

## Briefing transcript - National Portfolio Organisations 2023-26: for current NPOs

10.30-12pm, 14th March 2022

**MICHELLE DICKSON:** Good morning, everyone. We'll just wait for everyone to filter into the room and we'll get started in a couple of minutes.

Good morning, everyone. Welcome. We'll just wait for people to filter into the room and get started soon.

Good morning. Hi everyone. Thanks very much for joining us. I'm Michelle Dickson, Director, Strategy at Arts Council England. I'm a white woman in my mid-40s with brown hair, tied up in a ponytail and with a navy-blue top. I've got a white wall behind me with a picture of a minibus. This session is for organisations that are currently NPOs who are planning on making an application to the NPO programme. Today's 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 also being recorded and will be posted on our website afterwards. We have a maximum of 90 minutes for this session bringing us to 12 o'clock and the first-half of the session will be a presentation and then we'll take a ten-minute break before answering some of your questions. You can submit questions to us using the Q and A box. We'll answer as many questions as we can, but we might not get to every single one. But all the questions we receive will feed into an update of our online FAQs. When these FAQs have been updated and once the recording of this session is available online with a transcript, we will e-mail you and let you know. Next slide, please, Georgia.

Before we start, I want to introduce who is taking part in the session today. We have BSL interpretation from Claire and Rachel. Live captions from Marea. Joining me presenting will be Alex as senior manager in our funded organisations team. And joining us for questions Amy, our director of Change Programmes, and the questions will be hosted by Dan, our Head of Marketing and Internal Communication. Next slide.

So, this is what we're going to cover with you today. This is a practical session that's designed to help you understand the information we're looking for in an application and how we'll use it to make decisions. We'll go through where we are in the process. What we'll be asking you in the application and cover what comes next in the process. So, let's get started.

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 to this guidance which sets out how our instruction from DCMS in relation to Levelling Up will impact this process if you're taking an application. We'll cover all of this in today's session. Looking to the application window, the application portal

opened on 28th February and will close at midday on Wednesday, 18th May. Decisions will be shared by the end of October. Next slide.

Before we dive into the Guidance for Applicants, and the Addendum, we wanted to touch on the documentation that's now available to you. We know we've published a large volume of information. We did this because we wanted to make sure that everyone, whether you're new to us or old hands, had 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 accessible formats such as easy read, large print, audio, and BSL. Our essential documents include the Guidance for Applicants, either for NPO or IPSO applications whichever you intend to apply for 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 your financial information, your plans to embed our investment principles, and the outcomes activity in your application. We have completed examples, how to guides, and video walk-throughs of these templates. None of this content is essential, but you might find it useful support. It is there if you need it. Similarly, we have information sheets available for access support, equality, and fair pay, supporting practitioners, and the importance of good governance. Again, none of this is essential, but you might find it helpful. We have further resources including Word version of the application form that you can use so you don't have to do all of your drafting in Grantium. Our online FAQs are divided by topic so if you've got a query, they are a great place to start. Finally, the background reading provides context for this Investment Programme and what we want to achieve with it and it is important you've read this too. That's our strategy, Let's Create, our delivery plan, and our investment principles information. Next slide.

We're going to talk you through the information and the Guidance for Applicants 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. You can book an introductory conversation. This isn't mandatory for current NPOs. If you want one, you can book it directly with your Relationship Manager. Please note that your Relationship Manager won't be able to advise you on your application outside of this introductory conversation as we want to ensure a level playing field for all applicants to the programme. You'll also need to make sure your Grantium profile is up-to-date. Next slide.

Turning to how much you can apply for. Current NPOs have all been sent a planning figure. This is the maximum amount you can show as Arts Council funding in your core budget and main application. It is designed to enable the Arts Council to see what you would offer in return for this level of funding. The majority of planning figures are based on current funding levels. There are a few technical anomalies such as organisations that currently have two funding agreements. Given what's happening with inflation, as well as the pressures currently facing cultural organisations as we emerge from the pandemic, we recognise that stand still funding won't enable you to carry on delivering in the same way you've done in the past.

That's why we encourage all applicants to plan and propose activity in their application which is sustainable and deliverable at the level of funding in their planning figure. We understand that that may mean scaling back levels of activity you hope to deliver. We understand too that for a number of organisations audience, participants and visitors might be slow to return after the pandemic and that will influence the ambition of your programming and your income projections. We will not mark your application down because of this. But despite the pressures you face, we do also strongly encourage you to make sure your application responds clearly to our strategy, Let's Create. You also have the opportunity in your application to apply for additional investment and we'll talk more about this later on. Please note that you cannot assume that because we've given you a planning figure that that is the level of award you will receive. We may make offers at lower levels than the planning figure or indeed, may make no award at all. In some cases, we may decide to award you more than your planning figure by including all or some of the additional investment you've requested. I'll hand-over to Alex.

**ALEX MIDDLETON:** Good morning. I'm Alex Middleton, Senior Manager, Funded Organisations. I will be on the screen more fully later. I'm a white woman in my mid-40s with brown hair and glasses and I'm sitting in a dark blue room. We're going to talk about the application form now. The application form is on our online portal, Grantium. Just a reminder that we can provide support to help you with access issues you may experience in making your application, but we can't accept the application in any other formats. Some information from your applicant profile on Grantium will automatically pull through into your application form such as contact details, and your governance document. You will need to download and complete some templates which you'll need 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 will use it as part of our monitoring relationship with you. You can't attach any other information with your application than the information we specifically ask for. This includes additional information provided by hyperlinks. We will not review any materials that you include that we have not requested. Please note that you do not need to include a business plan or any other associated plans. We will also use knowledge of your organisation including information we have as a result of our monitoring of your current NPO funding agreement. You're also required to provide some information on the people involved in your organisation's governance and leadership. It's important that you provide this information as accurately and completely as possible. This information is a very important part of our balancing process which we will 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 relate to your organisation as a whole. Whilst our funding agreement with successful organisations will focus on key activities linked to delivery against our outcomes and investment principles, we contribute funding to the organisation or business as a whole so in general, you should think of it as core funding rather than funding for specific projects. In asking about your organisation's mission or purpose, we want to get a sense of whether creativity and culture is central to your organisation's work or whether you're an organisation from outside of 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 does not reach a wide enough range of people in this country. Both in terms of audiences, and 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 your 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 are 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 Let's Create. In this section, we also ask about your organisation's management and governance arrangements and I'm just going to talk a bit more about our expectations here 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 deliver on its responsibilities of ensuring that the executive is delivering on the funding agreement 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 will be monitoring NPOs 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 be legally required to have an independent board. Where this is not appropriate for your organisation, we will 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 whom we can talk to if we have concerns. An advisory or oversight group should have people on it that understand your business and can help you be more effective. Paid members of staff can be on the group, but there should be a majority of people that are independent. That is people that aren't related to the executive team in any way and do not receive regular payment for working with the company. This group should receive reports on how you are doing against your funding agreement and we will talk to them if targets aren't being met or if we have identified other risks. It would be good practise to have a conflict-of-interest policy and terms of reference making the group's role clear. We have published a series of Frequently Asked Questions should you want to look into this in more detail. There are also some organisations that have executive officers on their board. For example, an artistic or executive director. In these cases, we would expect there to be clear conflict 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 that independent members of the board would be in the 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 structure in place then you will need to have it up and running by 1st April 2023. So not before you make your application, but you will need to tell us about your plans in your application. You can also use this section of the application form to talk about any board subgroups you might have in place to

support you. This might include a finance and audit group for instance 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.

We are 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 per year to be able to contribute to all three of our outcomes, we really want to emphasise that other applicants should think about how best to focus their application and proposed activity and encourage you to apply against just one or two of our outcomes if that's appropriate for your organisation. 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 plan should take into account things such as access provision, support for freelancers, training, etcetera. We ask you what percentage of your activity will contribute to each of the outcomes you have 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 will support 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 you have applied against. You'll need to provide a narrative response here. We also ask you complete and upload an activity plan using a template. You need to use this template to tell us about your planned activities that will contribute to the outcomes and the elements for the first funding year in more detail as well as provide 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 the heart of our monitoring requirements for successful applicants. In reviewing what you tell us about your three-year plans and your activity plan for the first funding year, we'll be focusing on the strength of your contribution to our outcomes and our 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 are holding a separate briefing and Q and A session on the activity plan template. We'll make that session available online as a recording afterwards. 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 and 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 investment principles plan template. In the investment principles plan, you'll need to tell us about your three-year ambition for each investment principle, your priorities for the first funding year, and the actions you plan to take in the first funding year. In reviewing your plan, we'll focus on the progress you're likely to make against each investment principle. What we're really interested in here is the journey you're on and the

process your organisation is undertaking to embed the investment principles, 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 and A session on the investment principles plan template and have published other materials including examples of completed templates to help you work out how to approach these. This Q and A session will be recorded and posted online afterwards. Next slide, please.

So we're now moving on to financial information. 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 to complete in three parts. A balance sheet, an annual budget for each funding year, and a cashflow forecast for the first funding 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 cashflow for the organisation that is seeking funding. For instance, a museum or theatre based within a local authority. We know that the item lines in the budget and cashflow may not all match with your organisational budgets, but we need consistent, and reportable information from organisations and that is why we are asking you to use the template that we have provided for your financial information. You should use your judgement in what seems like the most appropriate line. 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 are aware that some organisations, for instance, disabled-led organisations may have higher costs in this area and we will take this into account as we go through our assessment and decision-making process. We know that this might mean you're asking for proportionately more money from the Arts Council than other applicants. Next slide, please.

As previously mentioned, current NPOs can apply for additional investment above and beyond their planning figure. So, just to be clear, the rest of your application and your budget must be based on what you do based on your planning figure as a maximum grant. There is then a separate section of the application form where you can tell us about how you would deliver further against Let's Create with additional investment. You will not be submitting a budget for this, but we do ask for an outline costed breakdown of the activity as part of your narrative response. This request for additional investment does not have to be structured as a one-off project although it could be. It can also be used to build your core business. All NPOs can apply for additional investment, but there are some specific areas we will be focussing on in deciding how to award any additional investment. We want to use increased awards to help us achieve our ambition of investing in organisations that are more representative of this country in terms of the diversity of an organisation's leadership and in terms of geographical location. So, in making these decisions, we'll be looking at the profiles of the organisation's governance and leadership from the information submitted within the application form and also the activity it is planning in Levelling Up for Culture Places. We're going to move on to talking about the Addendum to the Guidance for Applicants and we will explain more about Levelling Up for Culture

Places and how they relate to the application process and I'm going to hand back over to Michelle for that.

**MICHELLE DICKSON:** Thanks, Alex. So, on 23rd February we published an Addendum to the Guidance for Applicants. This was the final piece of information that we needed to share with you before the application portal opened. We had let people know that we'd be publishing an Addendum when 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 at the Department for Culture, Media and Sport. The instruction details how some of 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, we want to make some points clear. We know it is not ideal to have to publish more information during the process. So we've delayed and extended the application period to give everyone more time. We want to explain what the Addendum means for applicants in as simple as terms as we can. We also want to remind you that we're here to help. So, if you have any questions or concerns that we don't answer today and that aren't reflected in our FAQs then please get in touch with our Customer Services Team. We'll do all we can to answer your queries. We also acknowledge that this Addendum brings particular challenges to London-based organisations. Competition for our NPO and IPSO Investment Programme will now be even fiercer in London. But we can promise you that we will look at the whole ecology and all the individual bids we receive before making any decisions. We will take those decisions carefully and fairly according to our published criteria. We understand that many London-based organisations currently deliver much of their activity outside of London. We'll take this into account when we make our decisions, but we are required by the Government to account for our investment by postcode of applicants. 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 doesn't change the eligibility criteria for this Investment Programme. If you could make an application before the Addendum was published then you still can now. The Addendum and the instruction from government are both available online. You can also see a recording of a detailed briefing session we held when the Addendum was published on our website. Next slide, please.

Levelling Up for Culture Places - the Arts Council and DCMS have identified 109 Levelling Up for Culture Places outside of London where opportunities to engage in creativity and cultural are historically lower than other parts of the country. We will prioritise making additional investment in these places in three ways. Increasing our investment in existing NPOs in Levelling Up for Culture Places, investing in new NPOs and IPSOs in Levelling Up for Culture Places and investing in new activity in Levelling Up for Culture Places delivered by organisations outside those places, but working in partnership with the places. So, what this means for you. If you're 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 information you may have made. We'll take it into account in 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 reference that in your application and if relevant for your activity plan for 2023/24, make sure you indicate which of those places you're planning to work in. We will also expect you to provide information on how that activity is being planned in partnership with those places. Organisations in receipt of more than £2 million per year. For those organisations receiving £2 million or more per year, there will be a requirement to increase their activity in Levelling Up for Culture Places by a collective total of 15% by the end of the 25/26 financial year. This applies to organisations wherever they're based. The eligible activity that we're looking for is broad and can include things like talks, workshops, education programmes, tours, co-productions, training, mentoring and so on. We'll agree a baseline of activity for tracking when we come to establishing funding agreements with organisations in the autumn. Next slide.

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 outside of London. We will make our decisions about reductions and removals on a case-by-case basis and we'll take in to account the relative strengths and opportunities provided by all the applications we receive from London. For those organisations we're not able to offer funding to, we will discuss whatever funding maybe available to you going forward. For NPOs, we're offering less than 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 therefore welcome ambitious applications from London-based organisations that will help us make the portfolio more representative. But to support our ambitions, to make the portfolio more representative, we will need to find savings in our current investment in London that go beyond the £16 million required by government. On relocation - by the beginning of the third year of the Investment Programme, so by 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 organisation relocating, by which we mean moving their registered office and main office outside of London by this date. This can be to any location outside of London, not just Levelling Up for Culture Places and it is your choice to make. We're currently developing a programme to support relocations and we'll be sharing more information with organisations that express an interest in relocating in their application later in the summer. 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 fine. 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 think, 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're not expecting these organisations to change the way they work just because they relocate. Some organisations may want to move and put down deep roots and deliver new programmes of activity for their local communities and that, of course is fine too. 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're hopeful that we'll be able to run a programme to support feasibility studies or options analysis, but we will not be able to organise or 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 by 1st April 2025, then all you need do now is respond yes to the question in the application form. To confirm, this is not committing you to relocating if answer yes now. 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 Alex.

**ALEX MIDDLETON:** The last thing we're going to cover in relation to the applicant guidance is our balancing process. So, balancing comes 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, that's the commitment to access and excellence, the strength of contribution to outcomes, likely progress against the investment principles, as well as risk assessing the governance and management arrangements and the financial viability. On the basis of our assessments, we will then determine which applications are fundable. They went look at all those fundable applications in relation to our balancing criteria and look at the shape of the potential portfolio as a whole. We will use our balancing criteria to help us select a portfolio of organisations that is more representative of the geography of England, both in terms of where organisations are based and where they will be delivering their activity. Organisations whose leadership is more representative of England in relation to disability, race, sex, and includes more people from lower socio-economic backgrounds and organisations that represent a wide range of creative and cultural provision. We're going to look in a little more detail about what we take into account for these three balancing criteria. If we could get the next slide, please.

First of all, geography. We look at this in terms of where organisations are based, drawn from your Grantium application profile and where you plan to deliver activity where we use the location information you provide in your activity plan. We will take in to account the Levelling Up for Culture Places, our five London priority places for London-based applicants, places of historically low Arts Council investment and places of historically low cultural engagement and the spread across the country between rural, towns and cities. In terms of diversity, we'll look at the diversity profile of your leadership using the information provided in your application form. We'll look at whether 51% or more of your board and senior management team are black, Asian or ethnically diverse or disabled or female or from a lower socio-economic background. This this first definition, we're just looking at whether 51% or more is made up of one of those categories. For example, 51% or more of your leadership team are female. We will also look at how representative of contemporary England the individuals that lead your organisation are. This is looking at the data you provide about specific roles in your organisation. The Chief Executive, artistic director, executive director, chairperson or equivalent positions and disability, race, sex, and socio-economic background. Finally, we'll also look at whether your board and senior management team has a mix of people with different protected characteristics and

socio-economic background. You'll note that we're not taking into account all of the protected characteristics here. This is because whilst we continue to report on the profile of the portfolio across a broader range of protected 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.

And the third balancing criteria, range of creative and cultural prov. Here we will 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 based, touring, festivals etcetera. The spread of activity across our outcomes and their elements and 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. And here it is not about the individual application, but the makeup of different applications and could have, within the parameters of our budget. If we can get the next slide, please.

Finally I'll talk about our Relationship Framework. Our Relationship Framework sets out how we will work with NPOs. It describes the NPOs will be expected to meet specific requirements for reporting and monitoring to enable us to track the progress of our investment programmes and the strategic contributions they are making to Let's Create, our stakeholders and the wider public. Our relationship with NPOs will be conducted mainly through or 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, accurate reports from the executive of progress against the targets and success measures in your funding agreement and taking appropriate steps to work with the executive to improve performance where needed. We will use these reports to your board or oversight group to provide us with accurate information on progress. We will then use these reports to help us identify any risks that we believe exist in relation to your organisation delivering its funding agreement with us. We will 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 have been 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 strategy. 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 efficiently without too much help from us. We will therefore minimise our ongoing contact with most NPOs. In practise, this will mean occasional conversations. For example, if we need something clarified in your board reports. Seeing your work and holding an annual

review meeting with you and your Chair. We will not be attending board meetings regularly. Next slide, please.

We will 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 will monitor risk against the following categories - Activity, investment principles, governance and management, financial viability, and reputational risk. It explains what it means by risk. If you are failing to meet your 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 board and asking for further written reports. The Relationship Framework sets out the full range of interventions we could choose to take in we consider you to be in breach of the terms and conditions of our funding agreement and include ultimately withdrawal of funding. As we mentioned earlier, we do strongly encourage you or your oversight group to read the Relationship Framework before submitting your application so that you fully understand the commitments you will be taking on in accepting an offer of funding and what you can expect from us if you're successful. We've come to the end of the slides for now and we're going to take a ten-minute break. We will see you back here at 11:34.

**(Short Break)**

**DAN SMITH:** Hello everybody. Welcome back and thank you for joining us for the Q and A section of the session. The slide that's on screen will be taken down in a minute, but before it drops down, I'll get started. I'm Dan. I'm white man in my mid-40s with dark hair and a blue shirt. I have a window and plant behind me and my pronouns are he/him. Thank you for the questions that you've sent so far. The questions we get today will feed into our online FAQ which we'll update after we've completed this series of briefings. We'll start now. Alex, can I bring you in for some questions an activity first.

**ALEX MIDDLETON:** Yes.

**DAN SMITH:** On the activity template, do the total costs of the activity have to total the amount of ACE funding? Or could the activities cost more with the understanding that the ACE funding will make a contribution to that happening?

**ALEX MIDDLETON:** The activities and the activity plan can range of activities. That's fine if it includes other income sources, funding that activity.

**DAN SMITH:** Great. Thank you. Please can you clarify how digital work should be represented geographically in the template?

**ALEX MIDDLETON:** So, in the location form, as well as all the local authority locations, there are two additional tick boxes and one is for activity that doesn't have a physical location or where there is digital output and there is one for national activity as well. So you can use that.

**DAN SMITH:** Lovely. Thank you. Could I bring Michelle in now, please? I've got some questions on requesting additional funding amounts. The first one, if you wanted to mainly apply under creative communities against the planning figure, can you also apply for creative people under additional investment? Would the application as an NPO be applying for one or two outcomes?

**MICHELLE DICKSON:** So, yes. So, in your activity plan, you need to talk about what you would do with the planning figure level of funding and then use the additional

investment narrative box to tell us what you would do with more money and to break that down. So that's where you show the financial breakdown and the activity or core expansion that you do as a result and it is fine if you introduce a new outcome at that point. So you can focus on one or two in your activity template and then you could talk about a third one or a second one in the additional investment request if that's what you want to do. And just to reiterate, it is up to you how many outcomes you want to respond to. So you can respond to one, two, or three in your main application, but you could choose to add one in with an additional investment request.

**DAN SMITH:** Great. Thank you. A couple of questions on this theme. Can I just double-check please that if applying for additional funding that is not included in the activity plan and that the alignment to outcomes is only through the narrative section.

**MICHELLE DICKSON:** Don't include the additional investment request in your activity template. The activity template is what you would do for your planning figure amount.

**DAN SMITH:** Great. Thank you. Amy, do you want to introduce yourself and come on now?

**AMY VAUGHAN:** Good morning, Dan. Good morning, everybody. I'm Amy Vaughan, I'm direct of Change Programmes at the Arts Council. I am a white middle-aged woman with dark brown hair and a white pinned back fringe and I'm in a room that's cluttered with various musical instruments and CDs at the moment.

**DAN SMITH:** I would be very tempted to go and play or find some music to listen to if I was in there! A question for you, will we be using the active live survey to determine places of historically low cultural engagement?

**AMY VAUGHAN:** Yes, the active live survey is our baseline data for, it is included in our priority place methodology, but historical low areas of engagement. The people with creative people and place programmes. That's what we're using.

**DAN SMITH:** Brilliant. Thank you. I think Alex is back up next.

**ALEX MIDDLETON:** Hello.

**DAN SMITH:** I've got a question on budgets and the financial template. So the first one. The guidance notes to take into account inflation in budget setting. Is there any guidance or steer on how to forecast this in these uncertain times?

**ALEX MIDDLETON:** This is really up to organisations and I know that inflation as well as many other things might be hard to forecast and to note that there is a section in the application form where you can talk about the assumptions that you've made. So, I think it is, you know, whatever you're doing for your own organisational budgeting, include that and tell us how you projected your budget including around inflation in that narrative section in the form.

**DAN SMITH:** Thanks. A second one on the financial template. Will we be able to amend the labelling on lines or add lines as we're able to do on the Cultural Recovery Fund templates or do we stick to what it says?

**ALEX MIDDLETON:** You're not able to make any changes to the format and so that's we can use it to do centralised reporting and analysis. There is a note section in the template. So, you can note kind of what you've added where in terms of explaining, but you can't make any changes.

**DAN SMITH:** Great. And a last one for you, for now, you will return to the hot seat! Why is the balance sheet for 31st December 2021 and not the full 21/22 financial year?

**ALEX MIDDLETON:** So the balance sheet is essentially a position. It is a snapshot

of organisation's financial position at any given point in time, but it would then reflect the kind of proceeding period and we've selected that point in time as a point before the application window closes so that we get that consistently for all organisations.

**DAN SMITH:** Great. Thank you. Michelle, do you want to come back in? I've got some questions for you on the Addendum. So the first one, if you are an NPO not based in a Levelling Up place and can't deliver in those priority places, will our application score less strongly?

**MICHELLE DICKSON:** No. So, it is still possible to score strongly in terms of your contribution to the outcomes and strongly in terms of the progress that you're likely to make on investment principles without being based in or delivering in a Levelling Up for Culture Place. So, it is balancing where that might come in to play and where we're looking as we've said. We want to increase our investment in those places, but when you look at the guidance, there is a whole range of balancing criteria and it is impossible for one organisation to be all of those things at the same time. So, there will no doubt be other things that your organisation can offer which would help it in the balancing process.

**DAN SMITH:** Great. I'm going to pause for a second and let our BSL interpreters swap over. We've had some tech issues. I think we're okay. So the next question for you, Michelle, we are an organisation based outside of the Levelling Up for Culture Place, but we work across the north-east region. Do we have to include only new activity in Levelling Up for Culture Places or can we include existing work in those areas that we are looking to strengthen?

**MICHELLE DICKSON:** So, existing or new activity, wherever it is, is very welcome and in terms of this application, it is for a new investment period. So in effect everything is new. So, don't forget to tell us about activity that you're already doing that you want to continue if you think that's going to make a strong contribution to the outcomes. So you can tell us about up to ten activities on the activity template. You don't need to tell us about ten if you don't have ten, that's absolutely fine. If you have more than ten, you can, you know, be selective or think about how you grade them. Ongoing or new activity, both fine.

**DAN SMITH:** Great. Thank you. And one on relocation. What will happen if we tick yes to considering it and then as a result of the process in the summer, we decide that it is not appropriate for our company. How will that affect the decision-making process?

**MICHELLE DICKSON:** So that would be absolutely fine. All that you're doing by saying yes at the moment is basically expressing interest and asking to find out more information about it when it is available. When we come back to you in the summer with that information, if you look at it and think "no, actually that's not for us" then you would stay as an NPO or an IPSO applicant, depending on which route you've gone down. So, yes, that's absolutely fine.

**DAN SMITH:** Great. Thank you, Michelle. I might bring you in later if we've still got time. Amy, would you like to come back? I've got a question for you which is please can you illuminate what you mean with technical quality in the following statement for ambition and quality. Consider both the technical quality of what you present to the public and the way that you work with participants such as through your education programmes and community out escape reach and engagement?

**AMY VAUGHAN:** By technical quality, we just mean the quality of what's on the stage page wall, you know, the work that people might deem to be of quality or have

an opinion on, but what we wanted to make sure was that the ambition and quality investment principle is also used in those engagement programmes, in the way that people interact with your, if you have a venue, what's the experience in the venues? It is just allowing a bit more of an expansion around what quality can be. It is quality of experience, quality of process, and quality of output.

**DAN SMITH:** Great. Thank you. Another one for you. Can reporting on targets and success measures in funding agreement be part of existing performance reporting mechanisms to our board? E.g., if we are doing an existing KPI report, can they be included within this rather than creating a new report for Arts Council purposes?

**AMY VAUGHAN:** Yes, yes, and yes again is my answer to that! The idea with the template for the investment principles is that you're able to say this is how we're going to report to our board on this. This is how we report on our environmental plans to our board so we know what we're looking for when we look at your board papers. It should be that will make it a really strong application if you're saying we've looked at this through the lens of our board or our oversight group. This is what we're reporting to them and how we're reporting to them and this Arts Council is how the stuff that we're saying we're going to do for you is going to feature in that reporting. I know someone asked about using a template, being given a template, you know, using the investment principles template in that wouldn't be a bad idea if you want something to work from rather than creating something entirely new. So I'd highly recommend looking at the way you report to your board and how the investment principles fit into that.

**DAN SMITH:** Great. Thank you very much, Amy. Who is next? Let's have a look. Alex, if you want to come in, we've got questions on diversity and reporting. So, just on additional funding decisions, can you clarify how you will be defining diverse leadership? Will we take into account senior staff and the board as a whole or only the senior staff and Chair?

**ALEX MIDDLETON:** We will look at data on the senior management team and the full board, not just the Chair and looking at that across other definitions.

**DAN SMITH:** Great. Please confirm again re board and SMT diversity, 51% of any one protected characteristic would only achieve this. So, not group data used to meet the 51% figure?

**ALEX MIDDLETON:** Yes. So, we've got the three different lenses that we look through that I talked about. So, the first one is the 51% or more definition and there it is just a single protected characteristic that we look at, but we do also look at the mix and the range of protected characteristics and socio-economic background separately and then we also look at the background and protected characteristics of a few of the key individuals that make up the leadership team so, artistic director, executive director, and Chair.

**DAN SMITH:** Great. I think you've answered this, but just for clarity. Is LGBTQI+ not a criteria that will be counted when considering organisational leadership for 51% characteristics?

**ALEX MIDDLETON:** So, it is not. So we will continue to look at that in terms of our reporting. So what the portfolio looks like, but we can't take it into account in our balancing process because we don't have the evidence that that group is underrepresented in our current portfolio.

**DAN SMITH:** Great. Thank you. I think I'll go to Michelle now. We've probably got room for a few more questions and then we'll wrap up. Michelle, does all the activity

in the activity plan need to have a public facing element. For example, an artist development programme that may not result in a commission?

**MICHELLE DICKSON:** That would be fine. So, no. It doesn't all need to have a direct public facing part of the activity and when you look at the third outcome, there is quite a lot there about artist development and supporting the sector and so on. That's fine.

**DAN SMITH:** Great. Thank you. And I think I might bring Amy back in now if that's okay. So we've had a few comments on audience finder and other tools for applicants to use. I wondered if you wanted to speak to that for a minute.

**AMY VAUGHAN:** Yes. So, there has been a couple of questions. One particularly around you know, what surveys and reports we have to submit around like impact and insight tool kits and like Audience Finder, etcetera. I wanted to say something on that. We're not, there will be annual survey and you will be asked to submit your audience data through a portal that we will provide and confirm what that's going to be. But aside from that, there isn't any other mandatory reporting that we're going to be asking you to do directly into portals that we set-up and we ask you to report into at particular time. What we will be looking for and this goes back to the board reporting is that you've considered the kind of tools that you want to use and you're using them to report to your board. So, it may be that you want to use the impact and insight toolkit for our quality and that's what you have been using and you want to carry on and that's what you can put in your application, but what you're doing is submitting the results to your board rather than having to send them to us and we will see in your board papers that you have been taking them to your board and that you're progressing in the way that you'd hoped. We recognise that across the investment principles there is a need to collect data and so we will provide some services that NPOs can access to use so we will provide a quality framework type of service and we will provide environmental reporting service and we will provide audience data collection etcetera, etcetera, so it will be there to use, but it is not mandated, you don't have to use it. So, just to be clear, you could be looking at other ways of developing a quality framework or different ways of how you want to think about your communities and audiences. So, aside from the annual survey and the mandatory audience collection, how you're doing your data is very much up to you. It needs to feel appropriate for your organisation.

**DAN SMITH:** Great. Thank you very much, Amy. Alex, if you want to come back in. I've got a few questions for you and then we'll have to call it a close. So, can you respond to the question regarding those who are considering an uplift request. An uplift figure is requested in the eligibility questionnaire. Do we need to commit to that same figure in the application or is there a chance to amend it?

**ALEX MIDDLETON:** When you are in the main application form on Grantium, you can change your main request, not above the planning figure and you can also change your additional investment request if you have one.

**DAN SMITH:** Great. In the additional funding section, should you only describe what you will deliver with ACE's funding or can you make assumptions about extra outputs that you might secure with other funding from match?

**ALEX MIDDLETON:** You can include other funding or match funding. If you think the additional money from the Arts Council would leverage other funding to support that activity you can talk about that as well.

**DAN SMITH:** Great. Finally, regarding the financial side of things, how can a consortium present financial information? Can we provide balance sheets for each

consortium member?

**ALEX MIDDLETON:** So for consortiums, the balance sheet should be for the lead organisation. That's where we're interested in the financial viability of the accountable organisation, but the budget and the cashflow would reflect the consortium activity as a whole. Depending how you operate, it could be the consolidated budgets for all organisations or you would pull out the consortium activity and provide a budget and cashflow for that.

**DAN SMITH:** Great. Thank you, Alex. Unless anyone has any final thoughts from the panel, I'll just share some final bits of advice for everyone that's joined us today. I don't see any cameras coming on. So, could we pop the final slide on screen, please, Georgia? Thank you.

So we've come to the end, but before we go, we wanted to remind you of the steps that you can take now as you prepare your applications before submitting. The deadline for applications is 12pm, midday, Wednesday, 18th May.

We strongly advise that you don't leave submitting your application to the very last minute. So try and get it submitted at least a week before the deadline if you can. A summary of the support available is on our website, but it includes steps to take first, so let us know if you have access requirements and take a look at some of the background reading and get set-up on our portal, Grantium or in the NPOs case, make sure your profile is up-to-date.

For introductory conversations, if you've not yet booked one, you can do so. These are mandatory for new applicants, but optional for NPOs. You can do this through your Relationship Manager. If you're making an application, look at the documentation, the Guidance for Applicants and the application templates. The supporting documents including information sheets and blank templates are there to use in your planning if you need them. Remember, if you have any questions, please visit our FAQs page. We update this after every series of briefings that we host and they contain a wealth of information on specific queries. If you still need support, get in touch, our Customer Services Team are here to help. Finally, we'll be in touch with everyone that joined us today with a link to survey asking you about your experience today. We'd be most grateful if you took a few minutes to complete it, so we can continue to improve the service we're delivering to you. That's it. Thank you very much. Have a great week. Bye-bye.