

Capital Investment Programme (Round 2)

Guidance for applicants Draft

Arts Council England



Summary of key information

What do we fund?

Capital expenditure to support cultural organisations to adjust buildings, equipment and other assets so that they can operate safely post-pandemic, improve access, seize on technological opportunities, and reduce environmental impact.

We define capital expenditure as an amount spent to purchase or improve fixed assets that will be capitalised on your balance sheet.

Who can apply?

Not-for-profit cultural organisations based in England. Organisations must be able to clearly demonstrate that their primary aims are around culture and that the activities they are applying for fall within the **remit of Arts Council England** (<https://www.artscouncil.org.uk/what-we-do/supporting-arts-museums-and-libraries>) (note 1).

Museum applicants must be non-national Accredited museums (full and provisional) or museums confirmed by the Arts Council as working towards Accreditation (**see list here:** <https://www.artscouncil.org.uk/accreditation-scheme/about-accreditation#section-4>).

The lead organisation (the organisation submitting the application) should be properly constituted with a governing document.

Examples of the kinds of organisations that are eligible to apply include:

- charities
- charitable trusts

- charitable incorporated organisations (CIOs) registered with the Charity Commission
- charitable companies registered with the Charity Commission
- community interest companies (CICs) registered with the CIC regulator
- limited companies registered at Companies House who do not distribute profit to their members or shareholders
- statutory bodies and other public bodies who run or maintain cultural services

We will accept **partnership applications** between formally constituted cultural organisations. One organisation must act as the lead organisation and submit the application depending on who is most appropriate to meet the programme aims. All partners to the partnership will need to be not-for-profit organisations and meet the eligibility requirements set out above.

Applicants must demonstrate that the activities they are applying for will benefit the cultural sector within England and be relevant to the widest possible number of people.

This programme is only open to applicants with a registered address in England.

To manage demand and ensure fair distribution of available funding, organisations in receipt of a grant from the following funding programmes are **not eligible to apply** to the Capital Investment Programme (Round 2):

- Capital Investment Programme - Round 1
- Museum Estate and Development Fund (MEND) – Rounds 1 and 2
- Cultural Development Fund (CDF) – Rounds 1, 2 and 3
- Libraries Improvement Fund (LIF) – Rounds 1 and 2

We are also unable to accept applications from organisations that have not received a final payment by 3 July 2023 from the following funding programmes:

- Small Capital Grants
- Large Capital Grants

We will accept applications from local authorities in receipt of grants from these funding programmes, but only where the application relates to capital expenditure for a different activity.

When are the key dates of this fund?

Before you can apply, you must create a user account and applicant profile on Grantium, our application portal (further details below). Profile approval may take up to 10 working days, so you should create your user account well in advance of the deadline for submitting an Expression of Interest.

If you have an existing applicant profile, please check if your details are up to date.

The online Expression of Interest form will open on Grantium at 12 noon on **6 June 2023** and close at 12 noon on **3 July 2023**.

The online application form will open on Grantium at 12 noon on **25 July 2023** and close at 12 noon on **3 October 2023**.

How much can be applied for per application?

£100,000 (minimum) – £750,000 (maximum)

Grants close to the maximum value are likely to be made only by exception.

Minimum partnership funding from other sources

We want to make our funding go further, and we expect you to make the most of other sources of income available to you:

- for grants between £100,000 to £249,999 – at least 5 per cent must come from other sources
- for grants between £250,000 to £499,999 – at least 10 per cent must come from other sources
- for grants between £500,000 to £750,000 – at least 15 per cent must come from other sources

It is expected that no more than 50 per cent of partnership funding would be in-kind support.

We will not accept other grants awarded by Arts Council England as partnership funding, including (but not limited to) the Cultural Investment Fund, Cultural Development Fund or Cultural Recovery Fund.

When must the activity take place?

Activities must start by 31 March 2025 and end no later than 31 March 2027.

When will we make our decision?

We will aim to notify applicants of our decision by early April 2024.

Note 1:

Arts Council England's remit covers visual arts, music, libraries, literature, theatre, dance, combined arts and museums.

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Introduction

Thank you for your interest in the **Capital Investment Programme (Round 2)**. This guidance explains how to apply for capital grants of £100,000 to £750,000.

Programme aims

‘Let’s Create’ (<https://www.artscouncil.org.uk/letscreate>), Arts Council England’s strategy for 2020-30, is built around **three Outcomes** (<https://www.artscouncil.org.uk/outcomes-0>) and **four Investment Principles** (<https://www.artscouncil.org.uk/our-investment-principles>). They are designed to work together to achieve our vision of a country in which the creativity of each of us is valued and given the chance to flourish, and where every one of us has access to a remarkable range of high-quality cultural experiences. For further information on **‘Let’s Create’** (<https://www.artscouncil.org.uk/letscreate>), please visit our website.

To be ‘fit for the future’ for the new post-pandemic world, many of our arts organisations, museums and libraries will need to achieve significant change. To do so, they will need to invest in digital and physical infrastructure to be agile and flexible enough to respond to emerging challenges and opportunities.

The Capital Investment Programme is an open access programme that will use our four Investment Principles to help steer that change. We believe that organisations that are committed to adopting these Investment Principles will be better able to deliver the ‘Let’s Create’ Outcomes, and to provide greater benefit to the public.

We will support cultural organisations to adjust buildings, equipment and other assets so that they can operate safely post-pandemic and improve access, seize on technological opportunities, and reduce environmental impact. Applications must fully consider how their project addresses all four Investment Principles.

The longer-term impacts we expect to see from this programme are:

- all communities and individuals can actively engage with and enjoy creativity and culture
- capital investments are transformational in their impact on the range and reach of collaborations related to creative and cultural activities
- the business models of cultural organisations can adapt to the changing environment around them and the needs of the communities with whom they work
- organisations exhibit dynamic behaviour, developing and increasing the value they create and establishing new business models to enable them to adapt to a challenging environment
- organisations demonstrate leadership in environmental responsibility
- the carbon footprint of the cultural sector is reduced
- creative spaces are more inclusive, safe, and accessible for all

Investment Principles

The immediate impacts we expect to see from this programme are listed below. Applications must respond to at least one impact from each of the 'Let's Create' **Investment Principles** (<https://www.artscouncil.org.uk/our-delivery-plan-2020-2024/>

explore-investment-principles) (ie each application must address a minimum of four and a maximum of 12 impacts) as set out here:

1. Ambition and Quality: Cultural organisations are ambitious and committed to improving the quality of their work

- improved cultural spaces in places where there is currently limited physical infrastructure
- improved quality of experience for creative and cultural practitioners, partners, workforce, volunteers, visitors, and participants through enhanced physical and digital infrastructure
- capital assets support organisations in their ambitions for their work

2. Dynamism: Cultural organisations are dynamic and able to respond to the challenges of the next decade

- physical infrastructure is appropriate for business needs
- digital infrastructure is used across organisations to improve performance and data collection and for the production, distribution, and exhibition of content
- business model innovation is achieved by using physical and digital infrastructure to leverage additional value, maximise efficiency and enable operational improvements

3. Environmental Responsibility: Cultural organisations lead the way in their approach to environmental responsibility

- organisations are developing net zero carbon pathways and measure and report on their progress in doing so
- organisations are leaders within their communities, employing environmentally responsible approaches to delivering their activities and managing their assets

- investment supports decarbonisation through environmentally responsible buildings and sustainable production and touring

4. Inclusivity and Relevance: England's diversity is fully reflected in the organisations and individuals that we support, and in the culture they produce

- organisations are relevant, inclusive, and representative of the communities with whom they work and aim to actively form relationships with under-served communities
- inclusive public spaces are created in which to engage with and enjoy creativity and culture
- capital assets enable more representative engagement in creativity and culture

We expect organisations who receive a grant to evaluate their projects against these impacts.

Please note: Grant funding should not be directed towards activities which directly generate income by offering goods or services on a market for a commercial fee.

How much funding is available?

Up to £20 million for 2023/24 and 2024/25.

We expect to support a mix of physical and digital infrastructure projects of varying sizes subject to the quality of the proposals we receive.

This is a competitive programme. We anticipate high demand, and we expect to receive more strong applications than we can support. We recommend that you consider implementing a contingency plan should you be unsuccessful.

Other capital funding

Capital funding is available through a range of other Arts Council programmes including **Arts Council National Lottery Project Grants** (<http://www.artscouncil.org.uk/projectgrants>) and **Cultural Investment Fund (CIF)** (<https://www.artscouncil.org.uk/our-open-funds/cultural-investment-fund>).

You may apply to other Arts Council funding programmes providing you meet the eligibility criteria for those funds, but not for the same project outlined in any other application to us.

Grant funding for capital projects with a heritage focus are also available from the **National Lottery Heritage Fund** (<https://www.heritagefund.org.uk/>). Please check the relevant guidance and criteria for further information.

Contact us

You are strongly advised to discuss your project with your Arts Council Area office before applying but after reading these guidance notes. You can also get advice and support from our **Customer Services** (<https://www.artscouncil.org.uk/contact/contact-customer-services>) team.

If you decide to apply, we wish you every success.

Eligibility

Before applying, please read the eligibility requirements for the programme carefully. If you do not meet any of these requirements it will not be possible to consider your application for funding. You should also consider our **capital requirements** (page 54) set out in this guidance and the Arts Council's 'Standard Terms and Conditions Capital Investment'.

Who can apply?

- **Not-for-profit** cultural organisations based in England. Organisations must be able to clearly demonstrate that their primary aims are around culture and that the activities they are applying for fall within the **remit of Arts Council England** (<https://www.artscouncil.org.uk/what-we-do/supporting-arts-museums-and-libraries>) (note 2). Museum applicants must be non-national Accredited museums (full and provisional), or museums confirmed by the Arts Council as working towards Accreditation (**see list here:** <https://www.artscouncil.org.uk/accreditation-scheme/about-accreditation#section-4>).

The lead organisation (the organisation submitting the application) should be properly constituted with a governing document. Examples of the kinds of organisations that are eligible to apply include:

- charities
- charitable trusts
- charitable incorporated organisations (CIOs) registered with the Charity Commission
- charitable companies registered with the Charity Commission

- community interest companies (CICs) registered with the CIC regulator
 - limited companies registered at Companies House who do not distribute profit to their members or shareholders
 - statutory bodies and other public bodies who run or maintain cultural services
- **Partnership applications** between properly constituted cultural organisations. One organisation must act as the lead organisation and submit the application depending on who is most appropriate to meet the **programme aims** (page 8). All partners to the partnership will need to be not-for-profit organisations and meet the eligibility requirements set out above.

If the project is funded, Arts Council England will enter into a legally binding grant agreement with the lead organisation. This organisation must accept the Arts Council's 'Standard Terms and Conditions Capital Investment' and will be solely accountable to the Arts Council for all monitoring information, how all the money is spent, and for the successful delivery of the project. Before the project can start, the Arts Council must approve a partnership agreement between the lead organisation and the other partners involved in the project. There is further guidance about partnership agreements on the Arts Council England website.

Applicants must demonstrate that the activities they are applying for will benefit the cultural sector within England and be relevant to the widest possible number of people.

Who cannot apply?

- individuals
- organisations who distribute profit to members or shareholders
- organisations who are not properly constituted with a governing document
- organisations who do not have a registered address in England
- organisations whose primary aims are not cultural
- organisations applying for activities that fall outside the **remit of Arts Council England** (<https://www.artscouncil.org.uk/what-we-do/supporting-arts-museums-and-libraries>)
- organisations in receipt of a grant from the following funding programmes:
 - Capital Investment Programme - Round 1
 - Museum Estate and Development Fund (MEND) – Rounds 1 and 2
 - Cultural Development Fund (CDF) – Rounds 1, 2 and 3
 - Libraries Improvement Fund (LIF) – Rounds 1 and 2
- organisations that have not received a final payment by 3 July 2023 from the following funding programmes:
 - Small Capital Grants
 - Large Capital Grants

We will accept applications from local authorities in receipt of grants from these funding programmes, but only where the application relates to capital expenditure for a different activity.

How much can be applied for?

- between £100,000 (minimum) – £750,000 (maximum)

Minimum partnership funding from other sources

We want to make our funding go further, and we expect you to make the most of other sources of income available to you. The minimum partnership funding requirements for the programme are:

- for grants between £100,000 to £249,999 – at least 5 per cent must come from other sources
- for grants between £250,000 to £499,999 – at least 10 per cent must come from other sources
- for grants between £500,000 to £750,000 – at least 15 per cent must come from other sources

Eligible sources of partnership funding include:

- grants from trusts and foundations
- other public funding including central government and local authority funding
- local enterprise partnerships
- grants from other National Lottery distributors
- donations from individuals or companies
- public appeals and fundraising events
- a contribution from your organisation
- loan finance
- in-kind support – it is expected that no more than 50 per cent of partnership funding would be in-kind support

At application you must tell us how much partnership funding you have already secured, how much is expected and how you intend to raise the remaining funds needed to start your project.

Please note: We will not accept as partnership funding grants awarded by Arts Council England, including (but not limited to) the Cultural Investment Fund, Cultural Capital Kickstart Fund or Cultural Recovery Fund, as partnership funding.

When must the activity take place?

Activities must start by **31 March 2025**. By this date you must have:

- submitted an initial payment request and any related payment conditions and had them approved on Grantium;
- secured 100 per cent of the partnership funding required to complete the project;
- obtained all necessary statutory approvals and consents required to start the project, where applicable; and
- completed all land and lease agreements required for the project, where applicable.

Activities must end no later than **31 March 2027**.

Additional eligibility for building projects

We define a building project as any type of building or construction work that is required to comply with statutory approvals such as building or planning regulations.

The main statutory approvals and consents are:

- building regulations
- outline planning permission
- full planning permission
- listed building consent
- change of use
- conservation area consent
- lawful development certificate

Please note: If **any** part of your project is subject to one or more of these statutory approvals, it will be classified as a building project and must meet the following requirements. If you are applying for a building project and do not meet any of these requirements it will not be possible for us to consider your application for funding:

- you must be able to demonstrate that you own the land and/or buildings (either as a freehold or leasehold) on which you will spend the grant, and that the land and buildings can be used for the project purposes
- organisations that hold a leasehold interest to land or buildings must hold the responsibilities for repair and insurance under the terms of their lease (eg a full repairing lease)
- if you are following the Royal Institute of British Architects (RIBA) design stages, design drawings and specifications for the architectural and engineering elements of your project must be developed to at least RIBA Work Stage 3 (**RIBA Plan of Work 2020**: https://artscouncilengland-my.sharepoint.com/personal/beverley_dawson_artscouncil_org_uk/Documents/Documents/My Music) by the time you make an application. If you are not following the RIBA work stages, plans for architectural and engineering elements should be developed to the equivalent of RIBA Work Stage 3.

Please note: If you are offered a grant, we expect the land and buildings to be used for the 'Funding Agreement Duration' as set out in our 'Standard Terms and Conditions Capital Investment':

- for grants up to and including £499,999 – 10 years from the date of the funding agreement
- for grants from £500,000 and up to and including £750,000 – 15 years from the date of the funding agreement

If you hold a leasehold interest in the land and/or buildings or are purchasing a leasehold interest with our grant, you must be able to demonstrate that the lease meets the following additional requirements:

- for grants up to and including £499,999 – a registered and assignable lease of at least 10 years; or
- for grants from £500,000 and up to and including £750,000 – a registered and assignable lease of at least 15 years; and
- in both cases noted above, the lease should be without a break clause or a forfeiture on insolvency clause, and have a permitted user clause that is compliant with the project and the proposed use

This means that if the lease contains a break clause and/or forfeiture on insolvency clause during the 'Funding Agreement Duration', you will need to arrange for a Deed of Variation to the lease to be completed to remove these provisions and meet our requirements. You will need to liaise with your landlord and seek independent legal advice to achieve this. This must be in place before you start your project, so by 31 March 2025 (see section **When must the activity take place**, page 17). Full information on our ownership of land and buildings requirements are set out in **capital requirements** (page 54).

What activity can be supported?

While the following list is far from exhaustive, we will support a range of activities providing the expenditure can be capitalised on your balance sheet and meets our **capital requirements** (page 54) set out in this guidance. This includes but is not limited to:

Digital infrastructure to enable the use of technology to produce, distribute and exhibit cultural content, reaching homes, cultural venues, and community spaces. This includes purchasing:

- capability to enhance core areas such as: data and analytics, content strategy, digital accessibility, digital marketing, customer relationship management, e-commerce, business systems, and collections management and digitisation of collections
- capability to support content production, dissemination and improving the visitor experience

Physical infrastructure to address access, reduce environmental impact, support new business models and create an environment to meet the diverse needs of creative practitioners, participants, partners, workforce, volunteers, and audiences. This includes:

- purchasing movable equipment or low emission vehicles that support sustainable production and touring
- purchasing furniture, fixtures, and equipment to enable organisations to operate safely post-pandemic
- improving accessibility of physical infrastructure. For example:
 - purchasing equipment, vehicles, or musical instruments to enable choice and participation in cultural activities
 - undertaking works to cultural buildings to install Changing Places facilities, accessible toilets, ramps, lifts, and signage that meet best practice guidelines
- increasing the environmental performance of physical infrastructure such as purchasing LED lighting, installing or retrofitting sustainable technologies and environmental monitoring systems, or upgrading existing building fabric to enhance thermal performance

- public realm improvements such as landscaping or pedestrian access to support outdoor cultural events or festivals
- adaptive reuse of existing buildings to provide new spaces in areas of low cultural infrastructure as an alternative to new construction and to support a circular economy. Please note: development of existing buildings is a more sustainable choice than a new building. If your project includes the development of a new building, your application needs to demonstrate why this is the best option
- adaptation, retrofitting, or extension of cultural buildings to increase capacity or support business model innovation
- purchasing a freehold interest or a finance lease. Please note: your application will need to include an independent property valuation and condition survey
- professional fees directly related to the project
- time-limited costs that you may incur that are directly related to the project
- VAT that you cannot recover from HM Revenue and Customs

What activity cannot be supported?

- expenditure that will not be capitalised
- purchase of a leasehold interest that will not be capitalised as a finance lease
- goods, works or services that have been bought or ordered before the date of the funding agreement
- projects that will not meet the timeframe requirements for this fund (see section **When must the activity take place**, page 17)
- costs that are already paid for by any other income
- research work
- development of architectural drawings up to RIBA Work Stage 3 or equivalent

- routine maintenance and minor repairs which should form part of a maintenance and management plan
- building projects that do not meet our requirements for ownership of land and buildings set out in **capital requirements** (page 54)
- assets that you plan to sell
- general running costs or overheads such as staffing, rent, storage, insurance, and maintenance costs
- goods, works or services that have not been procured in accordance with the requirements set out in **capital requirements** (page 54)
- activities which directly generate income by offering goods or services on a market for a commercial fee
- activities covered by statutory duties including those for educational purposes necessary by law

When will decisions be made?

We will aim to notify applicants of our decision by **early April 2024**.

Note 2:

Arts Council England's remit covers visual arts, music, libraries, literature, theatre, dance, combined arts and museums.

How to apply

The following list provides an overview of the required application stages of the Capital Investment Programme:

Stage one – Expression of Interest

Step 1: Create a user account and applicant profile on Grantium

Step 2: Complete eligibility questionnaire

Step 3: Submit Expression of Interest (EOI)

Step 4: Arts Council England review of EOI

Stage two – Application (if you are invited to apply)

Step 1: Invitation to apply

Step 2: Submit application

Step 3: Eligibility check

Step 4: Arts Council England assessment against criteria including risk assessment

Step 5: Arts Council England makes award decision

Step 6: Applicant receives decision notification

Stage One – Expressions of Interest

Expressions of Interest are made using Grantium, the Arts Council's grant management system. First, you need to create a user account and applicant profile on Grantium. You cannot start your eligibility questionnaire and Expression of Interest until your applicant profile has been validated, which **will take up to 10 working days**. Once your applicant profile has been validated and you have registered for the Capital Investment Programme, you can start your eligibility questionnaire and Expression of Interest.

The eligibility questionnaire and Expression of Interest form for the Capital Investment Programme will be available on Grantium from **12 noon on 6 June 2023**. Expressions of Interest must be submitted by **12 noon on 3 July 2023**.

The eligibility questionnaire will confirm whether your proposal appears to be eligible for this fund. If your proposal appears to be eligible, you will be asked to complete the Expression of Interest form on Grantium. This form gives you the opportunity to describe your project in no more than 2,500 characters (around 400 words). As part of your submission, you will be asked to:

- select the 'Let's Create' Outcomes that apply to your project
- tell us how many people benefitted from your organisation's work in its last full year of operation
- confirm the overall cost of your project
- confirm the amount you will request from us if you are invited to apply (if you are invited to apply you can apply for the same or less than, but **not more than**, the amount stated in your Expression of Interest)
- confirm whether any part of your project is subject to statutory approvals

- confirm which **RIBA design stage** (<https://www.architecture.com/knowledge-and-resources/resources-landing-page/riba-plan-of-work>) your project has reached (if applicable)
- give a brief outline of the project you are asking us to support, the preparatory work you have completed and the type of activity you are planning to undertake
- with reference to the **programme aims** (page 8) and the four Investment Principles, briefly explain the targets you are working towards for each Investment Principle and the new activities the project will enable you to undertake to support these ambitions
- tell us how your project will benefit the widest possible number of people
- set out sources of partnership funding and whether these are expected or confirmed
- outline the timescale for your project

All applicants must complete stage one (Expression of Interest), after which projects that are considered to have the potential to make a significant contribution to the **programme aims** (page 8) will be invited to submit an application.

Please ensure that your organisation's board or equivalent are engaged and supportive of your proposals and your plans to apply to this fund. If you are invited to submit an application, you will be asked to declare that the information contained in the application form is endorsed by the Chair of your board or equivalent.

For further details on how to set up your Grantium applicant profile and submit your Expression of Interest, please see our **website** (<http://www.artscouncil.org.uk/welcome-grantium>).

Reviewing your Expression of Interest

If it is considered that your project could make a significant contribution to the programme aims, you will be informed by **25 July 2023** and invited to submit an application. You will then have until **12 noon on 3 October 2023** to submit your application and provide the mandatory supporting documents as detailed in this guidance.

If it is considered that your project does not have the potential to deliver strongly on the programme aims, you will also be informed by **25 July 2023**. Arts Council England is unable to give detailed feedback or engage in discussion about why you are not being invited to submit an application.

If you are invited to submit an application, this is not a guarantee that the application will go on to be successful. The Expression of Interest process is not a grant decision-making process, and funding decisions will be based on the detail in an application that has been through the assessment and decision-making processes outlined in this document.

Stage Two – Application (if invited to apply)

If you are invited to make an application, the online application form will be made available to you **25 July 2023**. Applications must be submitted by **12 noon on 3 October 2023**.

Applications submitted after this time will not be considered.

Application process

1. Read this guidance carefully and contact us

This guidance gives you information on how to apply and answers some common questions. If you have any further questions or if you have any access needs where you require further support to complete your application, you can contact our **Customer Services** (<https://www.artscouncil.org.uk/contact/contact-customer-services>) team.

2. Check the information in your applicant profile on Grantium is accurate and up to date

See the **guidance on our website** (https://www.artscouncil.org.uk/sites/default/files/download-file/How_to_create_and_manage_your_account_and_applicant_profile_Mar2018.pdf).

3. Prepare and submit your proposal

You must apply through **Grantium** (<http://www.artscouncil.org.uk/welcome-grantium>). The Grantium guidance for applicants **available on our website** (https://www.artscouncil.org.uk/sites/default/files/download-file/Grantium_guidance_Development_Funds_12072018.pdf) should provide you with all the information you need about how to access the system and complete your online application.

The following sections provide detailed instructions for completing the online application form.

Basic details

Please provide a concise description of the project you are asking us to support. Please also confirm the main artform, the amount you are requesting, the activity start and end dates, and whether your project includes the purchase of land and/or buildings.

Our Outcomes

Please select at least one of the three Let's Create Outcomes that apply to your application.

Evaluation

Reflecting on the Investment Principles' impacts set out in the **programme aims** (page 8), tell us how you plan to monitor and evaluate your progress against the impacts that your project will address, both throughout and following the project.

Select the impacts that apply to your project, setting at least one impact per Investment Principle and one indicator per impact. If you are awarded a grant, we will ask you to evaluate your project against these impacts and indicators.

Project beneficiaries

Tell us whether your project is aimed at any particular groups and estimate how many people will benefit from your project once it is complete.

Finance

In this section, you will be asked to complete a budget for your project.

Income

Complete the income section to tell us where you expect to get other funding from, how much that will be, and whether it is expected or confirmed.

If you are including non-cash contributions (in-kind support), give an estimated value for each item.

Expenditure

Complete the expenditure section to show the expenditure for your entire project. Expenditure should be set against the following budget headings as appropriate to your project:

- **purchase of land or buildings** – costs related to land and building purchases
- **construction** – estimated construction costs, contingency and inflation
- **furniture, fittings, and equipment** – movable furniture and equipment of a general nature
- **specialist equipment** – theatre lighting, AV and digital equipment, sustainable technologies, access equipment, display cases, musical instruments, security systems, environmental monitoring systems or vehicles
- **fees and charges** – costs such as project management, legal or consultants' fees that are directly related to the project you are asking us to support

- **client costs** – time-limited costs that you may incur that are directly related to the project you are asking us to support
- **public realm improvements** – costs such as landscape or pedestrian access improvements
- **contingency** – that is not shown separately above
- **irrecoverable VAT** – any VAT that you cannot recover from HM Revenue and Customs
- **personal access costs** – extra costs related to the access needs of people you are working with to deliver the project or manage your grant (eg a support worker to help a project manager with access requirements to complete payment requests online)

Please note: you cannot apply to us for access costs that are already covered by the Access to Work scheme.

You should make sure that the costs are as accurate as possible. If you are offered a grant and have to spend more to complete your project, we will not contribute to any extra costs.

Access and inclusion

Complete the table to provide the specific measures you will include in your project to address any barriers to access and to promote inclusion. Select the headings as appropriate to your project:

- **fixed furniture and equipment** – items such as accessible information/ticketing counters, non-reflective secure display cases, lighting or other exhibition infrastructure, bar and food serveries or seating
- **movable furniture and equipment** – portable items to enable inclusive cultural participation such as height-adjustable furniture, lights or heaters, participants' equipment such as a potter's wheels or photography apparatus

- **musical instruments** – accessible musical instruments
- **audience/performer aids** – assistance alarms, sensory or visual indicators for performers
- **floor surfaces** – improvements to internal and external surfaces such as paths, landscaping, or level drop-off points near entrances
- **entrances and doorways** – improvements such as level or ramped access; intercom systems; widened doorways; easy-access, high-visibility doors; power-assisted doors
- **auditorium seating** – easy access seats in auditoria spaces for those with mobility impairments
- **wheelchair spaces** – creation of wheelchair spaces in auditoria spaces
- **sound enhancement systems** – fixed or portable sound enhancement systems including induction loops
- **audio enhancement systems** – fixed or portable visual enhancement systems including audio description, captioning and backstage communications
- **circulation spaces** – improvements such as nose markings on steps, installing handrails or improvements to floor or wall coverings
- **decoration and lighting** – internal and external improvements to decoration (eg high contrast tones) and lighting to distinguish between walls, floors and doors
- **acoustic environment** – improvements such as sound absorbing surfaces to reduce unwanted noise
- **quiet spaces** – spaces for use by participants, performers, or workforce
- **dressing rooms and changing facilities** – facilities for performers and participants
- **baby changing facilities** – changing area for parents or carers
- **toilets** – provision of accessible, ambulant disabled, or gender-neutral toilets

- **changing places** – facilities designed to meet the needs of people with multiple learning or other physical disabilities
- **passenger lifts** – lifts designed to best practice guidelines
- platform lifts – a lift designed to overcome a step or similar vertical barrier
- **signage and way-finding** – improved internal and external signage and wayfinding including voice-activated systems
- **evacuation routes and refuge spaces** – improvements to means of escape for disabled people
- **vehicles** – accessible vehicles (for wheelchair users or those with mobility impairments) or vehicles adapted for use by drivers with a disability

Statutory approvals (building projects only)

Please list all **statutory approvals** (page 75) and consents that apply to your project, selecting 'Not applicable' if statutory approvals are not required. These must be in place to enable you to start your project in the timescale required for this programme (see **When must the activity take place**, page 17).

Design development (building projects only)

Please indicate which **RIBA work stage** (<https://www.architecture.com/knowledge-and-resources/resources-landing-page/riba-plan-of-work>) your project has reached, selecting 'Not applicable' if your project is not following the RIBA work stages.

Size and cost of building (building projects only)

Please provide details of the size of your building (gross internal floor area). If the project will increase the size of your building on completion, please provide details.

Provide the overall internal floor area of the parts of the building included in your project, indicating whether it is a refurbishment or new build, and the estimated cost per square metre of your project at current prices. The latter figure will be the cost of construction or refurbishment (including preliminaries and contingencies) divided by the gross internal floor area in metres of the part(s) of the building you are working on (the total of refurbishment and new build above). Your cost plan should give you this figure.

The section does not apply to projects focused solely on public realm improvements.

Energy consumption (building projects only)

If you have a display energy certificate, complete the table to provide details of your actual energy performance. Please also confirm how you will measure your energy consumption prior to undertaking your project and on completion.

Sustainable technologies (building projects only)

Complete the table to tell us which sustainable technologies you have considered, and which ones are included in your project. We do not expect you to have considered all these technologies.

Location

We report to local and national government on where funded activities take place. To help us to do this, please provide the current address of your organisation.

Ownership of land and buildings (building projects only)

Please provide the full address of the land and/or buildings where the project will take place. If the project will take place in your current premises, please re-enter the address provided under 'location'. Provide details of your freehold or leasehold interest in the land and/or buildings and answer the corresponding questions.

Activity plan

The activity plan should include all project milestones. The start and end dates for the project should correspond with the start and end dates entered in the basic details section. The level of detail will vary depending on your project but in all cases it should include:

- when each stage of the project is expected to start and finish
- the tasks involved in each stage of the project
- the interdependencies between the different tasks and stages
- the lead manager for each task

For building projects, it must:

- include details of the design, procurement, construction, and commissioning activities
- state when relevant statutory approvals will be applied for and when decisions are expected

- identify anticipated completion dates for land and lease agreements, and freehold or leasehold purchases (if applicable)
- include the RIBA design stages (if applicable)

Proposal

The proposal is divided into three sections and should be no longer than **40,000 characters** in total. You do not need to use the full character count if you feel it is unnecessary.

Meeting the brief

Character count: up to 15,000 characters (around 1,700 words)

With reference to the programme aims and our four **Investment Principles** (<https://www.artscouncil.org.uk/our-investment-principles>), set out your ambitions for the project and how it will help to achieve at least one of the 'Let's Create' **Outcomes** (<https://www.artscouncil.org.uk/outcomes-0>).

This should include:

- a detailed project description explaining how the project will achieve the 'Let's Create' Outcomes and Investment Principles impacts selected in the evaluation section
- how you have used each of the Investment Principles in planning your project
- a statement on the new activities the project will enable you to undertake to support your ambitions. This should include consideration of:
 - how the project will improve the quality of your work
 - how this investment will enable you to operate safely post-pandemic and respond to emerging future challenges and opportunities

- how the project will support your organisation to be more inclusive and strengthen its relevance to the communities with whom you work, including reaching under-served communities
- details of the consultation you have undertaken that demonstrates the project will be relevant to the widest number of people
- how the project will support environmental responsibility and net zero carbon pathways

(**Capital requirements** (page 54) sets out our expectations on environmental responsibility and inclusivity and relevance)

Governance and management of activity

Character count: up to 15,000 characters (around 1,700 words)

Set out your plans for managing the project, including how you will ensure it is delivered on time and on budget and within the delivery timescale for this programme (see section **When must the activity take place**, page 17).

This should include:

- a summary of the needs analysis you have completed including the options appraised and the reasons for choosing the proposed option
- the relevant skills and experience of those involved in delivering and leading the project including your plans for project management
- how the project will be monitored and reported to your board and/or senior management
- how the risks will be managed and who will be responsible for approving project changes such as, but not limited to, the specifications, budgets, timetables or use of contingency
- details of any partners involved in the delivery of the project

- how the project will contribute to the implementation of your equality and diversity policy and action plan
- how the project will affect your current activities during its delivery and on completion. Tell us how you will ensure you have the capacity to carry it out successfully and operate the assets in the longer term
- how the project will:
 - address quality, be fit for purpose and meet users' needs
 - minimise any negative environmental impact
 - achieve value for money
 - improve access and consider inclusive design, where relevant. If an access audit has been completed, tell us which recommendations will be implemented and the rationale for excluding any of the recommendations from the project

(**Capital requirements** (page 54) sets out our expectations on environmental responsibility, inclusivity and relevance, procurement and project quality)

Financial viability

Character count: up to 10,000 characters (around 1,500 words)

Tell us about the work you have done to assess the project's financial impact, both during and after the project is completed.

This should include:

- the sources of partnership funding you have secured to date
- your plans for raising the remaining funds required to deliver your project (if you have not secured all of your funding, you will need to provide a detailed fundraising plan, outlining how you will ensure the required funding is in place to start your project within the delivery timescale for this programme) (see **When must the activity take place**, page 17)

- the professional advice or quotations you have sought to support your budget, including how you have calculated allowances for such things as, but not limited to, specialist equipment, sustainable technologies, furniture, fittings and equipment, contingency, inflation, and VAT
- how you have taken account of the project's financial implications. Tell us whether the project will provide any financial savings or how you have budgeted for any additional costs when completed
- the financial mitigations you have put in place to address the risks identified in your costed risk register
- if applying for a building project, tell us whether you currently have a costed maintenance and management plan and whether funding is available to carry it out (if you are offered funding for a building project, provision of a costed maintenance and management plan will be a condition of the award)

(**Capital requirements** (page 54) sets out further details for considering financial viability)

Attachments

You must upload the following mandatory attachments:

Cash flow for the project

Please use the cash flow template provided. It should show both project income and outgoings and the expected grant payments from us and should align with the income and expenditure figures already provided. You should take the following information into consideration when preparing your cash flow forecast:

- we are unable to pay for costs invoiced before the date you accept our funding agreement
- payments will be made against actual expenditure
- we will retain 10 per cent of the grant until the project has been completed
- grants are only available to support activity between the date you accept our funding agreement and up to 31 March 2027
- we expect your first payment request to be within one month of your start date

Risk register

Please submit a risk register covering all the risks you have identified with your project. It should include:

- the risk and the likelihood of the risk occurring
- the impact on your project if it does happen
- how much each risk may cost – this will help you to check whether you have enough contingency set aside if something does go wrong
- how you can prevent the risk or deal with it (mitigate it) if it does happen
- the person responsible for dealing with the risk

We use your analysis of risks to the activity to help us with our assessment of **governance and management of activity** (page 36). We want you to show that you have considered risk thoroughly and have thought about how you will manage and mitigate it, including demonstrating that there are adequate contingency allowances set aside to cover the risks identified.

Evidence of partnership funding or fundraising plan

Provide evidence of the funding you have secured to date as outlined in your project income and expenditure. This may include:

- letters of support from potential funders, if available
- offer letters confirming amounts already secured, including any conditions attached to this funding
- evidence of any contribution of your own funds (eg board minutes)

If you have not secured all your funding, please attach a fundraising plan outlining:

- the timeline for raising the remaining funds
- the methods you will use to raise the funds, eg campaigns, fundraising events
- how you will ensure the required funding is in place to start your project within the delivery timescale for this programme (see **When must the activity take place**, page 17)

Procurement method statement

Set out in detail how the goods, works or services necessary for your project are to be acquired, how you will encourage open competition and achieve value for money in selecting suppliers and contractors, and how you will comply with our requirements set out in the our 'Standard Terms and Conditions Capital Investment' and Public Contract Regulations, where relevant.

This statement should detail the procurement approaches to be used on this specific project, rather than setting out your organisation's general procurement policy.

If applying for a building project, include details of the proposed method of procurement for construction works. (See **capital requirements**, page 54).

Subsidy Control attachment

This mandatory Subsidy Control attachment is required in addition to the Subsidy Control declaration at the end of the application.

Use the template provided, providing accurate information at the point of application.

Cost plan (building projects only)

This should be prepared by an appropriately qualified professional, eg a quantity surveyor, and provide details of the construction, furniture, fittings, and equipment costs. It should reflect the RIBA work stage that your project has reached, if applicable, and be based on the drawings and specifications you have submitted with your application (which must be developed to at least RIBA Work Stage 3 or equivalent). There should be a clear correlation between the costings in the cost plan and the expenditure section in the application.

Design drawings and project specifications (building projects only)

Design drawings and specifications for the architectural and engineering elements of your project must be developed to at least RIBA Work Stage 3 (**RIBA Plan of Work 2020**: https://artscouncilengland-my.sharepoint.com/personal/beverley_dawson_artscouncil_org_uk/Documents/Documents/My Music) or equivalent by the time you make an application.

The RIBA Plan of Work 2020 defines Work Stage 3 as ‘Spatial Coordination’ and we expect your design drawings and specification to demonstrate coordinated proposals for structural design and building services systems, and outline architectural specifications.

Whether or not the RIBA work stages are being followed for your project, the drawings and specifications must represent the drawings that will be submitted in the application for full planning consent and/or listed building consent and be ‘signed off’ by your organisation for those purposes.

Drawings should be provided with the scale of the drawing clearly shown and all information clearly indexed. Your design information must be submitted as one digital file.

Access audit (building projects only)

This should be prepared by an independent access consultant at the beginning of your project to inform the project specification. If you have not already completed an access audit, we strongly recommend that you instruct a consultant as soon as possible when preparing your application. The audit should provide details of existing barriers and recommend specific measures to overcome them. It must describe both the process followed in conducting the audit and how access for all will be provided with reference to building regulations and best practice. For more information, see **Building Access: A best practice guide for arts and cultural organisations** (<https://www.artscouncil.org.uk/publication/building-access>).

Income and expenditure forecasts (building projects only)

This should set out the financial implications of the project for at least five years from completion and demonstrate the project is sustainable in the longer term. This should include, but not be limited to:

- an overview of your financial operating model including your main sources of funding
- a forecast income and expenditure account showing how you have considered any additional running costs arising from the project
- a cash flow forecast showing the expected monthly cash income and outgoings
- the assumptions underlying these forecasts, eg the average number of participants or forecast overhead costs
- a sensitivity analysis to show what your finances will look like if your forecasts fall short by various amounts
- the risks to your operation if the scenarios in your sensitivity analysis occur and the action you might take

Evidence of property ownership (building projects only)

Provide, as applicable, the register of freehold title with plan and/or the register of leasehold title with plan and a copy of the lease.

Plans, surveys and valuations (purchase of leasehold or freehold interest only)

Provide the following:

- a copy of the title being purchased with location plan
- a costed condition survey to support the purchase of a leasehold or freehold interest
- an independent property valuation to support the purchase of a leasehold or freehold interest

Additional documents for National Portfolio Organisations, Investment Principles Support Organisations, Music Education Hub lead organisations and Creative People and Places lead organisations

If you are an Arts Council National Portfolio Organisation, Investment Principles Support Organisation, Music Education Hub lead organisation or a Creative People and Places lead organisation, you may send additional concise information if you wish, especially if there has been a major change in your finances or in the way the organisation is run. If the information we have about you is up to date, then you are not required to do so, and we will take into account the knowledge and understanding we have of your organisation and information such as your risk rating, equality action plan, annual letters, and business plan (where applicable).

Additional documents for organisations who are not National Portfolio Organisations, Investment Principles Support Organisations, Music Education Hub lead organisations or Creative People and Places lead organisations

If you do not currently receive revenue funding from us, you must provide the following concise information:

- constitutional documents (or charter) confirming the existence of your organisation as a legal entity and setting out your governance structure
- financial statements for your previous two financial years, prepared to the relevant legal standard for an organisation of your size and status
- your latest management accounts
- details of your artistic and/or public programme
- statement on your approach to promoting equality and diversity and/or your equality and diversity policy – this statement should be accompanied by an action plan that demonstrates how the implementation of your policy will be monitored and reviewed

Optional attachments

You may also upload up to three other relevant attachments. Examples of optional attachments include but are not limited to:

- draft partnership agreement(s)

Allowable formats: jpg, xls, xlsx, jpeg, pdf, doc, docx, pptx, and ppt. The combined limit on file size for all the attachments taken together is **50 megabytes**.

Only send the supporting information we have asked for. We will not consider any additional information you send after you have submitted your application unless we have specifically asked for it.

If your application does not contain the documents we have asked for, to the level of detail requested, we might not be able to consider your application. After you have read this guidance, if you have any further questions, please contact us.

Assistance with your application

Arts Council England are committed to being open and accessible and want to make the application process accessible to everyone. If you experience any barriers within the application process, please contact our **Customer Services** (<https://www.artscouncil.org.uk/our-organisation/contact-customer-services>) team.

After you submit your application

You will receive an acknowledgement on Grantium when we receive your application.

Your application will then be checked against the criteria for this programme (see **Eligibility**, page 13) and, if the application is eligible, it will be assessed using the prompts in **How we make our decision**, page 47.

If your application is not eligible, we will not process it any further and it will not be considered for funding. If this happens, we will write to you to let you know.

How we make our decision

We will make our decision based on the information you provide in your application and attachments, any further information that we request and, where relevant, data and information from the Charity Commission and Companies House websites relating to your constitution and audited accounts from the past two years. If you are a National Portfolio Organisation, Investment Principles Support Organisation, Music Education Hub lead organisation or Creative People and Places lead organisation, we will also take into account our knowledge of your organisation, including your risk rating, equality action plan, annual letters, and business plan (where applicable).

Assessment

Each criterion ('Meeting the brief,' 'Management of the activity,' and 'Financial viability') will be assessed using a five-point word scoring:

- **Not met**
The application does not meet the criteria
- **Potential**
The application does not meet the criteria but shows potential to do so
- **Met**
The application meets the criteria
- **Met (strong)**
The application meets the criteria and shows strong qualities
- **Met (outstanding)**
The application meets the criteria and shows outstanding qualities

On the basis of these ratings, we will recommend whether an application is suitable for funding. Applications that do not achieve at least 'met' under all three criteria will not be recommended for funding. Identifying and considering the level of risk in your project and what plans you have in place to mitigate these risks is an important part of our assessment.

We will assess each application against the following criteria, using the assessment prompts below:

Assessment prompts

Meeting the brief

- To what extent does the project deliver against the programme aims, 'Let's Create' Outcomes and the Investment Principles? Has the applicant explained their evaluation plans and identified satisfactory indicators against each of the Investment Principles' impacts?
- To what extent will the project improve the quality of the applicant's work?
- Will this investment enable the applicant to operate safely post-pandemic and respond to emerging future challenges and opportunities?
- What evidence is there that the project will support the applicant to be more inclusive and strengthen their relevance to the communities with whom they work, including reaching under-served communities?
- Has the applicant undertaken appropriate consultation that demonstrates the project will benefit the widest possible number of people?
- How well does the application evidence that the project will support environmental responsibility and net zero carbon pathways?

- If the applicant holds a leasehold interest and is applying for a building project or purchasing leasehold land or buildings, will the lease meet the leasehold requirements set out in this guidance? If an offer is made, will a Deed of Variation be required to remove certain provisions to meet our requirements?

Governance and management of activity

- Does the application evidence the need for the project? Have a range of options been explored, and a convincing rationale provided for the preferred option?
- What evidence is there that the applicant has the appropriate skills and experience to manage and lead the project? Will the project be appropriately monitored and reported to the applicant's board or senior management?
- Does the application explain how risks will be managed and who will be responsible for changes such as the specifications, budgets, timetables, or the use of contingency?
- Does the risk register demonstrate an appropriate review of risks, consider the impact of these risks occurring and identify suitable mitigations for these risks?
- Where partners are involved in the delivery of the project, are appropriate agreements in place?
- Does the application demonstrate an appropriate equality and diversity policy and action plan is in place? In what ways will the project contribute to the implementation of the applicant's equality and diversity policy and action plan?
- How will the project impact on the applicant's activities, including activities under other funding agreements with the Arts Council? Does the applicant evidence that they have the capacity to carry out the project successfully and operate the assets in the longer term?
- How well does the activity plan show that the project will be able to start and can be delivered within the timescale for this

programme? Is there sufficient time in the activity plan to raise the required funds, obtain the necessary consents and complete the lease and legal agreements required to start the project (see section **When must the activity take place**, page 17). Is it sufficiently detailed for the project proposed and does it take account of all known influencing factors?

- To what extent does the project address:
 - quality – will it be fit for purpose and meet users' needs?
 - environmental impact – does the applicant plan to reduce any negative environmental impact?
 - value for money – does the procurement method statement meet the procurement requirements set out in this guidance? Are the costs based on whole life considerations?
 - access and inclusivity – will specific measures be adopted to improve access or promote inclusivity? If an access audit has been completed, will its recommendations be implemented? If any recommendations are to be excluded, has a convincing rationale been provided for this?

Financial viability

- Is the applicant in a healthy financial position?
- How well does the application evidence the project is financially viable in the longer term? Does it provide evidence of any financial savings or confirm that any additional running costs are based on reasonable assumptions?
- If the applicant needs to raise further funds from other sources, how well does the fundraising plan demonstrate the level of funding to be secured is realistic? Does it demonstrate that the funding will be in place to achieve the project start date (see **When must the activity take place**, page 17)?
- If the applicant is applying for a building project, do they confirm whether they have a costed management and maintenance plan in place and if funding is available to implement it?

- Is the budget detail appropriate for the project proposed? Does it demonstrate that:
 - expenditure is for the items listed under **What activity can be supported** (page 19)?
 - costs are based on appropriate professional advice?
 - a contingency allowance has been included which reflects the degree of cost certainty, the activity plan, and the identified risks? Is there a clear correlation between the costed risk register and the contingency allowance?
 - expenditure does not duplicate funding provided by other Arts Council grants?
- Does the cash flow show the project income will be in place to support the tasks outlined in the activity plan? Does the expenditure align with the delivery timescales for this programme?

Balancing factors

As part of our decision-making process, we will decide how well each application will fit into a balanced portfolio of grants. In doing this, we will consider four factors to balance the projects funded against the available budget for this programme. These factors will be used in addition to the main criteria to ensure a good spread of funded projects and to differentiate between applications that are considered fundable.

The four factors we will consider are:

- **geographical location** – we will look to support activity in a spread of places across England. We will use our **priority places for 2021-24** (<https://www.artscouncil.org.uk/your-area/priority-places-and-levelling-culture-places>) to guide our investment in areas where opportunities for creative and cultural engagement are underdeveloped

- **type of activity** – the need to achieve a range of physical and digital infrastructure projects of varying sizes, subject to the quality of the proposals we receive
- **diversity** – we want to support organisations who are more representative of this country in terms of protected characteristics and socio-economic background. We will use information taken from your organisation's Grantium applicant profile about the diversity of your organisation's leadership to help us in this process
- **risk** – the extent of the risks to the overall balance of projects

There is no mechanistic formula for balancing the final list of projects. This is a framework against which we will make an informed judgement about how each project might contribute to the overall mix in the context of the funds available to distribute.

Once we have scored your application and a recommendation about whether to fund it has been made, we will make our decision. To do this we will consider how strongly your project scored against our criteria and the four factors outlined above. We will also consider your project alongside other applications to the fund.

If you are unsuccessful

We will write to you explaining the main reasons why your application was unsuccessful and advice you who to contact for more detailed feedback.

If you are successful

Any decision to offer funding will be subject to acceptance of a funding agreement and our 'Standard Terms and Conditions Capital Investment' including any conditions specific to your

project. Our offer may be for a different sum than that requested by you in your application.

The funding agreement starts on the date you accept and complete the online 'offer letter acknowledgement' form and ends when you've met all our terms and conditions.

Capital requirements

Applicants to the Capital Investment Programme should consider these requirements and take them into account when planning their projects and submitting their proposal.

Please ensure that your organisation's board or equivalent are aware of these requirements and that they are engaged and supportive of your proposals and your plans to apply to this fund. If you are invited to submit an application, you will be asked to declare that the information contained in the application form is endorsed by the Chair of your board or equivalent.

Environmental responsibility

We want cultural organisations to take the lead in their communities in their approach to environmental responsibility, including supporting net zero carbon pathways in the cultural sector. We expect all applicants to consider:

- environmental factors when making purchasing decisions including sourcing environmentally responsible goods and materials
- whole-life cycle costs in the selection of materials, plant and equipment
- responsible disposal of retired assets
- awareness in your organisation and among those with whom you work to reduce energy demand, increase levels of recycling, cut the use of plastic, and reduce water consumption
- developing an environmental action policy and an annual action plan

- reporting on progress as part of the evaluation requirements for this programme

If you intend to purchase recycled goods, your application should show that you have taken account of its economic life and its value for money. These goods must be guaranteed by the vendor and comply with current health and safety legislation.

Sustainable buildings can make a positive difference to reducing environmental impacts. They can demonstrate what is possible to your workforce, volunteers, visitors, participants and partners. For building projects, we expect you to consider:

- designing for greater resilience to climate change
- sustainable design and construction practices
- using a recognised environmental assessment method to assess environmental performance, eg BREEAM
- using renewable energy and sustainable technologies, where appropriate
- monitoring and reporting your energy usage as part of your evaluation
- encouraging biodiversity

Julie's Bicycle (<https://juliesbicycle.com/our-work/arts-council-programme/>) provides several useful guides on how to embed environmental responsibility into your project.

Financial viability

We want to ensure that projects we support are financially viable. We are unable to provide additional capital or unplanned revenue funding if the project costs increase or your running costs are higher than anticipated.

We recommend that you include a contingency allowance in your project budget. The calculation of the contingency allowance should reflect:

- the degree of certainty on the costs
- the stage of design or development work completed
- the timetable
- the costed risks in relation to the type of project you are carrying out
- any external socio-economic risks

We expect applications to include a fully costed risk register to help identify the adequacy of the contingency allowance.

Applicants will need to consider the costs of operation, maintenance, upgrade, and eventual disposal of the assets and explain in their application how they have budgeted for these costs. Building projects must also provide income and expenditure forecasts for five years following completion.

We expect you to keep the assets we have funded in good condition. Undertaking routine maintenance will prevent any costly unplanned downtime from unexpected building or equipment failure. In turn, it will contribute to the circular economy by keeping the assets in use for longer and will reduce waste, pollution, and carbon emissions. For building projects, we expect a costed maintenance and management plan to be in place for the 'Funding Agreement Duration' as set out in our 'Standard Terms and Conditions Capital Investment'. We will ask you to submit a copy of this plan as a condition of your final grant payment. Where a building is to be leased, the maintenance and management plan will need to indicate who will be responsible for future repairs and maintenance and how these costs will be met.

Government Indemnity Scheme

If you are a museum, gallery, or similar institution, and your project includes changes to a space which you will use to display items indemnified through the Government Indemnity Scheme, please note that general security and environmental conditions apply which are described in the **published guidelines** (<https://www.artscouncil.org.uk/protecting-cultural-objects/government-indemnity-scheme#section-2>). The conditions cover many aspects of security arrangements and the level of environmental monitoring and control necessary for the appropriate and effective care of the object loaned. You may contact the **Government Indemnity Scheme** (government.indemnityscheme@artscouncil.org.uk) or the **National Security Adviser** (nationalsecurityadviser@artscouncil.org.uk) on aspects of security and environmental control and care arrangements.

Inclusivity and relevance

To ensure that the project meets the needs of users, we expect all applicants to have consulted a wide range of people (eg children and young people, creative and cultural practitioners, workforce, volunteers, participants, visitors and partners). We expect you to implement the feedback from this consultation into your project.

All applicants must provide evidence of their approach to promoting equality and diversity, accompanied by an action plan that demonstrates how the implementation of your policy will be monitored and reviewed.

When planning building projects, we expect applicants to adopt the principles of inclusive design and to see diversity as an

opportunity. Applying these principles should create an environment which enables physical, intellectual, and emotional access by everyone.

All projects must ensure independent access for disabled people and aim to exceed minimum statutory requirements. Our publication, '**Building Access: A best practice guide for arts and cultural organisations**' (<https://www.artscouncil.org.uk/publication/building-access>) provides further details on achieving an inclusive environment. Applications for building projects must include an access audit prepared by an independent access consultant and its findings and recommendations should be reflected in the project.

British Standards have also produced guidance on the design of the built environment to include the needs of people who experience **sensory or neurological processing differences** (https://knowledge.bsigroup.com/products/design-for-the-mind-neurodiversity-and-the-built-environment-guide/standard?utm_source=Pardot&utm_medium=Email&utm_campaign=SM-STAN-LAU-H%26amp%3BS-PAS6463-2207). It covers buildings and external spaces for public and commercial use and guidance on elements including lighting, acoustics, décor, flooring, layout, wayfinding, familiarity, clarity, thermal comfort and odour; and incorporates principles to ensure that people with or having a range of processing differences are able to access and enjoy their experience of the built environment.

Ownership of land and buildings

If applying for a building project, you must demonstrate that you own the land and/or buildings (either as a freehold or leasehold) on which you plan to spend the grant, and that the land and/or buildings can be used for the project purposes. We can only

support building works to leasehold property if the works to be carried out are the responsibility of the applicant as defined by the terms of their lease (eg leased on a full repairing basis).

If you are offered a grant, we expect the land and buildings to be used for the 'Funding Agreement Duration' as set out in our 'Standard Terms and Conditions Capital Investment':

- for grants up to and including £499,999 – 10 years from the date of the funding agreement
- for grants from £500,000 and up to and including £750,000 – 15 years from the date of the funding agreement

If you hold a leasehold interest in the land and/or buildings or are purchasing a leasehold interest with our grant, you must be able to demonstrate that the lease meets the following additional requirements:

- for grants up to and including £499,999 – a registered and assignable lease of at least 10 years; or
- for grants from £500,000 and up to and including £750,000 – a registered and assignable lease of at least 15 years; and
- in both cases noted above, the lease should be without a break clause or a forfeiture on insolvency clause, and have a permitted user clause that is compliant with the project and the proposed use

This means that if the lease contains a break clause and/or forfeiture on insolvency clause during the 'Funding Agreement Duration', you will need to arrange for a Deed of Variation to the lease to be completed to remove these provisions and meet our requirements. You will need to liaise with your landlord and seek independent legal advice to achieve this. This must be in place before you start your project, so by 31 March 2015 (see section **When must the activity take place**, page 17).

The funding must not enable the landlord to charge a higher rent as a result of the grant during the 'Funding Agreement Duration'. We will ask you to confirm your position on this during the application process. There may be additional conditions included in your funding agreement to address this requirement. You will need to liaise with your landlord to meet these requirements.

We will require you to comply with additional conditions to evidence that these leasehold requirements have been met. We require these to be in place before you start your project, so by 31 March 2015 (see section **When must the activity take place**, page 17).

There will be separate additional conditions setting out how grant payments will be made for projects involving the purchase of land and/or buildings.

Procurement

If you receive a grant from us, when buying any goods, works or services to be used in relation to the project, you must ensure that these are purchased in a way that ensures that suppliers are treated equally and without discrimination. You must also ensure that any procurement process is conducted in a transparent and proportionate manner which complies with the **Public Procurement Policy** (<https://www.gov.uk/guidance/public-sector-procurement-policy>).

It is a condition of our 'Standard Terms and Conditions Capital Investment' that grant holders seek competitive quotes or tenders for all contracts in excess of £12,000 (including VAT) and show that they have selected the option which provides value for money.

You should also be aware that if the total value of your procurement meets or exceeds certain threshold values, then your procurement may be subject to the Public Contracts Regulations 2015 (PCR). The current thresholds, inclusive of VAT, are £5,336,937 for works contracts (eg contracts for the design and execution of construction work) and £213,477 (or £138,760 if you are a central government authority) for goods or services contracts. The PCR will normally apply if you are either:

- subject to the PCR in your own right, eg you are a contracting authority as defined in the PCR; or
- a non-contracting authority, and the amount of money given solely by the Arts Council, or in conjunction with other public funding or other Lottery distributor, exceeds 50 per cent of your project costs (see regulation 13 of the Public Contract Regulations 2015 for further details)

If you are unsure about your obligations, we advise you to take professional or legal advice.

Completing a capital project successfully requires time to be devoted to obtaining the necessary materials and services. It is important that the strategy to purchase these goods, works and services is clearly defined and resourced to ensure projects are delivered on time and within budget and the original project scope. With your application, you will be asked to provide a procurement method statement that defines the strategy to purchase the goods, works and services necessary for your project and explains how your procurement approach for this project complies with the above rules. If you are awarded a grant, you must also provide any information we request in order to satisfy us that you have followed the correct procedure. We may not be able to pay your grant if you cannot demonstrate that the process of buying goods and/or appointing suppliers and contractors has been made in accordance with the correct procedures.

Project quality

We want to ensure that all projects meet high standards, taking due notice of priorities such as fitness for purpose, environmental standards, inclusivity, and value for money. We recommend that applicants consider adopting appropriate recognised quality standards within their project.

Public buildings and spaces play a significant role in contributing to place making by strengthening the connection between people and the places that they share. In turn, well designed buildings and spaces can encourage increased users and provide visibly inclusive, safe and accessible spaces for all.

Building projects should take account of sustainable development and ensure that design and construction considerations, including the proposed method of building procurement, is appropriate to the specialist needs of cultural buildings.

Further details are included in our publication, **‘Building excellence in the cultural sector: a guide for client organisations’** (<https://www.artscouncil.org.uk/publication/building-excellence-cultural-sector>), which includes a selection of case studies.

Security requirements

When a grant of £500,000 or above is awarded, or if any part of the grant will be used to purchase land or buildings, we require legal commitments to ensure the assets will be used for the grant purposes. The form of these legal commitments will depend on the amount awarded and the type of organisation receiving the grant and will be set out in the funding agreement.

We will typically require a deed of covenant in standard form with a restriction on the Land Registry title together with supporting legal documents relevant to the transaction.

These legal commitments will need to be in place prior to the release of any grant payments, which may affect your project cash flow. Please note that you will need to instruct solicitors (at your own cost) to deal with these security requirements on your behalf.

Marketing, communication and grant acknowledgment

As set out in our Terms and Conditions, we expect fit for purpose marketing, communications and grant acknowledgement plans to be in place. This includes:

- Acting as an advocate for public investment in creativity and culture from Arts Council England.
- Ensuring that the investment made by Arts Council England is regularly communicated publicly. Activity should include, but is not exclusive to, social media, articles and speeches and should include usage of a boiler plate/funding line in all relevant external materials.
- For building projects, displaying hoardings and plaques to the dimensions specified on our website.
- Further info can be found on our website.

Other information

Post-award monitoring

If you are offered an award, the funding agreement will set out how we will monitor your grant, including any documentation that we will require from you to meet any conditions. Some of these terms and conditions must be met before we make an initial payment and some of them still apply after your last payment has been made.

We will ask you to provide us with regular progress reports. We expect you to progress your project in line with your application and supporting attachments and within the timescale for this programme (see section **When must the activity take place**, page 17). If you are unable to start your project within this timescale, we may decide to withdraw our grant.

We may use independent advisors to help us with monitoring your project. We will let you know if we are going to do this.

Requesting payments

The grant cannot be used towards any costs invoiced before your acceptance of our funding agreement. We will pay the grant in instalments and the payment amounts will depend on the amount of expenditure you are able to evidence in your payment request.

Final payments

We will not normally pay more than 90 per cent of your grant until we are satisfied that:

- the project is finished
- you have met the terms of your grant agreement with us
- we have received an acceptable final payment request including a statement of income and expenditure certified by a qualified independent accountant and confirmation that the grant has or will be capitalised on your balance sheet
- we have been provided with an activity report form
- appropriate funding acknowledgement is in place

Evaluation

We will ask you to submit a project evaluation 12 months after the final grant payment has been made. We will require grant holders to engage with Arts Council England and any appointed independent evaluators as required.

Complaints procedure

As an organisation, we will always listen to and respond to any concerns that you may have. 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, we have a process that you can use.

Please note: Arts Council England does not have an appeals process and as such we are unable to accept complaints that relate solely to the decision made, rather than how it was made.

For more information, please visit the 'Complaints' section of our website, under '**Contact us**' (<http://www.artscouncil.org.uk/contact-us>). Additionally, you can email **complaints@artscouncil.org.uk** for more information.

Counter fraud measures

Arts Council England has a **Counter Fraud Strategy and Policy** (<https://www.artscouncil.org.uk/document/anti-fraud-policy>) and appropriate measures will be taken to ensure that grant holders use the funding appropriately. This will include conducting checks at the point of application and award, and random sampling checks on a proportion of grants made. All grant holders are required to retain their financial and other documentation relating to the grant and maintain a full audit trail. Arts Council England reserves the right to request this at any time.

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** (<https://www.artscouncil.org.uk/freedom-information/data-protection>). 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** (<http://www.ico.org.uk/>).

Freedom of Information Act

The Arts Council is 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 our funding decisions.

We are also listed as a public authority under the Freedom of Information Act 2000. By law, we may have to provide your application documents and information about our assessment to any member of the public who asks for them under the Freedom of Information Act 2000.

We may not release those parts of the documents which are covered by one or more of the exemptions under the Act. Please see the Freedom of Information **website** (<https://ico.org.uk/for-the-public/official-information/>) 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 the decision-making process. We will, however, publish a list of successful applicants.

Public sector equality duty

Your application gives us information we may use to report to the Government or to monitor the different backgrounds of people who receive grants. Under the public sector equality duty, we must research and monitor the different backgrounds of people who receive our grants.

Subsidy Control

The Subsidy Control rules regulate financial assistance given by public authorities (including Arts Council England) to organisations engaged in economic activity. As part of the application process you will be asked to indicate whether you regard the award to be a ‘subsidy’ (as defined in the ‘**Subsidy Control Act 2022**’ (<https://www.legislation.gov.uk/ukpga/2022/23/enacted>)) and, depending upon the characteristics of your proposed award, you may also be required to provide information relating to how the financial assistance satisfies the requirements of exemptions under the Act.

Our ‘**FAQs**’ (<https://www.artscouncil.org.uk/subsidy-control>) set out more information on Subsidy Control law and you may choose to get your own advice on the compliance requirements. Please note that if you are applying for a grant of £10 million or above (either cumulative in value or one-off awards for substantially the same project or purpose), your application will need to be referred to the Competition and Markets Authority for review (more information on this process is set out in the ‘**FAQs**’ (<https://www.artscouncil.org.uk/subsidy-control>)).

Glossary of terms

Terms and Descriptions:

Access audit

Part of the design process which considers how people access a building or site now and how they will be able to access it in the future. Considers the physical environment, equipment and auxiliary aids, policies, procedures, and practices. Addresses the 'journey' to, into, through and out of the building, considering the use of all facilities and services by everyone.

Adaptive reuse

Adapting an existing building for a purpose other than the one it was originally designed or built for.

Asset(s)

Land, buildings, equipment, and vehicles that have a useful life of more than one year.

Assignable lease

A term used for leasehold land and buildings to show whether the land and buildings can be sold or given to another owner.

Balance sheet

A statement of the assets, liabilities, and capital of an organisation at a point in time, detailing the balance of income and expenditure over the preceding period.

BREEAM

Building Research Establishment's Environmental Assessment Method (BREEAM) is a method to assess the environmental performance of buildings.

Break clause

A provision in a lease that gives one or more parties to the lease the right to end the lease in certain circumstances.

Building regulations

Statutory instruments that seek to ensure that the policies set out in the relevant legislation are carried out. Building regulations that apply across England and Wales are set out in the Building Act 1984.

Building project

Any type of building or construction work that is required to comply with statutory approvals. The main statutory approvals and consents are:

- building regulations
- outline planning permission
- full planning permission
- listed building consent
- change of use
- conservation area consent
- lawful development certificate

Capital expenditure

An amount spent to purchase or improve fixed assets that will be capitalised on the balance sheet.

Capitalise

To record a cost or expense on the balance sheet for the purposes of delaying full recognition of the expense.

Certificate of Title

A written document from a solicitor confirming that the grant holder is the leasehold or freehold owner of the land and buildings to which the grant relates and that there is nothing about the land and buildings that might stop the grant being used for the grant purpose or make it otherwise than of good marketable title.

Changing Places

Facilities designed to meet the needs of people with multiple learning or other physical disabilities. These facilities include a height adjustable adult-sized changing table, a tracking hoist system, adequate space for a disabled person and carer, a peninsular WC with room either side, and a safe and clean environment including tear off paper to cover the bench, a large waste bin and a non-slip floor.

Circular economy

Promotes the elimination of waste and the continual safe use of natural resources.

Contingency

An allowance in the project budget (usually expressed as a percentage) for unforeseen circumstances.

Deed of Covenant

A document the grant holder (as landowner of the freehold or leasehold) must sign to confirm that the land or buildings will be used for the grant purpose and will not be disposed of or transferred without the consent of Arts Council England.

Deed of Variation

In the context of this programme, a document entered into between the landlord and tenant in the form of a deed which sets out the parties' agreement to vary the terms of the lease as required.

Finance lease

A lease that is treated as an asset/liability in an organisation's accounts and capitalised on the balance sheet.

Forfeiture on insolvency clause

A clause in a lease that gives the landlord the right to end the lease if the tenant becomes insolvent.

Freehold interest

The absolute right to own property (land and buildings) in perpetuity.

Full repairing lease

A lease in which the tenant takes on all the costs for repairs and insurance for the property from the landlord.

Government Indemnity Scheme (GIS)

The GIS is an alternative to commercial insurance. It exists for the UK public benefit and aims to enhance and widen access to objects of a scientific, technological, artistic or historic nature. By giving undertakings to lenders, the GIS enables certain institutions to borrow objects. The scheme facilitates object loans to museums, galleries, libraries and other kinds of bodies such as the National Trust.

Inclusive design

The process by which the needs of everybody are considered and embedded in the proposals for the design, development, and subsequent management of the built environment.

Land Registry

The government department responsible for registering and holding records of title to land and dealings in land in England and Wales. When land is sold or bought there is a legal requirement to register the sale along with any relevant charges.

Lease

A legal agreement through which property is conveyed to a person or organisation for a defined period and in return for the payment of rent.

Leasehold

A person's right to use and occupy land and/or buildings which arises under a lease as opposed to freehold ownership.

Legal Opinion

A written document from a solicitor confirming the grant holder has the legal power to sign the terms and conditions of the grant and any security documents that we may ask the grant recipient to sign.

Maintenance and management plan

A plan to address scheduled and unscheduled repairs, upkeep, and proactive maintenance to achieve the designed life expectancy of buildings and equipment.

Options appraisal

The process of exploring and evaluating several options against a set of agreed criteria, leading to the selection of a preferred option. The methodology should give details of all the options explored and the relative desirability, viability and feasibility of each option and the justification for the preferred option.

Permitted user

A provision that sets out how the asset(s) will be used as detailed in the application and the funding agreement.

Public procurement policy

Directives, regulations, policies, and guidance relating to the procurement of supplies, services, and works for the public sector.

Procurement method statement

Sets out the strategy for acquiring the goods, works or services necessary for the project. It will document how the grant holder will encourage open competition and achieve value for money in selecting suppliers and contractors and compliance with the Arts Council's 'Standard Terms and Conditions Capital Investment' and Public Contract Regulations, where relevant.

Properly constituted organisation

An organisation that is formally constituted with a governing document and that has at least two people on its board or management committee who are not related by blood or marriage or living at the same address.

Quality standards

Documents that provide requirements, specifications, guidelines, or characteristics that can be used consistently to ensure that materials, products, processes, and services are fit for purpose.

Quantity surveyor (QS)

Advises on the costs of a building project. They review drawings and specifications to calculate the quantities of materials including labour and costs at all stages of construction.

Registered lease

A leasehold interest in real property which is recorded in the official registry at the Land Registry.

Restriction on title

A 'note' at Land Registry which prevents the asset being sold, mortgaged, or put to an alternative use without the Arts Council's consent.

RIBA plan of work

Organises the process of briefing, designing, constructing, and operating building projects into eight stages and explains the stage outcomes, core tasks and information exchanges required at each stage.

Security

A legal commitment from the grant holder to the Arts Council which links specific obligations in the grant terms and conditions to the asset.

Specification

A written document describing the materials or products to be used, standards of workmanship required, performance requirements and the conditions under which work is to be carried out.

Statutory approvals

Legal permissions and approvals needed for a building project. See 'Building project' for typical statutory approvals.

Subsidy Control Regime

Regulates the award of financial assistance that meets the definition of 'subsidy' at section 2 of the Subsidy Control Act 2022. Applies where a grant comes from public funds. Where applicable, it may be necessary to publish information relating to the grant and to demonstrate compliance with the Subsidy Control Regime. In the event that a grant is deemed by a competent court or other regulatory authority to be non-compliant with the Subsidy Control Regime, the grant recipient will be required to repay the entire grant (and any other sums due) immediately.

Sustainable development

A dynamic process through which organisations can begin to achieve a balance between environmental, social, and economic activities.

Tender(ing)

The process of finding, agreeing terms and acquiring goods, services or works from an external source via a competitive bidding process.

Whole-life costs

The total cost of a product or service over its useful life including the purchase, maintenance, repair, upgrade, and disposal.

Get in touch – we're happy to help

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We will regularly review this guidance for applicants and respond to user feedback. We reserve the right to make changes as required. We will communicate any changes as quickly as possible via our website.

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