

2023-26 INVESTMENT PROGRAMME

Transition Programme

Guidance for Applicants

Published: November 2022



**ARTS COUNCIL
ENGLAND**

artscouncil.org.uk

Summary of information for applicants

Summary of key information	
What is the focus of the fund?	The Transition Programme is to provide support for 2022/23 National Portfolio Organisations (and organisations supported through Business Plan funding) that were unsuccessful in their applications to the 2023-26 Investment Programme, to assist them to wind down or move towards a new operating and/or funding model in a managed and orderly manner.
Who is this programme for?	<p>The Transition Programme is for organisations that have received National Portfolio or Business Plan extension funding for the year ending 31 March 2023 and have been unsuccessful in their applications to the 2023-26 Investment Programme as a National Portfolio Organisation or Investment Principles Support Organisation or have been unable to reach agreement with the Arts Council on a Funding Agreement for the 2023-26 investment period.</p> <p>Organisations at risk of insolvency will be ineligible.</p>
What is the funding period?	<p>The Transition Programme provides:</p> <ul style="list-style-type: none"> • up to seven months' funding for National Portfolio Organisations (or those that were funded outside the National Portfolio through Business Plan funding) during the year ended 31 March 2023 and that were unsuccessful in their applications to the 2023-26 Investment Programme. The funding period for these organisations is therefore 1 April 2023 to 31 October 2023; or • up to ten months' funding for National Portfolio Organisations (or those funded outside the National Portfolio through Business Plan funding) during the year ending 31 March 2023 who receive a conditional offer of funding in October 2022, but are unable to reach agreement with the Arts Council on a Funding Agreement for the 2023-26 investment period. The funding period for these organisations is therefore 1 April 2023 to 31 January 2024

Summary of key information	
How much can be applied for?	<p>The Transition Programme provides:</p> <ul style="list-style-type: none"> • up to seven months' funding for National Portfolio Organisations (or those that were funded outside the National Portfolio through Business Plan funding) during the year ended 31 March 2023 and that were unsuccessful in their applications to the 2023-26 Investment Programme. This is 58 per cent of the Arts Council investment provided for the year ending 31 March 2023; or • up to ten months' funding for National Portfolio Organisations (or those funded outside the National Portfolio through Business Plan funding) during the year ending 31 March 2023 who receive a conditional offer of funding in October 2022, but are unable to reach agreement with the Arts Council on a Funding Agreement for the 2023-26 investment period. This is 83 per cent of the Arts Council investment provided for the year ending 31 March 2023 <p>There is no requirement for match funding to be provided.</p>
What can be applied for?	<p>Eligible organisations must demonstrate a clear need for funding.</p> <p>They may apply for costs to support:</p> <ul style="list-style-type: none"> • moving towards/adopting a new business model (a list of examples is available in section two) • activity during the year ending 31 March 2024 for which forward commitments have been made, for example contracts for freelancers • the orderly winding down of elements of the organisation's activity, should the board or equivalent determine that the activity cannot continue without Arts Council investment • the orderly winding down of their organisation, should the board or equivalent decide on this course of action (provided that costs incurred exceed the level of reserves)

Summary of key information	
When can applications be submitted?	Applications can be submitted from 12pm (midday) on Tuesday 8 November 2022.
When is the application deadline?	Eligible organisations must submit their applications no later than 12pm (midday) on Tuesday 28 February 2023.
How should applications be made?	Applications will need to be submitted through our online grant management system, Grantium. Applicants will be required to submit a plan and budget setting out how the funding applied for would be used and what public benefit would accrue.
When will decisions be made?	We anticipate that applicants will be advised of our decision within eight weeks of having submitted their application. This may be affected by holiday periods, for example Christmas, or having to seek further information from applicants.

Changes to this guidance or our programmes

We reserve the right to make changes to the guidance and/or programme after its launch. We will communicate any changes as quickly and clearly as we can.

Access support

We are committed to being open and accessible to everyone. We realise some people may find that there are barriers to accessing our services. Our [Access support information sheet](#) explains the ways we can help.

If you experience or expect any barrier with making your application and would like more information, please contact us.

Email: enquiries@artscouncil.org.uk

Web: artscouncil.org.uk

Post: Arts Council England – NPO The Hive, 49 Lever Street,
Manchester, M1 1FN

Telephone: 0161 934 4317

You can also **Livechat** with us by visiting our website: artscouncil.org.uk

We will be as flexible as possible and consider and respond to requests on an individual basis.

Do you need this information in another format?

You can also find the following versions of this guidance on our [website](#)

- audio
- British Sign Language (BSL)
- Easy Read
- large print

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Section one – introduction

We expect to receive many more applications to the 2023-26 Investment Programme than we are able to fund. In reaching our decisions, we will have considered all applications received and will have applied our balancing criteria (full details are available within the [2023-26 Investment Programme guidance](#) for National Portfolio Organisations and Investment Principles Support Organisations).

To realise the vision set out in the applicant guidance, the accompanying [Addendum](#) and our 2020-30 strategy, [Let's Create](#), it is likely that some organisations funded as National Portfolio Organisations (or outside the National Portfolio through Business Plan funding) during the year ending 31 March 2023 will be unsuccessful in their applications.

We recognise that this will be extremely disappointing news for many, particularly for those that have been National Portfolio Organisations and received regular funding from the Arts Council for a long time.

In recognition of the challenges facing organisations leaving the National Portfolio and as a way of improving the support we provide to them, we have designed a programme to provide a 'transition' period for those organisations that were National Portfolio Organisations (or were funded outside the National Portfolio through Business Plan funding) during the year ended 31 March 2023 and that were unsuccessful in their applications to the 2023-26 Investment Programme.

This 'transition' funding is also available to those National Portfolio Organisations (or those funded outside the National Portfolio through Business Plan funding) during the year ending 31 March 2023 who receive a conditional offer of funding in October 2022, but are unable to reach agreement with the Arts Council on a Funding Agreement for the 2023-26 investment period.

Transition funding is not available for 2022/23 National Portfolio Organisations (or those funded outside the National Portfolio through Business Plan funding in 2022/23) who accept an offer lower than their application or planning figure. It is also not available for 2022/23 National Portfolio Organisations (or those funded outside the National Portfolio through Business Plan funding in 2022/23) who did not apply to the 2023-36 Investment Programme for National Portfolio Organisations and Investment Principles Support Organisations.

This programme has been introduced in part based on feedback received after decisions were communicated on the 2018-22 investment process. We also recognise that because we will make and communicate our decisions later than for previous Investment Programmes (in October rather than July), organisations will have less time to plan for their exit from the National Portfolio. The funding available will therefore provide up to eight months' planning time (based on an applicant being advised at the end of October 2022 that their application has been unsuccessful).

How much funding is available?

We have allocated sufficient funding to provide:

- up to seven months' funding for National Portfolio Organisations (or those that were funded outside the National Portfolio through Business Plan funding) during the year ended 31 March 2023 and that were unsuccessful in their applications to the 2023-26 Investment Programme. This is 58 per cent of the Arts Council investment provided for the year ending 31 March 2023; or
- up to ten months' funding for National Portfolio Organisations (or those funded outside the National Portfolio through Business Plan funding) during the year ending 31 March 2023 who receive a conditional offer of funding in October 2022, but are unable to reach agreement with the Arts Council on a Funding Agreement for the 2023-26 investment period. This is 83 per cent of the Arts Council investment provided for the year ending 31 March 2023

Advice giving

We will offer support to 2022/23 National Portfolio Organisations (or those funded outside the National Portfolio through Business Plan funding in 2022/23) leaving the portfolio in the form of a feedback discussion with an appropriate member of staff and one follow-up meeting, if needed.

We are unable, however, to provide advice to organisations about their applications for Transition funding. The information contained in this guidance document is designed to support you in completing your application without the need for further advice.

Your Relationship Manager will continue to monitor your 2022/23 funding to 31 March 2023, although we would be unable to provide ongoing Relationship Manager support after this date, other than through our more general place-based discussions and advice-giving sessions.

Section two – how to apply

If you are eligible to apply for Transition funding, you will need to complete a simple application form, to which we will ask you to attach a narrative plan (no more than 1,500 words) and accompanying budget that sets out your proposed activity during the funding period and how you will use the funds available. You should use this plan to make the case for funding.

You will need to provide a budget for the funding period setting out how the funds will be used. The funding period is:

- seven months for National Portfolio Organisations (or those that were funded outside the National Portfolio through Business Plan funding) during the year ended 31 March 2023 and that were unsuccessful in their applications to the 2023-26 Investment Programme. The funding period for these organisations is therefore 1 April 2023 – 31 October 2023, and you may apply for up to 58 per cent of the Arts Council investment provided for the year ending 31 March 2023; or
- ten months for National Portfolio Organisations (or those funded outside the National Portfolio through Business Plan funding) during the year ending 31 March 2023 who receive a conditional offer of funding in October 2022, but are unable to reach agreement with the Arts Council on a Funding Agreement for the 2023-26 investment period. The funding period for these organisations is therefore 1 April 2023 to 31 January 2024, and you may apply for up to 83 per cent of the Arts Council investment provided for the year ending 31 March 2023

You should only apply for what you need.

Your plan and accompanying budget should set out how the funds will be used to support:

- moving towards/adopting a new business model
- activity during the year ending 31 March 2024 for which forward commitments have been made, for example contracts for freelancers
- the orderly winding down of elements of your organisation's activity, should the board or equivalent determine that the activity cannot continue without Arts Council investment
- the orderly winding down of your organisation, should the board or equivalent decide on this course of action (provided that costs incurred exceed the level of reserves)

You may include costs covering more than one of these categories.

Eligible costs include (but are not limited to):

- commitments made to freelance artists for activity that is due to take place during the year ending 31 March 2024
- planned cultural activity, provided that it is concluded by the end of the funding period
- professional fees, for example accountants and/or insolvency practitioners
- consultants' fees, for example for business advice including human resources
- redundancies
- contribution to reserves, provided that the contribution does not increase your reserves to a level in excess of your stated policy

You may not apply for new creative or cultural activity.

We will also ask you to tell us about your reserves policy and to provide information on your free reserves position at the point of application.

Please be aware that if your organisation is facing insolvency, any application you make will be made ineligible.

You do not need to set out your mission or vision in your plan – you should focus on making the case for the funding and describe what it will be used for.

Your application must be submitted using our online grant management system, Grantium. Your (narrative) plan should not exceed 1,500 words.

You may submit your application from **Tuesday 8 November 2022**. We would advise that you do so as soon as you are ready so that your application can be considered, and a decision communicated as soon as possible, in order for you to plan with certainty.

The application portal will open on **Tuesday 8 November 2022** and close on **Tuesday 28 February 2023**. It will remain open during this period to allow applications to be submitted by organisations that are unable to reach agreement with the Arts Council on a Funding Agreement for the 2023-26 investment period.

Section three – how we will make our decision

As soon as your application is received, it will be assessed to ensure eligibility, and that the plan and accompanying budget are appropriate and that they respond to the criteria set out above, ie that the funds support:

- moving towards/adopting a new business model
- activity during the year ending 31 March 2024 for which forward commitments have been made, for example contracts for freelancers
- the orderly winding down of elements of your organisation's activity, should the board or equivalent determine that the activity cannot continue without Arts Council investment
- the orderly winding down of your organisation, should the board or equivalent decide on this course of action (provided that costs incurred exceed the level of reserves)

We will also take into account other information that we hold, for example your application to the 2023-26 Investment Programme and ongoing risk monitoring.

Please note that, once you have submitted your application to the Transition Programme, you must not approach the Arts Council, or members of our Area and National Councils, to discuss your application. This is to ensure we have a transparent and fair assessment process.

Who will make the final decision on my application?

Final decisions on Transition Programme applications will be made by Arts Council England.

The Arts Council reserves the right to refuse funding or make reduced offers if ineligible expenditure is included in the application, if the application does not address the criteria for the programme set out in [Section two](#), or if a case is not made for the need for funding.

When will you tell me about your decision?

A decision will be made on your application and communicated to you as soon as possible. We anticipate that this would be within eight weeks, but holidays such as Christmas may extend this period. If we feel we need to ask you for more information, for example to clarify any points made in your application or provide missing information (for example if the budget has been omitted or has been password protected), this may also extend the decision-making period.

Provided that your plan and budget are deemed appropriate, a funding agreement will be issued.

For organisations awarded up to £249,999, payments will be made in two instalments:

- i. 90 per cent on acceptance (provided that all other conditions have been met)
- ii. 10 per cent on submission of a final activity report setting out how the funds have been used (provided that any other conditions have been met). Please be aware that if the funding offered to you exceeds £50,000, you will be required to provide an independently certified statement of income and expenditure as a condition of this payment

For organisations awarded £250,001 or over, payments will be made in three instalments:

- i. 35 per cent on acceptance (provided that all other conditions have been met)
- ii. 35 per cent on submission of an interim activity report, setting out how the funds have been used to date (provided that any other conditions have been met)
- iii. 30 per cent on submission of a final activity report setting out how the funds have been used (provided that any other conditions have been met). Please be aware that you will be required to provide an independently certified statement of income and expenditure as a condition of this payment

What happens if we are not successful?

If you have not made the case for Transition funding, or if your application or the costs within it are ineligible, your application will not be successful.

In these circumstances, we would advise that you consider other sources of funding (see [Section four](#)).

Section four – other sources of funding

National Lottery Project Grants and Development Funds

Provided you meet eligibility criteria, from the point at which you have been advised that your application to the 2023-36 Investment Programme has been unsuccessful (or that a funding agreement will not be issued) you may apply for [National Lottery Project Grants](#) and Development Funds for activity starting from 1 April 2023.

You may not apply for funding for activity that would be included in the plan you submit for Transition funding.

Section five – further information

Making a complaint

Following decisions for this programme, we will have a process that you will be able to use if you would like to make a complaint about either the service you have received from Arts Council England or the way we have handled your application.

If you believe we made a mistake and you want to make a complaint, you can find out about our [complaints procedure](#) on our website. A bespoke complaints process will also be used for decisions from this programme. This process will be published on this webpage before the application deadline. Please note, however, that Arts Council England doesn't operate an appeals process. We cannot consider concerns through our formal process where we have followed our processes correctly.

Should you want to complain, you can also contact our Complaints Managers for further advice by emailing complaints@artscouncil.org.uk

Counter fraud measures

Arts Council England has a Counter Fraud Strategy and Policy and appropriate measures will be taken to ensure that grant holders given funding through this programme use the funding appropriately. This will include random sampling checks on a proportion of grants made. All grant holders must retain their financial and other documentation relating to the grant, and Arts Council England reserves the right to request this at any time. In addition, Arts Council England will complete checks pre- and post-award against grant applicants for due diligence and counter fraud purposes.

Subsidy control

The subsidy control rules regulate the award of financial assistance from the public sector to organisations engaged in economic activity. The rules have largely replaced EU state aid rules since 31 December 2020. Applicants for funding should consider whether they can receive public funding under the subsidy control rules.

1. Do EU state aid rules still apply?

There are now limited situations where EU state aid rules still apply. This includes under Article 10 of the Northern Ireland Protocol (which applies

EU state aid law to measures which affect trade in goods between Northern Ireland and the EU) and when EU Structural and Investment Funds are awarded.

2. Is there a subsidy under the subsidy control rules?

In most cases, funding will need to be assessed as to whether it constitutes a subsidy, which is defined at [Section 2 of the Subsidy Control Act 2022](#) as:

financial assistance which:

- (a) is given, directly or indirectly, from public resources by a public authority
- (b) confers an economic advantage on one or more enterprises
- (c) is specific, that is, is such that it benefits one or more enterprises over one or more other enterprises with respect to the production of goods or the provision of services, and
- (d) has, or is capable of having, an effect on:
 - i. competition or investment within the United Kingdom
 - ii. trade between the United Kingdom and a country or territory outside the United Kingdom, or
 - iii. investment as between the United Kingdom and a country or territory outside the United Kingdom

It is anticipated that some creative and cultural organisations will not fall within the definition of enterprise as set out in Section 7 of the Subsidy Control Act 2022 and hence the receipt of public funding by such organisations will not comprise a subsidy for the purposes of Section 2 of the Act. While it is for applicants to take their own advice in this respect it has previously been considered that taking into account their particular nature, certain activities related to culture, heritage and nature conservation may be organised in a non-commercial way and thus be non-economic in nature. For example it may be considered that public funding of a cultural or heritage conservation activity accessible to the general public free of charge fulfils a purely social and cultural purpose which is non-economic in nature. Further government guidance in this respect is expected to be published in due course.

3. If there is a subsidy, can it be lawfully awarded?

If there is a subsidy, then steps must be taken to ensure it is lawful at the time the funding is legally committed. At the moment, there are different routes a subsidy can be awarded (as set out at Articles 363-370 of the EU/UK Trade and Cooperation Agreement). In autumn 2022, new rules are expected to come into force under the [Subsidy Control Act 2022](#) including the Minimal Financial Assistance provisions and the Subsidy Control Principles at Schedule 1. More guidance will be provided in due course (supplementing that at [gov.uk](#)).

You are responsible for assuring yourself that the grant funding awarded to you is compliant with any legislation on subsidy control applicable at the time the grant is awarded. You must provide any information we request in order to satisfy us that you have duly considered the subsidy control rules and that the grant is compliant. You may be required to repay any grant monies you receive with interest if a grant is found to breach the subsidy control rules.

Freedom of Information Act

We are committed to being as open as possible. We believe that the public has a right to know how we spend public funds and how we make decisions about investment. We are also listed as a public authority under the Freedom of Information Act 2000.

This means that, by law, we may have to share your application documents and information about our assessment with any member of the public who asks to see them under the Freedom of Information Act 2000.

We may not release those parts of the documents that are covered by one or more of the exemptions under the Act. Please see the Freedom of Information website at [gov.uk/make-a-freedom-of-information-request](#) for information about freedom of information generally and the exemptions.

We will not release any information about applications during the assessment period, as this may interfere with our decision-making.

Data protection

The Arts Council is committed to using any personal information (or personal data) we collect on a lawful, fair and transparent basis, respecting your legal rights as an individual in accordance with the UK General Data Protection Regulation, the UK Data Protection Act 2018 and other applicable laws that regulate the use and privacy of personal data (Data Protection Law).

As part of us meeting this requirement, we have published our General Privacy Notice for you to refer to [here](#). This tells you more about: the personal data the Arts Council collects; the different purposes that we use it for and on what legal basis; who we may share that personal data with; how long we keep it; and your legal rights, including your right to contact us and receive information regarding the personal data about you that we may hold from time to time.

For further information about our obligations and your rights under Data Protection Law, as well as how to report a concern if you believe that your personal data is being collected or used illegally, please also see the Information Commissioner's Office website at www.ico.org.uk

Contact us

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