Standard terms and conditions for the Feasibility Programme

(NPO/IPSO)

These standard terms and conditions apply to all grant offers to National Portfolio Organisations – Feasibility and Investment Principles Support Organisations - Feasibility for the funding period 3 April 2023 to 31 October 2024.

Please ensure you are using the most up to date version of the terms and conditions, you can find these [on our website](https://www.artscouncil.org.uk/NationalPortfolio23/key-information-2023-26-npos-and-ipsos#t-in-page-nav-5).

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Updated September 2023.

# Definitions

# The “Organisation” means the organisation receiving the grant bound by these terms and conditions.

# The “Arts Council” means Arts Council England and includes its employees and those acting for it.

# The “Agreed Activity” means the activity to be carried out during the Funding Period, which has been agreed with the Arts Council and for which the Arts Council is giving the Organisation the grant as set out in the application form, the Activity and Investment Principles Plan, and budget that accompanies this Funding Agreement as Attachments and/or as varied by this Funding Agreement.

# The “Funding Agreement”, which the Organisation has accepted, includes and incorporates these standard terms and conditions, the payment conditions as set out in the Monitoring Schedule, the Schedule 1 Additional Conditions and the grant offer letter, together with any other conditions the Arts Council has agreed with you now or in the future.

# The “Funding Period” means the fixed term specified in the grant offer letter.

# The “Subsidy Control Regime” means the Subsidy Control Act 2022, and the Subsidy Control (Subsidies and Schemes of Interest or Particular Interest) Regulations 2022, together with the Department for Business, and Trade and the Competition and Markets Authority’s published guidance on the Subsidy Control Regime or as such other laws and/or guidance that may apply or as amended or replaced from time to time, that regulates the award of financial assistance that meets the definition of ‘subsidy’ at section 2 of the Subsidy Control Act 2022.

# Where the words “including”, “include”, “in particular”, “for example” or any other similar expression are used in these terms and conditions they are illustrative and do not place a limit on the words before or after their use or create an exhaustive list.

# The Agreed Activity

* 1. The Organisation will deliver the activities as defined in the Agreed Activity, which accompanies the Funding Agreement as Attachments (as may be updated from time to time). The Organisation acknowledges that the grant is paid on trust to the Organisation for the sole purpose of delivering the Agreed Activity.
	2. The Agreed Activity will form part of the basis for the reporting, monitoring and assessment of performance under this Funding Agreement.
	3. The Organisation will tell the Arts Council immediately in writing of anything that significantly delays, threatens or makes unlikely the successful delivery of the Agreed Activity or any key part of it. This includes any withdrawal of match funding for the Agreed Activity, which the Organisation told the Arts Council it would receive, at any time during the Funding Period.

# Funding

* 1. Subject to satisfactory receipt of any information required from time to time, the Arts Council agrees to pay to the Organisation the total grant in such instalments as shown in the Monitoring Schedule.
	2. The Arts Council will not make any payments under this Funding Agreement until it has evidence that the terms and conditions have been accepted by the Organisation’s board or equivalent, and the Funding Agreement is properly accepted by a board member or equivalent. The Organisation will ensure that at all times, while the Funding Agreement is in force, that it is correctly constituted and regulated and that the receipt of the grant and the delivery of the Agreed Activity are within the scope of the Organisation’s constitution.
	3. The Organisation accepts that these standard terms and conditions are not negotiable, and the Organisation shall have no right to amend or vary the provisions of this Funding Agreement (unless with the prior written agreement of the Arts Council) which, for the avoidance of doubt, includes the Schedule 1 Additional Conditions, the Agreed Activity as specified in the accompanying Attachments, the Funding Period and the Dates and Amounts of the Scheduled Payments as specified in the Monitoring Schedule.
	4. The Organisation accepts that the Arts Council will not increase the grant if the Organisation spends more than the total grant shown in the Monitoring Schedule.
	5. The Organisation will show the grant and related expenditure in its annual accounts under the description of “Arts Council Funding” (as a restricted fund or unrestricted fund, deriving from grant in aid as revenue grant, or as a capital grant, or from National Lottery funds, as directed in the offer letter). If the Organisation has more than one restricted fund, it will include a note to the accounts identifying each restricted fund separately. If the Organisation has more than one grant from the Arts Council, it will record each grant separately in the notes to the accounts. The Organisation will identify unspent funds and assets, in respect of the grant, separately in its accounting records.

# VAT

* 1. The grant is not a consideration for any taxable supply for VAT purposes. The Organisation acknowledges that the Arts Council’s obligation does not extend to paying any amounts in respect of VAT in addition to the grant.
	2. If the Organisation is registered for VAT, or subsequently becomes liable to register for VAT, it must keep proper and up to date records and it must make those records available and give copies to the Arts Council when requested.
	3. If the grant includes any or all of the VAT costs associated with the Agreed Activity and the Organisation subsequently recovers any VAT, it must pay back immediately any of the VAT that has been paid for with the grant.

# Monitoring

* 1. The Arts Council will designate a Relationship Manager for the Organisation in relation to this Agreement (the “Relationship Manager”). The Relationship Manager is the main point of contact between the Arts Council and the Organisation.
	2. The Relationship Manager:
		1. will act as the main contact with the Organisation for all matters relating to the grant and the Agreed Activity
		2. will monitor the Organisation, ensuring it complies with the terms of this Funding Agreement and other requirements in accordance with the Arts Council’s monitoring requirements, identify issues and share these with relevant colleagues
		3. may attend the Organisation’s board meetings (or equivalent) as an observer on a regular or an occasional basis
		4. will act as a “critical friend” to the Organisation by engaging with its activity, and questioning its self-monitoring, direction, operations and activities

# The Organisation’s Obligations

* 1. The Arts Council requires the Organisation to meet any special or additional conditions which may have been agreed between the Arts Council and the Organisation in writing from time to time and which will be deemed incorporated into this Funding Agreement. Any special or additional conditions are in addition to the following requirements of this Clause 6 that the Arts Council requires the Organisation to meet.
	2. The Arts Council will monitor and assess the Organisation’s Agreed Activity and how effectively the funding is being used. To enable this, the Organisation will send the Arts Council all such information as the Arts Council may in its sole discretion reasonably request from time to time. This includes the information, without limitation, set out in the Monitoring Schedule, and copies of all or any other relevant documentation about the financial and operational running of the Organisation, to include business plans together with monitoring reports/revisions, board papers or equivalent, reserves policies and any other information which the Arts Council deems relevant to its understanding of how the Agreed Activity is being delivered and the funding used and for reporting purposes to the Department for Digital, Culture, Media and Sport (“DCMS”). The Organisation agrees and accepts that the Arts Council may share such information and data with DCMS.
	3. The Organisation must get the Arts Council’s prior written agreement before making any significant changes to its legal status, transferring any assets or merging or amalgamating with any other body including a company set up by the Organisation or to the Agreed Activity.
	4. The Organisation will:
		1. advocate for the value of publicly funded creativity and culture (both grant in aid and National Lottery funded) across its advocacy, marketing and communication activities
		2. where appropriate and when requested, actively work with the Arts Council and other National Lottery distributors, to champion the role of The National Lottery in supporting your work, and creativity and culture in England
		3. prominently feature the Arts Council’s grant award logo or National Lottery grant award logo (as applicable) on all digital and print marketing assets according to our guidelines
		4. share its images, audio and visual content with the Arts Council, having obtained all relevant consent for their use across the Arts Council communication channels
	5. The Organisation consents to any publicity about the grant and the Agreed Activity as the Arts Council may from time to time require. In addition:
		1. The Arts Council can carry out any forms of publicity and marketing to promote the award of the grant as it sees fit and the Organisation will do whatever is reasonably required in order to assist with any form of publicity and marketing, including any digital, press or media related activities.
		2. The Organisation will assist the Arts Council in advocating for the impact and value of public funding of creativity and culture. The precise nature of this advocacy will depend on the scale and capacity of the Organisation and will be agreed through conversations with the Arts Council’s communications team and/or the Organisation’s Relationship Manager. This advocacy may include actions such as hosting meetings or including marketing materials in venues, online or in print.
		3. The Organisation must include the latest agreed standard boilerplate about the Arts Council and its investment for all press releases it issues, using the guidance the Arts Council will provide. The Organisation can access full details of how to acknowledge the Arts Council’s support at <https://www.artscouncil.org.uk/grant-award-logo-and-guidelines.>
	6. The Organisation is fully responsible for every part of its business. This includes, without limitation:
		1. the Organisation must ensure that all current and future members of its governing body receive a copy of this Funding Agreement and the Relationship Framework while they remain in force
		2. the Organisation must ensure that all current and future members of its governing body have regular updates on the financial position of the Organisation and on the delivery of the Agreed Activity
		3. the Organisation is responsible for getting its own management and business advice. This includes considering whether it needs to get financial, accounting, tax, solvency, legal, insurance, human resources, Subsidy Control rules, or other types of professional advice
		4. the Organisation must tell the Arts Council immediately of any changes in the Organisation that may threaten its solvency and inform the Arts Council if it is proposing to enter into any arrangement with any of its creditors
		5. the Organisation must tell the Arts Council in writing as soon as possible if any legal claims or any regulatory investigations are made or threatened against it and/or which would adversely affect the Agreed Activity during the period of the grant (including any claims made against members of its governing body or staff)
		6. In carrying out its business and funded activity under the Agreed Activity the Organisation must obtain all approvals, consents and licences required by law to deliver the Agreed Activity, comply with any relevant laws or government requirements and comply with best practice in governance, reporting and operation. This includes:
			1. taking all reasonable steps to ensure the safety of the children and adults at risk that it will work with. The Organisation will follow best practice in having appropriate policies and procedures in place to ensure the protection of children, young people and vulnerable adults and in complying with those procedures, which will include procedures to check backgrounds and disclosures of all employees, volunteers, trustees, partners or contractors who will supervise, care for, or otherwise have significant direct contact with children and adults at risk with the Disclosure and Barring Service (“DBS”). For further details of the DBS see <https://www.gov.uk/government/organisations/disclosure-and-barring-service>
			2. following best practice in having appropriate and effective policies and procedures in place concerning equality and diversity, harassment and bullying, and in complying with those policies and procedures
			3. having in place at all times and acting in accordance with appropriate and effective disciplinary, grievance and whistleblowing policies
			4. having an equal opportunities policy in place at all times and act at all times without distinction and in compliance with all relevant equality legislation
			5. where appropriate for the Organisation’s business, having a public facing complaints policy in place at all times
			6. following best practice in having appropriate and effective policies and procedures in place concerning counter fraud
			7. at all times complying with Data Protection Legislation. Data Protection Legislation shall mean without limitation (i) the United Kingdom General Data Protection Regulation and (ii) the Data Protection Act 2018 together with all other applicable UK laws whether currently existing, yet to be implemented, or to act as successor legislation, that regulate the collection, processing and privacy of personal data
			8. adhering to all relevant legal obligations relating to offering apprenticeships and internships
			9. ensuring that salaries, fees and subsistence arrangements are as good as or better than those agreed by any relevant trade unions and employers’ associations
			10. maintaining all main financial records including profit and loss accounts, management statements, personnel and payroll records for staff funded under this Funding Agreement for seven years after the grant has ended. The Organisation will complete all statutory returns for employees and make all relevant payments to cover their pensions and salary deductions, such as Income Tax and National Insurance contributions
			11. when procuring goods, works or services that are funded in whole or in part by the Funding Agreement you must ensure you are:
				1. getting the best value for money when buying goods, works or services and ensuring that any procurement process is conducted in a transparent and proportionate manner and suppliers are treated equally, without discrimination.
				2. having appropriate policies and procedures for obtaining quotes or competitive tendering in place for purchasing any goods, works or services costing more than £12,000 (including VAT) over the whole life of the contract, including any extensions (irrespective of how likely it is that they will be exercised).
				3. complying with your obligations under the Public Contracts Regulations 2015 (as amended or replaced from time to time) (“PCR”), if you are a contracting authority subject to the PCR; and
				4. for contracts within the scope of Regulation 13 of the PCR, procure in a manner compliant with the PCR (as amended or replaced from time to time); and advertised in such a way as to ensure that all interested suppliers in the market are aware of the opportunity to tender for the contract as if you are a contracting authority for the purposes of the PCR. The Organisation understands it shall not sub-divide a requirement with the intention of excluding the application of clause 6.6.6.11.4 or complying with your obligations under the PCR.
			12. complying with all anti-bribery and anti-corruption legislation
			13. considering any possible risks involved in its funded activities and taking appropriate action to protect everyone involved and maintaining adequate and appropriate insurance at all times
			14. maintaining adequate insurance at all times and if asked, will supply copies of the insurance policy. This includes employee and public liability insurance and insurance that covers the full replacement value of any assets that the Organisation has funded
			15. if applicable to your Organisation, complying with the Modern Slavery Act 2015 and any other slavery, servitude and forced or compulsory labour and human trafficking legislation
			16. ensuring that the Organisation does not work with organisations proscribed under the Terrorism Act 2000 [gov.uk/government/publications/proscribed-terror-groups-or-organisations--2/proscribed-terrorist-groups-or-organisations-accessible-version](https://www.gov.uk/government/publications/proscribed-terror-groups-or-organisations--2/proscribed-terrorist-groups-or-organisations-accessible-version)
			17. any legislation or regulations in relation to ‘sanctioned’ countries, organisations and/or individuals which may be in force at any time during the duration of the funding agreement (“Sanctions Legislation”). Information on the UK Sanctions Regime can be found at: <https://www.gov.uk/government/collections/uk-sanctions-regimes-under-the-sanctions-act>
	7. We may request, and you must provide any information we require to satisfy us that you have complied with your obligations under clause 6.6.6.11.1 to 6.6.6.11.4.
	8. You acknowledge that we may incur financial liability if you breach your obligations under clause 6.6.6.11.1 to 6.6.6.11.4 and that you shall be liable to us for any losses, costs (including legal costs), damages and any other financial liability that it incurs as a direct result of such breach.
	9. The Organisation accepts that the Arts Council’s staff, council members and advisers cannot give the Organisation professional advice and will not take part in carrying out the Organisation’s business. The Arts Council cannot be held responsible for any action the Organisation takes, or fails to take, or for the Organisation’s debts or liabilities. The Arts Council will not be liable for any losses or charges if it does not make any grant payment on the agreed date. The Arts Council will not be responsible to anyone else who may take, or threaten to take, proceedings against the Organisation.
	10. The Organisation will not sell, give away, licence or borrow against any grant funded assets (including any intellectual property rights) without receiving the Arts Council’s prior written consent. As the grant has come from public funds, the Organisation understands and accepts that if the Arts Council provides the consent it may require that the disposal is at full market value and/or subject to conditions requiring the Organisation to repay all or part of the grant money received.
	11. The Organisation must give the Arts Council, the National Audit Office or any of their agents access to meetings, events and any/all financial records, other information and/or premises, as may be reasonably requested, relating to the Agreed Activity, the Organisation or to any other matter arising under this Funding Agreement and the Arts Council may postpone payment of the grant or an instalment of the grant until the Arts Council has received the material it has requested.
	12. The Organisation must, subject to the provisions as noted in Clause 6.6.6.7. above, provide to the Arts Council or a third party appointed by the Arts Council such audience/participant, staffing, activities including touring, income and expenditure data as the Arts Council may request. Where relevant, the Organisation must ensure that it has obtained all relevant and appropriate consents in accordance with the Data Protection Legislation prior to providing such data to the Arts Council or such appointed third party. The Arts Council may postpone payment of the grant or an instalment of the grant until the Arts Council has received the material it has requested.
	13. The Organisation must ensure it updates its Grantium Applicant profile regularly (to ensure key details such as governance status, address and main contacts are up to date). The Organisation should contact the Arts Council if they wish to change their bank or building society details into which grant(s) are paid.
	14. Any information the Arts Council receives from the Organisation will be subject to the Freedom of Information Act 2000 (“FOIA”). By law, the Arts Council may have to provide the Organisation’s information to a member of the public if they ask for it under FOIA. For further details, see the Arts Council’s information sheet *How we treat your application under the Freedom of Information Act*, available on the Arts Council’s website http://www.artscouncil.org.uk/. If the Organisation has any concerns, the Organisation should let the Arts Council know as some information may be covered by exemptions under FOIA if for example the information is sensitive or confidential, but any decision to release information under FOIA is at the Arts Council’s absolute discretion.
	15. The Organisation must inform the Arts Council of any recruitment process for board members/trustees and/or senior staff. The Arts Council reserves the right to be consulted in the process of recruitment and invited to attend interviews when the Organisation is recruiting board members/trustees and/or senior staff.
	16. The Organisation understands that the Arts Council can only guarantee future instalments of the grant as long as funds from the Government and/or the National Lottery are available to it. It is possible that the indicative amount may therefore be reduced for future instalments.
	17. The Organisation acknowledges that the grant comes from public funds and acknowledges that the support provided must be compliant with the Subsidy Control rules. Where applicable, the Organisation agrees that the Arts Council will publish information relating to the grant and that the Organisation will keep reasonably detailed records to demonstrate compliance with the Subsidy Control rules and shall provide a copy of such records to us upon reasonable request. In the event that it is deemed by a competent court or other regulatory authority to be non-compliant with the Subsidy Control rules, the Organisation will repay the entire grant (and any other sums due) immediately.
	18. The Organisation will not transfer any part of the grant or this Funding Agreement or any rights under it to any other organisation or individual without the prior written agreement of the Arts Council. If the Organisation is required by the Arts Council to enter into a partnership agreement with another organisation or organisations in order to deliver the Agreed Activity, the Organisation will submit the proposed Partnership Agreement to the Arts Council for its prior authorisation and subject thereto will ensure that no other organisation or individual acquires any third party rights under this Funding Agreement.
	19. The Arts Council may impose additional terms and conditions on the grant either in the Offer Letter and/or if the Organisation is at any time in breach of this Funding Agreement and/or if the Arts Council believes it is necessary to make sure that the Agreed Activity is delivered as agreed between the Organisation and the Arts Council and/or the Arts Council has reasonable grounds to believe it is necessary to protect public money and/ or it is required to do so by Government either through a direction or by the issuing of or amendment of grant standard requirements.

# Termination of this Agreement

* 1. If the Organisation breaches any of the terms and conditions of this Funding Agreement, then the Arts Council in its absolute discretion may withhold or demand repayment of all or part of the grant and terminate the Funding Agreement. The Organisation will repay any grant requested immediately upon demand.
	2. The Arts Council may suspend payment of the grant if it wishes to investigate any matters concerning the grant (or any other grants given by the Arts Council to the Organisation). The Organisation understands and accepts that the Arts Council will accept no liability for any consequences, whether direct or indirect, that may arise from a suspension even if the investigation finds no cause for concern.
	3. The Arts Council may also withhold and/or demand repayment of all or part of the grant if the Organisation:
		1. closes down its business (unless, with the Arts Council’s prior written consent, it joins with, or is replaced by, another Organisation that can take over this Funding Agreement and carry out the purposes of the grant to the Arts Council’s satisfaction)
		2. makes any significant change to the Agreed Activity without the prior written approval of the Arts Council
		3. does not fulfil the purpose of the grant with reasonable care, thoroughness, competence and to a standard that the Arts Council expects from the Organisation with its level of experience in its practice, profession or line of work
		4. provides any information to the Arts Council that is wrong or misleading, either by mistake or because it is trying to mislead the Arts Council during the application process or during the period of this Funding Agreement
		5. becomes insolvent, or any order is made, or resolution is passed, for it to go into administration, be wound up or dissolved; or if an administrator or other receiver, manager, liquidator, trustee or similar officer is appointed over all or a considerable amount of the Organisation’s assets; or the Organisation enters into or proposes any arrangement with its creditors
		6. acts illegally or negligently at any time
		7. acts in such a way that the Arts Council believes it has significantly affected the delivery of the Agreed Activity, or is likely to harm the Arts Council’s or the Organisation’s reputation or it is in the Arts Council’s discretion necessary to protect public money; and/or
		8. sells or in some other way transfers any part of the grant, the business or the activity funded under the Agreed Activity to someone else without the Arts Council’s prior written approval
		9. works with any prohibited organisation proscribed under the Terrorism Act 2000 as set out in Clause 6.6.6.16.
	4. If the Organisation is in breach of any of the terms of this Funding Agreement and the Arts Council does not enforce one or more of its rights straight away, this does not mean that it will not do so in the future. The Arts Council will give up its right to enforce this Funding Agreement only if it tells the Organisation in writing.
	5. If the Organisation has other revenue or capital grants with the Arts Council, then it is also under an obligation to keep to the terms and conditions of those Funding Agreements. If there is any conflict between those terms and conditions and the terms and conditions of this Funding Agreement, then these terms and conditions will take precedence so far as they relate directly to the delivery of this Agreed Activity.
	6. If the Organisation breaches any of the terms of this Funding Agreement, the Arts Council can choose to treat that as the Organisation breaching the terms of any other grant agreements the Arts Council has with the Organisation. This will allow the Arts Council to take the same actions under those agreements that the Arts Council may take under this Funding Agreement, including making the Organisation pay back the grant and stopping any future payments.
	7. This Funding Agreement and these terms and conditions remain in force for whichever period is the longest time:
		1. for one year following the payment of the last instalment of grant
		2. as long as any part of the grant remains unspent
		3. the expiry of the maximum period required under the grant for asset monitoring; or
		4. as long as the Organisation does not carry out any of the terms and conditions of this Funding Agreement or any breach of them continues (this includes any outstanding reporting on grant expenditure or the delivery of the Agreed Activity)

# Additional Terms and Conditions

* 1. The Arts Council has the right to impose additional terms and conditions on the grant if:
		1. the Organisation is in breach of the Funding Agreement
		2. the Arts Council or another funder withdraws any part of the funding for the Agreed Activity
		3. the Arts Council has reasonable grounds to believe that the Agreed Activities are being carried out by the Organisation in a way that may have a detrimental effect on the Agreed Activities, or on the Arts Council’s role as a distributor of public money. For the avoidance of doubt, this would apply to the manner and speed of the delivery of the Agreed Activities, or to any illegal or negligent actions by the Organisation, and not to any artistic decision made by the Organisation
		4. the Arts Council has reasonable grounds to believe that it is necessary to protect public money; and/or
		5. the Arts Council believes such conditions are necessary or desirable to make sure that the Agreed Activity is delivered as set out in the application form or following any agreed changes