INTRODUCTION

HOW TO APPLY

OUR CAPITAL REQUIREMENTS

EXPECTED TO DELIVER

OTHER INFORMATION

MAKE OUR DECISION

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artscouncil.org.uk

CAPITAL INVESTMENT

Small Capital Grants

Guidance for applicants – 2019/20

Published 27 March 2019 | Next update due: 2020
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Introduction
Welcome

Thank you for your interest in Small Capital Grants 2019/20. This guidance should give you the information you need to apply for a capital grant of between £100,000 and £499,999.

What is the focus of this fund?

Small Capital Grants 2019/20 will support the delivery of our goals by ensuring arts and cultural organisations have the right capital assets to deliver their work. We will prioritise National Portfolio Organisations and applications for improvements to existing arts and cultural facilities, particularly where these give full consideration to environmental sustainability. Projects should meet high standards of design and construction, including ensuring maximum independent access for disabled people (visitors, participants, artists and members of staff).
Arts Council England’s development and investment funds 2018-22

Our development and investment funds help us to target particular challenges, opportunities or gaps, creating the environment for further development to take place in the arts and culture sector. Ultimately, they help us meet the goals set out in our strategy, Great art and culture for everyone. Our goals, for reference, are as follows:

**Goal 1:** Excellence is thriving and celebrated in the arts, museums and libraries

**Goal 2:** Everyone has the opportunity to experience and be inspired by the arts, museums and libraries

**Goal 3:** The arts, museums and libraries are resilient and environmentally sustainable

**Goal 4:** The leadership and workforce in the arts, museums and libraries are diverse and appropriately skilled

**Goal 5:** Every child and young person has the opportunity to experience the richness of the arts, museums and libraries
Is your project ready?

You should only apply to this fund if your capital activity will start, and you will make a valid first payment request, by 30 April 2020. Your capital activity must complete by 31 March 2023.

If you are applying for a building project, you must have applied for full planning permission (and any other relevant statutory approvals) by the time you submit your application to us. If you are following the Royal Institute of British Architects (RIBA) design stages, your project must be developed to at least RIBA Work Stage 3 (RIBA Plan of Work 2013) by the time you make an application. If you are invited to apply, the deadline for applications will be 5 July 2019.
Are you eligible to apply?

To be eligible to apply for funding, you must meet the following criteria:

1. You are a properly constituted arts and/or cultural organisation based in England and your capital project outcomes are arts focused and relate to the delivery of arts activity.
   
   Our understanding and definition of an arts and/or cultural organisation is an organisation that can clearly demonstrate that their primary aims are around arts and culture, with activities benefitting the arts and cultural sector within England. This includes but is not limited to National Portfolio Organisations, National Portfolio consortium partners, arts organisations, museums, libraries, Music Education Hubs, universities and local authority service departments.

2. Your capital project will start, and you will make a valid first payment request, by 30 April 2020. Your capital project will complete no later than 31 March 2023. We define the project start date as the point at which your organisation will make a commitment, financial or otherwise, to undertake the whole project.

3. You are applying for a grant between £100,000 and £499,999 to support capital expenditure. We define capital expenditure as an amount spent to acquire or improve a long-term asset such as equipment or buildings. If you are offered a capital grant, we require it to be shown as a restricted grant and the full grant amount to be capitalised on your organisation’s balance sheet.

4. You will be able to secure at least 15 per cent of the total cost of the activity from sources other than the Arts Council. This excludes funding spent prior to the date of the funding agreement.
Are you eligible to apply for a building project?

We define a building project as any type of capital work that is required to comply with statutory approvals such as building or planning regulations. To be eligible to apply for funding for a building project, you must meet the following criteria:

1. You have appropriate security of tenure for the land and/or buildings where the works will take place. This must be in the form of freehold ownership (owning the property outright) or a leasehold interest (having a registerable lease of at least 10 years without a break clause). The lease term will be calculated from the date of the funding agreement or from the date on which the asset purchase completes (if the asset purchase forms part of the project). Ownership of land and buildings requirements are set out in Our capital requirements.

2. If you are following the RIBA design stages, your project must be developed to at least RIBA Work Stage 3 (RIBA Plan of Work 2013) by the time you make an application. If you are invited to apply, the deadline for full applications to this fund will be 5 July 2019.

3. You will have applied for all relevant statutory approvals (eg full planning permission, listed building consent, outline planning permission with full reserved matters resolved, etc) by the time you make your full application. If you are invited to apply, the deadline for applications to this fund will be 5 July 2019. Planning permissions or necessary consents must be granted to enable activity to commence and a valid first payment to be claimed by 30 April 2020.
You cannot apply if:

1. You are not an arts and/or cultural organisation based in England.

2. Your capital project outcomes are non-arts focused and will not support the delivery of arts activity, eg libraries and museums where the project outcomes will not support the delivery of arts activity.

3. Your capital project is required to support activities for educational purposes necessary by law.

4. You are applying as an individual.

5. Your capital expenditure will not take place within the delivery timescale for this fund, ie starting between the date of the funding agreement and 30 April 2020 and completing by 31 March 2023.

6. You are applying for a building project and you do not own the land and/or buildings where the proposed capital works will take place, either by owning the freehold (owning the property outright) or having a leasehold interest (having a registerable lease of at least 10 years without a break clause).

7. You are following the RIBA design stages, but your project will not be developed to at least RIBA Work Stage 3 (RIBA Plan of Work 2013) by the time you make an application.

8. You are applying for a building project, but you will not have applied for all relevant statutory approvals by the time you apply to us.
How much funding is available?

The Small Capital Grants budget for this round is £11.3 million. Awards will be between £100,000 and £499,999. These amounts are indicative, and Arts Council England can only guarantee future instalments of any award if sufficient funds from the government are available.

You should discuss the amount of funding you are applying for with your Arts Council area office as we anticipate that only a small number of awards will be made at the upper end of the financial limit.

Things to consider before applying:

- If you are successful in this round, you will not be eligible to apply again to Small Capital Grants before 1 April 2022.
- We want to ensure the projects we support are financially viable. You should consider the impact on your organisation and its activities, both during the project and on its completion, as there will be no additional funding (capital or revenue) available from us at a later stage.
- We will not increase the amount once we have agreed a grant.
- We anticipate high demand for this funding, and that the application process will be very competitive. We may not be able to fund all strong applications and we therefore recommend that you consider implementing a contingency plan should you be unsuccessful.
What you will be expected to deliver
Purpose of capital investment for 2018–22

Successful applicants to this fund will need to make a strong case under Goal 3 (the arts, museums and libraries are resilient and environmentally sustainable) and at least one other of our five goals.

Resilience is the vision and ability of organisations to anticipate and adapt to economic, technological, environmental and social change by taking opportunities, identifying and reducing risks, and using resources effectively to continue delivering quality work in line with their mission.

Through our capital investment over the period 2018-22, we will:

• support organisations that can demonstrate that capital investment will increase their resilience in the longer term, by ensuring they have the right buildings and equipment to deliver their work and become more sustainable and innovative businesses. In particular, capital investment is an important way of helping to deliver resilience (goal 3) for the National Portfolio

• prioritise the consolidation and improvement of the existing arts and cultural infrastructure, rather than investing in significant expansion or new buildings

We are committed to furthering the objectives of sustainable development and expect projects, as far as possible, to take account of all long-term benefits and costs – environmental, social and economic. Organisations should respond to legislative changes around climate change and acknowledge the increasing public pressure for responsible sustainable development. We expect all organisations applying for capital investment to address environmental sustainability and energy efficiency as a priority. Strong applications will fully consider how their capital assets contribute to the sustainability of their organisation as well as the needs and wellbeing of the natural world.
Digital technologies can play a vital role in future-proofing arts and culture. We will use our capital funding to further develop digital infrastructure for the arts and cultural sector and to support the quality, volume and reach of digital content. We will prioritise applications for digital capital costs where the applicant can demonstrate that the assets will benefit the widest possible range of partner organisations and support shared approaches to building larger audiences for arts and culture. Applications for single venue box office systems, for instance, are unlikely to fulfil these criteria.

We believe that our national diversity is one of our great resources and we expect the work that we fund to reflect this and to be alive to the opportunities that diversity offers. Our definition of diversity encompasses race, ethnicity, faith, disability, age, gender, sexuality, class and economic disadvantage and any social and institutional barriers that prevent people from creating, participating in or enjoying arts and culture. We expect that organisations in receipt of capital funding will not only observe minimum legal standards in terms of the Equality Duty 2011 and Equality Act 2010 in delivering their proposed capital programmes, but will demonstrate a willingness to set high standards of practice across all areas of their work.
Aims and outcomes

The outcomes we expect to see from our investment are:

- our mission of Great art and culture for everyone, particularly Goal 3, is achieved
- the conditions are created for great art to be made, experienced and appreciated by everyone
- organisations are resilient, more sustainable and innovative businesses having improved their existing buildings and equipment
- the capacity of the arts and cultural sector to engage with digital audiences is increased
- environmental performance of buildings and equipment is increased, supporting the reduction in carbon emissions in the arts and cultural sector
- greater impact from our investment in arts and culture is ensured by securing funding from other partners and/or other sources
- arts and cultural facilities are sustainable without the need for unplanned revenue funding from us
If successful, you will be expected to:

- invest in existing arts and cultural infrastructure to provide you with the right buildings and equipment to deliver your work
- demonstrate that the grant has been spent on capital expenditure and is shown as a restricted grant and capitalised on your balance sheet
- demonstrate that the project activity will result in improved financial resilience and environmental sustainability for your organisation
- ensure the project has the support of your board or appropriate governance structure for your organisation
- demonstrate that your organisation has the capacity, skills and experience to manage and deliver the project and to take on delivery of new outcomes without putting at risk the delivery of any other Arts Council funding agreement commitments
- have clear plans for project management, including the management of risks and how you will ensure the project is delivered on time and on budget
- meet high project standards, taking due notice of priorities such as fitness for purpose, environmental standards, energy efficiency, disabled access and inclusive design, cost effectiveness and value for money
- demonstrate that the environmental performance of your organisation’s buildings and equipment will be improved and will support your organisation to reduce its carbon emissions
• raise the necessary funding to meet the project budget and ensure you have secured the required funding to start your project

• deliver against your proposed programme within the timescale of this fund

• ensure you have obtained all necessary approvals and consents required by law to deliver the project

• consider access for all with reference to statutory requirements such as Building Regulations and best practice, and ensure that any specific measures (e.g., ramps, lifts, induction loops, accessible toilets and clear signage) are incorporated into your project

• demonstrate that procedures to select consultants, contractors or purchasing equipment are fair and open, are in keeping with relevant legislation and show that you have selected the option which provides best value for money

• demonstrate that you own the land and/or buildings where any building works will take place, either by owning the freehold (owning the property outright) or having a leasehold interest (having a registerable lease of at least 10 years without a break clause). You must also confirm that the property can be used for the project purposes

• where funding is towards the purchase of a lease for your existing premises, obtain written confirmation from your auditors that the lease can be capitalised as a finance lease

• ensure that any freehold or leasehold purchase will meet our security requirements
provide regular expenditure listings, a final activity report on progress against activities and confirmation that expenditure has been accounted for as outlined in your application and in accordance with the funding agreement

contribute to learning by actively participating in the evaluation of our capital investment

maintain the assets in good repair and condition and ensure your organisation has adequate insurance at all times. This includes arranging any additional cover needed as a consequence of building works
What activity can be funded?

We will consider the following types of capital expenditure, provided they can be capitalised on your organisation’s balance sheet:

- buying assets such as furniture, equipment, musical instruments and vehicles, where these will support the delivery of arts activity
- improving existing arts facilities to enhance access to and enjoyment of arts and culture by disabled people and those with special educational needs
- building work to improve an existing arts and cultural building, provided all relevant statutory approvals (e.g. full planning permission, listed building consent, outline planning permission with full reserved matters resolved, etc) have been applied for at the time of application
- purchasing a freehold interest or a finance lease for your existing premises, provided you can meet the security requirements set out in this guidance (if you are purchasing a leasehold interest you should obtain written confirmation from your auditors that the lease can be capitalised as a finance lease)
- installing new technologies and upgrading buildings to deliver increased production and broadcast capacity
- buying digital and broadcast equipment such as cables, cameras or screens
• purchasing or developing box office, ticketing, sales and customer relationship management systems where the assets will benefit the widest possible range of partner organisations and support shared approaches to building larger audiences for arts and culture

• environmental sustainability costs including installing or retrofitting sustainable technologies or upgrading existing building fabric to enhance thermal performance

• professional fees associated with capital spending on your project, provided the appointments have been made in accordance with the procurement requirements set out in Our capital requirements

• VAT that you cannot recover from HM Revenue and Customs

What activity cannot be funded?

We will not pay for:

• non-arts focused capital expenditure, eg libraries and museums where the project outcomes will not support the delivery of arts activity

• capital expenditure required to support activities for educational purposes necessary by law

• expenditure that will not be capitalised on your balance sheet
• building works and improvements to arts and cultural facilities where the applicant does not already occupy and own the land and/or buildings where the works will take place, either by owning the freehold (owning the property outright) or having a leasehold interest (having a registerable lease of at least 10 years without a break clause)

• the purchase of new premises for arts use (freehold or leasehold)

• costs of research or feasibility work

• costs for developing architectural drawings

• capital assets that you plan to sell

• costs you must pay for before the date of the funding agreement or after 31 March 2023

• projects that demonstrate little or no potential benefit to the public

• costs that are already covered by other funding

• general running costs and overheads that are paid for by other income, including your own funds after the project is complete (this includes overheads related to equipment or buildings such as additional staffing, insurance and maintenance costs)

• revenue funding to support increased running costs

• goods and services, including consultants and contractors, that have not been appointed in accordance with the requirements set out in Our capital requirements of this guidance
Other capital funding

The Arts Council National Lottery Project Grants programme may be a suitable alternative for projects where capital-specific project expenditure totals less than £100,000. This includes wholly capital-focused applications for up to £100,000, and applications for a mix of activities that include some capital elements where the total capital expenditure totals less than £100,000.

You should check the guidance, Capital information sheet and eligibility criteria for the Arts Council National Lottery Project Grants programme before applying. There is a permission to apply process in place for Arts Council National Lottery Project Grants applications that include capital elements, and there are restrictions on what type of activity National Portfolio Organisations can apply for.

Contact us

You are strongly advised to discuss your project with your Arts Council area office before submitting an expression of interest or making an application. Please contact our Customer Services team at enquiries@artscouncil.org.uk or call them on 0161 934 4317.
Our capital requirements
Our capital requirements

All organisations applying for this fund should consider our requirements below and ensure that they have taken them into consideration in the planning, timetable and budget for their project.

Standard terms and conditions for capital grants

If you are awarded a grant you will have to accept our *Standard Terms and Conditions Capital Investment (grants up to £499,999) 2018-2022*, which form part of the funding agreement. Please read them to ensure you will be able to accept them. Your funding agreement will also include any conditions specific to your project.

Partnership funding

We want to make our funding go further, and we expect you to make the most of other sources of income available to you. We expect you to raise a minimum of 15 per cent of the total cost from other sources. This excludes funding spent prior to the date of the funding agreement.
Sustainability

We expect you to consider how your capital assets contribute to the sustainability of your organisation as well as the needs and wellbeing of the natural world. As cultural buildings can have high energy consumption, organisations applying for capital investment should consider energy efficiency as a priority. This includes increasing the environmental performance of assets to support the reduction in carbon emissions in the arts and cultural sector. We expect you to consider:

- sustainability issues in the design of your building
- sourcing environmentally sustainable materials and goods
- whole-life costs in the selection of materials, plant and equipment
- sustainable construction practices
- the long-term environmental impacts of your capital asset
- improved sustainability in the operation of your building, including improving awareness in your organisation, and in building users, of the need to reduce energy demand, waste and water consumption and maximise recycling
- developing an environmental action policy and an annual action plan to improve environmental performance and reduce carbon emissions
We expect you to measure reductions in energy usage and carbon footprint as part of the evaluation of your project. It is therefore essential that you have a clear understanding of your current carbon footprint and energy usage and how your project is likely to impact on these.

The Julie’s Bicycle website (www.juliesbicycle.com) provides a number of useful guides on how to embed sustainability into your project from the early planning stage through to development and implementation – particularly the 2015 publication, *Fit for the future: Investing in environmentally sustainable buildings – a guide for the arts.*

If you are planning a project involving construction works, there are a number of recognised environmental assessment methods and ratings to be aware of, notably Building Research Establishment Environmental Assessment Method (BREEAM), which originated in the UK, and Leadership in Energy and Environmental Design (LEED), which originated in the US. These methods can serve as a useful guide on the environmental issues to consider. Buildings can also be assessed by external experts and rated according to methodologies.
Procurement

You must comply with public procurement policy (directives, regulations, policies and guidance relating to the procurement of supplies, services and works for the public sector) when buying any goods, works or services to be used either directly or indirectly in relation to the capital project.

As a result, in all applications we will ask you to provide a method statement explaining how you will ensure your project complies with public procurement policy. Essentially, this policy states:

- The over-riding procurement policy requirement is that all public procurement must be based on value for money, defined as ‘the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought’. This should be achieved through competition, unless there are compelling reasons to the contrary.

- Public sector procurement is subject to a legal framework which encourages free and open competition and value for money, in line with internationally and nationally agreed obligations and regulations.

This means you should seek competitive tenders or quotes and show that you have selected the option which provides best value for money. You must also provide any information we request in order to satisfy us that you have undertaken a compliant process. We may not be able to pay your grant if you cannot demonstrate that the process of appointing suppliers and contractors has been made in accordance with these requirements.
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 European Union (EU) procurement rules. These rules will normally apply if you are either:

- subject to the Public Procurement Regulations in your own right, eg you are a public body, or
- a non-public body, 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 and exceeds EU thresholds

The applicable thresholds can be found on the Gov.UK website and you will have to comply with those that are relevant to you.

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

Public funding for organisations carrying out commercial activities, including those with charitable status, is governed by the European Commission’s ‘state aid’ rules. Failure to comply with the rules means that the aid is unlawful and may be subject to repayment with interest by the aid recipient.

It is your responsibility to check whether state aid clearance is required. When developing your application, it is important to consider and, if necessary, take advice on state aid regulations. If you think your project might require state aid clearance, advice can be found at www.gov.uk/state-aid.

Government Indemnity Scheme

If your project when completed takes or continues to take loans from national museums and galleries or a grant from the Government Indemnity Scheme, then you will need to speak to our National Security Adviser to ensure the Government Indemnity Scheme guidelines are met and to facilitate these loans. The National Security Adviser can be contacted at nationalsecurityadviser@artscouncil.org.uk.
Ownership of land and buildings

If your project is for building works, you will need to demonstrate to us that you have the necessary security of tenure, being either the freehold ownership or leasehold ownership of the land and buildings where the works will take place, and that the land and buildings can be used for the project purposes. For leaseholds, we require you to hold a lease of at least 10 years without a break clause, calculated from the date of the funding agreement.

Where an asset purchase forms part of the project, the security term will be calculated from the date on which the purchase completes. For grants of up to and including £499,999, we would require you to acquire a freehold interest (registered or unregistered) or a registered and assignable lease of at least 10 years, without a break clause. The lease should contain no forfeiture on insolvency provision and the permitted user clause must be compliant with the capital project and proposed use.
Security requirements

When we make a capital grant, we must ensure that the buildings and equipment will be used for the grant purposes. This means we may require you to make legal commitments to us to secure the grant purpose. The form these take depends on the amount of the grant, the type of capital grant and the type of organisation receiving the grant. For Small Capital Grants, our requirements are:

<table>
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<th>Type of capital grant</th>
<th>Length of security</th>
<th>Required security documents</th>
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<tr>
<td>Up to and including £499,999</td>
<td>Equipment purchase only</td>
<td>N/a</td>
<td>N/a</td>
</tr>
<tr>
<td>Up to and including £499,999</td>
<td>Refurbishment only (building works)</td>
<td>10 years from the date of the funding agreement</td>
<td>Self-certify – no security</td>
</tr>
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### INTRODUCTION

**OUR CAPITAL REQUIREMENTS**

| Up to and including £499,999 | Asset purchase only | 10 years from the date of completion of the asset purchase | Deed of Covenant with restriction on title.  
Certificate of Title.  
Legal Opinion (excluding local authorities, universities and other statutory bodies).  
Solicitors undertaking to register at the Land Registry within 28 days. |
|-----------------------------|---------------------|----------------------------------------------------------|----------------------------------------------------------------------------------|
| Up to and including £499,999 | Asset purchase and refurbishment (building works) | 10 years from the date of completion of the asset purchase | Deed of Covenant with restriction on title.  
Certificate of Title.  
Legal Opinion (excluding local authorities, universities and other statutory bodies). |

These legal commitments will need to be in place prior to the release of any payment, which may affect your project cash flow.
Building projects

If you are applying for building work, please ensure that you take account of these additional requirements:

**Quality of design and construction, including accessibility**

We want to ensure that projects meet high standards of design and construction, taking due notice of priorities such as fitness for purpose, environmental standards, energy efficiency, disabled access and inclusive design, cost effectiveness and value for money. The way the project (ie the site and building) is planned and designed, including the proposed method of procurement for construction works, must be appropriate to the specialist needs of arts and cultural buildings.

All projects must ensure maximum independent access for disabled people (visitors, participants, artists and members of staff). You should ensure that an appropriate independent access audit is undertaken and demonstrate that its findings are reflected in the project designs and cost plan. Building Access: A Good Practice Guide for Arts and Cultural Organisations provides useful tips and sources of advice and information, as well as some case studies that demonstrate how Arts Council funded projects have overcome design and management challenges to achieve a high level of accessibility.

We have published Building Access: A Good Practice Guide for Arts and Cultural Organisations to support organisations undertaking capital development work to arts buildings. It follows a logical pattern through the construction process, from inception to completion, and covers several key themes such as brief writing, sustainability and accessibility.
Contracts for building works
If your grant is to be used for any building works, you must put in place all the necessary contracts with contractors and professional advisors, with standard terms and conditions appropriate to the project’s value, size and complexity. You should also ensure that you use building professionals that have all the necessary professional indemnity insurance cover.
How to apply
## Application timetable

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<th>From 12pm (midday) on Thursday 11 April 2019</th>
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<td>12pm (midday) on Friday 3 May 2019</td>
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<td><strong>Grantium open for applications?</strong></td>
<td>12pm (midday) on Friday 31 May 2019</td>
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<td><strong>Deadline for applications?</strong></td>
<td>12pm (midday) on Friday 5 July 2019</td>
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<td><strong>Decisions</strong></td>
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Making an expression of interest

If you meet all of the criteria in Introduction to Small Capital Grants 2019/20 and believe you have a proposal that could make a significant contribution to the aims and outcomes of this fund, please tell us about it by completing an expression of interest through Grantium. This will give you the opportunity to describe your outline proposal in no more than 2,500 characters.

As part of your submission you should:

- complete the eligibility quiz
- give a brief outline of the project you are asking us to support, the capital work that you are proposing to carry out and the preparatory work you have already done towards your project
- with reference to the aims and outcomes of this fund and What you will be expected to deliver, explain how your project will help us achieve our mission of Great art and culture for everyone, particularly Goal 3
- confirm whether you will be ready to claim a first payment by 30 April 2020 (see: Requesting payments)
- if you are applying for building works, confirm what statutory approvals are required for your project (eg Full Planning Permission, Listed Building Consent, Outline Planning Permission, Change of Use, Conservation Area Consent, Lawful Development Certificate) and the timeline for submitting these applications
• if you are following the RIBA design stages, confirm the RIBA Work Stage you have reached

• confirm details of your organisation’s interest in the land and/or buildings where the works will take place, ie do you occupy the premises currently and do you own the property outright or have a registerable lease? If you have a lease, confirm how many years are remaining on the lease

• detail the anticipated overall project cost and the amount you would like to request from us if you are invited to apply

Failure to address all the areas above that are relevant to your project could result in you not being invited to apply. If you are applying for a building project, you must provide information on statutory approvals and property ownership.

Grantium

Please note that to access the online expressions of interest form you need to have a validated applicant profile on Grantium, our online application system. If you have not used Grantium before, you will need to create a user account and applicant profile and you cannot start your eligibility questionnaire or expression of interest until we have validated it. This validation process can take up to ten working days.
For a step by step guide to creating a user account and applicant profile, and advice and guidance about using Grantium, please see the pages on our website here and read our Grantium guidance for applicants – Development Funds.

The online expression of interest form will open on Grantium at 12pm (midday) on Thursday 11 April 2019. Expressions of interest must be submitted by 12pm (midday) on Friday 3 May 2019.

If you meet the criteria in Introduction to Small Capital Grants 2019/20 and we think your project could make a significant contribution to the aims and outcomes of this fund, you will be invited to make an application. We will inform you of our decision on 31 May 2019.

If you are invited to make an application you will have until Friday 5 July 2019 to develop your application and the supporting documents required, as detailed under Attachments.

If we decide not to invite you to apply we will also inform you of our decision on 31 May 2019. We will not be able to provide feedback or engage in discussion about why you are not being invited to apply.

For further guidance, contact our Customer Services team on 0161 934 4317.
Making an application

If you are invited to make an application following an expression of interest, please read this guidance carefully and submit your proposal through Grantium.

The online application form will open on Grantium at 12pm (midday) on 31 May 2019. Applications must be submitted by 12pm (midday) on Friday 5 July 2019. Applications submitted after this time will not be considered.

For technical guidance on how to submit your application through Grantium please read our Grantium guidance for applicants – Development Funds.

Basic details

Please provide a concise description of the activity you are asking us to support and confirm whether you are applying for a building project. A building project is any type of capital work that is required to comply with statutory approvals such as building or planning regulations.

Please also confirm the main artform for your activity, the amount you are requesting and the start and end dates for the activity. We define the project start date as the point at which your organisation will make a commitment, financial or otherwise, to undertake the whole project.

Finance

In this section, you will be asked to complete a budget for your activity. It is important that the income and expenditure for your activity matches.
**Income**

Complete the income form to tell us where you expect to get other funding from, how much that will be, and whether it is expected or confirmed. We expect you to raise at least 15 per cent of the total cost from sources other than the Arts Council. This excludes funding spent prior to the date of the funding agreement.

Other sources of income can include:

- local authority funding
- grants from trusts and foundations
- other public funding
- grants from other lottery distributors
- donations from individuals or companies
- public appeals and fundraising events
- a contribution from your organisation
- in-kind support
- donations of land, buildings, equipment or materials subject to suitable valuations
- loan finance

If you are including non-cash contributions (in-kind support), give an estimated value for each item. You should also provide details of the goods or services and who is giving the contribution under the ‘financial viability’ section of your proposal.
**Expenditure**

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

- **pre-construction** – this may include costs of land and property purchases
- **construction** – this may include the estimated construction costs, construction contingency and inflation
- **furniture, fittings and equipment** – this may include loose furniture and equipment of a general nature, eg office equipment
- **specialist equipment** – this may include theatre lighting, AV and digital equipment, disabled access equipment, musical instruments or vehicles
- **fees and charges** – this may include legal or consultants’ fees
- **client costs** – this may include costs such as an access audit or advisers appointed to help develop the project
- **contingency** – that is not shown separately above
- **irrecoverable VAT** – any VAT that you cannot claim back

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

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

Ownership of land and buildings

If your project is for building works, you will need to demonstrate to us that you have security of tenure for the land and/or buildings where the works will take place, either by owning the freehold (owning the property outright) or having a leasehold interest (having a registerable lease of at least 10 years without a break clause from the date of the funding agreement).

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

If you are applying for a building project, you must have applied for full planning permission (and any other relevant statutory approvals) by the time you submit your application to us. The main statutory approvals are Listed Building Consent, Full Planning Permission, Outline Planning Permission, Change of Use, Conservation Area Consent and Lawful Development Certificate. Please confirm what statutory approvals are required for your project, the date the application was submitted, the name of the local planning authority and the reference number of the application (where available).

**Activity plan**

The activity plan should include major milestones for delivery of your project. The level of detail will vary depending on the size and scope of your project but in all cases it should:

- reflect all parts of your project and when each part is expected to start and finish
- provide details of the design, procurement, construction and commissioning activities
- confirm the lead manager for each task

For building projects, it must:

- confirm when relevant statutory approvals were applied for and when notifications are expected
- anticipated completion dates for freehold or leasehold purchases (where security of tenure is not already in place)
Proposal

The proposal is divided into three sections of a maximum of 20,000 characters each. You do not need to use the full character count if you feel it is unnecessary.

**Meeting the brief**

**Character count: up to 20,000 characters**

Describe the project you are asking us to support and the capital work that you are proposing to carry out. Tell us the work you have completed to date and the stage you have reached with your project planning. How does this work demonstrate the need for your project?

**Tell us about the outcomes your project aims to achieve (the specific changes that will result from your project). This should include:**

- a detailed project description
- how the project will impact on your organisation and the quality and quantity of its activities during the project’s delivery and on completion
- how the project will improve the financial resilience of your organisation
- the people who will benefit, such as artists, audiences, users and staff
- how you will reach the broadest range of people, including promoting equality and diversity
If you are applying for a building project:

- provide a summary of the options appraised and reasons for choosing the proposed option
- explain the steps you have taken to minimise your project’s impact on the environment
- outline how the project will increase the environmental performance of your building and support a reduction in carbon emissions, including any plans to install sustainable technologies (outline the options considered and chosen)
- explain the specific measures that you propose to incorporate into your project to provide access for all with reference to statutory requirements such as Building Regulations and best practice (full details should be provided in your Access Audit – see Attachments)
- whether you plan to work with external specialists/contractors
• confirm the interest that you hold in the land or building for which funding is being sought, telling us if you own the property on a freehold or leasehold basis, and the number of years remaining on the lease

• if you are the leaseholder, confirm whether the works for which you are applying are your responsibility under the terms of the lease

• if you do not currently own the land and/or buildings, tell us by when the freehold or leasehold purchase will complete

If you are applying to purchase a freehold interest, confirm:

• the length of the lease

• that the current owners are the owners (have legal title) and have the right to both sell the freehold interest and transfer the title to you

• whether a valuation has been undertaken and when

• the likely timescale for the purchase and whether other sources of funding will be in place to complete the purchase

If you are applying to purchase a lease, confirm:

• the length of the lease

• whether you have written confirmation from your auditors that the lease can be capitalised as a finance lease (a finance lease is treated as an asset/liability in an organisation’s accounts, whereas an operating lease would be recorded as an expense over the life of the lease)

For leasehold purchases, the lease must be registered and assignable and for a term of at least 10 years, without a break clause. The lease should contain no forfeiture on insolvency provision and the permitted user clause must be compliant with the capital project and proposed use. Our property requirements are set out in full in Our capital requirements.
Governance and management of activity
Character count: up to 20,000 characters

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 fund. Include the following details:

- the experience of those involved in delivering the project
- your plans for project management, including whether you plan to work with an external project manager
- how project progress will be monitored and reported to your board and senior management team
- how the risks will be assessed and how you will manage these risks
- your plans for evaluating the project outcomes

Tell us how your project will contribute to the implementation of your organisation’s equality and diversity policy.

Set out how your project will meet high standards in the following areas:

- fitness for purpose
- environmental sustainability
- energy efficiency
- disabled access and inclusive design
- cost effectiveness and value for money
If you are applying for a building project, include the following details:

- how you will ensure the proposals are well designed and appropriate for the proposed use

- if you are following the RIBA design stages, the RIBA Work Stage you have reached

- confirmation that all relevant statutory approvals (eg full planning permission, listed building consent, outline planning permission with full reserved matters resolved, etc) have been applied for and an anticipated timeline for receiving the notifications

- the details of any professional team appointed, if applicable, and the details of the procurement processes you undertook to appoint them (full details should be provided in your procurement method statement – see Attachments)

Our requirements on procurement, quality of design and construction, including accessibility, are set out in Our capital requirements.
**Financial viability**

**Character count: up to 20,000 characters**

Tell us about the work you have done to assess the project’s financial impact on your organisation, both during and after the project, and how this demonstrates that your financial resilience will be improved. Have you considered your organisation’s ability to operate the buildings or equipment in the longer term, including the financial impact and timings for maintaining, insuring and replacing the capital asset?

What operational savings do you anticipate following works to improve the environmental performance of your building and equipment, including the implementation of sustainable technologies, and how will you evaluate and continuously monitor these?

If you are purchasing a freehold interest, has a conditions survey been carried out and have allowances been made in your future financial planning for repair and maintenance?

**Set out how you have worked out your project budget, including:**

- any professional advice you have sought in support of the figures in 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, VAT

- if you are including non-cash contributions (in-kind support), details of the goods or services, who is giving the contribution and an estimated value for each item
Outline your approach to raising any unsecured funding, including:

- the research you have undertaken into available sources of funding and your ability to raise at least 15 per cent of funding from sources other than the Arts Council (excluding funds spent prior to the date of the funding agreement)
- the other sources of funding you have applied for, and the progress and timetable of other funding applications you have made
- the methods you will use to raise the funds, eg campaign, fundraising events
- the timescale for raising the funds and whether you will have secured the required amount to start your project and make a valid first payment request by 30 April 2020
- how you will make up any shortfalls if your project goes over budget
## Attachments

You must upload the following mandatory attachments:

<table>
<thead>
<tr>
<th>Cash flow for the project activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please use the cash flow template provided. Your cash flow should demonstrate 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:</td>
</tr>
<tr>
<td>• we are unable to pay for costs invoiced before the date you accept our funding agreement</td>
</tr>
<tr>
<td>• we will pay the grant in instalments against actual expenditure aligned to the expenditure listing submitted with each payment request</td>
</tr>
<tr>
<td>• grants are only available to support activity up to 31 March 2023</td>
</tr>
</tbody>
</table>

In the event of delays to your project’s spending plans, the Arts Council cannot delay your first payment beyond 30 April 2020. This means you may lose your grant if your project has not started and you have not made a valid request for payment by 30 April 2020.

Payments will be made against actual expenditure only. Please ensure you take this into account when forecasting your cash flow.
### 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 to avoid cash flow problems 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. We want you to show that you have considered risk thoroughly and have thought about how you will manage and mitigate it.

### Evidence of partnership funding or fundraising plan

Provide evidence of the funding you have secured and spent 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 (e.g., board minutes)

If you have not secured all your partnership funding, please attach a fundraising plan outlining your approach and timeline for raising the remaining funds.

At least 15 per cent of the total cost of the activity must come from sources other than the Arts Council. This excludes funding spent prior to the date of the funding agreement.
| **Procurement method statement** | This should document the procedures that will be used to select consultants and contractors and when purchasing goods and equipment and must demonstrate that these comply with all relevant UK public regulation procurement laws and European legislation (see Procurement). |
| **Cost plan** *(building projects only)* | This should be prepared by a professional 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. |
| **Design drawings and specifications for the project** *(building projects only)* | 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. The audit should provide details of existing barriers and recommend specific measures to overcome these, eg ramps, lifts, induction loops, accessible toilets, clear signage. It must describe both the process followed in conducting the audit and how the proposed access provisions will provide access for all with reference to statutory requirements such as Building Regulations and best practice. For more information, see Building Access: A Good Practice Guide for Arts and Cultural Organisations. |
Additional documents for National Portfolio Organisations and Music Education Hubs

If you are an Arts Council National Portfolio Organisation or a Music Education Hub, 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.

Additional documents for organisations who are not National Portfolio Organisations or Music Education Hubs

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

• audited accounts from the previous two financial years

• details of your artistic programme

• statement on your organisation’s 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

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.
Send only 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 information we need in the format we ask for it, 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

We are committed to being open and accessible and want to make the Small Capital Grants application process accessible to everyone. If you experience any barriers in the application process, or require help to make an application, our Customer Services team can be contacted by:

- Telephone: 0161 934 4317
- Email: enquiries@artscouncil.org.uk
After you submit your application

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

Your full application will then be checked against the criteria in Introduction to Small Capital Grants 2019/20 to ensure that it continues to meet the eligibility criteria for this fund. 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.

If the application is eligible, it will be assessed against the criteria in How we will make our decision.
How we will make our decision
How we will 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 an Arts Council National Portfolio Organisation, we will also take into account our knowledge of your organisation, including your NPO risk rating, equality action plan, annual letters and business plan.

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

<table>
<thead>
<tr>
<th>Not met</th>
<th>The application does not meet the criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential</td>
<td>The application does not meet the criteria but shows potential to do so</td>
</tr>
<tr>
<td>Met</td>
<td>The application meets the criteria</td>
</tr>
<tr>
<td>Met (strong)</td>
<td>The application meets the criteria and shows strong qualities</td>
</tr>
<tr>
<td>Met (outstanding)</td>
<td>The application meets the criteria and shows outstanding qualities</td>
</tr>
</tbody>
</table>
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 application demonstrate that the project outcomes will meet the fund’s [aims and outcomes](#) and all the elements of **What you will be expected to deliver**?
- To what extent will the project impact on the organisation and its activities during the works?
- How well does the organisation demonstrate it has considered the impact of the project on completion? What is the impact, and does it demonstrate that resilience will be improved?
- Will it impact on the organisation’s activities under other funding agreements with the Arts Council?
- Does the application demonstrate the project will reach the broadest range of people, including promoting equality and diversity? What evidence is there to demonstrate that access and diversity have been appropriately considered? For instance, has an access group been established and/or will an access consultant be appointed?
- What evidence is there of appropriate consultation with artists, users and staff? How is this reflected in the application?
• What will be done within the building to support environmental sustainability and related impacts?

• What data has been provided on the organisation’s energy usage now and on completion and what plans are in place for monitoring and evaluation? Has the applicant received specialist advice?

• If the project is for digital infrastructure, how well does it demonstrate that the assets will benefit the widest possible range of partner organisations and support shared approaches to building larger audiences?

• Does the activity duplicate any activity already funded by other Arts Council grants?

**Building works and improvements**

• Does the application demonstrate that a range of options have been explored and evaluated (which includes leaving things as they are)? Is there a convincing rationale for the preferred option?

• What evidence is there that the organisation has considered the environmental impact of the project? In what way does the organisation plan to reduce any negative impact?

• Will the project improve the environmental performance of the organisation’s building, and how? Which sustainable technologies has the applicant considered and which do they intend to implement? Have they provided a rationale for the chosen option(s)?

• Has an access audit been completed by an independent access consultant and will the recommendations be implemented? Does the access audit describe both the process followed and how the proposed access provisions will provide access for all with reference to statutory requirements such as Building Regulations and best practice?

• Do they plan to work with external specialists/contractors?
- Does the applicant own the land and/or buildings where the building works will take place, either by owning the freehold (owning the property outright) or having a leasehold interest (having a registerable lease of at least 10 years without a break clause)?
- If the applicant is the leaseholder, have they confirmed that the capital works applied for are their responsibility as the tenant?
- If they do not currently own the land and/or buildings where the works will take place, are they planning to purchase the freehold or enter into a lease soon? Will this transaction complete by the time they would be required to enter into a funding agreement with us?

**Purchase of a lease**

- Will the lease be for a term of at least 10 years from the date of completion?
- Has the applicant obtained written confirmation from their auditors that the lease can be capitalised as a finance lease?

**Purchase of a freehold interest**

- Has the applicant confirmed that the current owners have legal title with the right to sell the freehold interest?
- Does the application explain how the purchase price for the freehold was calculated? Has a valuation been undertaken recently?
- Does the activity plan and cash flow indicate when the freehold transaction will complete? Is this within the required timeframe for this fund?
## Governance and management of activity

- What evidence is there that the organisation has the appropriate skills and experience to undertake the proposed project?
- To what extent does the application demonstrate appropriate plans for project management? Do they plan to work with an external project manager?
- What evidence is there of board engagement with the project? Will project progress be appropriately reported and reviewed by the board and senior management team?
- What evidence is there that the organisation has an appropriate equality and diversity policy in place? Is this accompanied by an action plan that demonstrates how the policy will be monitored and reviewed? How will the capital project contribute to the implementation of the equality and diversity policy?
- What evidence is there that procedures will be in place to assess, report and manage the project risks effectively?
- Are there appropriate plans in place to evaluate the project?

### To what extent will the project achieve high standards in terms of:

- fitness for purpose
- environmental sustainability
- energy efficiency
- disabled access and inclusive design
- cost effectiveness and value for money
Activity plan (timetable)

- How well does the application demonstrate that the project can be delivered to the activity plan/timetable provided?
- Does the activity plan and cash flow align with the delivery timescale for this fund, ie activity taking place November 2019 to March 2023?
- Does the activity plan take account of all known influencing factors, eg design development, planning, procurement and construction activities?
- Has the applicant applied for all relevant statutory approvals (eg full planning permission, listed building consent, outline planning permission with full reserved matters resolved, etc) and does the activity plan show that these will be in place to enable activity to commence by 30 April 2020?

Risk register

- Does the risk register demonstrate an appropriate review of risks for a project of this scale, consider the impact of the risks occurring and identify suitable actions to mitigate and manage these risks?
- Is the risk register costed and is there a clear correlation between these costings and the project contingency?

Procurement method statement

- What evidence is there that appropriate policies are in place in relation to purchasing goods, works and services?
- Have professional appointments been made in accordance with the procurement requirements set out in Our capital requirements of this guidance?
Financial viability

- Is the organisation in a healthy financial position?

- Has the applicant considered the effect of the project on its long-term financial position? How well does the application demonstrate that the organisation’s resilience will be improved as a result of the capital project?

- To what extent does the application demonstrate that the organisation can operate the capital assets in the longer term? Has the applicant considered the likely maintenance costs and timescales for maintaining, replacing or upgrading buildings or equipment?

- Have the costs and projected operational savings resulting from works to address environmental sustainability been fully considered and evidenced? How have these been calculated?

- If the application is to purchase a freehold interest, has a conditions survey of the building been carried out to inform future operational budgets for repair and maintenance?

- Is the amount of funding requested appropriate for the outcomes proposed?

- Is the budget detail appropriate to the type of project proposed? Does the budget demonstrate that:
  - the expenditure meets the requirements set out in purpose of capital investment for 2018-22 of this guidance (see ‘What activity can be funded’ and ‘What activity cannot be funded’)
  - expenditure is for capital spending (we define capital expenditure as money spent on acquiring or improving a long-term asset such as equipment or buildings)
  - costs are based on appropriate professional advice (including VAT advice) or quotations
  - appropriate allowances have been made for contingency
• What sources and percentage of partnership funding are confirmed?
• If the applicant needs to raise further funds, have they provided a fundraising plan and does this demonstrate that the required level of partnership funding (at least 15 per cent) can be secured from sources other than the Arts Council (excluding funding spent prior to the date of the funding agreement)? Is the timetable for raising these funds realistic?
• Have contingency plans been considered if the organisation is unsuccessful in raising the full amount?
• What evidence is there that the sources of expected project income will be in place to support the tasks included in the activity plan?
• Does the cash flow show that expenditure will be for activity starting no earlier than the date of the funding agreement (November 2019) and ending no later than 31 March 2023, with a first payment no later than 30 April 2020?

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 in each round. These factors will be used in addition to the main criteria to ensure a good spread of funded projects and to differentiate between proposals that are considered fundable.

The four factors we will consider are:

• **timescales** – we will take into account the delivery timescale for your project, including the timescale for spending any grant from us

• **partnership funding** – the extent to which the projects overall will secure funding from other sources

• **risk** – the extent of the risks to the overall balance of projects in each round

• **equality and diversity** – the extent to which your project addresses equality and diversity
There is no mechanistic formula for balancing the final list of projects in each round. 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.

**Decision making**

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 activity scored against our criteria and the four factors outlined above. We will also consider your activity alongside other applications to the fund.

We will notify applicants of our decision no later than **31 October 2019**.

**If you are unsuccessful**

We will write to you explaining the main reasons why your application was unsuccessful and telling 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 (grants up to £499,999) 2018-2022*. Our offer may be for a different sum than that requested by you in your application.
If you are offered funding for a building project, you will also be required to complete a declaration confirming that you have read and understood the Arts Council’s requirements relating to the ownership of land and buildings and confirming that you have the necessary security of tenure and fully meet those requirements as at the date of acceptance of the funding agreement.

Your funding agreement will include any conditions specific to your project.

The funding agreement starts on the date you accept the funding agreement by completing the online ‘offer letter acknowledgement’ form and ends when you’ve met all our terms and conditions. The submission of this form will be your formal and legal acceptance of the grant and the terms and conditions that apply to it.

Some of these terms and conditions must be met before we make a first payment and some of them still apply after your last payment has been made.

Your funding agreement will also include a form for you to supply the details of the bank or building society account into which you want us to pay your grant. **The payee name must correspond with the applicant name.** For security reasons we cannot hold bank details on our online system, so you must print and complete the bank details form and send it back to us in hard copy. The submission of this form will also act as a written confirmation of your acceptance of the grant and the terms and conditions that apply to it.
Monitoring and evaluation

The funding agreement will set out how we will monitor your grant, including any documentation that we will require from you to ensure it meets the agreed outcomes. We may continue to monitor your project after it is finished to make sure that it still meets the terms of the grant and its outcomes for the duration of the terms of grant as set out in the funding agreement.

Requesting payments

The grant cannot be used towards any costs invoiced before the date you accept our offer on Grantium. Payments will only be made against actual expenditure and we will not make payments in advance of expenditure being incurred.

To request payments, you must complete an online ‘capital payment request’, including an expenditure listing for each payment claim. This must demonstrate to our satisfaction that the claim is for eligible capital expenditure. We may ask for proof of expenditure, eg invoices, quotations and contracts, to substantiate requests.

In the event of delays to your project’s spending plans, the Arts Council cannot delay your first payment beyond 30 April 2020. This means you may lose your grant if your project has not started and you have not made a valid request for payment by 30 April 2020.
Other information

Arts Council funded installation in Motionhouse’s rehearsal space. Installed by A.C Special Projects.
Image credit: ACSP Photos © www.i101digital.co.uk A.C. Special Projects
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 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.
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 EU General Data Protection Regulation (2016/679), the UK Data Protection Act 2018 and other applicable laws that regulate the use and privacy of personal data (Data Protection Law).

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

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

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 that Arts Council England does not have an appeals process and for this reason we are unable to accept complaints that relate solely to the decision we have made rather than how we have made it.

For more information, please visit the ‘Complaints’ section of our website, under ‘Contact us’ (https://www.artscouncil.org.uk/contact-us). Additionally, you can email complaints@artscouncil.org.uk or call our Customer Services team on 0161 934 4317 for more information.
## Glossary of terms used in this guidance

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
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<tr>
<td>Access audit</td>
<td>Part of the process of designing a building or site which considers how disabled 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, and policies, procedures and practices. Addresses the ‘journey’ to, into, through and out of the building, considering the use of all facilities and services by visitors, participants, artists and members of staff.</td>
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<tr>
<td>Asset purchase</td>
<td>A purchase of an asset resulting in a change in ownership of the asset.</td>
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<tr>
<td>Assignable lease</td>
<td>A term used for leasehold land and buildings to show whether the land and buildings can be sold or given to another owner.</td>
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<tr>
<td>Balance sheet</td>
<td>A statement of the assets, liabilities, and capital of a business or other organisation at a point in time, detailing the balance of income and expenditure over the preceding period.</td>
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<tr>
<td>BREEAM</td>
<td>Building Research Establishment’s (BRE) Environmental Assessment Method (BREEAM) is a method to assess the environmental performance of both new and existing buildings.</td>
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<tr>
<td>Break clause</td>
<td>A provision in a lease that allows the landlord and/or the tenant to bring the lease to an end before the full period of years has elapsed.</td>
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<tr>
<td>Brief</td>
<td>The client’s document of project requirements. The brief for the works should be developed through collaboration between the client, the members of the design and construction team (if relevant) and, if possible, users and other interested bodies and persons.</td>
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<td>-------------------------------------------</td>
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<tr>
<td>Building regulations</td>
<td>Building regulations are statutory instruments that seek to ensure that the policies set out in the relevant legislation are carried out. Building regulations approval is required for most building work in the UK. Building regulations that apply across England and Wales are set out in the Building Act 1984.</td>
</tr>
<tr>
<td>Building project</td>
<td>Any type of capital work that is required to comply with statutory approvals such as building or planning regulations.</td>
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<tr>
<td>Capital asset(s)</td>
<td>Land, buildings, equipment and vehicles that have a useful life of more than one year.</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>Your application must be for capital expenditure. We define capital expenditure as an amount spent to acquire or improve a long-term asset such as equipment or buildings.</td>
</tr>
<tr>
<td>Capitalise</td>
<td>In terms of accounting, an expense is a capital expenditure when the asset is a newly purchased capital asset or an investment that improves the useful life of an existing capital asset. If an expense is a capital expenditure, it needs to be capitalised.</td>
</tr>
</tbody>
</table>
Certificate of Title  A written document from a solicitor confirming that the grant recipient 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.

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

Deed of Covenant  The Deed of Covenant is a document the grant recipient (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.

Feasibility study  A study of the desirability and practicability of your project. It should demonstrate that an organisation has examined thoroughly what it aims to achieve and whether it is able to do so.

Finance lease  A finance lease is treated as an asset/liability in an organisation’s accounts, whereas an operating lease would be recorded as an expense over the life of the lease.

Forfeiture on insolvency clause  A forfeiture clause that allows a landlord to take back a property from its tenant if the tenant experiences financial difficulty (e.g., insolvency or bankruptcy).

Freehold interest  The absolute right to own property (land and buildings) in perpetuity.
**Inclusive design**
Inclusive design is 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 from the outset.

**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 which confirms that they believe the grant recipient has the legal power to sign the terms and conditions of the grant and any security document that we may ask the grant recipient to sign.

**OJEU**
The Official Journal of the European Union (OJEU) is a daily journal used to advertise the service requirements of publicly procured contracts. The OJEU is the method of procuring services or goods through a competitive process. The organisation is obliged to adhere to the regulations where funding, either by Arts Council England solely or in conjunction with other public funders, exceeds 50 per cent of the estimated cost of the contract. OJEU can be accessed online via Tenders Direct.
### Options appraisal
The purpose of an options appraisal is to narrow down a range of options into one feasible proposal which is taken forward for more detailed study in a way that is clear to those not involved in the decision. It should give details of all the options explored, including leaving things as they are, and should cover the following areas:

1. the needs that the project aims to meet
2. the project’s objectives, benefits and outcomes for each option considered:
   - an evaluation against the project’s objectives, benefits and outcomes and the needs it aims to meet
   - the estimated costs (capital and revenue costs)
   - an indication of the timetable for commencement of project delivery
   - a risk assessment
   - the preferred option and why it is recommended

### Permitted user
A provision that sets out how you will use the project asset(s) that are purchased, renovated, created or improved using the grant as detailed in your application and the offer letter.
### Procurement

**Procurement** is the process of finding, agreeing terms and acquiring goods, services or works from an external source, often through a tendering or competitive bidding process. To ensure compliance with the public procurement policy, we ask organisations to demonstrate how they will achieve value for money when purchasing goods, works and services as part of their project. All applications must include a method statement explaining how you will undertake the procurement activity for your project.

### Quantity surveyor (QS)

A quantity surveyor advises on the overall economic and accounting aspects of a project. They prepare RIBA stage cost plans, the bill of quantities for the tender documents and a pre-tender estimate against which the tender returns are assessed.

### Registered lease

A registered lease is 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

Royal Institute of British Architects (RIBA) organises the process of managing and designing building projects and administering building contracts into a number of key work stages. The RIBA Outline Plan of Work 2007 consists of 11 stages defined by the letters A-L. In 2013, RIBA launched a revised Plan of Work which consists of eight stages defined by the numbers 0-7.
Security  A legal commitment from the grant recipient to the Arts Council which links specific grant recipient obligations in the grant terms and conditions to the capital asset.

Security of Tenure  A good, strong and well documented right to own or use a property for a period of time.

Statutory approvals  Legal permissions and approvals needed for a building project. Typical approvals include planning permission and building regulation approval. Organisations should take advice on what statutory approvals apply to their project.

Sustainable development  Sustainable development is a dynamic process through which organisations can begin to achieve a balance between environmental, social and economic activities. Sustainable development must recognise the impacts of a project on these three areas.

Tender  Tendering is the process of inviting and appointing a contractor, supplier or consultant to undertake work. It must be a competitive process between firms or individuals who have the necessary skills, integrity and responsibility to deliver the work.

Whole-life cost  The new facility will require maintenance, running and staffing costs that should be factored into a whole-life cost analysis. This means that decisions should be based not only on initial capital cost, but also on the costs of maintenance and day-to-day operations over the expected lifetime of an asset.
Get in touch – we’re happy to help

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