**Briefing transcript – 2023-26 Investment Programme: Transfer Programme**

10.30am, Tuesday 12 July 2022

MIKE: Hello, everyone, we are nearing 10:30, we are expecting about 80 participants so we are going to wait a couple of more minutes before kicking off. So we will just give it a couple of more minutes. We are at 50, I think we are expecting 80, so I will run through the first slide before we kick off the presentation.

Welcome to the transfer briefing for the 23/26 Investment Programme. We recommend using the desktop version of Zoom. This session will be supported by live captions and BSL interpretation. The session will be recorded and available to watch online afterwards. We won't ask you to turn on your camera or microphone at any time. You can submit questions using the Q&A box. For further information you can go to arts council.org/investment23. We are at 61, so and it's 10:32, so if you are happy to kick off, Laura, we can go to the first slide.

LAURA: Great. Thank you very much. So welcome, everyone, hi, I am Laura Dyer, Deputy Chief Executive For Place Engagement and Libraries at Arts Council England. I think, as advertised, it was going to be Simon Mellor with me today. Unfortunately Simon is not well today so I am his understudy. Also joining me is Michelle Dickson, the Director of Strategy and you have already met Mike, our Senior Relationship Manager in London. There are other colleagues who are with us today as well from the investment centre and other parts of the Arts Council. And when we are at the Q&A section they will join and answer some of your questions.

So welcome, everyone, to this additional session ahead of the deadline for London‑based applicants, for you to decide if you want to opt into the transfer programme and out of the three‑year NPO/IPSO investment. That is National Portfolio Organisation or Investment Principles Support Organisations to try and bust some of those acronyms. I am sure you are all familiar with them. Particularly welcome to any board members who we know will need to be involved in considering whether this is a route your organisation will want to pursue. As Mike said, today's session is live captioned and we also have BSL interpretation. As also Mike mentioned we recommend using the desktop version of Zoom. The session is being recorded and we will post it on our website afterwards.

So if you want to go back or share with colleagues. We have 60 minutes for the session which will take us to 11:30. The first half is a presentation. We will then take a five‑minute comfort break before answering your questions. As Mike said you can submit questions using the Q&A box. We will answer as many as we can, but we won't get to every single one. We do keep refreshing our frequently asked questions on our website.

So I would like to introduce the speakers. As I say, I am Laura Dyer, I am a white woman, I am middle aged although I am battling against that. With shoulder‑length blonde hair and black glasses. I am going to hand over to Michelle who will introduce herself.

MICHELLE: Hi, everyone. I am just waiting for my video to start! I am a white middle aged woman with shoulder length brown hair, sitting in our Leeds office in front of a picture and a white wall.

LAURA: Thank you. Mike.

MIKE: I am Mike Brooks, a white man in a white office in our London office with glasses and brown hair.

LAURA: Thank you very much. If we can move on to slide 3. So this covers what we will be talking about today. Broadly it is how the Transfer Programme relates to our wider investment programme. Some of the key details, the next steps and then, as I said a question and answer session.

So just to recap, this programme aims, in terms of how we aim to move up, this isn't a session where we can get into redesigning the programme, or indeed giving advice to individual applicants. We will explain why we have created the programme and designed it in the way we have, including the various deadlines through the process. As I said, we are aiming to have at least 30 minutes for the questions that you may have of us.

Next slide, please.

So just to give a summary of information that should hopefully be familiar to you. As you will be aware, we were instructed by the Secretary of State for Culture, Nadine Dorries to take £24 million out of the portfolio in London and reinvest it into the portfolio outside of London. Now, in our negotiations with the Government we made very clear to them the important contribution that London‑based organisations play, not just in London, but to the whole of the national ecology, including the fact that many touring organisations are based in London. We are confident that the Government understands this, but nevertheless, as part of their Levelling Up agenda they want to see increased investment in the cultural infrastructure outside London. That includes not just increased access to creative opportunities, but also increased employment outside London.

As part of those negotiations with the Government, they agreed that the £24 million cut in London could be delivered in two phases. The first phase is that £16 million from the 1st of April 2023 has to be delivered through a combination of reductions and removal of funding to the current London portfolio. That is £16 million. It should be noted that in practice, it's likely they will want to save more than that £16 million from the current portfolio given that London‑area council and our National Council will also want to invest in new organisations and increase our investment in some NPOs to make sure that the London portfolio is more representative of London. The second phase which we have to deliver by April 2025, so the end of this current spending period for Government, can be delivered through a Transfer Programme. That is £8 million. That provides an opportunity for current and indeed new national portfolio and investment principle support organisation applicants to relocate out of London by the 30th of October 2024. It should be noted that if we are not able to identify £8 million worth of applications that we want to support through the Transfer Programme, we will have to find more than £16 million worth of cuts by April 2023 because, as I said at the beginning, the bottom line is we have to find £24 million per annum by the end of the spending review period. Now, hopefully none of this is a surprise to you. It was all set out in the guidance and supporting documents we published in February. Obviously a significant number of London‑based organisations have already indicated to us that they are interested in considering relocating. Now it's worth acknowledging that this instruction came from the current Government. But we have no reason to expect that a new Prime Minister, or indeed a new Secretary of State, if there is one, would reverse this instruction. We understand that this programme will have an impact on the ecology of London cultural organisations and on the places any of them might move to. But because there isn't a capital resource to finance new builds or buy buildings, we are expecting most, if not all of the organisations that want to move to be those without public‑facing buildings such as touring companies, or those who deliver nationally. We will talk more about the detail of the criteria around moving later on. It's important to note that it doesn't stop organisations based outside London from continuing to deliver some activity in London. Many of them do do that now.

I am now going to hand over to Michelle who will take you through the detail.

MICHELLE: Thank you, Laura. So moving on to the next slide. So here is the key details about the programme. Because the Government's instruction followed after we had published the main guidance for the NPO/IPSO programmes we had to issue an addendum, so additional guidance. We had to design the Transfer Programme to achieve the requirements of that instruction, but also be as light touch as possible for applicants as and as compatible as possible with our existing process. As you can imagine that is quite a challenge and none of us are operating in ideal circumstances as a result. Although this flow chart starts with the 18th of May deadline for applications for NPO and IPSO, we did publish the Government's instruction in our addendum to the main guidance on the 23rd of February. Although some of the details evolved the approach we outlined by relocation is broadly the substance of the transfer programme.

So organisations have had since February to begin considering the idea of relocating as part of this process. We have published the actual guidance on the transfer programme on the 16th of June along with a set of frequently asked questions and a supporting information sheet which sets out some considerations for organisations relocating and provides signposting to hopefully useful resources and further information. So the transfer programme provides two years of funding, from the 1st of April 2023 to the 21st of March 2025 and supports organisations on the Transfer Programme to deliver activity whilst relocating. Transfer organisations relationship with the Arts Council will feel practically identical to those who are part of the rest of the NPO/IPSO programmes. Then in the autumn of 2024 transfer organisations can then apply to join the NPO/IPSO programme for a third year of fund wig will cover the period from the 1st of April 2025 to 31st March 2026, provided they have relocated by the 31st of October 2024. So the application for this third year will be very simple and non‑competitive. By which I mean there will be sufficient funding to support everyone on the Transfer Programme.

So we recognise that creating these two programmes does add additional uncertainty for organisations interested in joining the transfer programme for which we apologise. We have had to do it this way in order to be compliant with Government grant standards and new legislation around subsidy control. So the 18th of July, next Monday, is the latest date we can receive your response on whether you want to opt in to transfer or not. Assessments of applications will be read by reviewing panels and by Area Councils and National Council from the end of July. Area councils are the decision‑making body for NPO applications up to a million pounds and National Council will make the decisions on NPOs over a million pounds per annum and on IPSOs and applicants opting in to the Transfer Programme. To the assessment is to the right panels in order to keep on track with making decisions and announcements by the end of October.

For those applicants who are offered funding through the Transfer Programme, we will go on to discuss your activity plans as part of the funding agreement negotiation phase. We recognise that your activity plans were submitted before you were planning relocation and that relocating is likely to impact on your delivery in 2023/24 and the first part of 24/25 potentially. So it's likely we will be able to agree a reduced level of activity where necessary and appropriate for your organisation. Funding agreement negotiations for transfer organisations will commence in November this year and conclude by February 2023, ahead of the funding period beginning 1st of April 23. So the parallel same timeline as the NPO and IPSO.

We hope the provision of feasibility funding will help to provide or release capacity for organisations on the Transfer Programme and we have designed this to be flexible so it can cover costs such as travel and accommodation as organisations explore relocation destinations, backfill, consultancy, so a flexible way to enable you to provide the resource that you might need to consider relocation. We can't offer that feasibility funding until the main transfer programme funding negotiations have concluded, so feasibility will be available from 1st of April 2023 and organisations can apply at any point until the end of March 24. Again, it's a non‑competitive light touch process, so providing you successfully secure a Transfer Programme Funding Agreement and then can set out and ultimately report on eligibility feasibility expenditure you will receive this money and it's set out on the slides. So up to 250,000 per annum transfer funding can apply for up to 25,000 feasibility. Organisations receiving between 250,000 and a million per annum can apply for up to 35,000. Organisations in receipt of over a million per annum can apply for up to 50,000 feasibility.

So, as Laura outlined, it's an absolute in the Government instruction that we have to move the final eight million out of London before the 1st of April 2025. Because of subsidy control legislation organisations need to have completed their move before they can apply for funding to join the rest of the portfolio for 25/26. As a result we had to create a deadline for applications which strikes a balance between giving transfer organisations enough time to move, but also sufficient time to know they have a third year of funding secure. So we have set the deadline of the 31st of October 2024 for organisations to have moved in order to be able to apply to join the rest of the portfolio for 25/26. The application period will open in November 24 and again the process of applying for the main portfolio will be light touch and non‑competitive. Applicants will need to demonstrate that they have met the two criteria around moving, submit budget and planning for 25/26 and be on track with their Transfer Programme Funding Agreement.

So the two criteria: By move we mean establishing a main office and your registered office outside of London. As well as demonstrating a tangible commitment to adding value to the local cultural sector and the communities it served. So establishing a main office. If you have a physical office then you should establish an office outside of London and the majority of staff should be working from a non‑London location, although you can continue to deliver activity in London as part of your funded programme. That office should be the principle contact point for your organisation, ie, the address for postal correspondence, the address registered with your bank. If you work within a hybrid or distributed model where you don't need a physical presence in a main office the principle contact point for your organisation should again be outside London. So that address for postal correspondence and the address registered with your bank.

By demonstrating a tangible commitment to adding value, we anticipate that organisations will add value in different ways and will be flexible in the way you assess this. So it could be renting an office or creation space, employing or contracting local people, delivering creative or cultural activity locally, or participating in local cultural networks such as cultural education partnerships. We recognise that a number of London‑based organisations who opt in to the Transfer Programme have a national remit, perhaps a touring organisation. They may currently make a limited impact in London with them being based there. We are not expecting organisations like that to be making major changes to the way they work if they relocate to a new area. We will want to continue to invest in organisations that have a national remit, wherever they are based in the country. We will inform applicants of their funding for 25/26 by January 25 at the latest.

It's likely that we will go on to continue to fund a National Portfolio from the 1st of April 26 and so when we get to that point, to join that portfolio you will be able to apply from your new location if you have moved. As is the case now, we will once continue to invest in a group of organisations whose main impact is outside the area they are located in. The decisions we reach on whether any organisation should be in the portfolio always reflect the interplay between our area expertise and the expertise of our relevant national art form discipline teams. Next slide.

So the Arts Council can't advice on whether you should move or whether you should move to and frankly you would hate it if you did. This has to be a decision for you and your board. As you will see from the information sheet that we have already produced, we are starting to think about what type of support we might be able to offer to organisations on the transfer programme. We will do what we can to provide further help and support to those organisations, but it will depend on the number of organisations and our capacity. So it might take the form of commissioning case studies, area briefings, brokering introductions to local authorities, but we can't set out, or promise any of that at this point. Whatever we are able to provide it won't be a full concierge service and that is why we have made the provision for feasibility funding. The relationship of organisations on the transfer programme with the Arts Council, as I said, will be virtually identical to that of organisations on the rest of the NPO and IPSO programmes. So similar funding agreements and operating within a similar relationship framework. We will invite you to any events that we schedule with NPOs or IPSOs and CPPs, Creative People and Places, or, other regularly funded organisations.

You will have a relationship manager and be expected to provide via your board papers a regular update on progress towards performance indicators and success measures as agreed within your funding agreement. Relocating won't be right for every organisation, but in speaking to some organisations who have already moved, when we were putting together the information sheet it's clear that moving can provide real benefits and opportunities where it's aligned to the organisation's mission and purpose.

These benefits could include delivering different activity in different places, building new partnerships, reworking organisational policies such as hybrid working, improving access provision and improving work/life balance for staff. While the competition for funding in London will be very competitive, it's important to stress that organisations will only get on to the Transfer Programme if they have submitted applications that we believe meet the criteria for the NPO or IPSO programmes and that persuade us that you the applicant will be able to make a strong contribution to the delivery of Let's Create wherever you are based.

So next steps: Obviously you need to choose if you haven't already whether to opt in it the Transfer Programme or not. You need to do this by the 18th of July. You don't need to have decided where you are moving to by this point. But we are interested to know where you might be considering relocating to and if you have any thoughts already. Once you have opted in to the transfer programme you will be removed from the NPO or IPSO programme. You can't be in both programmes. It's not a continue of the transfer programme that you move, so you can join the Transfer Programme and if you don't move you would still receive the two years of funding, provided you kept on track with your funding agreement. However, to be eligible to join the portfolio for 25/26 you will need to employ from an out of London address and fulfil the criteria previously mentioned.

The link that you need to complete to let us know whether you want to opt in to transfer was sent to you in an email on the 16th of June and the email address was funded. Organisations at artscouncil.org.uk. If you need to find it in your inbox. If you don't reply, so if you don't submit a response your application will remain in either the NPO or IPSO programme. So next slide. That concludes the information that we just wanted to recap and share with you. So we are going to take a five‑minute break and reconvene at 11.00am where we will have half an hour to answer questions. So if you have questions, please do use the Q&A box to submit those and we will answer as many as we can from 11:00.

See you then.

[ Short break ]

MIKE: Hello, everyone, welcome back. We will start the Q&A and begin with the most common question for I think Michelle.

It's about demand and what happens if demand is high. Can we increase the pot?

MICHELLE: We could do, but if we go over eight million it will have a further knock‑on effect on the London budget. So it wouldn't make life easier in terms of making those choices about investment in London. Yes it is possible that that could happen. It's really difficult, there are a number of questions trying to work out what the best route is. I think we can just reiterate that the bar remains high, whichever route you choose to go down and we don't know what level of demand we are going to get. So we can't give any advice in that regards as to whether you are more or less likely to get funded. So by which I would conclude that you should only think about relocating if it does align with your organisation and make sense to you as an organisation. Really I think there should be more reasons to relocate than just whether you are more likely to get funding or not really. Laura, I don't know if you want to come in and add anything to that?

LAURA: I think you have covered it. The challenge is we have a budget which is our budget for the investment period and we have that very specific, as you say, challenge of a reduction in London which is £24 million in total. So if we choose to put more into the Transfer Programme that gives less in other areas. So I think that will be something that National Council and London Area Council will take a view on when they see the spread of applications. I think you are absolutely right. The decision in terms of whether to apply for Transfer Programme needs to be one that is right for your organisation because there are too many variables to know what the outcomes will be in terms of where the level of demand is going to be.

MIKE: We have a question. Emma, do you want to introduce yourself before I come to you?

EMMA: I am Emma Burchill, the Senior Manager Funding Programmes leading as investment partner for the Transfer Programme. I am a nearly 40‑year‑old female with brown hair tied up in a bun.

MIKE: This is about applying as an IPSO. If an applicant applies for the Transfer Programme as an IPSO and were successful, would they be part of the NPO or stay as an IPSO?

EMMA: So the Transfer Programme is open to both NPOs and IPSOs and we have strands within the Transfer Programme for NPOs and IPSOs. So there is two separate versions of the guidance for transfer and there is two separate relationship frameworks, so it mirrors the process for the main 23‑26 investment programme.

MIKE: And while you are there what happens if you have ticked the willing to move out box and then decide not to switch to the Transfer Programme? Are you still expected to move out of London if successful as an NPO?

EMMA: No. So the link we have sent to you in the email that was September on the 16th of June is where you will opt in or out of the Transfer Programme. So regardless of what you put in your application form and even organisations who tick no in that original application form are now able to transfer into the Transfer Programme should they wish to. So whatever decision you put in the link that we sent on the 16th of June will supersede whatever you put in the application form and there is no expectation that those organisations move if you don't opt in to the Transfer Programme.

MIKE: Michelle a question about the bands. Is there a fixed distribution over the bands for the 8 million. For example will a band 2 organisation have more than a band one organisation from the eight million.

MICHELLE: We haven't got bands for this investment process. So no they don't come into play. Mike, I was reading some questions, shall I pick up a couple whilst I am here? It seems to take an eternity to turn my video on! There is a question about who will assess, make decisions on application. So just to run over that again. If you are a transferring NPO, so an NPO applicant who wants to relocate, that decision will be made by National Council. Likewise, if you are an IPSO that will be made by National Council. If you are an IPSO that isn't going to relocate, that will still be decided by National Council because they are making decisions on all of those investment principles support organisations. If you are a London‑based NPO applicant who isn't going to join the Transfer Programme that decision will be made by London Area Council up to a million pounds.

MIKE: Thank you and while you are there, a question asking why is where you move to not relevant and how will you guarantee it won't be held against you if you move to just outside the M25 and not to one ACE's priority places or Levelling Up for Culture places?

MICHELLE: The instruction just asks organisations to consider moving out of London. So again to go back to what we were saying before. It really has to be right for you as an individual organisation. It may be that there is a very obvious place you want to move to for all manner of reasons. I talk to a number of organisations who have already moved as we were putting the information sheet together. Some organisations moved for personal reasons, because people were based in different places or wanted to live in different places. And others for very strategic reasons. So it has to be right for you as an organisation. So we haven't put any requirements about where you might need to move to. Then, obviously some organisations that are going to move really won't know where they want to move to at this point. So for that reason we will not be taking geography and location into account when we are considering those transfer submissions. So it is up to you. Laura, I don't know if you want to add anything?

LAURA: No, I think you are right. It's a decision that has to be right and, as you have said, you just have to move out of London. So there is no hierarchy of where you move to.

MIKE: Thank you. On that similar subject, having said we can't give specific advice, but what would our advice be for an organisation delivering 100% out of London, but whose headquarters are in London? That is probably for Michelle and Laura again.

LAURA: I think as Michelle said it has to be a decision for your board. I am sure they will take a number of things into account, including where your base is. I think the challenge is the funding issue, as we have outlined for London is going to be particularly tough. So they are going to be looking at applications that are delivering for communities in London as well as nationally and internationally and having to balance all of that. So I think you would need to take all of that and weigh up what is the best option for you as an organisation. I don't know whether you would add anything, Michelle?

MICHELLE: Just to say that we are not going to penalise you for not moving. If it's not right for you, as your organisation and we don't need to know the reasons why it might not be right. So whether or not you have a public building and whether or not you have a national remit, if it's not right for you, that is absolutely fine. You can stay in that London pot, but, as Laura says, we are expecting it will be competitive. The Transfer Programme might be too.

MIKE: Another question on budgets. If a London‑based NPO is delivering its projects outside of London and is creating the majority of its employment opportunities outside of London, is the Arts Council able to fund that activity from its regional budgets, area budget?

MICHELLE: No, not at the moment. The instruction was clear is that it was about where organisations are based. So any organisations remaining in London will be funded from London and count towards that total. But in terms of considering your application we absolutely look at where the activity is that you are delivering and obviously that is part of the balancing criteria as well. So that will be taken into account in that regard.

MIKE: Thank you. Emma, a question for Emma about the feasibility funding. If you have already set the wheels in motion to move out of London and are you eligible for backdated feasibility funding? Or can that be to do with engagement strategy or your programming?

EMMA: It can't be to do with programming and we can't backdate funding, or provide retrospective funding. The feasibility funding will be available from April 2023 and can cover any additional costs that your organisation might incur as you are moving towards relocation. So that could cover, as previously mentioned travel, meetings, attending and visiting networks and setting up networks. But it can't cover activity costs and it can't cover direct relocation costs and it won't be able to be back dated unfortunately.

MIKE: Thank you. And for Michelle.

If an organisation is successful in the Transfer Programme how is the process managed for introducing that organisation to a new ACE area?

MICHELLE: We still need to work that out. It will depend on the number of organisations and where they are moving to and when they are moving. So we will do a hand over. We will support the transfer of the relationship internally at the Arts Council. Obviously we have a national overview, a national knowledge of organisations as well as the knowledge that sits with areas. So we will work that out and we will let you know how it goes. As I outlined in the presentation it could take the form of area briefings and welcomes as well as a period of hand over between relationship managers.

MIKE: Then a question on budget. So if an organisation doesn't choose to join the Transfer Programme, but are successful in the London Area Budget, is it likely they will receive a cut in the amount they are awarded in order to make up shortfall or will that shortfall be by funding fewer London‑based organisations.

MICHELLE: It might be both. So we are able to make reduced offers and we are obviously able to decide not to fund organisations and to achieve a £16 million reduction, it's likely that it would be based. So we can't say what that would look like for every organisation. Again it will depend on individual applications and quality and balance across them, but both are possibilities.

MIKE: Then a couple of questions for you, Michelle, if an organisation is successful in the Transfer Programme, once the two years are up and you have to apply for a third year of funding, is the application "*as laborious"* as the NPO application or will it be more light touch? The next one is when should a company look to begin the relocation process? If they are interesting the Transfer Programme?

MICHELLE: So it won't be as laborious as the process that you have just been through. So it will be light touch, Arts Council light touch! And broadly akin to what you need to do anyway to move from your second to third year of funding if you are on the main programme. Plus the evidence around the actual relocation bit. So it will be light touch as Arts Council processes go. I am terrible when you couple things together. The second question was about when should they start relocating? So you can start thinking about it now. When you receive an offer you might start to think about it even more. And when you have concluded your funding agreement you really might start to move. It's entirely up to you. I mean you could move sooner, if that is what you were going to do and that is what is right for your organisation, it's up to you. As I explained we can't make awarded for feasibility until we have a signed funding agreement with you for the Transfer Programme. So you won't be able to claim that until April next year. But otherwise it's up to you. So from the point of receiving an offer you would have two years to complete the move.

MIKE: Thank you. A question perhaps for you Michelle.

MICHELLE: I have just said two years I meant one year! No, two years. October 22‑October 24, sorry, two years.

MIKE: Another question for you and maybe Laura about place and our broader place‑based strategy. Do we have a regional strategy for this programme? Otherwise what happens if many organisations decide they want to transfer to the same location?

LAURA: So I think that is unlikely. I don't think there will be complete honey pot areas. But I think as Michelle was saying earlier, in terms of then the conversation about how we do that transfer we will probably, I imagine, although if Michelle says we haven't worked it through yet, follow where we have transferred organisations, or organisations have transferred mid‑NPO period. So there is usually a conversation between relationship manager in the introduction. That opportunity to do the conversation so that the links are made. In terms of area teams, I think we also recognise across the country, we fund a range of organisations that deliver locally and nationally and there are many organisations that are based outside of London that don't have a very strong presence or delivery in the place that they are located, but work across the whole country. Those are supported by relationship managers in the area and the national teams who are looking at how that work spreads across. I think we would continue to work in that way. I don't know if there is anything you would add, Michelle?

MIKE: Thank you. So a question about the two years plus one year. And the uncertainty that that causes for boards and for staff. Why have we gone with that approach? Could it not have been expressed as three years of funding with the third year being contingent on moving by the October 24 deadline?

MICHELLE: No, unfortunately not. That is because of subsidy control legislation. So we have worked through this, this is I am afraid the way we need to do it and recognise that it does bring that extra ask and period of uncertainty. So I am sorry, but it was unavoidable in order to be able to do this.

MIKE: Thank you. A question about organisations who are not building‑based and are not planning on moving. How will they be treated? Do you want to?

MICHELLE: As I said we won't hold it against anyone if you choose not to move for whatever reason. That is absolutely fine. So you would remain in the London pot for consideration.

MIKE: With the transfer, if applicants do choose to opt in to the Transfer Programme is there a mechanism, or how do they indicate where they plan to move to?

MICHELLE: So when you go into your email that you were sent to opt in or opt out it goes on to ask you whether there are places that you are considering moving to. So you can add any local authorities that you are considering, I think up to five. But that won't be taken into account as we make our decisions because not everyone will know where they want to move to, you might not end up moving to those places. It's not a definite position at that point. So it's just so it can help us anticipate what might go on to take place.

MIKE: Then a question for Laura about the broader, the wider political context, two questions. Is there any risk of the Transfer Programme being reversed or disrupted for organisations who opt in? And then along similar lines is there any risk of the political economic situation being such that even if we do move the money just won't be there in the third year?

LAURA: In terms of do I think that a decision will be reversed? No. We have a letter of instruction, we are operating on that as I said in my introduction speeches. Whilst the leadership of the current Government may be changing, I think the Levelling Up Agenda is very strongly engrained in all of their work and to be fair not just the current political leadership. I think if you look across all parties there was broadly support for the Levelling Up Agenda. Maybe some conversations about how one would deliver it, but a commitment to the policy.

So I think, we do not anticipate that shifting or changing. And indeed in previous years we have made some of that move ourselves to move some of that resourcing to ensure we are able to support creative development and work across the country. So I don't think that is going to change. The second question was around whether we think there will be what you are saying in year cuts. So we have our Spending Review for this period. So that is the budget we are operating to. Again, at the moment, we have no indication that they are going to be in year cuts. Obviously there are lots of stuff circling in the various leadership pitches at the moment that are going through, but none of that is policy. So at the moment we are operating to that budget and that is the budget that our National Council will make the decisions against.

MIKE: Thank you. If you stay where you are Laura and Michelle, a question about organisations who are successful in Transfer Programme and move, relocate, but don't have that much time to establish a track record in their new area or build relationships with the community. Is there a sense of risk there and something from the Arts Council that will mitigate that risk?

LAURA: Shall I kick off and Michelle may want to add. Just to be really clear, it's a national portfolio. When we make decisions we take decisions across the country looking at the whole delivery of the portfolio. So whilst applications are assessed in area and portfolios developed for decision by area councils, that goes through a national balancing phase. In that we bring all of our expertise and knowledge to the table. So we will be looking at how organisations are delivering against the criteria that we set for the next round, that is obviously going to be based again on Let's Create and looking at that at a local and national level. And you will have established a track record in the core delivery of your work and that is what we would be looking at. I don't know if there is anything you would add Michelle?

MICHELLE: Organisations do move and it takes time to build a track record in that place. As we said previously, that might not be the priority of the organisation anyway. So it's absolutely fine.

MIKE: Then a question about staffing and recruitment crisis. So another question for both of you I think about the wider context. Somebody expressing concerns around retaining staff and recruiting staff in a new area. Within the Arts Council are there any programmes that could support an organisation to cope with those difficulties in relocating? You are both on mute.

LAURA: I am cogitating. I think those challenges, you are right, are true across the sector and we know that there are areas, particularly where people are finding it challenging to recruit. Again that is true across a range of geographies. I think it's difficult to answer specifically. At the moment, I mean obviously there is the relocation support around feasibility, which could include, I am guessing, elements of around that kind of recruitment and retention approach. So there is that. Broader than that, obviously we are continuing to look at things like our reset programme and ways in which we do organisational development support. Those are yet to be finalised, but that would be across the whole sector. As I say, I think these issues would continue to percolate and circulate over time.

MICHELLE: I think for some organisations moving will be the beginning of that transition really and they may still make work in London. For the future or in the short‑term. And we will also have that opportunity to discuss the delivering of activity during this period when we talk about your funding agreement, negotiations, so if there was a particular circumstance where recruitment of staff was going to impact on the delivery of activity then that could be discussed and considered during that period.

MIKE: Again for both of you will there will be an expectation that NPOs currently based in our areas outside London, will they be expected to be involved in a welcoming process, transfer process to those organisations leaving London?

MICHELLE: I imagine...

MIKE: You are on mute, momentarily.

MICHELLE: I imagine there will be some sort of welcome. I know Area Councils will be keen to get to know arrives and I am sure other cultural organisations and beyond will be too. I think it just depends on the volume and the timing of moves. Not everyone is going to move at the same point. But in speaking to some organisations who have already moved I think they found it easier than they thought they would be, to be honest. This is just a handful of organisations, but found meeting local authorities really encouraging and other cultural organisations and practitioners whilst retaining lots of partnerships and relationships that they had prior to moving. So I am not trying to sell it as all sweetness and light, but there are a lot of positives I heard from speaking to those people.

MIKE: Then a question about demand probably for you Michelle. What happens to everyone else who has entered the transfer programme if a significant Band 3 organisation transfers and then takes a sizeable chunk of the eight million?

MICHELLE: I think we would cross that bridge when we came to it. As we said in the guidance, we are not expecting organisations that are large in scale and have public buildings and so on to be moving because there is no capital support, as part of this programme. So that doesn't exclude them. They could, if they wanted to and as I say, we would have to consider the impact of that, at that point. But we are not, we weren't anticipating that there would be lots of organisations of that nature.

MIKE: Then a question on process, probably to you, Michelle and Emma, which is about if you are successful within Transfer Programme and you are applying to go down the NPO route will the application be assessed by the area office in the area you are moving to? How well‑established would you have to be in that area by that point in time? I guess that is a question partly about the two years and the third year of funding and also about the 26 NPO programme?

MICHELLE: Just to wind back a little bit. So the assessment that you have already submitted, the application you have already submitted will be assessed by primarily by London colleagues. And then the assessment for moving, we haven't worked it out yet, but, as I said, it's a light touch assessment. It will be about making sure you are on track delivering the agreement that you had committed to for the two years and that you can fulfil those moving criteria and that you have plans for year 3. So it won't be an assessment of an application or assessment of the nature that we are dealing with at the moment. And it depends on when we move those relationships as well. So we will work that out and let people know as soon as possible. I think Laura, do you want to come in and answer a question on London budgets?

LAURA: I think there are a number of questions asking what the reduction is in line with the London budget. Can we be clear about what the level of risk and competition therefore there is. We are not trying to be opaque about that, we genuinely can't answer that clearly because we haven't set the budgets by area yet, because that is something that National Council does when it comes to the point of decisions, because obviously it's balancing across all of that. However, indicatively, I think we said this at the time when we received the instruction from the Secretary of State. If you look at our current budget as the indicator of what we need to reduce by, that is a 15% reduction, I believe, I look to Michelle because I can't hold all the stats in my head all of the time. But I believe that is a 15% reduction on what we currently spend in London. So that is the quantum of the challenge that you need to be mindful of.

In addition to that, as I said in my introduction, London area and National Area Council are very clear that they will want to continue to refresh and reenergise the London portfolio to make sure it's much more representative of both London and the country as a whole. Therefore it is likely that the reduction in terms of current spend on NPOs will be higher than that, because they will want to bring in new organisations and create some change. So that is the quantum you need to have in mind. As I say, not trying to avoid the question about what the actual budget is, that hasn't actually been set yet, but that is the quantum figure we are looking at. I don't know if there is anything you would add to that in.

MICHELLE: I don't think so.

MIKE: Thank you, I think we are going to have to wrap up at this point. We have run slightly over time so I apologise. For those questions that haven't been answered in the Q&A, colleagues will provide written answers after this session. I will run through the process from here on. Just to remember that the deadline for submitting your response is Monday the 18th of July. If you don't submit a response you will remain in the NPO/IPSO programme. You need to respond by opening the link in the email sent to you on Thursday 16let of June from the funded organisations at our website. A reminder that a recording of this session will be emailed out within 24 hours. So colleagues unable to be here can watch it. We are also posting a link to the chat in the Transfer Programme Guidance and FAQs. Sorry we are posting a link in the chat of this session of the Transfer Programme Guidance and FAQs which this session has referred to. All of which has been made available to organisations available. There is the link. If you have any remaining questions do contact our customer services team at our website before the end of this week. I think I will end by saying thank you very much for joining. Thank you.