

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

9:30am-11:00am, 11th March 2022

**MICHELLE DICKSON:** Hi. Good morning, everyone. Thanks for joining us. We're just waiting for everyone to filter into the room and we'll start soon.

Hi everyone. Good morning. We're just waiting for people to filter into the room and we'll be starting soon. Hi. Everyone thanks very much for joining us this morning. I'm Michelle Dickson, Director for Strategy at Arts Council England. I'm a white woman in my mid-40s with brown shoulder length hair and I have got a picture of a bus behind me and my pronouns are she/her. Today's session is live captioned and also has BSL interpretation. For the best experience we recommend using the desk top 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. We'll be finishing by 11:00am 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 and 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 is available online with a transcript, we'll e-mail you and let you know. My colleague Rachel is helping with the slides. So, next slide, please, Rachel.

Before we start, I want to introduce who is taking part in the session today. We have BSL interpretation from Rosie Copeland and Louise Beck. Live captions from Marea O'Brien and joining me to present the slides will be Alex Middleton who is our senior manager in our funding organisations team and on the panel to answer will be Jane Dawson our director of Funding Programmes and the question-and-answer section will be hosted by Thomas Wildish who is our Senior Manager, Operations in the Midlands. Next slide, please.

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 off what comes next in the process. So, let's get started. Next slide.

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 the guidance which sets out how our instruction from DCMS, in relation to Levelling Up, will impact this programme in you're making an application and 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 more familiar, 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 applicants, 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 on 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 versions of the application form that you can use so you don't have to do all of your drafting in Grantium and our online FAQs are divided by topic. So if you've got a query, they're a good 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, please, Rachel.

So we're going to talk you through the information in 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'll 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 and the deadline for having the introductory conversation is 22nd April. If you had your introductory conversation before we published the Addendum to our guidance then don't worry, you don't need to have another one. You'll need to register on Grantium if you don't already have an applicant profile and the deadline to do this is 22nd April. If you already have an applicant profile, you should make sure it is up-to-date. Next slide.

So, turning to how much you can apply for. The introductory conversation is an opportunity to talk about how much you can apply for. We'll ask you questions about your turn-over and the levels of project funding you may have received. We'll be able to share some information about the levels of funding that organisations similar to yours are in receipt of to help guide your decision of how much to apply for. But note that 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 don't have to agree a figure in your introductory conversation so you can go away and make your own decision based on the conversation, and on how much you think your organisation needs. You should note that we may make offers of funding at less

than organisations have applied for. So at this point I'll hand-over to Alex.

**ALEX MIDDLETON:** Good morning. I'm Alex Middleton, Senior Manager Funded Organisations. I'll be on the screen more fully in the Q and A session later. I'm white woman in my mid-40s, with shoulder length brown hair and glasses and I'm sitting against a dark panelled background in our Manchester office. So, we're going to talk about the application form now and the application form is on our online application 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, those templates that 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 and this includes additional information provided via any hyperlinks. We will not review any materials that you include that we have not requested, but please that you do not need to include a business plan or any other associated plans. We will also use our knowledge of your organisation. For example, from other applications or grants with the Arts Council and 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. This information is a very important part of our balancing process which we'll talk about later on. Next slide, please.

So, the first section of the application form has some background questions about your organisation. The questions we ask relate to our organisation as a whole. Whilst our funding agreement with successful organisations will focus on key activities that are 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 and 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 at the moment that our funding does not reach a wide enough range of people in this country both in term 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. And that's both in terms of your audiences, participants and visitors and the people who work with you 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 have achieved

that means you're well placed to make a strong contribution to Let's Create. Next slide, please.

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 if you're successful. As you'll know from previous briefings, and our 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 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 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 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 oversight or advisory group should have people on it that understand your business and can help you to 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 want to 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 interests 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 boards. For example, an artistic or executive director. In these cases, we would expect there to be clear conflict of interests 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 sub-groups that 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're going to move on now 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 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. 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, 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 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 outcome or outcomes you have applied against. You'll need to provide a narrative response here. We also asked you to complete and upload an activity plan using a template. You'll need to use this template to tell us about your planned activities that will contribute to the outcomes and elements for their 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. They will form the basis of funding agreements and be at the 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 funding year, we'll 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 are holding a separate briefing and Q and A session on the activity plan template next week. And that Q and A session will be made online as a recording afterwards. Could I get the next slide, please?

This is about the investment principles. So, 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 are investing in well-run applications. In the application forms, you need to tell us about your plans for demonstrating progress against the investment principles by completing and uploading the investment principles plan template. In this 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 will focus on the plan 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 and how you are setting and monitoring measures of success and 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 template and have published other materials including examples of completed templates. This Q and A will be recorded and posted on our website afterwards. Next slide, please.

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. This has 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 cash flow for the organisation that is seeking funding. For instance, a museum or theatre that is based within a local authority. We note that the item lines in the budget and cash flow 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 we have provided for your financial information. You should use your judgement to include items in what seems like the most appropriate line. There isn't 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. I'm now going to hand back to Michelle.

**MICHELLE DICKSON:** Thanks, Alex. Next slide, please Rachel. On 23rd February we published an Addendum to Guidance for Applicants. We had let people know that we would 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 received 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, I want to make some points clear. We know it is not ideal to have to publish more information during the process so we delayed and extended the application period to give everyone more time. We want to explain what the Addendum means for applicants in as simple terms 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 FAQs then please in get 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 programmes will now be even fiercer in London. But we can promise 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'll take this into account when we make our decisions, but we're 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. 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.

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 culture 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 and 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 those 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, in our balancing and in our 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, you should reference that in your application and make sure you indicate which of those places you're planning to work in. We're also expect you to provide information on how that activity is being planned in partnership with those places. For organisations that receive £2 million or more per year, there will be a requirement to increase their collective activity in Levelling Up for Culture Places by 15% by the end of the 25/26 financial year. That's collective activity as a cohort of organisations. This applies to organisations wherever they're based. The eligible activity 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, please, Rachel.

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 will make our decisions about reductions and removals on a case-by-case basis and we'll take into account the strengths and opportunities provided by all the applications we receive from London. Notwithstanding the £16 million reduction to the budget we will need to make in London, we're 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 London 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 1st April 2025, we need to have moved a further £8 million of annual investment outside of London and we're 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. This can be to any location outside of London, not just Levelling Up for Culture Places, and it is your choice to make if you're a London-based organisation. We're currently developing a programme to support relocations and we will 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 absolutely 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, but some organisations may want to move, put down deep roots and deliver new programmes of activity for their local communities and of course, that's fine too. The Arts Council will play a limited role in the relocation process. We will not be telling organisations whether you should or shouldn't relocate or where you should relocate to. This 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 will 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're a London-based applicant and you think that your organisation might be interested in relocating by 1st April 2025, then all you need to do now is respond yes to the question in the application form. To confirm, this is not committing to relocating if you answer yes. When we provide you with more information later in the summer, we will ask you to choose whether you want to pursue relocation. Back to Alex.

**ALEX MIDDLETON:** Next slide, please. So 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 that access and excellence, strength of contribution to outcomes, likely progress against the investment principles, as well as risk assessing the governance and management arrangements and financial viability. On the basis of our assessments, we will then determine which applications are fundable. We then look at all those applications in relation to our balancing criteria and look at the shape of the portfolio as a whole. We will use our balancing criteria to help us select a portfolio of organisations that are 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. Next slide, please.

First of all, geography. We look at this in terms of where organisations are based and this is drawn from your Grantium applicant profile and also where you plan to deliver activity. Where we use the location information you provide in your activity plan. We will 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, and places of historically low cultural engagement and the spread across the country between rural, towns, and cities. For diversity, we will 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. In this definition, we're just looking at whether 51% or more is made up of one of these 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. So 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.

Just looking at the range of creative and cultural provision and here we'll take into account the range of art form and disciplines and that's you had 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 potential portfolio is balanced against these three criteria and here it is not about the individual application, but the make up of different applications and of course, within the parameters of our budget. Next slide, please.

Finally, we're going to talk about the Relationship Framework. The Relationship Framework sets out how we will work with NPOs. It describes that 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 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, by that we mean at least quarterly, accurate reports 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 are 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 effectively without too much help from us. We will therefore minimise our ongoing contact with most NPOs. In practice, this will mean occasional conversations. E.g., 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 on a regular basis. 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 is also explains by 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 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 if we consider you to be in breach of the terms and conditions of your funding agreement and include ultimately withdrawal of funding. As we mentioned earlier, we do strongly encourage you and your board or oversight groups 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 your offer is successful. We've come to the end of the slides for now. So, we're going to take a ten-minute break. So, we will see you back here at 10:27. Thank you.

**(Break until 10:27)**

**THOMAS WILDISH:** Welcome back everyone. Thank you for joining us for the Q and A section of this session. I'm Thomas Wildish. I'm senior manager, Operations for the Midlands. I'm a white male in my early 40s. I have light brown hair and I'm wearing round glasses and a navy-blue jumper. Thank you for your questions so far. We'll do our best to answer everyone we have received. The questions we get about feed into our online FAQs which we'll update after we've completed this series of briefings. We'll start now with questions for Jane. Hi.

**JANE DAWSON:** Hello. I'll just describe myself for the purposes of audio description. I'm a white woman in my 60s with grey hair and I'm wearing a black jumper and glasses and behind me you can see white walls with some black and white pictures on them.

**THOMAS WILDISH:** What's your role at Arts Council, Jane?

**JANE DAWSON:** Sorry, I should have said. I'm director of Funding Programmes.

**THOMAS WILDISH:** Thank you. We have two questions from the same person who wants more information about how projected organisations. Our balance sheet will show very little because we are between projects and only recovering from the pandemic. Do you ask for the balance sheet to check we're not in debt or will low assets count against us?

**JANE DAWSON:** Asking for the balance sheet isn't so much to check whether an organisation is in debt, but to see whether or not it has been trading and on what basis so obviously, that is one of the things that a balance sheet tells us and also potentially whether you have reserves and so on. But it doesn't count against you if you don't have much in the way of net assets. We know that balance sheets are just a snapshot of a moment in time and what we're more interested in is how are you going to be managing your organisation in future on the level of funding that you

have applied for.

**THOMAS WILDISH:** Thank you. The second question is should we use the budget narrative question to explain how we will build up our income and year-round fund-raise? We feel that our projected income is realistic, but compared to our balance sheet, it does look like a big step for us?

**JANE DAWSON:** That's totally the right approach to take. Obviously, we recognise that organisations are coming out of pandemic. We also know that rising inflation is going to have a significant effect over the next certainly 12 months if not longer. So, it is important that you put realistic information into your application and just explain to us how you've reached those conclusions.

**THOMAS WILDISH:** Thank you. A question for Michelle now. The question is if we have a strong track record in work against all three of the outcomes, does it make it look like our application lacks depth if we apply against all three?

**MICHELLE DICKSON:** So each organisation needs to do what's right for them and the reason we talk about looking at contributing to one or two outcomes is because we don't want people to spread themselves too thinly or think we need to tick every box and respond to everything that we're keen to support. There may be some organisations who absolutely do for whom it just is the right way to go to contribute to all three outcomes. But you need to make that choice and we've talked about, you need to make an application that's sustainable and deliverable and provides a depth of return really so just check that that feels appropriate and right. And underpinning the outcomes are the elements. These are the things that you know, make up the outcomes. You don't need to respond to all of the elements just because you're delivering against that outcome. So you can be selected within an outcome as well.

**THOMAS WILDISH:** In evidencing impact are new NPOs expected to set up peer assessments?

**MICHELLE DICKSON:** It won't be mandatory, but it is a tool that's freely available and if organisations are interested in using it then there is lots of support and information that will help them to do that. Peer assessments, it is up to you as an organisation. If that's a useful way of understanding some of the perspectives on the work that you're producing and to get feedback and to work collaboratively on that, absolutely go for it. If it is not right for you and you've got something that is more valuable and useful to you, then that's fine too. So we're not prescriptive, but we are keen to make sure that organisations are considering, you know, the impact of their work and considering that continuous improvement approach.

**THOMAS WILDISH:** Thank you. A question for Alex now. We are a disabled-led organisation and are currently project grant funded. We apply for access support in addition to the project budget. How does this work for NPO funding? This question is about access support to enable this company to deliver their work, not an access budget to make their events accessible to others.

**ALEX MIDDLETON:** As we said in the presentation, there is a line for access costs in the budget that you should use for this. So that covers both access costs for your own organisation and for making your work accessible. So you can provide more information on the access costs that your own organisation and the narrative question in the finance section in the application form and as we said, we know that some organisations will have a much higher cost in that area and that overall request to the Arts Council might therefore be higher and that's absolutely fine and we will take that into account when looking at applications.

**THOMAS WILDISH:** Thank you. Back to Jane for a run of questions now. So, the first question is, has Arts Council agreed the governance decisions with appropriate

regulatory organisations such as the charities commission to ensure they aren't in conflict. For example a conflict risk register is a requirement that's already in place. Thinking around our approach to governance moving forward to the new round.

**JANE DAWSON:** I might need to come back to you if I forget one element. We haven't had formal discussions with Charity Commission and other organisations, but we do regularly communicate with them on the advice and information that we're providing to organisations. We're not asking people to do anything that they wouldn't normally have to do if they are a registered charity or registered with the Charity Commission. So, if you have a conflict-of-interest policy already, huge tick, you don't need to think about doing another one specially for us because the one that you already have will suffice. We've also been basing the advice and information that we're providing on the good governance guide that is supported by the Charity Commission and on all their legislative regulatory requirements. The third question...

**THOMAS WILDISH:** It is a question around some organisational models requiring an executive to be on the board and our guidance articulated that is not something we would view as best practice and if you would articulate it.

**JANE DAWSON:** We recognise in some cases it is required and in others, it is desired, and it is also obviously perfectly allowable in law. Where that is the case, and you've got your conflict-of-interest policies there then that's great. What we would ask is that the majority of people on the board or an in an advisory group, are not related and not related to a paid officer and not receiving funding by way of remuneration from the organisation. So, that's how that potential conflict of interest is largely mitigated. So, not a problem, but please make sure that you have the conflicts of interest policy in place and that the majority of your board are independent.

**THOMAS WILDISH:** Thank you. So, the next question is, we've touched on this in the presentation, but will business plans and associated plans be required later on in the process? For example, once a funding offer is made?

**JANE DAWSON:** The simple is no, but what we do believe is that well-run organisations would have business plans and those business plans ought to be reviewed by and approved by boards and if you have an advisory or over see sight group, shared with that advisory group so the board or the advisory group can check whether or not progress is being made in accordance with those business plans. It is not a requirement. But if you've got them, brilliant and we will see them through submission of board papers.

**THOMAS WILDISH:** Thank you. Then just a couple more before moving on to Michelle. The first one is - are draft accounts for the last financial year preferable to those - let me start again. Are draft accounts for the last financial year preferable to complete accounts for the year before?

**JANE DAWSON:** We do ask for financial statements that have been signed off. So, no is the simple answer. There is always a slightly longer answer and that slightly longer answer is please tell us of any significant change in your application. So in the narrative section, you can tell us a bit about what might have changed since the previous 12 months period and you know, we also - just to add because we often get questions about this. If your financial year isn't the same as the Arts Council's financial year, so 1st April to 31st March, that's fine. We just need accounts for your financial year, not our financial year in this case.

**THOMAS WILDISH:** Thank you. The last one for yourself is what exactly is meant by registered office and main office when you talk about relocation? This is the

programme for relocation out of London?

**JANE DAWSON:** We'll provide a little bit more information on what we by that when we publish the detailed guidance later in the year, but what we're doing - what we mean by registered office is where your legal entity is registered. In many cases, that will be your normal office, but in some cases, it may be a solicitor's office or your accountant's office. So, in talking about where the registered office is located, to change that, you would need to submit a request to change or a notification of change to your regulatory body. It could be Companies House for instance. Your main office is where you operate out of. Now, in some cases that might be in a cultural building. So, if you are a theatre or co-located in a theatre. In other cases it might be a rented office or it could even be your own front room. Particularly as things have changed over the last 12 months or so. I guess, the question is where would people send you a letter? That would be your main office is the simple way of looking at it.

**THOMAS WILDISH:** Thank you. I've just got some questions for Michelle now. The first is, our organisation is located in a county that currently only has three NPOs and all three of those NPOs are in one city. This means there isn't a single NPO in our local government district. But the lowing district is not a priority place or a Levelling Up place. Will this put us at disadvantage if we decide to apply to become an NPO?

**MICHELLE DICKSON:** Not a disadvantage, no. We're interested in the spread of investment and activity across the whole country and we've talked about Levelling Up for Culture Place which include our priority places because there has been a historical lack of investment in those places. But absolutely fine to make an application from wherever you're based, for the activity that you do. You know, we're not expecting organisations to move, you know, if they're outside of London just to be able to do that, but we would encourage everybody this think whether there is a contribution they can make in the Levelling Up for Culture Places and for some, there won't be. Again, absolutely fine. With all of this, it is what's right for your organisation and how can you make the strongest contribution?

**THOMAS WILDISH:** Thank you. Then the second question is, we are an organisation without a building, working both inside and outside of London. How do we convey this in our application?

**MICHELLE DICKSON:** So, you need to tell us your registered office. That's where your application will be counted in terms of whether you're in London or not, so if you're a London-based organisation, in terms of your registered office that's where we look out for an investment if we made one in your organisation. But in terms of the activity, tell us what you're doing and where you're doing it and if you haven't already had a look at it, the activity template asks you for each activity that you enter where the location of that activity is planned to be. At this stage, you might not know that and there is an option to say that if that's the case and you can pick multiple locations if, you know, for example if it is a touring activity and digital distribution and so on. Hopefully you will be able to find your way to communicate that through your activity template and then there is also a section on the application form that's a narrative section about the activity that you're doing and your contribution to the outcome. So it maybe that you want to tell us about it there too.

**THOMAS WILDISH:** Thank you. And also, there are some others that came in. While we're on this. There is a question around where the elements of the outcomes are set out.

**MICHELLE DICKSON:** They are listed on that activity template. That's an Excel document. If you open it up and scroll across to the right, it sets out the elements.

These are the things that make up the outcomes and if you want a bit of contextual information about them, if you go back to Let's Create, each of the outcomes has a narrative section that talks about the things that we think are important to contribute and realise those outcomes.

**THOMAS WILDISH:** Thank you. And I'll ask you two more before moving on to Alex. So, the first is, within the balancing process, is each outcome valid equally or is more investment going to get allocated to one or two of them?

**MICHELLE DICKSON:** So, a good question. We're interested in all of our outcomes obviously and the elements that form them. But we haven't set budgets. We're not being prescriptive about it and we want to be able to respond to the applications that we get, but you will see, we set out our balancing criteria and we do talk about a spread of investment across the outcomes and the elements, but that's about us also responding to what we receive by way of applications. So, you know, if we didn't receive strong applications delivering against one pick element then we wouldn't start investing in, you know, weak applications just to achieve that element. The NPO portfolio isn't the only way that we'll realise Let's Create. We have lots of other ways of investing and supporting and developing activity so we're looking for strong quality contributions and looking for a broad spread, but it has got to be high-quality.

**THOMAS WILDISH:** Thank you. And one more before moving on to Alex. Two of the outcomes, cultural and a creative and cultural community have elements of international work. Does the Arts Council distinguish between other parts of the UK and non-UK countries?

**MICHELLE DICKSON:** It is probably easier to collaborate closer to home. There are strong connections across the UK and we work with the other Arts Councils delivering in England and vice versa and that's fine. To Europe and the rest of the world. Yeah, really welcome applications that can respond to those aspects to bring international work to England and audiences and the public here, but also there are elements that talk about collaborating as well so international collaboration is there too. So, no, I mean, again, it's what's right for your organisation and what would give greatest benefit to the public in England.

**THOMAS WILDISH:** Thank you. Alex, just some questions for yourself now. Firstly, I've heard that some NPOs are funded by Lottery money and some by DCMS money. Is this correct? If so, what is the difference?

**ALEX MIDDLETON:** Yes, that is right. Our NPO budget is made up of a mixture of grant-in-aid from treasury and funding from the National Lottery. For the grant holders, there is no difference. We will work out who gets what in terms of how we'll deploy our budget. Currently some touring organisations and some organisations focused on activity for children and young people get Lottery money. So, it will be clear from the funding agreement what the budget source is but we treat all organisations the same. The only difference is the logo that you use to demonstrate our funding.

**THOMAS WILDISH:** Thank you. So the next question is around our expectations around match funding. The question is, can you give us an idea of what your idea about match funding and supporting revenue. If my turn-over is £250,000 per year, what would your expectation be? The briefing sets out what you need. We heard conflicting things.

**ALEX MIDDLETON:** We can't give a clear-cut answer to that for all organisations and we don't have any formula works for all organisations. So we fund lots of different organisations. In terms of the other income that they might be able to attract, it really depends on the organisation's circumstances. Of course, we look at

other income streams and there is no set percentage. In the introductory conversations, Relationship Managers will be drawing on data sets from our current portfolio. You might be advised on what similar organisations get. That's based on size and scale of organisation and where the organisation is based and the art form or discipline and various other things. That's why different organisations will be having different conversations. You don't need to agree in your conversation how much you will apply for. It is a balance of the discussion that you have in that conversation and as we said, how much money you think you need to deliver your activity.

**THOMAS WILDISH:** Thank you. A couple of questions around towns funding. Can funding from the Government's town funding be used as a match?

**ALEX MIDDLETON:** Any other income that your organisation is getting can be included in that budget. It is not like Project Grants where we have specific requirements around a certain level of match funding and what can and can't count as match funding. We want to see the whole organisational budget and the picture of that.

**THOMAS WILDISH:** Thank you. Another one on towns fund which relates to risk. We have received substantial funding from the towns fund to buy our building, renovate and equip it as a large arts centre. Time frames from purchase to reopening will be planned, but things will no doubt happen outside of our control. How will be perceived by Arts Council?

**ALEX MIDDLETON:** Yes, I think this is like any risk linked to your plans and your associated income. I think as long as you talk to us about it in your application. So, there is awareness of what the risks are. Whether that's in relation to the other income or your ability to plan for various reasons and what you're going to do to mitigate against that. We'll take that into account in our risk assessment, but it is really, really helpful if you highlight it as a risk and you tell us about the various options that you're looking at to mitigate the risk and what you will do if you can't go ahead with certain plans.

**THOMAS WILDISH:** I've still got a few more for you. We have a leadership team of two, one is female, the other is disabled. As this isn't 51% female or disabled, does this mean we're not a diverse-led organisation or do you take a percentage?

**ALEX MIDDLETON:** The 51% or more is just one of the lensing we will be looking at. One of the things we look is at the individuals within the leadership team. The full roles. Here we would be looking to what extent those four individuals including the ones mentioned here were from the protected characteristics that we focus on.

**THOMAS WILDISH:** Thank you. There are two really quick ones before we come to the final question because we are approaching 11:00am. The first is once registered for NPO on Grantium, can we change the figures we are looking to apply for?

**ALEX MIDDLETON:** Yes, that's a nice easy one. You can change them and you don't need to start a new application form.

**THOMAS WILDISH:** If we achieve NPO status, can we still apply for Arts Council project funding?

**ALEX MIDDLETON:** So currently, NPOs can apply for some strands of Project Grants, so that's for touring, national activity. So that's set out. We've got an information on NPO and project funding. You are allowed to apply for Project Grants as you're applying for Project Grants. You can apply for Project Grants and NPO and if you are successful in NPO and you are successful in Project Grants and it runs into the same period, we then look at whether there was any duplication or overlap in activity and whether we needed to vary either of our offers.

**THOMAS WILDISH:** Thank you. The final question is for yourself, but Michelle might be interested in chipping in on this one as well. What are the most frequent mistakes/missteps people make when making an application and what should we pay special attention to?

**ALEX MIDDLETON:** Well, I'll let Michelle come in as well if she wants to. But I think it is about making sure that you focus on the guidance and the questions that we're asking. So, we are being quite specific around asking questions around delivering against our outcomes and investment principles and that's really where we want you to focus your application. We have been quite prescriptive obviously with the templates and all of that. I think let us guide you in your responses in terms of giving us the information that we're asking for because it makes it a lot easier for us then to assess consistently across all the applications that we receive.

**THOMAS WILDISH:** Thank you very much. Michelle, did you want to chip in on that?

**MICHELLE DICKSON:** That's probably what I would have said. Just to expand slightly, you won't be able to tell us everything that's wonderful about your organisation in the application. If you're trying to do that, you're using up the space and if it doesn't directly respond to the application form, the questions and Let's Create which is, you know, our strategy that's underpinning this then you might be missing an opportunity to strengthen your application really. I mean this isn't a mistake, but you have got a few months and it is like everything, it is trying not to put it off until close to the deadline and just starting to, I mean, it is great that you're with us today, but having a look at the information and having time to reflect on it and discuss it with colleagues and your board if you have one. I think will help everybody.

**THOMAS WILDISH:** Thank you very much. We've come to the end of the session now. If I could have the final slide back up, please? 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 application before submitting. So, the deadline for applications is 12pm midday on Wednesday, 18th May. We strongly advise you don't leave submitting your application until the very last minute. Try to 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. 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've not booked one yet, you can. A reminder these are mandatory for new applicants, but optional for current NPOs. Making an application, take a look at the essential documentation including the Guidance for Applicants and Addendum, and the application templates. And the supporting documents including information sheets and blank templates you can use in your planning are there if you need them. Remember, if you have any questions, please do 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, 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. Thank you for coming. Goodbye.