capital funding.

Please see: https://www.artsprofessional.co.uk/news/ace-draws-lottery-reserves-npo-funding

[2] Arts Council England and English National Opera. A joint update from Arts Council England and the English National Opera. 12th Apri 2023
[3] Lyn Gardner, "Is ACE project funding working for artists?", The Stage, 29th Feb 2024
[4] Lara Munro, "What is Arts Council funding and how can you apply for it?", Creative Lives In Progress, 11 July 2023

The use of lottery funding for core funding is questionable. Lottery funds are not supposed to be used as an alternative to Government funding known as "additionality" – that is Lottery funding should not "become a substitute for funding that would normally fall into mainstream Government spending".

The use of Lottery funding to shore up National Portfolio Organisations (NPOs) started in the Arts Council England funding round of 2012-2015, where £54m was used to shore up NPOs. This continued in the 2015/2018 funding round, where £180m of Lottery funds were used for NPOs in the same way. In the latest funding round – 2019/2023 – this figure rose to £326m.

The Arts Council England report and accounts for 2022/2023 show that about £280m of lottery funding was allocated to NPOs, assuming this is spread over three years. Then the Arts Council announced that ENO is to receive £11.46m for 2022/23 plus £24m lottery funding for 2024/2026 (subject to application) a total of £35.76m. The total of lottery funding to NPOs and one ex-NPO is £316m

The Arts Council has raided lottery funds to buttress NPOs. This reduces the funds available to individuals and organisations who do not have NPO status. NPOs are also eligible to apply for Arts Council National Lottery Project Grants – they have the capacity to seek additional funding elsewhere. This is not a level playing field, nor is it levelling it up. It is discriminatory and levels down. Many individuals and organisations will apply and be turned down due to the spurious reason of insufficiency of funds and that lottery funding has not increased. The available lottery funding has decreased as the Arts Council has awarded it to NPOs.

4.3.3 National Lottery Project Grants – A change to NPO Eligibility Rules, and the Structural Imbalance

National Lottery Project Grants (NLPG) is Arts Council England's open-access fund for time-limited, developmental and experimental activity. It is intended to support work that sits *outside* an organisation's core programme. For National Portfolio Organisations (NPOs), Investment Principle Support Organisations (IPSOs), and Music Education Hubs (MEHs), the scheme operates with specific eligibility rules designed to ensure that Project Grants funding remains genuinely additional rather than a substitute for revenue funding.

Under the rules in force from **1 April 2023 to 31 March 2028**, NPOs and IPSOs may apply only to three strands — **Major Projects**, **Touring (regional, national, international)**, and **Place Partnerships** — and only within strict limits:

- **Maximum of two full applications** across these strands between **2023–2027**
- **Maximum of one full application** in **2027/28**
- Applications must be **clearly additional** to the NPO's funded programme
- EOIs for Major Projects and Place Partnerships may be **resubmitted only once**
- If a full application is unsuccessful, **no further EOI** can be submitted for the same project

NPOs may act as project partners, but ACE requires evidence that leadership and accountability remain with the non-NPO applicant, and that the NPO's involvement does not duplicate its funded programme. NPOs may contribute match funding or support-in-kind only where this is additional and appropriately sourced. Consortium NPOs, local authority NPOs, library NPOs and Subject Specialist Networks have tailored eligibility rules, allowing certain departments or branches to apply independently where activity is distinct from the NPO's funded programme.

Music Education Hubs may apply only for activity that is **additional to their DfE-funded core functions**, and must demonstrate that any proposed project enhances rather than duplicates their statutory offer.

These rules are intended to safeguard the integrity of the National Portfolio and maintain a clear distinction between core revenue funding and project-based investment. However, the data shows that **NPOs remain structurally advantaged** in National Lottery Project Grants.

Across 2018–2023, NPOs achieved an average Project Grants success rate of **74.4%**, compared with **42.7%** for all eligible applications from individuals and non-NPO organisations. In jazz specifically, NPOs achieved an average success rate of **82.5%**, compared with **43.4%** for all jazz applications. In several years, NPOs achieved **100%** success rates for jazz-related bids.

This disparity is not marginal — it is systemic. NPOs already receive substantial revenue funding from Arts Council England and have recently received a **5% uplift** to their core grants. When these same organisations also draw disproportionately from National Lottery Project Grants, the effect is to **reduce the funding available to freelancers, grassroots organisations and independent practitioners**, who rely on NLPG as their primary access point to public investment.

No one can blame NPOs for applying; they are acting rationally within the rules. The problem lies in the policy design. The current system creates a **non-level playing field**, advantaging organisations with existing infrastructure, bid-writing capacity and institutional stability. It also risks becoming **divisive**, as freelancers and small organisations — already facing acute financial pressure — see project funding increasingly absorbed by institutions that already receive substantial public investment.

The evidence is clear: despite new restrictions, National Lottery Project Grants remain structurally skewed towards NPOs. Without reform, the scheme will continue to undermine the independent and freelance ecology that the arts sector depends on.

4.3.4 Reforming National Lottery Project Grants to Restore Fairness and Support Freelancers

The evidence demonstrates a clear and persistent imbalance in the way National Lottery Project Grants operate. Although the scheme was designed as an open-access fund to support time-limited, developmental and experimental work — particularly for individuals, freelancers and small organisations — National Portfolio Organisations (NPOs) now secure Project Grants at significantly higher rates than the rest of the sector. This advantage is structural rather than incidental. NPOs already receive substantial revenue funding from Arts Council England and have recently benefited from a 5% uplift to their core grants. Yet they continue to draw disproportionately from a funding stream originally intended to widen access and support the independent ecology.

The unintended consequence is that freelancers, sole traders, micro-organisations and non-NPO applicants — those most reliant on project funding — face a non-level playing field. The disparity in success rates is stark: NPOs average a 74.4% success rate across Project Grants, compared with 42.7% for individuals and non-NPO organisations. In jazz, the gap is even wider, with NPOs achieving an average success rate of 82.5% against 43.4% for all jazz applicants. In several years, NPOs achieved 100% success rates for jazz-related bids. This pattern risks entrenching institutional dominance within a scheme intended to support diversity, innovation and open access.

Reform is therefore essential to restore fairness, transparency and balance. A dedicated allocation for freelancers and independent practitioners would ensure that those without institutional backing have guaranteed access to project funding. Ring-fencing a proportion of National Lottery Project Grants for sole traders, micro-organisations and freelance artists would prevent them from being crowded out by organisations with established infrastructure and bid-writing capacity.

At the same time, NPO access to Project Grants should be capped more strictly. Reducing the number of applications NPOs may submit, or limiting the total value of awards they can receive, would prevent revenue-funded institutions from drawing disproportionately on project funding intended for the wider sector. Any NPO application should be required to demonstrate clear sectoral benefit — showing how the proposed project will directly support freelancers, grassroots organisations or local creative ecosystems. This shifts the emphasis from institutional expansion to sectoral contribution.

Strengthening the “additionality” test is also vital. NPOs should be required to provide independently verifiable evidence that proposed activity is genuinely additional to their funded programme. Applications that fail this test should be automatically ineligible. This would close the loophole through which NPOs can effectively extend their core programme using project funding.

Transparency must also improve. Publishing annual data on NPO applications, non-NPO applications, success rates, and the distribution of awards by artform, geography and organisation type would allow imbalances to be identified early and addressed. Public trust in the fairness of the scheme depends on this visibility.

To ensure that Project Grants policy reflects the realities of freelance work, a Freelance Advisory Panel should be established. This would help prevent institutional capture and ensure that decision-making is informed by those who rely most heavily on project funding.

NPO match-funding rules also require review. Preventing NPOs from using ACE-derived funds — directly or indirectly — as match funding would close a loophole that allows revenue funding to be leveraged to strengthen project bids. This would help ensure that NPOs compete on equal terms with non-NPO applicants.

Finally, in artforms with high freelance dependency — such as jazz, dance and theatre — a “Freelance First” assessment model should be piloted. Prioritising applications that demonstrably support freelance employment, skills development and fair pay would align Project Grants more closely with the needs of the independent workforce.

Taken together, these reforms would rebalance the system, protect the independent ecology, and ensure that National Lottery Project Grants fulfil their intended purpose: supporting diverse, innovative and accessible cultural activity across England. They would restore fairness, strengthen transparency, and reaffirm the principle that project funding should expand opportunity — not reinforce existing institutional advantage.

4.3.5 The core concept of “additionality” would appear to have been negated

The Heritage Fund Annual Report and Accounts for 2024-2025 contains a clear and unequivocable statement on ‘additionality’

“In accordance with the financial direction of the Secretary of State for DCMS, all National Lottery distributors are required to have regard to additionality principles. Our requirement for National Lottery grants is that our funding should be in addition to available government funding not instead of it. We will not give grants to projects where we believe that government funding was available at the time of decision. As part of our grant assessment process, we ask applicants to make a clear case for National Lottery investment including telling us what other sources of funding have been considered”.[5]

National Portfolio Organisations are – or should be revenue funded organisation using Grant in Aid funds from the Department for Culture Meida and Sport.

The lines have become increasingly blurred at the expense of the musician, band, dancer, touring theatre and so forth

> *157 From the inception of the National Lottery, the Government has stated its commitment to the principle of additionality. In the 1992 White Paper it was stated that the Lottery would fund only projects additional to those that would otherwise be funded by the public through general taxation.*
>
> *158 DCMS, in written evidence to this inquiry, defines the principle of additionality as not allowing Lottery funding to ‘become a substitute for funding that would normally fall into mainstream Government spending’ and states that it ‘remains firmly committed to the principle.’*
>
> *165 We believe that the additionality principle is being eroded, especially with the establishment of the Olympic Lottery. This Committee deplores this erosion. Therefore, we shall consider returning to the additionality principle before the end of this Parliament. In the meantime, we call on the Secretary of State to make an annual report to Parliament on how the additionality principle has been applied”*[6]

5 Supporting Grassroots Live Music Fund (SGLM)

The SGLM jointly funded by Arts Council England and the UK Government's Department for Culture, Media and Sport

5.1 In Brief

[5] **https://assets.publishing.service.gov.uk/media/688346bf9fab8e2e8616107c/_HC_1135__The_National_Lottery_Heritage_Fund_Annual_Report_and_Accounts_2024-2025_English_accessible.pdf**
[6] Select Committee on Culture, Media and Sport Fifth Report 9th March 2004 https://publications.parliament.uk/pa/cm200304/cmselect/cmcumeds/196/19611.htm

The Supporting Grassroots Live Music Fund (SGLM) and its successor, the Supporting Grassroots Music (SGM) fund, highlight both the importance of grassroots venues and the structural weaknesses in Arts Council England's approach. Independent evaluations — particularly *Music in the City* (2024/25) and the hub's SGLM review — show that grassroots venues face acute pressures: rising costs, declining audiences, insecure tenancies, workforce burnout, and the disappearance of pubs, bars and small venues that form the backbone of the UK's talent pipeline.

While SGLM delivered transformative benefits, ACE's response avoided acknowledging structural barriers such as complex forms, inconsistent guidance, lack of feedback, and the absence of artform policy. The new SGM fund, funded by DCMS rather than ACE, broadens eligibility to rehearsal spaces, recording studios and festivals — diluting support for the venues most at risk. The removal of the ring fence after September 2023 means grassroots applicants will again compete with larger organisations, despite evidence that ring-fencing was essential to success.

Nationwide research confirms the scale of the crisis: **11,000 venues lost since 2019**, **1.5 million young people abandoning ambitions to perform**, and the emergence of "live music deserts" where access to live music is becoming geographically and socially unequal. Grassroots organisations — from venues to community arts groups — report being routinely rejected due to "high application volumes" and insufficient funds.

5.2 Conclusion

The evidence is clear: England's grassroots music ecosystem is structurally fragile, geographically uneven, and increasingly inaccessible. SGLM showed what targeted, ring-fenced investment can achieve, but ACE's response — expanding scope, removing protections, and relying on process-based support rather than structural reform — fails to address the underlying crisis. The new SGM fund, driven by DCMS rather than ACE, underscores a deeper truth: meaningful support for grassroots music is coming from government, not from the Arts Council's own strategic priorities.

The rise of "live music deserts", the collapse of small venues, and the financial precarity of independent musicians reveal a cultural system at breaking point. Without dedicated national stewardship, statutory protection for grassroots venues, and a coherent recording and rehearsal infrastructure strategy, the UK risks losing the very spaces where artists develop, communities gather, and cultural identity is formed.

The New Deal provides the structural remedy: a national grassroots organisation, ring-fenced investment, artform-specific policy, a Recording Support Scheme, and statutory protection for grassroots venues. It treats grassroots music not as a temporary funding priority but as essential cultural infrastructure. Only through such systemic reform can England reverse the decline, rebuild its talent pipeline, and ensure that live music is a cultural right rather than a postcode privilege.

5.3 The Music in the City [7] 2024/25 National Impact and Benefits

The landmark report produced by **Julia Payne and Marc De'ath of "the hub"** drives home the impacts and benefits of grassroots activity at the local level.

Although the report focuses on Manchester, its findings resonate across the UK's grassroots music ecosystem. The challenges identified — precarious finances, rising costs, declining audiences, workforce burnout, and pressures from urban development — are not unique to Manchester but mirror conditions faced by small and medium venues nationwide. By documenting these issues in detail, the report provides a blueprint for other local authorities and cultural partners to understand the **systemic fragility of grassroots venues** and the urgent need for coordinated support.

The recommendations — spanning ecosystem development, marketing and audience growth, innovation and investment, and policy reform — offer a transferable framework that can strengthen venue resilience across the country. If adopted nationally, these measures could help safeguard hundreds of venues, sustain local economies, and preserve the social value grassroots spaces generate: safe community hubs, artist development platforms, and engines of cultural tourism. In this way, the Manchester study becomes a **national call to action**, demonstrating how place-based

[7] Marc De'ath and Julia Payne. Music in the City 2024 Final research report. Thehub. Published May2025

research can inform wider cultural policy and ensure the UK's reputation as a world-leading music nation is built not only on heritage and arenas, but on the vitality of its grassroots scene.

5.4 Supporting Grassroots Live Music Fund (SGLM)

A new fund to support grassroots music has been announced which will offer grants of up to £40k to rehearsal spaces, recording studios, festivals, venues and promoters.

Funded by the Department for Culture, Media and Sport (DCMS), the Supporting Grassroots Live Music Fund (SGLM) is part of the UK government's Creative Industries sector vision, which aims to grow the creative industries by £50bn by 2030. It will be administered by Arts Council England (ACE) and follows on from the funder's Supporting Grassroots Live Music programme, initially launched in 2019.

"Jointly funded by the Department for Culture, Media and Sport and Arts Council England, Supporting Grassroots Music (SGM) is designed to help secure the sustainability of the grassroots music sector.

This investment programme currently supports venues, festivals and promoters, recording studios and rehearsal spaces as well as sector bodies operating in grassroots music. It also supports grassroots music sector bodies in their work to develop and support the sector".[8]

The problem is that instead of focusing on small grassroots venues, the Arts Council has decided to broaden the scope, and thereby dilute the crucial need to fund grassroots venues.

- **Recording**

"The potential closure of recording studios, an important source of income, training, and development for everyone involved in the making of recorded music, is a major threat to the talent pipeline. According to the Music Producers Guild (MPG), 50% of the UK's remaining studios face a threat of closure".[9]

"UK Music has reported significant challenges in the studio sector over the past few years, and these challenges remain. The key issues are: 1. Fees. One studio commented, "We need the ability to increase our rates in line with rising costs, as we're at risk of moving below our breakeven point in the very near future." 2. Business rates. Every studio, large and small, that engaged with us cited business rates as a major issue and one of the biggest contributing factors to increased costs. 3. Threats to international revenues. For example, the SAG-AFTRA strike in Hollywood negatively impacted some studio in 2023, and this continued into 2024. Brexit has also impacted studios, with fewer EU clients and fewer US clients using the UK as a base for EU tours, and therefore not booking UK recording studios during the touring season".[10]

Funding recording studios is ill advised as it is a simple matter of rising costs plus supply and demand. The supply of recording facilities is there, but demand for studios has fallen off a cliff due to UK musicians who can't afford to record and if they can, they shop around.

The answer is a **"Recording Support Scheme"** allied **to fiscal measures that help the arts and entertainment infrastructure from recording studios to pubs and venues**.

5.4.1 Case Study 5 - Recording, Structural Failure, and the Need for a Recording Support Scheme – Musician Y

The Arts Council's decision to use National Lottery funding to support recording studios through the Supporting Grassroots Live Music Fund (SGLM) reflects a genuine concern: the UK's recording infrastructure is under severe pressure. According to the Music Producers Guild, **50% of the UK's remaining studios face a threat of closure**, driven by rising costs, unsustainable business rates, and declining international revenues. UK Music's evidence reinforces this picture: studios cannot raise fees in line with inflation, business rates are crippling, Brexit has reduced EU and US clients, and shocks such as the SAG-AFTRA strike have destabilised international bookings.

However, the decision to fund recording studios directly — rather than addressing the underlying structural conditions — is **ill-advised**. The problem is not a shortage of recording facilities; the supply

[8] https://www.artscouncil.org.uk/supporting-arts-museums-and-libraries/supporting-grassroots-music
[9] Andy Edwards. This Is Music 2005.Published UK Music p27
[10] Ibid 120 P28

of studios remains relatively stable. The problem is **collapsed demand**. UK musicians cannot afford to record, and when they can, they shop around aggressively for the lowest possible price. Lottery funding for studios does not solve this demand-side failure; it simply subsidises fixed costs in a market where the core customer base has been hollowed out.

The lived reality of independent musicians illustrates this clearly. Recording has become an economic gamble. A typical jazz album now costs **£5,000 or more** to produce, and most artists will never recoup. Streaming revenues are negligible — one musician reports that selling **six CDs in a night equals an entire year's streaming income**. Publicity costs are prohibitive, reviews often require paid advertising, and even support slots in the pop world can require artists to pay to perform. For many musicians, recording is no longer an investment but an expensive calling card: essential for relevance, but financially ruinous.

This is not a marginal problem; it is a systemic one. Independent musicians describe the process as pushing "every chip into the middle of the table" — an all-in gamble repeated every album cycle. Vinyl production, once a lifeline, now requires thousands of pounds upfront. Musicians accumulate unsold stock in their homes, carry the financial risk personally, and operate without pensions, savings or institutional support. Even successful artists describe living on housing association estates, self-financing 15 albums, and surviving only through relentless work and optimism. This is the **talent pipeline** the UK relies on — and it is collapsing.

In this context, the Arts Council's decision to broaden SGLM to include recording studios, rehearsal spaces, festivals, venues and promoters dilutes the fund's original purpose: **supporting grassroots live venues**, which remain the most fragile and strategically important part of the ecosystem. Recording studios need support, but not through a venue-focused lottery fund. The problem is structural, not project-based.

The New Deal proposes a more coherent solution: a **Recording Support Scheme** aligned with fiscal measures that strengthen the entire arts and entertainment infrastructure — from studios to pubs, venues and rehearsal spaces. Rather than subsidising supply in a market suffering from collapsed demand, the scheme would:

- support musicians directly to record
- reduce business rates for studios
- introduce targeted tax reliefs for recording and production
- stabilise the talent pipeline
- ensure that recording remains economically viable for independent artists

This approach treats recording as part of a wider cultural infrastructure problem, not as an isolated funding need. It aligns with the New Deal's principle that **small, community-rooted creative ecosystems are engines of innovation**, and that supporting them requires structural reform, not piecemeal grants.

The case study shows that recording is no longer a commercial activity for most musicians; it is a high-risk act of cultural commitment. Without a Recording Support Scheme, the UK risks losing the very artists who generate its creative value, IP, and global cultural influence.

5.4.2 Grass roots music venues

Music Venue Trust Annual Report 2025 warns grassroots sector remains financially fragile:

"Shock downturn in employment as government tax changes result in over 6000 job losses New data Shows Grassroots Music Venues in 175 UK Towns and Cities Lost to Local and Visiting Artists as Touring Circuit Continues to Shrink"[11].

The Arts Council England has supported grassroots venues with, among other things, through £1.5 million each year in grassroots music each year.[12] Since 2019 Arts Council England (ACE) has invested £9.5 million in 470 projects [13] plus a separate £500,000 grant to Music Venue Properties, an

[11] Music Venue Trust Annual Report 2025
[12] https://www.artsprofessional.co.uk/news/ace-reaffirms-support-grassroots-music
[13] https://www.artscouncil.org.uk/blog/supporting-grassroots-music

initiative set up by Music Venue Trust (MVT) which to buy the freeholds of grassroots music venues to safeguard their futures[14] and in 2023 ACE awarded £328,868 of National Lottery funding to Independent Venue Week.[15] An additional £5 million support for grassroots music will be delivered across England over the next two years, it is funded by the Department for Culture, Media and Sport (DCMS),[16]

5.4.3 The funding is welcome, but it is far short of addressing the scale of the problem

The latest nationwide research (Seed Sounds Weekender Research) shows that the UK is entering a period of acute cultural inequality, with **17% of Britons now travelling more than 30 minutes to reach a venue hosting regular live music** and **over 1.5 million young people already abandoning ambitions to perform live** due to the disappearance of pubs, bars and grassroots venues. Since 2019, the UK has lost **around 11,000 venues — four to five every day** — and a further **2,000 closures are projected by 2030** if current trends continue. This contraction is already narrowing the talent pipeline, with **28% of young adults scaling back or giving up performing because there are no suitable venues nearby**. These findings demonstrate that access to live music is becoming geographically uneven, socially exclusive and structurally unsustainable — reinforcing the New Deal's argument that grassroots culture requires dedicated national stewardship, targeted investment and a new institutional architecture capable of reversing the emergence of "live-music deserts." [17]

5.4.3 Comparison Table — Seed Sounds Research ↔ Fan-Led Review ↔ New Deal

Issue	Seed Sounds Weekender Research (2026) [18]	Fan-Led Review of Live & Electronic Music (2026) [19]	New Deal for the Arts
Access to live-music venues	17% must travel 30+ minutes to reach regular live music; 31% report fewer local venues than five years ago	Fans report weakened local scenes, uneven geography, and declining access	Establishes live-music access as a cultural entitlement; invests in local infrastructure
Venue closures	11,000 pubs, bars and grassroots venues lost since 2019; 35–40 closures per month; 2,000 more projected by 2030	Grassroots venues described as structurally fragile and at risk	Creates a stabilisation fund and statutory protection for grassroots venues
Impact on young people	1.5 million young people have abandoned ambitions to perform; 28% scaled back due to lack of venues	Review highlights barriers for young artists and lack of pathways	Builds a national talent pipeline rooted in grassroots provision
Cultural inequality	Live-music deserts emerging; access increasingly dependent on geography	Review identifies deep inequalities across genres and regions	Introduces artform policies, regional balance and transparent criteria
Need for structural reform	Research warns the next generation of headliners may never emerge	Review calls for a new national grassroots organisation	New Deal establishes that organisation with statutory remit

Table 10

5.4.4 "Live-Music Deserts" and Cultural Inequality

The Seed Sounds Weekender research reveals a stark new geography of cultural inequality: the rise of **live music deserts** — areas where regular live music has become inaccessible, unaffordable, or simply absent. With **17% of Britons now travelling more than half an hour to reach a venue**, and **31% reporting fewer local venues than five years ago**, access to live music is no longer a universal cultural experience but a postcode lottery. The disappearance of **11,000 pubs, bars and**

[14] Ibid 123
[15] https://www.artscouncil.org.uk/creative-matters/news/amazing-spaces-great-people-and-major-music-independent-venue
[16] Ibid 230
[17] Record of the Day. https://www.recordoftheday.com/news-and-press/more-than-15-million-young-britons-abandon-music-ambitions-as-seed-venues-disappear-across-the-uk Accessed 24th April 2026
[18] Ibid241
[19] Ibid 137

grassroots venues since 2019 has hollowed out the everyday spaces where communities gather, artists develop and cultural identity is formed. For young people, the consequences are profound: **over 1.5 million have already abandoned ambitions to perform live**, and more than a quarter say performing feels unrealistic where they live. This is not simply a crisis of the night-time economy — it is a crisis of cultural democracy. Live music deserts map directly onto wider patterns of social inequality, leaving whole regions without the cultural infrastructure that sustains participation, belonging, and opportunity. The New Deal recognises this as a structural failure, not a market fluctuation, and proposes the first national framework capable of reversing the decline: dedicated investment, statutory protection for grassroots venues, and a new national organisation to steward the cultural ecosystem from the bottom up.

5.4.5 Grassroots organisations losing out - the flip side of the coin:

A non-profit arts group says it has been struggling to find funding and is relying on the community for venues to hold classes.

"The Maidstone Arts Centre in Kent used to have its site to host sessions for groups including neurodivergent children and adults, and people with dementia.

The group's director Saff Dunstan-Saffrey told BBC Politics South East she can no longer afford a dedicated base without further grants, but funders "reject us every time.

> *When applying to organisations for funding she was often told that "unfortunately we've had a lot of applications this time".*[20]

5.4.6 Supporting Grassroots Live Music Fund (SGLM). Arts Council England's response to the evaluation of the Supporting Grassroots Live Music Fund (SGLM)— and What They Reveal About Structural Weakness in England's Cultural System

The evaluation of the Supporting Grassroots Live Music (SGLM) fund by the hub, [21] provides one of the clearest windows into how Arts Council England engages with grassroots music, and how the organisation responds when confronted with evidence of both success and systemic failure. Conducted independently by the hub, the evaluation shows that SGLM delivered substantial benefits: it diversified programming, strengthened infrastructure, supported emerging artists, and helped venues and promoters test new business models. Many respondents described the fund as a "lifeline", and the data confirms that small, targeted investments can unlock disproportionately large impacts across the grassroots music ecology.

Arts Council England's official response to the evaluation is warm and congratulatory.[22] It highlights the role of grassroots venues as "research and development" for the wider music industry and positions SGLM as a successful intervention that strengthened relationships, increased confidence in applying for funding, and aligned well with *Let's Create*. The response also foregrounds ACE's emergency interventions during Covid-19, particularly the Cultural Recovery Fund, as evidence of its commitment to the sector.

Yet the response is equally notable for what it avoids. The evaluation identifies clear weaknesses in ACE's processes — complex applications, inconsistent guidance, poor feedback for unsuccessful applicants, and uneven understanding of grassroots realities. These issues are acknowledged only indirectly, and ACE does not accept responsibility for the structural barriers that have historically prevented grassroots organisations from accessing funding. Instead, the response reframes SGLM as a training ground, implying that the primary challenge lies in applicants' unfamiliarity with ACE processes rather than in the processes themselves. This reframing is consistent with a wider organisational pattern: celebrating success while avoiding acknowledgement of structural failure.

The launch of the new Supporting Grassroots Music fund – Support Grassroots Live Music - continues this pattern. Funded not by ACE but by the Department for Culture, Media and Sport (DCMS) as part of the Creative Industries Sector Vision, SGLM is presented as a natural evolution of SGM — a continuation of ACE's support, now expanded to include rehearsal and recording studios,

[20] BBC News 25th January 2026
[21] Jenny Harris, Dr. Ruth Melville, Julia Payne. National Lottery Project Grants: Supporting Grassroots Live Music Evaluation Report. Pub the hub. March 2023
[22] Arts Council England. Supporting Grassroots Live Music Evaluation. Arts Council Response. London 2023

festivals, and other grassroots organisations. ACE emphasises that the new fund will be delivered through National Lottery Project Grants but with “less competition”, and that new Music Relationship Managers will be appointed in each region to support applicants.

On the surface, this appears to be a positive development: more money, more capacity, more targeted support. But a closer reading reveals deeper structural issues. First, the new fund is not an ACE initiative — it is a DCMS initiative delivered by ACE. The £5 million investment is government money, not a reallocation of ACE’s own resources. This distinction matters: it shows that ACE’s increased support for grassroots music is driven by external pressure rather than internal prioritisation.

Second, the ring-fence that made SGM effective will be removed after September 2023, replaced by a “priority” within NLPG. This is not the same as protection. Once the ring-fence disappears, grassroots applicants will again compete with larger, more experienced organisations, and the evaluation itself shows that this is precisely what grassroots venues fear. ACE’s decision to remove the ring-fence contradicts the evidence of what worked.

Third, ACE’s response frames the new fund as a continuation of a successful relationship, but does not address the structural fragility of the grassroots ecosystem: rising costs, declining audiences, insecure tenancies, and the absence of long-term capital investment. The one structural intervention ACE does commit to — a £500,000 contribution to Music Venue Properties — is welcome but limited in scale compared to the systemic challenges identified in the evaluation.

Fourth, the response continues ACE’s longstanding pattern of emphasising support for grassroots music while avoiding the creation of artform policy. There is no national strategy for grassroots music, no long-term plan, and no structural commitment beyond the two-year lifespan of the new fund. The evaluation shows that SGLM succeeded because it was ring-fenced, simple, and targeted. The new fund removes the ring-fence, retains the complexity, and relies on additional staff rather than structural reform.

Fifth, the new Relationship Managers — while welcome — do not address the underlying problem. More staff does not fix complex forms, inconsistent assessment, lack of feedback, or the absence of structural policy. The evaluation shows that the barriers are systemic, not interpersonal.

Finally, the combined evidence reveals a deeper cultural pattern within ACE: a hierarchy of legitimacy in which opera and classical music receive structural support, direct awards, and sector-building interventions, while grassroots music receives temporary schemes and process-based support. The SGLM evaluation shows what is possible when grassroots music is taken seriously. ACE’s response shows the limits of the current system. The new SGM fund shows that without structural reform, the cycle will repeat.

5.4.7 Side-by-Side Comparison Table: SGLM versus ACE Response versus a restructured SGM Fund

Issue	SGLM Evaluation Findings	ACE Response	New SGM Fund
Impact	Transformative; “lifeline”; major benefits for artists, venues, audiences	Celebrates impact; emphasises alignment with *Let’s Create*	Claims continuation of success
Ring-fencing	Essential to success; protected grassroots applicants	Acknowledges ring-fence but avoids committing long-term	Ring-fence removed after Sept 2023; replaced by “priority”
Process barriers	Complex forms; poor feedback; inconsistent guidance	Minimises issues; frames as applicant learning curve	Adds staff but keeps same processes
Structural fragility	Venues remain precarious; rising costs; declining audiences	Acknowledges challenges but offers no structural solutions	No long-term capital strategy; limited MVP investment
Artform policy	Absence of strategy limits progress	Avoids discussion of policy	No strategy; short-term fund only

Issue	SGLM Evaluation Findings	ACE Response	New SGM Fund
Equity	Grassroots music undervalued relative to classical/opera	Claims broad support	No structural rebalancing
Long-term planning	Need for sustained investment	No long-term commitments	Fund ends March 2025
Who initiated it?	ACE initiative (2019)	ACE claims ownership	DCMS initiative delivered by ACE
Support for applicants	Support improves success; lack of support harms access	Highlights positive feedback	New Relationship Managers added
Sector trust	Improved but fragile	Claims strengthened trust	Risk of trust collapse when fund ends

Table 10

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