

Briefing transcript - National Portfolio Organisations 2023-26: for new applicants

2.30pm, Monday 7 March 2022

SIMON MELLOR: Hello everyone. Thank you for joining us. I'm Simon Mellor, Deputy Chief Executive Arts and Museums.

I'm wearing glasses. What's left of my hair is grey and short. I'm speaking to you from a white room in Bath. The session today is for organisations that are not, not currently NPOs who are planning on making an application to the NPO programme. The session is live captioned and also has BSL interpretation. For the best experience, we recommend using the desktop version of the Zoom app. The session is being recorded and it will be posted on our website afterwards. We have a maximum of 90 minutes for this session bringing us to 4:00pm, but we'll try and get you away sooner than that if we can.

We will try and answer as many questions as we can, but we won't get to everyone, but all the questions we receive will feed in an update of our online FAQs and when the FAQs have been updated and once the recording is available online with a transcript, we'll e-mail you and let you know. I want to introduce you to who is taking part today. We have our two BSL interpreters, Paul Hollingdrake, and Clare Reed. We have Marea O'Brien doing live captions and then joining me on the panel to both present and answer questions are Jane Dawson, Director, Funding Programmes and Alex Middleton, Senior Manager, Funded Organisations and the Q&A host will be Thomas Wildish who is our Senior Manager of Operations in the Midlands. Let's have the next slide, please. We will cover off what comes next in the process and we set out there on the slides the various things we're going to try and cover. So, let's get started with the next slide.

This is where we are in the timeline. In January, we published the Guidance for Applicants and other supporting material for this Investment Programme. In February, we published our relationship framework, communicated planning figures to current NPOs and published an addendum. This addendum sets out how our instructions from the DCMS in relation to Levelling Up will impact this programme if you're making an application. We'll cover all of this in today's session. Looking to the application window itself, the application portal is open. It opened on 28th February and it will close at midday on Wednesday, 18th May. Decisions will be shared by the end of October. Next slide, please.

So, before we dive into the Guidance for Applicants and addendum, we wanted to touch on the documentation that is already available to you. We know we published a large volume of materials. We did this because we wanted to make sure that everyone, whether you are new to us or old hands have all the information you need to make a decision whether to apply and then to be able to submit a strong application. Everything is available in access formats such as Easy Read, large print, audio and BSL. Our essential documents include the Guidance for Applicants, either for the NPO or IPSO applications and the addendum to the guidance which applies to both programmes. Also essential are the templates we need you to complete as part of your application. These are so we can see financial information, your plans to

embed our Investment Principles, and the outcomes or Investment Principles activity in your application. That's all the essential information. We have completed examples, how to guides and video walk-throughs of these templates. We think you might find it useful as support. It is there if you need it. Similarly, we have information sheets available for our access support, equality and fair pay, supporting practitioners and a sheet on the importance of good governance. Again, none of this is essential, but you might find it helpful. Then we have further resources including Word versions of the application form that you can use so you don't have to do all your drafting in Grantium and in our online FAQs. If you've got a query, they are a great place to start. Finally, on the background reading which provides content for the Investment Programme and what we want to achieve with it. It is important if you have a chance that you read this too. That way, you'll find it easier to make the application. That's our strategy, Let's Create and our Delivery Plan and all our Investment Principles support information. Next slide, please.

So, we're going to talk you through the information and the Guidance for Applicants today which is now in two parts including the new addendum. We'll talk through everything we're asking for in the application form, and why we're asking for it, but before that, there are a few things you'll need to do before making your application. You'll need to make sure your organisation and the activity you're proposing is eligible by reading the eligibility criteria in our Guidance for Applicants. As a new applicant, you will need to book an introductory conversation. This is mandatory for all new applicants and can be booked through our Customer Services Team. The deadline for booking an introductory conversation is 8th April. The deadline for having your introductory conversation is 22nd April. If you have had your introductory conversation before we publish the addendum to our guidance, don't worry, you don't need to have another one. Again, for all new applicants, you'll need to register on our Grantium system if you don't already have an applicant profile. The deadline to do this is 22nd April. If you have an applicant profile, you should make sure it is up-to-date. As I said, if you have a chance, there is some background reading on the strategy on Let's Create and our delivery plan. The next slide, please.

So, how much can you apply for? So the introductory conversations that I referred to is an opportunity to talk about how much you might apply for. We'll ask you questions about your turn-over and the levels of project funding you might have received. We will be able to share some information about the level of funding that organisations similar to yours are in receipt of to help guide your decision about how much to apply for. But note this conversation is specific to your organisation and its circumstances and we can't provide general formulas for how much organisations should apply for. You do not have to agree a figure in your introductory conversation, you can go away and make your own decision based on the conversation and how much you think the organisation needs for the three years in question. You should note that we may make offers at less than the amounts that organisations have applied for. I'm going to hand-over to Jane Dawson now to take you through the next set of slides on the application form.

JANE DAWSON: Hello everyone. I'm Jane Dawson, director of funding programmes. You will see me later on in the Q&A session, but I can describe myself. Oh, I've just been asked to put my video on. I'm a woman in my 60s with grey hair and I have a light behind me which makes me look like I've got a halo, but it is the sunshine in Hampshire. We're going to talk about the application form now. The application form is on our online application portal, Grantium. We can provide support to help you with access issues that you may experience in making your

application, but unfortunately, we can't accept the application in any other formats. It must come to us through Grantium. Some of the information you provide in your applicant profile will automatically pull through on to the application form such as contact details and your governance document. You'll also need to download and complete some templates which you'll have to attach with your application form. If you become an NPO, the templates you submit as part of the application form will go on to become part of your funding agreement and we'll use it within our monitoring relationship with you. You can't attach any other information with your application than that we specifically ask for. This includes additional information provided via hyperlinks. We won't review any materials that you include that we haven't requested. Please note, you don't need to include a business plan or any other associated plans. We'll also use our knowledge of your organisation. For example, from other applications or grants that we've made to you. This will help inform our judgement about your organisation and its track record. You're also required to provide some information on the people involved in your organisation's governance and leadership. It is important that you provide this information as accurately and completely as possible. It is a really important part of our balancing process which we'll talk about later on. Next slide, please.

The first section of the application form has some background questions about your organisation. The questions we ask here relate to your organisation as a whole. Whilst our funding agreement with successful organisations will focus on key activities linked to the delivery against our outcomes and Investment Principles, we contribute funding to the organisational business as a whole so in general, you should think of it as core funding rather than as funding for specific projects. In asking about your organisation's mission or purpose, we want to get a sense of whether creative and culture is central to your organisation's work or whether you're an organisation from outside the creative and cultural sector, applying to deliver creative and cultural work. We welcome applications from both types of organisations. We ask about your organisation's track record in access and excellence and this is where you'll start to tell us about the contribution you can make to our strategic aims set out in Let's Create.

We recognise that at the moment our funding doesn't reach a wide enough range of people in this country, both in terms of audiences and also the people who work in publicly funded culture. We therefore, want to hear from you about what steps you have been taking to improve access and ensure that a wider range of people benefit from creativity and culture, both in terms of audiences, participants or visitors and the people you work with as paid staff or volunteers. We also want to ensure that our investment is supporting high-quality work. We're therefore interested to hear about your views of the quality of your work and what evidence you use to reach those views. Consider your track record in access and excellence in relation to Let's Create, tell us what you've achieved that means you're well placed to make a strong contribution to our strategy. Next slide, please.

In this section, we'll also ask about your organisation's management and governance arrangements. I'm going to talk more about our expectations and what our funding relationship with you will look like. As you'll know from our previous briefings and published materials, we will, for successful organisations, expect your board or oversight group to undertake its responsibilities to ensure that the executive is delivering on the funding agreements signed on behalf of the company. We also want to see boards play an active role in helping the executive embed the Investment Principles. The main way in which we monitor NPOs and IPSOs will be

through the board papers or reports to an oversight group. So we're looking for what you tell us in your application to demonstrate that you have or will put in place appropriate governance or oversight arrangements. We know that not all organisations will have or will be legally required to have an independent board. Where this isn't appropriate for your organisation, we'll expect you to put in place an oversight or advisory group that can take an active role in ensuring that the funding agreement is being delivered and who we can talk to if we have concerns. We've published a series of frequently asked questions, FAQs, should you want to look into this in more detail. There are also some organisations that have executive officers on their boards. For example, an artistic or executive director. In these cases, we would expect there to be clear conflicts of interest policies in place and terms of reference that set out the role of the board and the role of the executive team. We also require, in these cases, independent members of the board to be in the clear majority. Because this is public money, what we need to see is an appropriate level of independent oversight and scrutiny of the funding agreement. If you don't already have a board or appropriate oversight in place, then you'll need to have it up and running by 1st April 2023, if you're successful in your application. But you'll need to tell us about what plans you have for doing that in your application. You can also use this section of the form to talk about any broad sub-groups that you might have in place to support you. This might include a finance and audit group for example, or a special group set-up to help you with aspects of the Investment Principles. We've published an information sheet on good governance and a guide for boards on working with the Investment Principles if you need any more advice on our expectations in this area. Next slide, please.

Now, moving on to what we'll ask you to tell us about contributing to our outcomes. Whilst we expect organisations applying for more than £1 million a year to be able to contribute to all three of our outcomes, we really want to emphasise that we really want to encourage depth of activity and we want to see sustainable applications where the activity is feasible within the budget and the cost pressures facing you. Your plans should take into account things such as access provision, support for freelancers and training. We ask you what percentage of your activity you estimate will contribute to each of the outcomes you selected. You may find it easier to answer this question once you have completed the activity plan. We know that this will be an estimate, but it does help us understand roughly how our total NPO investment supports each of our three outcomes. We ask about your organisation's plans for the three-year funding period with a focus on how those plans will contribute to the outcomes or the outcomes you have applied against and you'll need to provide a narrative response here. We also ask you to complete and upload an activity plan using a template. You'll need to use the template to tell us about your planned activities that will contribute to the outcomes and their elements for the first funding year in more than detail. As well as providing information about the location of these activities. As with the outcomes more generally, please don't try to deliver against all the elements. Think about what's most relevant for your organisation and the activity you're proposing. The templates will help us understand your proposed contribution across outcomes and elements and will form the basis of funding agreements and be at heart of our monitoring requirements for successful applications. In reviewing what you tell us about your three-year plans and your activity plan for the first year, we will be focusing on the strength of your contribution to our outcomes and their elements so remember to focus on that. We've published

completed examples of the template, a how to guide and a recorded walk-through. If you still have questions after using these resources, we're holding a separate briefing and Q&A session on the activity plan template. These resources alongside that Q&A session, will be made available online as a recording afterwards. If you need more support with how to complete the template. Next slide, please.

All NPOs will be required to embed all four of our Investment Principles. We think the Investment Principles are what characterises a well-run, modern cultural organisation. We want to be confident that we're investing in well-run organisations. In the application form, you'll need to tell us about your plans for demonstrating progress against the Investment Principles by completing and uploading the specific template. In the Investment Principles plan, you'll need to tell us about your three-year ambitions for each one, your priorities for the first funding year, and the actions you plan to take in the first year. In reviewing your plan, we'll focus on the progress you're likely to make against each of the Investment Principles. What we're really interested in here is the journey you're on and the process your organisation is undertaking to embed them in your work. How you're setting and monitoring measures of success, how you're using data to do this. As with the activity plan, we're holding a separate Q&A session on the Investment Principles template plan and have published other materials including examples of completed templates to help you work out how to approach them. This Q&A session will also be recorded and posted online afterwards. Next slide, please.

Where we move on to the financial template. In the finance section of the application form, we ask a couple of narrative questions and then ask you to upload your most recent financial statements and a template that you'll complete in three parts - a balance sheet, the annual budget for each funding year, and a cashflow forecast just for the first year. The financial information should be for your organisation as a whole, not just the activity your application is focused on. For local authorities and universities, this would generally mean the departmental budget and cash flow for the organisation that's seeking funding. For instance, a museum or theatre base within a local authority. We know that the item lines in the budget and the cashflow may not all match with your organisational budgets, but we need consistent and reportable information from organisations and that's why we're asking you to use the template we've provided. You should use your judgement to include items in what seems like the most appropriate line for you. There is a line for access costs in the budget and it is really important that you think about including sufficient costs for making your work accessible as well as any access costs your organisation might incur in working with disabled creatives and/or members of staff. We're aware that some organisations, for instance, disabled-led organisations may have higher costs in this area and we'll take this into account as we go through our assessment and decision-making process. We know that this might mean you're asking for proportionally more money from the Arts Council than other applicants. If we move on to the next slide, I will hand back to Simon.

SIMON MELLOR: Thanks, Jane. So on 23rd February, we published an addendum. This was the final piece of information we needed to share with you before the application portal opened. We had to let people know that we would be publishing an addendum and we published the main guidance. This addendum sets out how we intend to support the Government's Levelling Up agenda and in particular, how we will deliver on the instruction we receive from the Secretary of State for Department for Culture, Media and Sport. That instruction details how our existing London budget

along with new money secured in the Spending Review should be deployed outside of London in this Investment Programme. Before we go any further, I want to make a few points clear. We know that having more information to absorb late on in the process can be stressful. We know it is not ideal to have to publish more information so late on. So we have delayed and extended the application period to give everyone more time to manage that additional information. We understand that and we wanted to explain what the addendum means for applicants in as simple term as we can. We also want to remind you that we're here to help. If you have questions or concerns that we don't answer today and aren't reflected in our Frequently Asked Questions, then please get in touch with our customers services team. We'll do all we can do answer your queries. We acknowledge that this addendum brings particular challenges to the London-based organisations. Whether currently an NPO or not, competition for our NPO and IPSO Investment Programme will be fiercer in London, but we can promise you now that we will look at the whole ecology and all the individual bids we receive before making any decisions and we will take those decisions carefully, and fairly and according to our published criteria. We understand that many London-based organisations currently deliver much of their activity outside London. We will take this into account when we make our decisions, but we are required by the Government to account for our investment by the postcode of the applicant. This means that if the location of your registered office is in London, you will be counted as a London-based applicant regardless of where your activity takes place. And finally, we also want to make clear that the addendum does not change the eligibility criteria for this Investment Programme. If you could make an application before the addendum was published, then you can still now. The addendum and instruction from the Government are both published online and you can also see a recording of a detailed briefing session we held when the addendum was published on our website. Next slide, please.

So now, we'll just talk about some particular aspects of that addendum starting with the Levelling Up for Culture Places and the implications for some of our larger organisations. So, the Levelling Up for Culture Places, the Arts Council and the DCMS have identified 109 Levelling Up for Culture Places outside of London for opportunities to engage in creativity and culturally are historically lower than other parts of the country. We will prioritise making additional investment in these places in three ways. The first is increasing our investment in existing NPOs in Levelling Up for Culture Places. The second is investing in new NPOs and IPSOs in Levelling Up for Culture Places and the third is investing in new activity in Levelling Up for Culture Places delivered by organisations outside those places but working in partnership with those places. So what does this mean for you? If you are an applicant based in one of the Levelling Up for Culture Places, we will take this into account when we consider your application including any request for additional investment you may have made as we go through our balancing and decision-making process. If you're an applicant that's based outside one of the Levelling Up for Culture Places, and are planning new activity in one or more of those places then you should include that information in your activity plan for 22, 23, to 24 and make sure you indicate which of those places you're planning to work in. We expect you to provide information on how that activity has been planned in partnership with those places. If you're applying to receive more than £2 million per year, there will be a requirement for you to increase your collective activity, that's the whole group of organisations receiving £2 million or more per year. They will be required to increase their activity in

Levelling Up places by 15% by the end of the 25/26 financial year. This applies to organisations wherever they are based. The eligible activity is broad and can include talks, tours, co-productions, training, mentoring, etcetera. We will agree a baseline of activity for tracking when we come to establish funding agreements with organisations in the autumn. Next slide, please.

To achieve the redistribution of investment required in the addendum and to make the London portfolio more representative, we will need to remove funding from some existing NPOs, reduce funding to others and explore relocations out of London. We'll make our decisions about reductions and relocations on a case-by-case basis and we'll take in to account the relative strengths and opportunities provided by the applications we receive from London. For those organisations we're not able to offer funding to, we will discuss what other funding maybe available to you going forward. For those NPOs who are offering less in their planning figures, we will use the funding negotiation period to agree a revised activity plan based on your new funding offer. Notwithstanding the £16 million reduction to the budget we will need to make in London, we are determined that in London, as with the rest of the country, we will build a portfolio that is more representative of all of London's communities and that in particular, we want to increase investment in our five Priority Places in London. We would therefore welcome ambitious applications from London-based organisations that will help us make the portfolio more representative. To support our ambitions to make the London portfolio more representative, we will need to find savings in our current investment in London beyond the £16 million required by the Government. On relocation, by the beginning of the third year of the Investment Programme, that's 1st April 2025, we need to have moved a further £8 million of annual investment outside of London and we are aiming to achieve this by London-based organisations relocating by which we mean moving their registered office and main office outside of London by this date and I should stress, this applies not just to current London-based NPOs, but new applicants as well, they will also be entitled to see if they can - to ask join our relocation programme. We are designing a programme to support relocations and will be sharing more information with organisations that express an interest in relocating later in the summer, but for now, all London-based organisations need to answer yes or no as to whether they are willing to relocate to outside of London by 1st April 2025. There is no commitment at this stage, but it will enable us to send you further information about it in the near future. We know that relocation is something that a number of London based organisations simply won't be able to consider for a great many reasons and that's okay, but we also know that a number of cultural organisations have already relocated and done so successfully. And given the competition for funding in London, a range of different companies might, we expect, want to consider whether this is a feasible option for them. This may include organisations whose primary impact is not local because they are for instance national touring companies or delivering services for the whole sector. We are not expecting these organisations to change the way they work just because they need to relocate. Some may want to move and put down deeper roots and deliver new programmes for their local communities and they are, of course, also welcome. The Arts Council will play a limited role in the relocation process. We will not be telling you whether you should or shouldn't relocate or where you should relocate to. This will need to be a decision you take in terms of what makes best sense for your business. We will develop further information to support you and we are hopeful we will be able to run a programme to support feasibility studies or options analysis, but we won't be able to fund the

relocations themselves and nor will there be capital funding available for organisations relocating. If you think that your organisation might be interested in relocating then all you need to do is respond yes to the question in the application form and to confirm by ticking yes at this point is not committing you to relocating. When we provide you with more information later in the summer, we will ask you whether you want to pursue relocation. I will hand back to Jane now.

JANE DAWSON: Hello again. You will see I've shifted my position because apparently some people couldn't see clearly because of the light behind me. So, if we could move on to the next slide, please.

I'm going to talk about balancing. This is the last thing we're going to cover in relation to the applicant guidance. So after we've assessed each application on its own merit against the criteria that reflect the information, we're asking for in the application form, so just to remind you that's commitment to access and excellence, the strength of contribution to our outcomes, likely progress against Investment Principles, as well as risk assessing the governance and management arrangements that you set out and your financial viability. So on the basis of these assessments, we'll then determine which applications are fundable and we'll look at all those in relation to our balancing criteria and look at the shape of the potential portfolio as a whole. We'll use the balancing criteria, which is set out in the guidance to help us select a portfolio of organisations that's more representative of the geography of England, both in terms of where organisations are based and where they will be delivering their activity. A group of organisations will be looking for whether their leadership is more representative of England in relation to disability, race, sex, and includes more people from lower socio-economic backgrounds and a group of organisations that represent a wide range of creative and cultural provision. We're now going to look in a little more detail about what we take into account for these three balancing criteria. So, if we move on to the next slide, please.

Geography. We look at this in terms of where organisations are based, drawn from your Grantium applicant profile and where you plan to deliver activity, where we'll use the location information you provide in your activity plan. So we'll take into account the Levelling Up for Culture Places, our five London Priority Places for London-based applicants, places of historically low Arts Council investment, places of historically low cultural engagement and the spread across the country between rural, towns and cities. So for diversity, using the information provided in your application form, we'll look at the diversity profile of your leadership in three different ways. First, whether your organisation is diverse-led and by this, we mean 51% of your board and senior management team being black, Asian or ethnically diverse or disabled or female or from a lower socio-economic background. In this definition, we're just looking at whether 51% or more is made up of one of these categories. We recognise that many boards and senior management may not be a majority of single protected characteristics, but will be more representative of contemporary England by having a mix of people with different protected characteristics and socio-economic background. We'll also take that mix into account when we make our investment decisions and finally, we'll take into account our representative of contemporary England the individuals that lead your organisation are. This is looking at the data you provide about your organisation's Chief Executive, Artistic Director, Executive Director, Chairperson or equivalent positions and analyse it by reference to disability, race, sex, and socio economic background. So here we'd take into account if one or more of the leadership represented one of these categories. You'll note what we're

not taking into account all of the protected characteristics here. This is because whilst we'll continue to report on the profile of the portfolio across a broader range of characteristics, we can only take account of those characteristics in our balancing process where we have evidence of under representation in our current portfolio. Next slide, please.

So looking at the range of creative and cultural provision, here we'll look at the range of art forms and disciplines including the balance of arts organisations and museums and libraries, the types of organisations including building base, touring, festivals and so on. The spread of activity across our outcomes and their elements, the spread of support offered by organisations applying to support others to embed the Investment Principles. So in deciding which organisations to fund, we think about the strength of contribution to our outcomes and Investment Principles and then consider how the portfolio is balanced against these three criteria. Here it is not about the individual application, but the make-up of different applications. Of course, within the parameters of our budget. Next slide, please.

The Relationship Framework sets out we'll work with NPOs and IPSs, we encourage your board or oversight group to read it before applying so you know what to expect from us and also so that you fully understand our expectations of you if your application is successful. The relationship framework describes that NPOs will be expected to meet specific requirements for reporting and monitoring to enable us to track the progress via investment programmes and the strategic contributions they're making to Let's Create, our stakeholders and the wider public. Our relationship with NPOs will be conducted mainly through our monitoring and reporting processes. Through these arrangements we expect to see boards or oversight groups take responsibility for oversight of delivery of funding agreements with us. This will involve boards or oversight groups getting regular, so at least quarterly, and accurate reports of the progress they're making against targets and success measures in the funding agreement. Also taking appropriate steps to work with the executive to improve performance where needed. We'll use these reports to provide us with accurate information on progress. We'll then use them to help us identify any risks that we believe exist in relation to your organisation delivering its funding agreement with us. We'll also expect you to supply accurate, timely and relevant data to surveys that we send you. These provide us and the Government with vital information on the state of the sector, and help us evidence the impact of our investment and the progress we're making on delivering Let's Create. It will be up to organisations and their boards or oversight groups to decide what type of business plans and specific policies you need to have in place to support the effective operation of your business. We'll no longer be asking you to submit business plans to us, nor will we ask for other plans or policies in relation to things such as audience development or digital strategies. We value hugely the work that NPOs do and we recognise that the large majority are well established organisations that are able to manage themselves effectively without too much help from us. We will minimise our contact with most NPOs. In practise this will mean occasional conversations if we need something clarified in your board reports and we will see your work still and hold an annual review meeting with you and your Chair. We will not be attending board meetings regularly. The next slide, please.

We'll use the information we receive through board papers to monitor and assess the risk to the delivery of our funding agreement with you. The relationship framework sets out clearly that we'll monitor risk against the following categories. Activity, Investment Principles, governance and management, financial viability, and

reputational risk. It also explains what we mean by each of these categories. Where we see risk increasing, for example, if you're failing to meet your own targets, we are likely to increase our monitoring of your organisation and deploy a series of interventions that range from attending board meetings, holding conversations with the Chair and the board and asking for written reports. The relationship framework sets out the full range of interventions we could choose to take if we consider you to be in breach of the terms and conditions of your funding agreement and these include ultimately the withdrawal of funding. As I mentioned earlier, we do strongly encourage you and your boards or oversight groups to read the relationship framework before submitting your application so you fully understand the commitments, you'll be tagging on in accepting an offer of funding should one be made. So we've come to the end of the slides for now. So it is time for a ten-minute break. So, I'm just going to see if I can see what the time is. It is 3:17: We'll come back at 3:27.

(Break)

THOMAS WILDISH: Hello everyone. Welcome back and thank you for joining us for the Q&A section of this session. My name is Thomas Wildish. I'm senior manager operations for the Midlands area and for the purposes of audio description, I'm a white male, in my early 40s and I've got short, brown hair and I'm wearing round glasses and a blue jumper. I'm sitting in the Nottingham office of Arts Council. Thank you very much for submitting the questions so far. You can still submit questions into the Q&A box on screen. Whilst we won't be able to get through every single question, we will do our best and all of these questions will feed into our updated FAQs document online. So please do have a look at those FAQs if you need to. We'll start now with a question for Jane. Jane, please can you explain more fully what an oversight group can look like? Can you also touch on what its legal status might be?

JANE DAWSON: Thanks, Tom. I'll do it in reverse order. I'll start with legal status. An advisory or oversight group wouldn't have a legal status on its own. Our relationship would be with our funding relationship. Let me clarify- that would be with the legal entity. So, the organisation whose name is on the funding agreement. There are all sorts of different reasons for setting up an oversight advisory board separately. It may be, for instance, that you're a single director limited company. Or, it might be a local authority service without a committee to report to. So, what we mean is establishing a group of people, the majority of whom are either not related to the executive team in an organisation or they're not paid by the organisation to work for it. That doesn't include, by the way, receiving support for access costs for instance. So, they have to be independent and be able to bring a range of skills that are relevant to the organisation's work so that they can help support the executive team, but also more particularly, have an overview and scrutinise the reports that they receive on how the organisation is doing against the targets that they've set for themselves and on which our funding agreement is based. So, there isn't a set number of people that you need to have, it just needs to be a majority of independent. We would not be involved in appointing advisory group members. So that's up to the organisation itself to determine, but we will need you to have that in place by the time we sign our funding agreement with you.

THOMAS WILDISH: Thank you. Just a couple of other ones on this point. We've got some questions around executives. So paid executives going on the governing body and what our expectations are around that. Someone in the chat was talking for some organisations, that type of organisation may have a paid executive on a

governing body.

JANE DAWSON: That's absolutely fine and totally legally permissible. So, it's not that we would be asking organisations to remove executives from boards, but ensuring that there is a conflict of interest policy. So, for example, when talking about pay, they're not in the room. And not part of that discussion. Also, that there are clear terms of reference that are set out what the executive is responsible for and what the board is responsible for, but also in the case of a legally established board that the majority of those board members are independent so they're not related to the executive team and they're not being paid for their services.

THOMAS WILDISH: Thank you. I'll move on to Alex now. A question for Alex. Do we look at an organisation's website or social media platforms when we're judging an application?

ALEX MIDDLETON: Hello. I'm Alex Middleton. I'm senior manager, funded organisations. I'm a white female, mid-40s with shoulder-length brown hair and glasses. Let's see if I can remember the question now! So, yes, I think the first thing to say is make sure you include everything within your application form that you want us to see and form a judgement on. That said, we may and can refer to anything that's publicly available so we may, for example, check your website if there is anything we're not clear about relating to your organisation. We will not, if you include hyperlinks in your application form with additional information, links to additional information, we won't look at that. Make sure you include everything in your application that you want us to look at.

THOMAS WILDISH: Thank you. So just a few questions for Simon now around relocation out of London and also working in Levelling Up for Culture Places. So, firstly, if an organisation is looking to relocate out of London, does it need to be a Levelling Up for Culture Place or can it be anywhere outside of London?

SIMON MELLOR: Thanks, Tom. It can be anywhere out of London. It doesn't have to be a Levelling Up for Culture Place. It is wherever makes best sense for you as an organisation.

THOMAS WILDISH: Thank you. Can you talk more about how we define working in partnership with a Levelling Up for Culture Place? If the organisation isn't based in one already.

SIMON MELLOR: Yes, thanks, Tom. Yes, this is essentially trying to understand to what extent there is demand for the activity you're planning. So, what conversations have you been undertaking with people on the ground in that place to get a sense of whether what you are planning to do makes sense, is likely to be supported and likely to receive demand. It is not that we're asking you to submit partnership agreements or anything like, it is giving an indication of who you're planning to do your work within those places and through that being able to therefore, evidence that you've got an understanding of likely demand for your activity in those places.

THOMAS WILDISH: Thank you. And then final question on this topic. If an organisation is looking to relocate from London to a Levelling Up for Culture Place, will they be able to continue with their activity this London and extend the work to the Levelling Up for Culture Place or would that hurt their application?

SIMON MELLOR: Thanks, Tom. I think I understand the question. Once you've relocated from London to out of London, we're not saying you can't do any work in London. So, in answer to that part of the question, we very much hope if you're relocating to a Levelling Up for Culture Place, you will want to step up your activity in that place, but just bear in mind, designing an activity programme that's going to be

sustainable for the funding you've got available and the significant cost pressures that we know a lot of organisations are preparing. We just caution against coming forward with plans that are over ambitious and where we might wonder if you can deliver them within the funding window that's available to you.

THOMAS WILDISH: Thank you. We'll go back to Alex now. Some questions around our diversity definitions. Firstly, is LGBTQ Plus included as diverse-led in Arts Council terms?

ALEX MIDDLETON: Yes, it is included in our definitions of diverse-led. However, it is not something that Jane mentioned on her slide. It is something that we look at in balancing and that's because we don't have the evidence that that category of organisations is underrepresented in our current portfolio. That's not something that we look at in balancing, but we look at it in reporting.

THOMAS WILDISH: If a board is considered ethnically diverse would that count against an organisation?

ALEX MIDDLETON: That organisation would count as diverse-led in terms of our 51% or more definition, but that organisation doesn't have a very mixed board if you like in terms of being representative.

THOMAS WILDISH: The final question in this section. When an organisation is applying, how do they define themselves as diverse-led if they have a mix of protected characteristics. Do they have to define it themselves or do they let us work that out?

ALEX MIDDLETON: We will work that out. In the application form, we will be asking for data on the senior management and board of an organisation and then we do that analysis and that's why we're able to apply different lenses in terms of how we look at diversity.

THOMAS WILDISH: Thank you. I'll just come on to Jane now. There is a question around the activity plan. What level of confirmation do the activities in the activity plan need to have in place.

JANE DAWSON: Good question. A good question. We'd ask you to give as much accurate information as possible, but if dates and so on aren't confirmed, think through what a normal year's activity might look like. So that in submitting your application you can have a reasonable degree of confidence that the information you're putting into your application will, by the time we get to the point of agreeing a funding agreement, if you've been successful. That it will be a clearer picture by then. So it is really just use your best guess, I think, would be the simplest way of putting it.

THOMAS WILDISH: Thank you. Alex, we've got some questions here firstly on Grantium registration. On the Grantium registration, can we fill in the amounts requested and then change these later? We can't see how to access the actual application without submitting the final amounts which we're still calculating.

ALEX MIDDLETON: When you've gone through the eligibility quiz and you get through to the application form, you can put in something provisional.

THOMAS WILDISH: Thank you. As an organisation, will we be able to apply for National Lottery Project Grants while we await a decision on our NPO application?

ALEX MIDDLETON: You can apply for NPO and Project Grants at the same time. What we would do is, if you are successful in NPO and if there are any Project Grants activity that runs into the NPO period, we would like to see if there was any duplication or over-lap and we would potentially vary one of the grants.

THOMAS WILDISH: Thank you. The next question is on the activity template. I'm

not sure if yourself or Jane wants to answer this one. So the question is, what do we mean by targets and success measures in the activity template?

ALEX MIDDLETON: Obviously, dependent on the type of activity. That would be things such as how many people would be attending? Who would be attending? What measurable impacts are envisaged? Any improvements in terms of level of activity, changes in levels of creativity and the measurable impacts.

THOMAS WILDISH: Thank you. Jane, we've got some clarification questions around board and oversight groups. Can you confirm that the board of the organisation cannot have the Artistic Director or CEO on it even if they have founded or established the company?

JANE DAWSON: I'm not sure the answer is yes or no because I think there was a double negative. The Artistic Director and Chief Executive can be on the board. We're not saying that's not possible. We don't think it is great practise, but we're not saying it can't be done. What we are saying is that there must be a majority of independent members on the board. That's if there is a board structure and if there isn't a board structure then the advisory group needs to have majority of members on there, independent members.

THOMAS WILDISH: Can you also confirm whether or not the company secretary can be the Chief Executive officer?

JANE DAWSON: Yes. The company secretary isn't always a member of the board because they provide a service to the board. So, if they were a full director of the company, board member, a trustee, that kind of thing then the same applies, they need to be a majority of independent members on the board. Sorry just to go back to the previous one as well. Conflict of interest policy. It is really important if you have paid officials on your board.

THOMAS WILDISH: Is it possible for directors to be on the advisory group?

JANE DAWSON: Yes, but the same applies. Sorry, I'm sounding like a broken record! The majority of independent members on whatever structure you have, so that there is proper scrutiny, proper oversight and so that there is also someone else that we can talk to, particularly if we think that the funding agreement targets aren't being met and we're looking at raising the risk of an organisation.

THOMAS WILDISH: Thank you. So, a question now for Alex. This is a question around whether or not organisations should be thinking of applying to NPO or if they're better off going down the Project Grants route. The question is - I'm interested in your views about if it would be better to apply to Project funding rather than National Portfolio Organisation funding. Should it contribute in part to operational costs or is it fine to focus purely on programme costs and just allow an expanded programme of activity?

ALEX MIDDLETON: It is obviously up to the applicant what they feel would be best for them. Generally NPO funding contributes to core costs overall organisational costs. It could be that it is about an expanded programme of activity. I think what the applicant needs to think about is the funding relationship is very, very different so we don't just get project reporting, we will be looking at board papers. We will be looking at the whole organisational budget. So if that feels suitable, comfortable for an organisation then apply for NPO, but if you're looking for more of a project funding relationship where we're just monitoring the project then Project Grants would be more suitable probably.

THOMAS WILDISH: Thank you. And then back to Jane for some finance questions. Should the annual NPO funding applied for be within a percentage band of the

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overall turn-over of an organisation and if so, what percentage would this be as a maximum or minimum?

JANE DAWSON: No is the simple answer. The longer answer is that in your mandatory conversation, with a Relationship Manager, they'll talk through what a similar organisation in that area might be looking at in terms of percentage of turn-over, but every organisation is different. You know your organisation better than anyone else. So, it is very much your decision how much you apply for.

THOMAS WILDISH: Thank you. Just a question around the financial template. Can you confirm what direct activity income includes and how would this differ from earned income?

JANE DAWSON: Yes, direct activity income would include, for instance, if you were a theatre company, it would be what people are paying for tickets or a gallery. People coming in and paying for exhibitions and books if you're a publisher. It is the main reason for getting out of bed in the morning basically. Other earned income would be programme sales, ice cream sales, catering, bar, if you have a building or it may be if you go out and deliver talks or advice sessions that aren't part of your core activity. So, that could go into other earned income. Hopefully that one covers that. I'm pretty sure we've got a frequently asked question on that. There will be more detail in that.

THOMAS WILDISH: Thank you. Just a couple of questions for Simon now around where organisations are based. So, the first question is we are an agency-based organisation. Our staff work remotely and have done since pre-pandemic. Could we change our registered address to a place outside of London, but continue to deliver chiefly in London or is this gaming the system?

SIMON MELLOR: So, if you're registered, we pick up where your location is from your registered office. If you moved your registered office outside London, we would define you as being based in one of our other four areas, the Midlands, the Southwest or the Southeast. We look at where your activity is taking place through your activity plan and if we saw that all of your activity was taking place in London, we would factor that into account when we made our decisions.

THOMAS WILDISH: Thank you. The second question is, do we prefer it if organisations work in more than one Levelling Up for culture area or do, we prefer it if people work in-depth in one area?

SIMON MELLOR: We don't have a preference either way. I just remind people of the earlier point. We are in general more interested in a focus on depth. So this is particularly in relation to our outcomes. Focus on one or two and do those really well, rather than do all three, but you could be focusing on one or two in more than one place. I wouldn't equate the depth in relation to outcomes with the depth in relation to location.

THOMAS WILDISH: Thank you. Some questions now for Jane and Alex. So, first of all this might be an Alex question. How do you define yourself as diverse-led if you haven't set-up your advisory group and don't have data for those people, but would have the intention for that group to be diverse-led?

ALEX MIDDLETON: As we already said earlier, organisations applicants aren't self-defining as diverse-led. When you apply, you can supply the data based on your organisation because that's what we asked for, but you can talk about in your application form, your plans for governance including diverse. You can do that in the governance management section in the application and in your Investment Principles plan in terms of your actions around inclusivity and relevance, you can talk about

your plans for diversifying your organisation as well.

THOMAS WILDISH: Thank you. And then, Jane, may want to take this one. It is a finance-based question. The question is do we have to make a specific case for how we spend the NPO investment? Do we have to give a breakdown of how the funding will be spent?

JANE DAWSON: No. We will be looking at the budget for your organisation as a whole. Obviously, what we will do, when we are looking at your application and assessing it is consider whether or not the activity that's been delivered feels reasonable for the amount of money that you're asking for. So, simple question, no, but there is always a slightly longer, more complicated answer.

THOMAS WILDISH: Two more finance questions for you. The financial template is tricky for local authorities both in terms of cashflow and balance sheet. Should for example, central support costs be split into quarters on the budget?

JANE DAWSON: Yes. I would say so if you're presenting - I would say yes. I mean obviously, the challenge there, it is probably not real cash. You may not put it in your cashflow, that depends how you work as a local authority, but just try and think yourself into the mindset of an independent organisation that is in that case paying costs to others to deliver services for you. So accountants, IT support and so on.

THOMAS WILDISH: Thanks. And is there an expectation to apply for 100% core funding or do we need to raise match funding?

JANE DAWSON: On a lot of our programmes, we ask for a minimum amount of match funding. We don't for the National Portfolio. However, the expectation is that some funding would be raised from other sources whether that's through earned income. So, ticket sales, payment for services and so on or from fund-raising, local authority support, whatever. But we very much recognise that every organisation is different and it will have its own business model and that some will not be able, because of the nature of their work, to generate much income from other sources. So, think about your own organisation, how realistic are your prospects of generating funds from he will where and also that is something that you could talk to the Relationship Manager about in your mandatory conversation.

THOMAS WILDISH: Thank you. I'll bring in Alex for questions on organisations track record and then Simon. Alex, the question is, if we are a new organisation with no Arts Council track record, will this be an issue? For example, we have been applying as an individual for years, but we will be setting up a new company to bring together all the projects I have been doing and this will have an appropriate board and company structure?

ALEX MIDDLETON: We do accept applications from newly established organisations. That's absolutely fine. I suggest that you, in your application, talk about the track record and the experience of yourself and the individuals that will be leading the organisation so that we still get a sense of that track record.

THOMAS WILDISH: Thank you. I bring Simon in for the final question before we close. The question is, if we are not in a Priority Place, and have a representative, but less diverse governance leadership profile, so it is significantly less than 50%, is it worth our time applying for NPO status?

SIMON MELLOR: That's a tricky one to answer because it depends also where your activity is going to take place. Where is your activity going to take place? What part of the country and where are you based? I can't give a definitive answer to the question. I just think you have to look at Let's Create and our strategy and go "can I make a meaningful contribution to the strategy?" If you think you can and you've got the energy and I recognise it takes a bit of work and time to make an application,

then make an application. And make the best possible case you can. I'm not sure I can say much more than that at this point, Tom.

THOMAS WILDISH: Thank you. We're coming to the end of the session now. So if we could have the final slide back up on the screen.

So thank you very much for coming. Before we go, we just wanted to remind you of the steps that you can take now as you prepare your applications before submitting them. The deadline is 12pm on Wednesday, 18th May. We strongly advise you do not leave submitting your application to the very last minute and try and get it submitted at least a week before the deadline if you can. A summary of the support available to you now is on our website, but in brief, it includes steps to take first. You can let us know if you have any access requirements, take a look at some of the background reading and get set-up on our portal, Grantium or make sure your profile is up-to-date. Introductory conversations, if you have not booked one yet, you can. These are mandatory or new applicants. Making a new application, the essential documentation includes the Guidance for Applicants and the addendum and the templates and the supporting documents include information sheets, and blank templates that you can use in your planning. Remember, if you have any questions, please visit our FAQs page. We update this after every series of briefings we host and they contain a wealth of information on specific queries. If you still need support, you can get in touch. Our Customer Services Team are here to help you. Finally, we will be in touch with everyone that joined today with a link to a survey asking us to complete you about your experience today. We would be most grateful if you took a few minutes to complete it so we can continue to improve the service we're delivering. Thank you for coming. Goodbye.