
–
The National Portfolio
Investment Programme

–
2018/19 – 2021/22



Guidance for applicants: Band 3

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Introduction and essential information for all applicants

This guidance covers preparing an application, as well as funding agreements, business plans and your relationship with us (the Arts Council). You should read the [‘Introduction and essential information’](#) before reading this guidance.

Band 3 covers organisations receiving a minimum (average) of £1,000,000 per year. These organisations will be required to contribute to all five of our goals, to play a key role in supporting the wider sector, and to submit plans that cover the four-year investment period.

Preparing your application

This section sets out detailed guidance on how to prepare the content of your application. When you come to enter it on the online portal, you will need to refer to the step-by-step [Grantium guidance](#).

You will need to tell us the following.

Your organisation or consortium's mission or purpose

This can be taken from your business plan or website. You can use up to 2,000 characters¹ for this section.

How much you are applying for

Please make sure you have read the ['Introduction and essential information'](#) before reading further or starting an application.

If you are a current National Portfolio Organisation or Major Partner Museum that receives more than £1,000,000 per year, we will give you a planning figure to which we would expect you to work².

The level of investment included in your budget must not exceed the planning figure. Your responses to questions on the application form about how you will meet our goals and manage your programme of activity will be based on this budget. An opportunity to request an increased level of investment is provided separately within the application form (see below).

In **exceptional circumstances** (for organisations currently receiving National Portfolio or Major Partner Museum investment), we would be prepared to consider a higher level of investment than that set for 2017/18. However, an increase in investment would be **very unlikely**, given that we received a 'standstill' settlement from the Government for the period 2016/17 to 2019/20. Even if you would like to request more investment than has been agreed for 2017/18, you **must** use the planning figure as the basis of the budget included in your application. There is an opportunity within the form to specify the additional

¹ This includes spaces and other punctuation

² All other current National Portfolio Organisations and Major Partner Museums must base their budget on the same annual level of investment that has been set for 2017/18

amount you want to request and to explain how you will use it.

We expect most applicants to request the same amount in each year. However, if you intend to ask for a sum in any one year that is significantly different to the level in any other year, you should explain the reasons why in the 'Financial viability' section of the application form.

Below, we have set out a series of prompts that you should think about when considering each of the relevant goals in your application. We will take these criteria into account when assessing your application. You should consider all those that are relevant to your proposed activity – you do not need to consider the prompts that do not apply.

How you plan to use our investment to contribute to goal 1

You can use up to 20,000 characters for this section. You should provide an outline proposal (rather than a detailed programme of activity) showing how you will contribute to our achievement of goal 1 during the four-year investment period.

We will take the following criteria into account when assessing your application:

- the artistic or cultural³ outcomes (or both) of your proposal, including what you plan to do and how you will do it
- evidence that supports the quality of your work, for example brief excerpts from peer, stakeholder or audience or participant reviews⁴
- your assessment of changes your organisation or consortium needs to make to continue to improve quality, and what you will do to bring about these changes
- if your organisation is a museum, evidence of the quality of your collections, and your plans to develop, share and research them (using information from, for example, your Designation award, collections reviews and research activity)

³ In this guidance we refer to cultural outcomes. This relates specifically to museums' activity which relates to all types of museum organisations by subject matter, including science and industrial collections, military collections, and art galleries

⁴ If you have participated in the Quality Metrics pilot, you may want to include your findings, but we will consider this as we would any other piece of evidence, so that those who have been unable to participate are not at a disadvantage

- plans to support, produce and distribute creative content and experiences **digitally** (see the [‘Introduction and essential information’](#) section of this guidance for more information)
- if a main part of your programme includes working with independent artists, how you will support the development of artistic talent and how this relates to the needs of artists in your area of work. This could include:
 - offering time, space and resources to develop artistic or specialist practice
 - commissioning new work and encouraging new collaboration
 - supporting artists’ and practitioners’ access to business skills, including fundraising
 - commitment to longer-term initiatives such as mentoring or creating an accessible offer and environment to support the development of diverse artists and practice
 - extending opportunities to develop talent to artists who are not necessarily working with your organisation
- if appropriate, how you will aim to share your work internationally and attract audiences and work with artists from around the world

How you plan to use our investment to contribute to the Creative Case for Diversity

You can use up to 10,000 characters for this section. You should provide an outline proposal (rather than a detailed programme of activity) showing how you will contribute to the Creative Case for Diversity during the four-year investment period.

We will take the following criteria into account when assessing your application:

- how your programme or collection (or both) reflects the diversity of contemporary England
- how you make sure that diversity is an essential part of your programme of activity
- if you are applying to deliver arts activity, your plans for supporting the development of diverse artists and practitioners, and providing platforms for showing work from, and providing opportunities for, diverse artists, practitioners and other organisations
- if you are applying to deliver museums activity, how you plan to develop your collections and programmes, providing opportunities for diverse

- practitioners and developing partnerships with diverse organisations
- how you recruit, select, and involve members from protected characteristic⁵ groups when developing and delivering your artistic or cultural programme
- how you respond to challenges and barriers facing members of protected characteristic groups in participating and engaging with the arts and cultural sector
- your plans to share best practice and continued learning around diversity to promote change in the arts and cultural sector
- how you will collect evidence, including review and feedback from peers, audiences and other stakeholders, that demonstrates your contribution to the Creative Case for Diversity
- how you will advocate for the Creative Case for Diversity and promote best practice locally or nationally (or both)

⁵ Protected characteristics, as defined by the Equality Act 2010 and the Equality Duty 2011, are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, and sexual orientation. As well as this list, we recognise class and socio-economic status as barriers

How you plan to use our investment to contribute to goal 2

You can use up to 20,000 characters for this section. You should provide an outline proposal (rather than a detailed programme of activity) showing how you will contribute to our achievement of goal 2 during the four-year investment period.

We will take the following criteria into account when assessing your application:

- how you show that there is a demand for your work from audiences⁶
- your plans for keeping current audiences and building new ones
- how you will increase the number and range of people who have the opportunity to experience and participate in high quality art and culture. This can include people who are 'physically' at your activity or event, or people who are participating digitally
- if relevant, your plans for touring and for distributing your work. We are interested to see how you plan to extend your work and how you make the most of the impact your work has. This might be through reaching

⁶ By audiences we mean all types of audiences, including readers, visitors, participants and viewers

people in different geographical areas, or through audience figures, artist development or support from the wider sector

- how you will work to make sure that more people who are currently least engaged in arts and culture are able to experience your work or collections. We are particularly interested in reaching more people outside the top three 'highly engaged' groups identified in [Audience Spectrum](#)
- your target audiences and the types of people that your activity will be likely to reach. Reaching your audience can include both physically and digitally (for example, through live streaming)⁷
- how you will distribute your planned programme of existing art and culture digitally, with a focus on [captured or cultural learning content](#).
- any major current or planned development in the use of technologies to improve marketing, sales or customers' experience and feedback
- how you will make the most of opportunities to increase the depth and quality of experience among people accessing your work or collections
- your approach to collecting information about your current and potential audiences
- your approach to audience development for arts and culture as a whole

and for developing shared approaches to capturing, sharing and reporting audience data

How you plan to use our investment to contribute to goal 3

You can use up to 20,000 characters for this section. You should provide an outline proposal (rather than a detailed programme of activity) showing how you will contribute to our achievement of goal 3 during the four-year investment period.

We will take the following criteria into account when assessing your application:

- how you plan to respond and change to meet future challenges in a planned and thoughtful way, and how you support others to do the same
- how you are able to show resilience and an ability to adapt to external environmental, social, political and economic changes, and help others in your sector or geographic area to become more resilient

⁷ The following link provides advice on how you might identify target groups <http://www.artscouncil.org.uk/participating-and-attending/culture-based-segmentation>

- your governance model and any plans for changing or strengthening it to better achieve your corporate aims or attract new sources of income, as well as any plans for supporting strengthened governance models of other organisations in your sector or geographic area
- how you will support the use of self-evaluation to improve performance and governance across the wider sector (for example, through undertaking peer reviews of other organisations)
- how you will support other organisations to improve their future sustainability and resilience. Describe any plans you have to provide, for example, business advice or mentoring
- how you will support the sector in taking an entrepreneurial approach to planning and working to increase income from a wider range of contributed or earned sources
- how your organisation embraces environmental sustainability and how you will work to reduce your carbon footprint and effect on the environment , as well as support others to improve their environmental sustainability

How you plan to use our investment to contribute to goal 4

You can use up to 20,000 characters for this section. You should provide an outline proposal (rather than a detailed programme of activity) showing how you will contribute to our achievement of goal 4 during the four-year investment period.

We will take the following criteria into account when assessing your application:

- the current range of skills within your workforce, any assessment that has been made of what your workforce needs in order to develop, and what plans there are to meet those needs
- how you will work to make sure that the leadership and workforce of your organisation reflect the diversity of your local area, and that entry routes into your organisation and opportunities for progression are fair
- how you plan to promote and develop diversity and equality throughout your organisation and more widely in the cultural sector
- your track record in forming effective partnerships locally, nationally and internationally, and your plans to develop these further to provide an improved offer to audiences

- how you will work to form new partnerships that help your mission, as well as support and arrange partnerships across the wider sector
- your plans to recruit and develop volunteers
- how you will contribute to developing skills across the sector, including how you provide young people with opportunities to find work and make progress in the cultural sector
- how you will share expertise and develop networks to work with others across the cultural sector, for example Sector Support Organisations, arts organisations, the Museum Development network, National museums and galleries and Subject Specialist Networks⁸
- how you will demonstrate a geographic-area or sector-support role (or both) through some or all of the following:
 - senior leaders becoming members of boards⁹ of other arts or cultural organisations
 - formal mentoring programmes, surgeries and so on to support emerging leaders and other organisations
 - whether you play an active part in coordinating and leading sector or sub-sector discussions and networks
 - whether you take an active role in development initiatives within your geographic area such as Local Enterprise Partnerships, local

authority working groups, and our area councils

How you plan to use our investment to contribute to goal 5

You can use up to 20,000 characters for this section. You should provide an outline proposal (rather than a detailed programme of activity) showing how you will contribute to our achievement of goal 5 during the four-year investment period.

We will take the following criteria into account when assessing your application:

- how you will include the **Quality Principles** across your programme
- how you will identify and meet the demand of different audiences of children and young people, including those who are less engaged, have protected characteristics, are less advantaged or are under five years old
- how you will improve your collection of data about children and young people with protected characteristics (to include socio-economic background)
- how you will work with partners who can help you reach targeted groups

⁸ You can find a list of recognised Subject Specialist Networks on our website here: http://www.artscouncil.org.uk/sites/default/files/download-file/Subject_Specialist_Networks_Contacts.pdf

⁹ Throughout this guidance, by 'board' we mean a board of directors or trustees, or any equivalent management committee or group

- how you will demonstrate a broader commitment to the Cultural Education Challenge, advocating and supporting arts and cultural provision in schools through either of the following:
 - senior leadership becoming school governors
 - permit staff the time to undertake duties as school governors
- how you are working in, and how you will make progress in, strategic partnerships by either:
 - taking a central role and taking the lead in [Cultural Education Partnerships](#), or
 - taking a central role and being actively involved in Cultural Education Partnerships¹⁰
- how you will contribute to at least two of the three priorities for goal 5:
 - how you plan to encourage and support schools to achieve the [Artsmark Award](#)
 - how you will support children and young people to achieve the [Arts Award](#) as either a supporter or a centre¹¹
 - how you will use digital technology as an effective way of:
 - reaching children and young people by developing specific creative content, captured content or cultural learning content

- offering opportunities to children and young people to create their own content

How you plan to lead and manage your proposed programme of work

In the organisational profile section of the application form, we will look for evidence of the resilience of your organisation. For a definition of resilience, please see '[Our 10-year strategy](#)', goal 3.

You can use up to 14,000 characters for this section.

We will take the following criteria into account when assessing your application:

- whether you are clearly aware of the risks to the successful delivery of your programme and that there is evidence that you have appropriate ways of reducing these risks
- the suitability of your organisation's management structure or governance

¹⁰ Other strategic partnerships you could be involved with include Music Education Hubs (<http://www.artscouncil.org.uk/music-education/music-education-hubs>), Bridge Organisations, and those within the education, youth justice or health sectors

¹¹ We expect organisations to become centres if you work with the same group of children and young people more than once. We will expect you to become an active supporter if you do not work with the same group of children and young people more than once

arrangements and reporting. This will include evidence of a fair and open recruitment process for key officers and board members, planning for future replacement of key officers and board members, and regular performance reviews (with us) of key officers

- whether your decision-making processes are effective
- evidence that you carry out regular self-evaluation and how likely it is to be effective
- how appropriate your partnerships are and how likely they are to be effective
- evidence of clear plans to develop your organisation's sustainability and resilience
- how your board is structured or constituted (this should include information about the diversity of its members)
- your board members' skills and the suitability of these skills in relation to your organisation's mission, activity and management

For applications from **consortiums**, we will also take into account:

- how effective your structure is likely to be
- whether the role of the lead organisation (the organisation making the

application) is clear

- whether collective decision-making and communication processes are effective
- the procedure for resolving disputes between partners
- appropriate levels of shared responsibility
- whether there is a clear process for collecting information from partners and compiling consolidated reports
- a history of the consortium, including how long the consortium has worked together and how likely it is to produce successful outcomes

How you will make sure your organisation is financially viable

You can use up to 14,000 characters for this section.

We will take the following criteria into account when assessing your application:

- whether you have a clear and credible plan to build on existing earned or contributed income or to look for new sources of income (we will be looking for an appropriate level of income from other sources)

- how you would manage if your applications for other funding programmes (for example, for large-scale capital) were not successful – tell us how you would adapt your activity
- whether you have convincing plans for how you intend to develop your resilience over the length of the next funding agreement
- an analysis of costs and efficiencies, explaining how you have decided on costs and what steps you have taken to improve or achieve maximum efficiency
- your approach to paying artists and practitioners fairly and which industry guidelines you follow (see [‘Introduction and essential information’](#) for more details)
- the quality of your financial controls, monitoring and reporting
- whether you are effective at maintaining and building reserves, including your current and target reserves levels
- your business model and your plans to improve your future sustainability Describe any plans you have to use or share assets. This may include shared services, identifying economies of scale, or using assets (intellectual, human and physical) to develop sources of income
- your previous experience of managing large-scale grants (if you are not currently a National Portfolio Organisation or Major Partner Museum)

For applications from **consortiums**, we will also take into account:

- whether there is a clear and open financial relationship between consortium members

Activity location

You need to supply details of your activity location. Where your activity includes touring or takes place in multiple venues, you should include as much detail as you can to give an idea of the scope, scale and likely locations of your proposed activity.

Attachments

If you are **applying as an individual organisation**, you must attach with your application in the ‘financial attachments’ section of the form:

1. your financial statements for your previous financial year, prepared to the

- relevant legal standard for an organisation of your size and legal status
- 2. your most recent management accounts
- 3. your planned budget for 2017/18
- 4. your outline organisational budget for 2018/19, 2019/20, 2020/21 and 2021/22

If you are **applying as a consortium**, you must attach with your application in the 'financial attachments' section of the form:

- 1. the lead organisation's financial statements for their previous financial year, prepared to the relevant legal standard for an organisation of its size and legal status
- 2. the lead organisation's most recent management accounts
- 3. the lead organisation's planned budget for 2017/18
- 4. the lead organisation's outline organisational budget for 2018/19, 2019/20, 2020/21 and 2021/22

If you are **applying as a consortium**, you must **also** attach with your application in the 'consortium partner attachments' section of the form:

- 5. an outline consortium budget for 2018/19, 2019/20, 2020/21 and 2021/22, which consolidates the joint activity proposed in your application and shows clearly how much National Portfolio investment each organisation would receive
- 6. each consortium partner's financial statements for their previous financial year, prepared to the relevant legal standard for an organisation of its size and legal status

Budgets

Your budgets should be comprehensive, appropriate and suitable for the scale and type of programme. They should take into account inflation, and the need to insure, repair or replace key assets. Value for money will be an important consideration for us when making our assessments. We expect organisations to make income from other sources and your budgets should clearly illustrate estimated income levels. We will also consider how you have planned your income and expenditure for this investment period alongside your management accounts for this current year. Please make sure that artists' fees are clearly shown in your budget.

We expect most applicants to apply for the same amount in each year. However, if you intend to apply for a sum in any one year that is significantly different to the level in any other year, you should explain the reasons why in the 'Financial viability' section of the application form.

Additional investment request

If you are a current National Portfolio Organisation or Major Partner Museum that receives more than £1,000,000 per year, we will give you a planning figure to which we would expect you to work.

The level of investment included in your budget must not exceed the planning figure. Your responses to questions on the application form about how you will meet our goals and manage your programme of activity will be based on this budget. An opportunity to request an increased level of investment is provided separately within the application form (see below).

In **exceptional circumstances** (for organisations currently receiving National Portfolio or Major Partner Museum investment), we might consider a higher level of investment than that set for 2017/18.

If you would like to request additional investment, you can use this section to tell us how much you are asking for per year (above your planning figure), what the additional amount would be used for and how your additional activity will be resourced and delivered.

You can use up to 10,000 characters for this section. You should provide an outline proposal showing what you could do if , exceptionally, you were awarded extra funding during the four year period of the funding agreement (2018/19 – 2021/22).

Any award is entirely discretionary on the part of the Arts Council but your proposal will be considered in the light of each of the goals. Additionally, we will consider whether your proposal:

- shows exciting but realistic ambition
 - is clearly additional to your existing work
 - adds demonstrably increased value to the communities you work with
 - is needed or wanted by your audiences and/or communities
 - develops your organisation's artistic or cultural programme in a meaningful and sustainable way
 - strengthens your resilience and reduces your longer term grant dependency
-

The funding agreement, business plan and relationship with us

Any decision we make to offer you investment will be conditional. That is, it will depend on finalising a funding agreement and on your organisation producing a business plan.

We expect band 3 organisations that are part of the 2015-18 National Portfolio to achieve a Creative Case for Diversity rating of at least 'Met' by the end of the 2015-18 investment period. If the 2016/17 annual feedback process considers your organisation to have a Creative Case for Diversity rating of 'Not met', we may not finalise a conditional offer to the 2018/19 – 2121/22 portfolio until you have taken appropriate action to achieve a 'Met' rating. Your Relationship Manager will discuss this action and its timescale with you.

When we have made a conditional offer of investment, we need to see how the proposals set out in your application (on the basis of which we decided to make a conditional offer) are reflected in your business plan, taking the level of investment offered into account. In your business plan you should also clearly show how you will contribute to achieving our goals, as identified in our strategy, [Great Art and Culture for Everyone](#).

If the amount offered differs significantly from the amount you have asked for, one of our Relationship Managers will discuss changes to your plans with you.

You need to submit a first draft of your business plan to us by 15 October 2017, so that we can review and comment on it. Your final plans must be submitted by 31 January 2018. We will finalise and issue funding agreements by March 2018.

We have commissioned guidance to help organisations use good practice in business planning to help all organisations develop robust [business plans](#). We would strongly encourage all organisations to read this guidance. We expect all organisations to use good practice when reporting and monitoring as this will help you to track your progress in meeting your own objectives and in contributing to our goals.

Band 3 organisations will need to submit a four-year business plan, which must include SMART¹² objectives for the following:

- the core programme
- contribution to the Creative Case for Diversity
- if a main part of your programme includes working with independent artists, plans for developing artists
- international activity (where appropriate)
- at least two of the three goal 5 priorities (Artsmark, Arts Award or digital), as well as Quality Principles, strategic partnership working and the Cultural Education Challenge

You must also provide, included in the business plan or as appendices:

- a digital policy and plan for how you will use digital technologies to meet our goals and priorities for creative media during the investment period (see [‘Introduction and essential information’](#) and the [Digital policy and plan guidelines](#))
- an audience and engagement plan which covers the following goal 2

outcomes:

- more people have the opportunity to experience and participate in great art, museums and libraries
- the number and range of people experiencing great art, museums and libraries has increased
- engagement levels have increased among those currently least engaged in arts and culture
- you can demonstrate an increase in the depth and quality of people’s cultural experiences
- where appropriate, an agreed touring plan for at least the first year, showing whether the proposed work is new or a remount, its scale, and the minimum number of dates – this should be updated in refreshed business plans submitted annually
- an equality action plan, including showing how you will:
 - make sure that your board:
 - has the necessary skills and experiences to meet your aims around diversity
 - by December 2021, reflects the diversity of the audiences and communities you are working with and working to reach,

¹² SMART objectives are: specific, measurable, actionable, realistic, and time-based (see business planning guidance for more information)

including membership from protected characteristic groups (for example, ethnicity, disability and gender and across socio-economic backgrounds). You and your Relationship Manager will decide together what your diversity objectives will be

- plan to diversify your workforce

SMART objectives must be included in each of these plans.

You must also provide a risk register within your business plan.

You may want to make it clear within your business plan which of your SMART objectives help us to achieve the goals set out in our 10-year strategy, [Great Art and Culture for Everyone](#).

The funding agreement will also include conditions that set out our monitoring, reporting and delivery requirements for the investment period, including:

- recognising that we use external assessors to review samples of your

work and report on its quality (assessors are recruited by open application and serve fixed terms)

- using a specific quality evaluation framework to improve your understanding of how well your intentions for your work aligns with the perceptions of your public and peers, as well as supporting this programme by providing peer reviews. This will include sharing data with us
- having a Creative Case for Diversity rating of 'Strong' by October 2021
- using a specific tool for collecting, sharing and reporting data about audiences. This will include sharing information with us
- developing an in-depth knowledge of your audiences, using audience segmentation tools¹³
- where relevant, having data-sharing agreements in place with other organisations we invest in and introducing or maintaining an 'opt-in' option to allow customers' information to be shared with visiting or other partner organisations
- providing an environmental policy and action plan
- collecting and submitting data relating to improving environmental

¹³ If you don't already have these, you may consider using the Audience Spectrum segments (<https://www.theaudienceagency.org/audience-spectrum>). You must use this information effectively to support targets and strategies for audience development within your business plan

- performance and reducing carbon emissions
- making sure artists, practitioners and those who work in the creative industries and heritage organisations are properly and fairly paid
- submitting management accounts and cash flow statements every month
- submitting board papers every three months
- submitting an annual survey with statistics on your organisation and the previous year's activity (this should include further information about your audience profile, particularly gender, age, ethnicity, disability and long-standing illness)
- submitting a detailed annual report on the progress you are making against goals-related SMART objectives in your business plan and other plans
- providing a refreshed business plan each year that sets out the planned activity for the rest of the investment period. This should include a budget, cash flow, and any other information we might ask for from time to time
- acknowledging that we have a right to attend board meetings as an observer
- making sure that we have the opportunity to be involved when you recruit for senior appointments (including directors and trustees) – for example, commenting on job descriptions, being involved in shortlisting, observing on interview panels, and taking part in succession planning
- making sure that our views are sought when you review the performance of officers appointed by the board
- demonstrating an area or sector support role through some or all of the following:
 - senior leaders becoming members of boards of other arts and cultural organisations
 - formal mentoring programmes, surgeries and so on to support emerging leaders and other organisations
 - playing an active part in coordinating and leading sector or sub-sector discussions and networks
 - taking an active role in geographic area development initiatives such as Local Enterprise Partnerships, local authority working groups, and our area councils

We may also negotiate other, specific conditions with organisations in band 3, for example any further requirements that are linked to the level of investment we offer.

Band 3 organisations will have direct contact with us at least four times a year and must be willing to accept constructive feedback as a way of helping them to improve. One of these meetings will include a formal review of your progress against the SMART objectives set out in your business plan. We may increase the level of formal contact we have with you if your organisation is assessed as being at moderate or major risk.

We expect organisations will still have ongoing informal, 'development' contact with Relationship Managers. This will take many forms and will be based on proposed artistic, cultural and business developments, as well as challenges, as we move through the four-year investment period.

Keeping to the terms and conditions of our funding agreement

The funding agreement between us and your organisation sets out the investment you will receive for each year of the agreement.

The funding agreement contains your business plan, including your own objectives, setting out how you will support achieving the goals in our 10-year strategy, [Great Art and Culture for Everyone](#).

The funding agreement also contains our standard terms and conditions, including the requirement that you meet the expectations for your band.

If your organisation is not meeting the requirements set out in the funding agreement, our first step will be to give you appropriate feedback (usually through the Relationship Manager) and discuss this with you, so we can all understand and agree what the problems may be.

We expect your organisation's board to be informed about any concerns we express, either in discussion at a meeting or in writing. We also expect that the board, working with your organisation's executive officers, will deal with the relevant issues and provide prompt and constructive advice on how you can meet the requirements set out in the funding agreement.

There are two specific conditions within the funding agreement where we will take prescribed action:

- Creative Case for Diversity: (for current National Portfolio Organisations) if the 2016/17 annual feedback process considers your organisation to have a Creative Case for Diversity rating of 'Not met', we may not finalise a conditional offer to the 2018/19 – 2021/22 portfolio until you have taken the appropriate action to achieve a 'Met' rating
- collecting and reporting on audience data, and data-sharing agreements: unless your organisation is exempt from these conditions, if you fail to

sign up to the prescribed data-reporting service and principles or enter into data-sharing agreements with other organisations we invest in, we will withhold payments until you do so

We will take action if you break any of the terms and conditions of the funding agreement.

If your organisation breaks either of the terms mentioned above, or any other terms of the funding agreement, we may take further action in addition to the feedback and discussion outlined above (which would always be a first-stage measure). Measures might include:

- action plans: we may ask for and agree an action plan for improvement in response to concerns. Within this plan you might want to consider changing your key officers, both executive and non-executive. You will be responsible for this plan and we will monitor its effect
- increased monitoring and reporting: we may ask that your executive officers or chair (or both) meet with our senior officers to confirm that areas of concern we identified are being dealt with, for instance if requirements relating to goals are not being met. We may also ask for

reports in writing more frequently on certain issues

- strategic funds: if we have not received and agreed clear and credible plans to deal with issues, we will make your organisation ineligible for any new application to strategic funds (including capital)
- payment conditions: we may place extra conditions on our grant payments if you have not met the terms and conditions set out in the funding agreement
- consultants: we may ask consultants to provide us with detailed information on areas of concern. This may be because we need more information, because we need specialist input, and/or because we want to support you to develop and improve
- stakeholder review: we may hold a joint review meeting with other investment partners and discuss areas that can be improved or developed
- withholding payment: if your organisation has not met the conditions of our funding agreement within an appropriate period, we may decide to withhold payment of a grant instalment (or part of a payment) until you have met the conditions
- withdrawing investment: in extreme cases, where you have broken the terms and conditions of the funding agreement over a significant period, we may decide that continued investment is not a proper use of public

funds, and will discontinue it. We would take into account the evidence available, interventions we have made and the progress you have made against your action plan

- repayment: in cases where you have clearly continued to not keep to the terms and conditions, we may ask you to repay our investment

If we decide to do any of the above we will tell you beforehand. **We will take appropriate action if your organisation breaks the terms and conditions of the funding agreement (which includes your business plan and objectives).**

We will take one or more of the measures outlined above in all cases.



QUESTIONS? GET IN TOUCH — WE'RE HAPPY TO HELP

Reach our Customer Services team here:

Telephone	0161 934 4317
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