



Arts Council England

Transform Programme

Stage two

Information if you want to apply



Easy read booklet

Who we are and what this booklet tells you about



We are **Arts Council England**.



We help artists and arts organisations be creative and make art and culture.



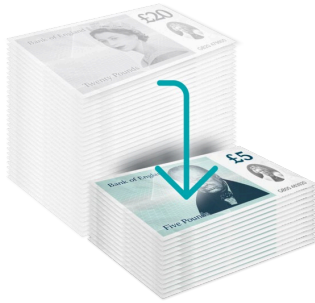
One way we help is by giving people and organisations money.



This is called **funding**.



This booklet tells you about our **Transform** programme.



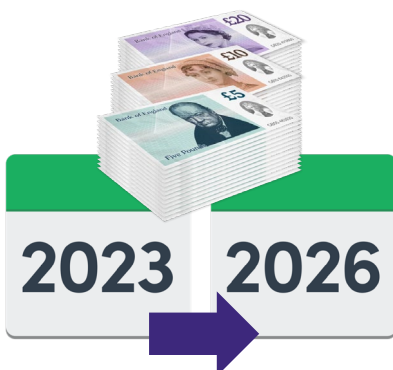
Transform is a plan to support **National Portfolio Organisations** who applied for funding from our **2023 to 2026 Investment Programme** and got offered less money for each year than they got given for the year 2022 to 2023.



National Portfolio Organisations are organisations we give funding to who want to help with our **Outcomes**. We call them **NPOs** for short.

LET'S
CREATE

You can read about our **Outcomes** in our plan called **Let's Create**.



The **2023 to 2026 Investment Programme** is our main plan to give out funding for the next 3 years.

About Transform



Transform will support organisations for 3 years to make a new **business model** so they can keep going with less funding from us.

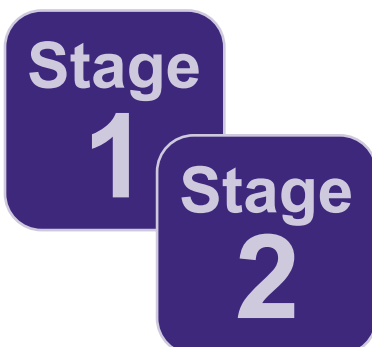


A **business model** is the way a business or an organisation works.



A business model is the plan for

- what an organisation does.
- who their work is for.
- how much money they spend.
- all the other things that keep them going.



Transform has 2 parts, called **stages**. We tell you about each stage in the next 2 parts of this booklet.

About Transform Stage one



Applications for **Stage one** have already happened.



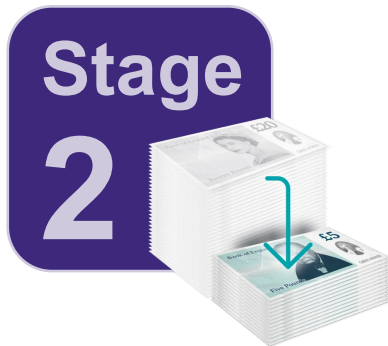
Stage one gives organisations funding for **1 April 2023** to **31 July 2023**.



Stage one funding is to

- help organisations keep going during this time.
- give organisations time to think about how they can change their business model.

About Transform Stage two



All NPOs who got offered less money for each year for 2023 to 2026 than they got given for the year 2022 to 2023 can apply for Stage two.



It doesn't matter how much less your offer is and you don't have to have applied for Stage one.



Stage two is for **1 August 2023** to **31 March 2026**.



Stage two is to help organisations change and follow their new business models, so their finances become **stable** and they can keep going with less funding from us.



Stable means steady and not likely to change in a bad way.



If you apply for **Stage two**, you **must** show ideas and plans about how you will use the funding to change your organisation in ways that will last a long time.

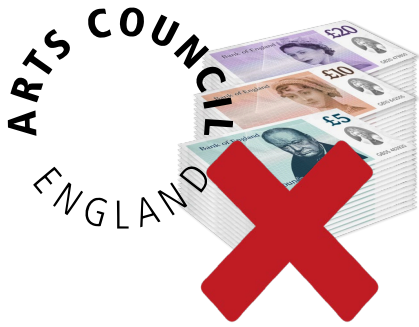


If your application does not show this, you will not get **Stage two** funding.

You must also show

- how you will make change happen.
- **proof** your **board** will make a new business model. **Proof** is a document that shows something is true or real. A **board** is a group of people who check organisations are run in a good way and follow the rules.
- how you have checked **risks** for your ideas and plans. **Risks** are how likely it is something bad will happen.





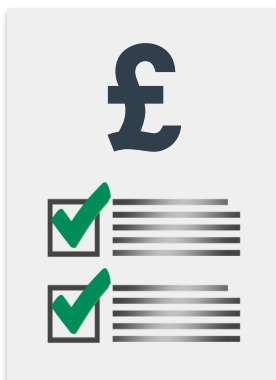
You cannot use other **Arts Council England** funding as **match funding** for **Stage two**.



Match funding is when you get some of the money you need from other places.



You cannot get funding for costs that were not agreed before, like for new projects or activities.



You can get funding for

- **costs to make your new business model happen.**
- **general costs to run your organisation.**

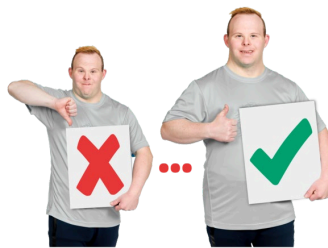
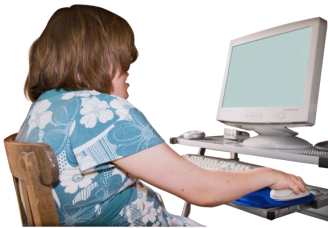
We tell you more about these costs on the next 2 pages of this booklet.

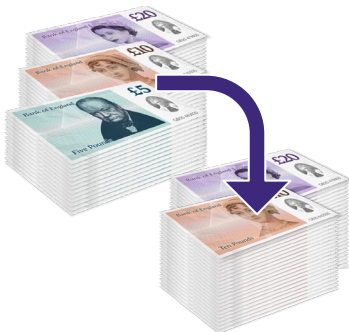


Costs to make your new business model happen

These are things like

- ✓ payments to **consultants**.
Consultants are people who give expert advice.
- ✓ costs to have new technology.
- ✓ costs to make new **shared services**. **Shared services** are where 1 part of an organisation looks after a service and the costs are shared by the whole organisation.
- ✓ costs to make **governance structure** better. **Governance structure** is how some important things in your organisation are managed, like rules, policies, and decisions.
- ✓ new products and services.
- ✓ ways to spend less money.
- ✓ ways to make **intellectual property** have money value. **Intellectual property** is something created in the mind, like inventions or art.
- ✓ **mergers**. **Mergers** are when 2 organisations join together to become 1 organisation.





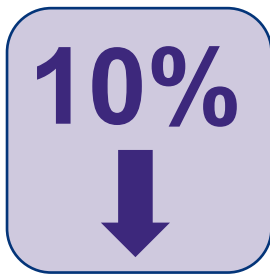
General costs to run your organisation

These are things like

- ✓ general costs, like paying for staff, office supplies or repairs.
- ✓ costs that will happen during the time the funding is for that were already set up before your funding changed.
- ✓ payments to professionals you use, like accountants.
- ✓ payments to consultants.
- ✓ **redundancy pay. Redundancy pay** is money you must give staff who are no longer needed.
- ✓ costs to start closing down your organisation if you decide you can't keep going with less funding from us.

These are the same type of costs as [Stage one](#). If you got [Stage one](#) funding, this amount will be taken off your [Stage two](#) amount.

You must show you will only need help with these costs during the time the funding is for.



You will need to make a **contribution** of 10% or less towards the costs you apply for.

10% means a tenth. It means 10 out of 100.



A **contribution** means you give or supply something yourself.

Your contribution might be

- cash, like **unrestricted reserves**. **Unrestricted reserves** are money a charity has that can be used at any time and spent on whatever is needed.
- free time given by staff or consultants.



If we decide to give you **Stage two** funding, we will agree some **milestones** with you.

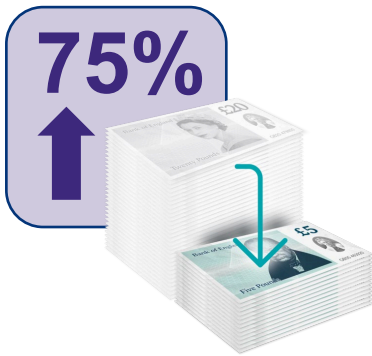


Milestones are important aims you will have to complete to get each funding payment.

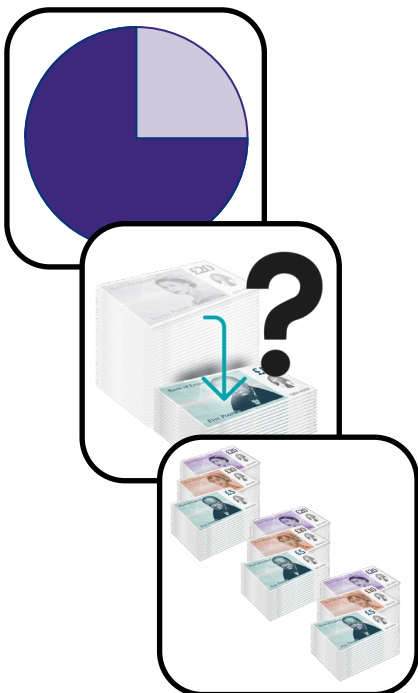
How much you can apply for Transform Stage two



We have £7,500,000, which is 7 and a half million pounds, to give out in [Stage two](#).



You can apply for up to **75%** of the **reduction amount** in your funding for each year of [Stage two](#).



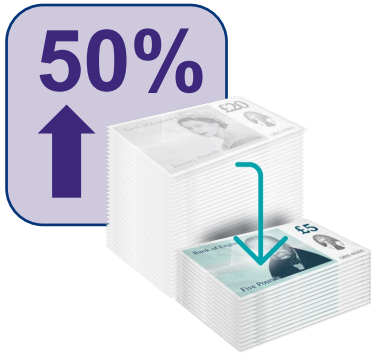
75% means 3 quarters.

The **reduction amount** is the difference between the amount you got for the year 2022 to 2023 and the **average** amount you have been offered for the years 2023 to 2026.

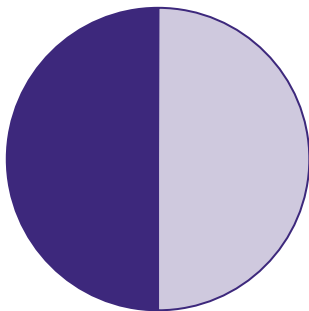
Average means divide the amount offered for 2023 to 2026 into 3 equal parts.



The most you can apply for is £5,000,000, which is 5 million pounds.



You can apply for up to **50%** of the reduction amount for each year of Stage 2 for **general costs to run your organisation**.



50% means half.



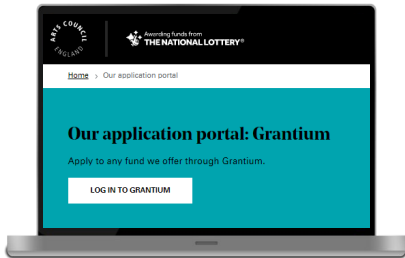
Whatever you don't use for **general costs to run your organisation**, you can use for **costs to make your new business model happen**.



If your organisation might become **insolvent**, you shouldn't apply. **Insolvent** means you have money problems and can't pay your bills.

How to apply

Transform Stage two



If you meet the rules for **Transform Stage two**, you can apply by completing the application form.

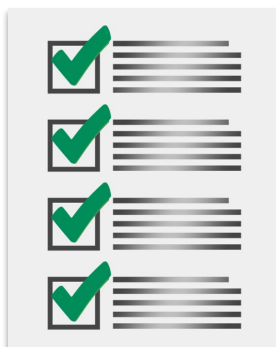
You do this using our online system on our website called **Grantium**.



You can apply from **midday on Monday 9 January 2023** until **12pm on Monday 6 February 2023**.



We will tell you our decision **before 5pm on Friday 24 March 2023**.



The application form will ask you for these things

- **narrative plan.**
- **budget and cash flow forecast.**
- **balance sheets.**
- **reserves position.**



Narrative plan

A **narrative plan** is a document that tells us your plan for your activity. It must be less than 2,000 words.

Your narrative plan should tell us

- why you need the funding and what you will use it for.
- how the funding will support your organisation to make changes that make you stable now and for a long time ahead.
- what other **resources** you have. **Resources** are useful things your organisation has, like buildings or equipment.
- how you will use any unrestricted reserves you have during the time the funding is for.
- ideas you have for your new business model about things like different ways to get funding or how to save money.

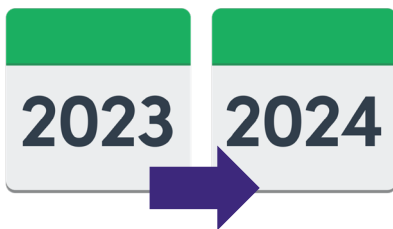


You also need to send us proof your board will make a new business model. This could be a signed statement from the chair of your board.



Budget and cash flow forecast

Your **budget** is a plan that shows how you will spend the funding if you get it. It shows how much the work you do will cost.

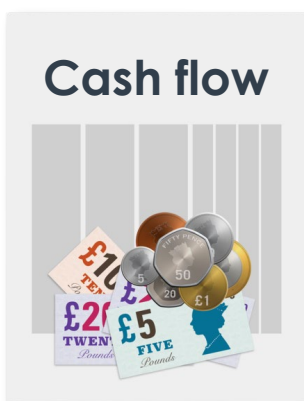


You need to send us your budget for the year 2023 to 2024. It must show

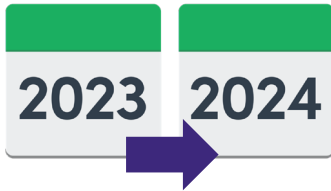
- how you will use the funding if you get it.
- how you will use the funding for **general costs to run your organisation**, if you have asked for funding for these costs.
- how you will get match funding if it will be cash, like from unrestricted reserves.



Use the **budget template** you were given with your 2023 to 2026 offer to send us your budget.



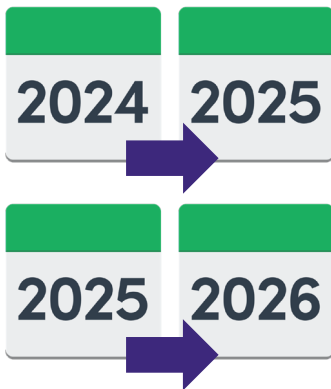
Your **cash flow forecast** is a plan that shows when you will get and spend money.



You need to send us your cash flow forecast for the year 2023 to 2024. It must show

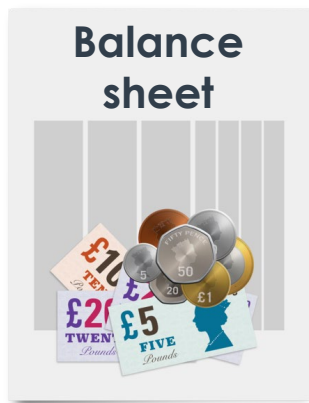
- when you think you will spend the funding.
- when you think you will spend the funding on **general costs to run your organisation**, if you have asked for funding for these costs.
- when you think you will get any match funding in cash.

Use the **cash flow template** given to you with your 2023 to 2026 offer to send us your cash flow forecast.



If we decide to give you **Stage two** funding, you will need to send us your **outline** budget and cash flow forecast for the years 2024 to 2025 and 2025 to 2026.

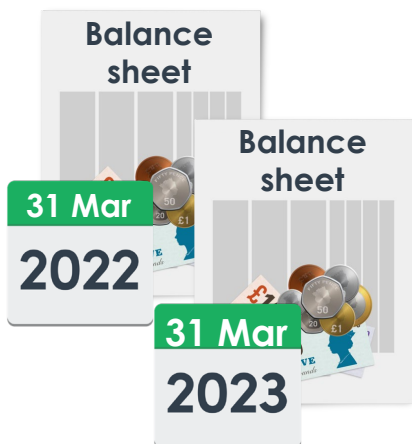
Outline means a rough idea of what you think your budget and cash flow forecast will be.



Balance sheets

Balance sheets tell us how much money your organisation is worth.

They show what you own and how much you owe.



You need to send us balance sheets for 2 financial years

- a final or **draft** for 31 March 2022.
- a **draft** for 31 March 2023.

A **draft** means a document that isn't final yet.



Reserves position

You need to tell us what unrestricted reserves you have and show us your reserves **policy**.



A **policy** is a set of rules for your organisation.

How we will make our decision

Transform Stage two



We will decide if your organisation can have **Stage two**.



We will think about

- how much you need the funding.
- how likely it is you can make your ideas for a new business model happen.
- your **value** as an organisation. Your **value** means how much difference your work makes to arts and culture.



We will also think about any other information we have about you, like

- your application for our **Investment Programme**.
- information online, like your website.
- how much you include our **principles** in the work you do. Our **principles** are what we believe in.

If we decide to give you funding

Transform Stage two



If we decide to give you **Stage two** funding, we will make a **conditional offer**.



A **conditional offer** means an offer with certain rules that have to be followed.



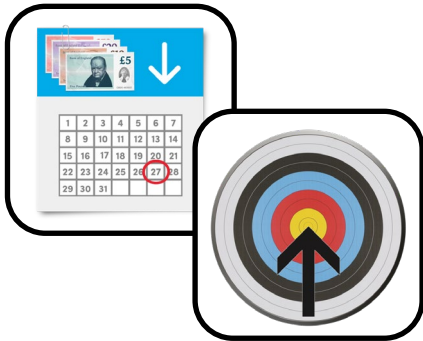
We will work out a **funding agreement** with you.



A **funding agreement** officially says how much money we will give you and how we want you to spend it.



We will decide your **payment structure**.



Your **payment structure** shows

- how much we will pay you.
- when we will pay you.
- what milestones you will have to complete to get each payment.



If everything is correct and we think you need the funding, we will confirm your offer in May 2023 which means you will get **Stage two** funding.



If we decide not to give you **Stage two** funding, we will tell you why.



If you got **Stage one** funding, it does not mean you will get **Stage two** funding. We will look at **Stage two** applications on their own.

How to complain and legal information

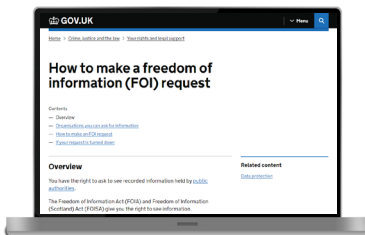


Click this link to find out how to make a complaint

or send an email to our Complaints Managers at this address **complaints@artscouncil.org.uk**.



It is your responsibility to make sure you are legally allowed to receive money from us. Click this link to find out about **Subsidy Control**.



Everyone has a right to know how we spend our money. We follow the law written in the **Freedom of Information Act**.



We will look after any information you send us about yourself carefully and properly. We will follow the law that is written in the **Data Protection Act**.

How to contact us



Find out about the help and access support we offer in our [Access support information sheet](#).



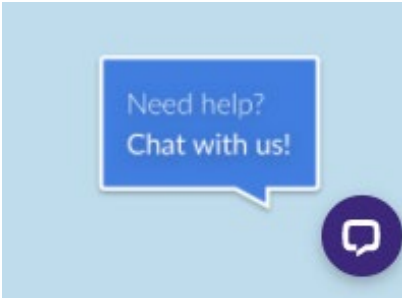
Send an email to this address enquiries@artscouncil.org.uk.



Call this telephone number **0161 934 4317**



Write to us at this address
Arts Council England – NPO
The Hive,
49 Lever Street
Manchester M1 1FN



Chat with us online

www.artscouncil.org.uk/contact



Find out more on our website

www.artscouncil.org.uk

| Summary of key information | |
|---------------------------------------|---|
| What is the focus of the fund? | <p>The Transform Stage two Programme is to provide support for 2022-23 National Portfolio Organisations (NPOs) whose average annual 2022-23 Investment Programme grant is less than the grant awarded for 2022/23</p> <p>This funding will support organisations to develop and implement changes that restructure their business models and deliver long term financial sustainability on lower levels of Arts Council England investment</p> |
| Who is this programme for? | <p>The Transform Stage two Programme is to provide support for 29 2022-23 NPOs whose average annual 2022-23 Investment Programme grant is less than the grant awarded for 2022/23 to support them to develop and implement changes to their business models</p> <p>Organisations who are not seeking long term change should not apply</p> <p>Organisations will not be eligible to apply if they are deemed to be ailing or at risk of being insolvent</p> |
| What is the funding period? | <p>Transform stage two is for the period 1 April 2022 – 31 March 2026</p> |
| How much can be applied for? | <p>Applicants can apply for up to 75% of the total reduction in their National Investment Programme 2022-23 conditional offer, less any amount awarded at Stage one</p> |

Thank you to A2i for the words
www.a2i.co.uk (reference 36344)

The full version of this document is called
**Transform Stage two Programme
 Summary of information for applicants**