

Standard conditions for grants

These conditions apply to all grant offers dated from 1 November 2006.

What are the standard grant conditions?

This document is important. It sets out our relationship with you for funding your activity. It:

- tells you how you accept the grant; and
- sets out some of your responsibilities once we have given you the funding, such as giving us information about the funded activity and using the funding only for the purpose we give it to you for.

This is a legal document and if you do not meet these responsibilities fully, you may be breaking the contract between you and us. The offer of funding and other communication from us might also tell you about other responsibilities to do with your grant.

If you have any general questions about how this document applies to your activity, please contact your lead officer. However, if you need legal advice about this document, please contact your solicitor.

If you do not have access to the internet or email, you can ask us for more information or documents by phoning 0845 300 6200.

Instructions on how to read these conditions for grants

Everyone who receives a grant from us should read section A.

You should also read any other section that is relevant to the specific grant you are receiving.

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In all these conditions:

- 'you' means the person (individual) or organisation that we have given a grant to, or anyone officially representing this individual or organisation; and
- 'we', 'us' and 'our' mean Arts Council England.

Section A – for everyone receiving a grant from us

The purpose of the grant

- 1 You must use the grant only for the purpose for which we awarded it. For a grant offered in response to your application, this will be the purpose you gave in your original application and any changes which we have approved in writing. For all other grants, it will be the purpose given in the letter offering the grant to you and any changes we approve in writing.
- 2 We may also only award you a grant:
 - for parts of the activity you have asked us to fund and not all of it; and
 - if you agree to our request to make changes to what you originally asked for.If we decide to do either or both of these things, we will tell you in writing and you must then only use the grant in this way.
- 3 After receiving our offer, you should tell us if you want to make any significant changes to the activity we agreed to fund. We may alter or withdraw the grant if we do not consider the change in planned activity to be reasonable in relation to the funding we offered. You should not go ahead with any changed activity until you have received our written approval for this change.
- 4 The agreement we have with you for funding can be made up of many documents. You should make sure you read all of these documents as they can include responsibilities you will have to meet. These documents normally include:
 - any documents that you send to us asking for funds;
 - any letter or other document from us offering you funding;
 - these standard conditions for grants;
 - any funding agreement we have with you that is separate to these standard conditions for grants (for example, the funding agreements we have for building projects or that we have with organisations who receive annual grants to fund their ongoing activities);
 - any payment conditions or other special conditions we agree with you in writing;
 - any detailed plan of your activity or budget, and financial information about your organisation you give us that we accept; and
 - changes to anything you are responsible for doing that we agree with you in writing.

- 5 There are other requirements that you will have to follow from time to time. Visit www.artscouncil.org.uk/grantconditions for information on these requirements. You must read all this information and, if any of it applies to your activities, it will form a part of these conditions and you must keep to it. For example, you will have to meet the obligations about vulnerable people if the activity we are funding involves vulnerable people. If you do not meet the requirements, we can take action under these conditions.

Accepting the offer

- 6 You must accept the grant in the way we ask you to. This will normally involve you accepting all your responsibilities for the grant by signing a form or agreement and sending it back to us. We will not make any payments until this has happened. If you are an organisation, the written acceptance must be signed by an officer authorised to sign for the organisation. If the grant is for more than £50,000, a member of the board or management committee of your organisation must sign.
- 7 If your grant is for a specific activity and we do not receive the signed acceptance within one month of us sending it to you, our offer of a grant will no longer be valid. If this happens, you will no longer be able to accept the grant (unless we have agreed in writing to give you more time) and you will have to send in another full application for us to consider.
- 8 The amount of grant written in the offer letter is the most we will pay. We may pay you the grant in one or more payments, and we will tell you in writing about these. You must complete your activity within the timetable that you have included in your application or other information we have agreed to. You must claim any payment due to you when it is due and in line with any conditions relating to payments. If you expect your activity to be delayed by more than three months, or you cannot claim any payments due to you within three months of your activity ending, you must write to us as soon as possible and before the delay to explain the reasons for it. We will confirm whether this is acceptable to us or not. In some cases we may not be able to give you more time and you will not be able to claim any remaining payments.

Breaking these conditions, and suspending or repaying the grant

9 If you break any of these conditions, one or more of the following may apply.

- You may have to pay back all or part of the grant.
- We may stop any future payments.
- We may end this agreement immediately.

We will decide what to do and the amount you will have to pay back (if any).

When we are deciding, we may think about whether, in our opinion, the conditions were broken because of factors outside your control.

10 Unless exception a or b apply, we may also take the actions set out in condition 9 if any of the following happens.

- You close down your business (unless it joins with, or is replaced by, another business that can carry out the purposes of the grant to our satisfaction).
- You significantly change the activity you received funding for without getting our written approval first.
- You do not use the grant for the purpose for which we awarded it.
- You do not follow our reasonable instructions.
- You do not perform the purpose of the grant or funded activity with reasonable care, thoroughness, competence and to a standard that would be expected for your level of experience in your artistic practice, profession or line of work.
- You do not complete the funded activity (unless, in our opinion, this was because of factors outside your control).
- You wrote anything significant in your application that is wrong or misleading, either by mistake or because you were trying to mislead us.
- You are declared bankrupt or become insolvent, any order is made, or resolution is passed, for you to go into administration, be wound up or dissolved; an administrator or other receiver, manager, liquidator, trustee or similar officer is appointed over all or a considerable amount of your assets; or you enter into or propose any arrangement with the people you owe money to.
- You act illegally or negligently at any time during the funded activity, and we believe it has significantly affected the funded activity, or is likely to harm our or your reputation.
- Without first getting our approval in writing, you sell or in some other way transfer the grant, your business or the activity the grant is funding to someone else.

Exceptions to condition 10

- a We can decide whether to ask for repayment and whether to keep funding the activity. When deciding these things, we will consider whether the problem can be fixed in a way that we are happy with, and within a reasonable time.
 - b When we want you to pay us back, we will consider how much of the funded activity has been successfully completed before deciding the amount of money you should repay.
- 11 If you break this agreement and we do not enforce one or more of our rights straight away, this does not mean that we will not do so in the future. We will give up our right to enforce this agreement only if we tell you in writing.
- 12 If you break this agreement, we can choose to treat that as you breaking any other grant agreements we have with you. This will allow us to take the same actions under those agreements that we may take under this agreement, including making you pay back the grant and stopping any future payments.

General conditions

- 13 You must give us or our agents access to any financial records relating to this grant.
- 14 You must immediately tell us about any changes to your bank or building society details.
- 15 You must send us any information we need to monitor your activity and how effectively our funding is being used. This includes the information set out in the offer of funding or other funding agreements we have with you, and any other information we ask for from time to time.
- 16 You must acknowledge our grant by following the guidelines we will provide. You should use our funding mark on all published material relating to what we have agreed to fund, including printed and online material. You can get the mark, with details of how to use it, from our website at www.artscouncil.org.uk, by emailing funding.mark@artscouncil.org.uk or by phoning 0845 300 6200.

If you are receiving a grant from the Creative Partnerships programme you can get the Creative Partnerships funding mark, and details of how to use it, from www.creative-partnerships.org, by emailing funding.mark@artscouncil.org.uk or phoning 0845 300 6200.

- 17 Our staff, council members and advisers cannot give you professional advice and will not take part in carrying out your business. We cannot be held responsible for any action you take, any action you fail to take, or for your debts or liabilities. Even though we may give you funding and talk to you about your activities, you are still fully responsible for every part of your business and the decisions about it. We will not be responsible to anyone else who may take, or threaten to take, proceedings against you.
- 18 You are responsible for getting your own management, business and artistic advice. This includes considering whether you need to get financial, accounting, tax, solvency, legal, insurance or other types of professional advice. You must not assume that your business is financially stable or solvent (this means your business is able to meet its financial responsibilities), even if we continue to support you. You must tell us immediately if your organisation changes in a way that may threaten its solvency.
- 19 In carrying out your business and the funded activity you must keep to any relevant laws or government requirements. For example, you are responsible for getting any licences, permissions and insurances that are necessary by law.
- 20 Our funding comes from public money, so if you are planning to buy goods or services with our funding, you should always buy them in a way that will give value for money. This means getting the best price for the goods or services you need. Wherever possible, you should go through a 'competitive process' to choose the goods or services you are buying. This involves getting formal quotes from more than one business when spending smaller amounts, and going to tender when spending larger amounts. There may be some limited reasons where a competitive process may not be appropriate. These reasons might include when there is only one business who can sell you the goods or services, technical or artistic reasons, or times when the cost and time to go to tender is too much compared to the value of what you are buying. If you are a public body, you must keep to the procurement rules of the European Union and the World Trade Organisation (if they apply to you and what you are buying).
- 21 We get the funding we give to you from different places, including from Parliament and the National Lottery. We do not expect this funding to be reduced or stopped but, if it is, we may reduce or stop your grant before we have paid you the full amount.
- 22 You should consider any possible risks involved in your funded activities and take appropriate action to protect everyone involved.

23 If the grant is for a specific activity and you manage to:

- complete the activity without using all the funds provided by us and other funders; or
- generate more earned income than expected;

you must tell us the amount of any extra income and funds left over. You must also tell us how you intend to use this amount. If we do not agree with the way you intend to use it, we may ask you for an appropriate share of the amount left over and you must give us that share. If we do this, the amount you owe us will usually be the same as the percentage of the total project costs we paid.

24 The Freedom of Information Act 2000 ('the Act') applies to us. This means that any information you give us could be released to any person who asks for it under the Act. Visit our *Publication scheme* at www.artscouncil.org.uk/publications for more information on how the Arts Council applies the Act and our data-protection policy. You must tell us if you think that any of the information should be confidential under any of the exemptions of the Act. Please visit www.foi.gov.uk for information on the exemptions.

Section B – extra conditions for those receiving Grants for the arts for individuals and organisations and Creative Partnerships

25 Unless we have agreed otherwise in writing, we may choose not to fund goods or services you buy or order before your grant was approved.

Information we need from you

26 You must give us two copies of any relevant programme information and publicity material for the funded activity as soon as you can. At the latest, you should give it to us at least four weeks before any specific event or events happening because of the grant.

27 You must give us accounts that cover the period of the funded activity, in the exact way that we ask you. These accounts must follow any relevant legal requirements for accounts, audit or examination of accounts, annual reports or annual returns.

Section C – extra conditions for those receiving grants for assets with ongoing value or use (for example, buildings or equipment)

- 28 During the period covered by your grant, you must not sell any assets or goods that have been totally or partly bought, restored, conserved (maintained or protected from damage) or improved with our grants unless:
- you can sell them for their full current market value; and
 - we have given you permission, in writing, beforehand.
- 29 If we have contributed (or will contribute) more than £25,000 to help with buying, restoring, conserving or improving land, buildings or any other asset, you must not apply for a mortgage over that asset or use it as security without our approval.
- 30 We will get 'collateral warranties' in our favour (and in a form approved by us) from contractors and consultants on most building projects. (Collateral warranties are documents you, the contractor or consultant, and we sign, under which we can take over the contract with the contractor or the consultant if certain events happen.) If we feel it is necessary, we will take security on the freehold or leasehold interest or other asset or assets, or ask for some other appropriate form of security for your responsibilities under the terms of the grant. We may demand that you give our solicitors copies of all the documents affecting the title to the property (for example, all mortgages, conveyances, leases and so on that affect the legal rights to the property).
- 31 If you sell or give away assets or goods bought, restored, conserved or improved with our grants, we will receive an appropriate share of the 'net' proceeds (the proceeds after tax and so on) of this for as long as these assets or the improvements have a useful economic life. This share will usually be the same as the percentage of the costs we paid. However, after we have considered all the circumstances, we may not ask for this if we think it would be inappropriate. We may decide this before you sell or get rid of the assets if:
- you use the money you gained from the sale to benefit the project the grant was for; and
 - there are arrangements in place for dealing with the proceeds of sale if these are either higher or lower than we had expected.

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We are committed to being open and accessible. We welcome all comments on our work. Please send these comments to Andrew Whyte, Executive Director, Communications, at the Arts Council address above.

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