



Photo © Emergency Exit Arts
Thamesmead 50th Birthday

2023-26 INVESTMENT PROGRAMME

Relationship Framework

How Arts Council England works with National Portfolio Organisations

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**ARTS COUNCIL
ENGLAND**

artscouncil.org.uk

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Access Support

We are committed to being open and accessible. We recognise that some people may encounter barriers to meeting the requirements of the funding agreement, as set out in this Relationship Framework. Our [Access Support information sheet](#) explains the ways we can help.

Do you need this information in another format?

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

- audio
- British Sign Language
- Easy Read
- large print

If you experience, or expect there to be, any barriers in meeting the requirements set out in the Relationship Framework and/or in your funding agreement, then please let us know:

Email enquiries@artscouncil.org.uk

Web artscouncil.org.uk

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

Telephone 0161 934 4317

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

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

The 2023–26 Investment Programme

From 2023-26, the Arts Council will invest the majority of its resources into National Portfolio Organisations (NPOs), Investment Principles Support Organisations (IPSOs) and Creative People and Places Programmes (CPPs). These organisations will therefore be expected to work closely together and do the majority of the work in helping us achieve the vision and Outcomes set out in our Strategy for 2020-30, Let's Create.

The criteria for becoming a NPO have been set out in our [Guidance for Applicants](#). Alongside this Relationship Framework, it describes what we expect from the organisations we invest in and what they can expect from us throughout the investment period.

We will review the Relationship Framework annually.

The principles of our relationship with your organisation

Accountability and transparency are core components of our public investment, both for us and for the organisations we invest in. To deliver on these expectations, NPOs will be expected to meet specific requirements for reporting and monitoring, which are set out in this document. This enables us to track the progress of our investment programmes and the strategic contributions they are making to Let's Create, our stakeholders and the wider public.

Our relationship with our NPOs will be conducted mainly through our monitoring and reporting processes. Through these arrangements, we expect to see NPOs and their boards (or oversight groups) take responsibility for delivering on their funding agreements with us. This will involve you regularly and accurately tracking your performance against the targets and success measures in your funding agreement and using your regular reports to your board (or oversight group) to provide us with accurate information on progress. We will then use these reports to help us identify any risks that we believe exist in relation to your organisation delivering its funding agreement with us. We will also expect you to supply accurate, timely and relevant data to surveys that we send you. These provide us and the Government with vital information on the state of the sector and help us evidence the impact of our investment and the progress we are making on delivering Let's Create.

We will try to ensure that our reporting and monitoring arrangements are both proportionate and responsible. We expect the majority of NPOs to be relatively low risk and, beyond the regular provision of board papers, to have little day-to-day contact with the Arts Council. We will spend more of our time and resources on those organisations that we have identified as relatively high risk. This in turn will allow us to focus more of our staff development time and resources on those individuals and communities that have had relatively little support from the Arts Council to date.

Our relationship with National Portfolio Organisations

The funding agreement

When we make you an initial offer of investment in October 2022, it will be conditional. That is, it will depend on finalising a mutually satisfactory funding agreement. This will involve a period of negotiation, which includes reviewing the activities, targets and success measures that were included within your application and agreeing appropriate revisions. In addition to finalising your activities and plans for the first year of delivery, we will also need to receive a finalised budget and cash flow forecast for 2023/24, together with indicative budgets for 2024/25 and 2025/26, all of which will have been approved by your board (or oversight group). We expect these negotiations to have concluded by February 2023 and, if successful, a final funding agreement will be signed at that point.

This funding agreement will form the basis of your relationship with us. It sets out the investment you will receive over the period of the agreement and will incorporate the specific plans and objectives you have agreed to deliver and report against in return for that investment. If you are unable to deliver against them, you must discuss this with your Relationship Manager at the earliest opportunity as this could be viewed as a breach of the terms and conditions of our funding.

The funding agreement also contains our [standard terms and conditions](#), many of which are explained in this document. It is essential that all board (or oversight group) members and executive officers read and understand these terms and conditions. We expect the board to be accountable for the funding agreement and to act swiftly if it believes that any of the terms and conditions have been breached.

Working with the Arts Council

Every NPO will have an Arts Council member of staff who acts as the Relationship Manager. They act as the main point of contact and communication with the Arts Council, can suggest other sources of advice and support, and lead our monitoring of your performance. They will also endeavour to engage with your work throughout the investment period. However, they do not provide legal, financial or other professional advice to organisations, nor should you expect them to provide feedback on draft applications. If you are looking for help in improving the way you run your organisation, you should use the resources available via our [Investment Principles resource hub](#) rather than seeking help from your Relationship Manager.

For most NPOs your regular contact with your Relationship Manager will be via the provision of quarterly board papers. However, once a year, your Relationship Manager will have a meeting with you and your chair to discuss progress (see below for more information on the [‘annual progress review’](#)).

We are likely to increase the level of formal contact we have with you if we assess your organisation as relatively high risk. In making our risk assessment, we will take into account the information we receive in your board papers and other risks that you have made us aware of, as well as external factors such as issues relating to the Covid-19 pandemic or the broader economic climate. For information on our risk assessment process see [‘risk monitoring’](#).

We have a right to attend board meetings as an observer and may choose to do this if your organisation’s level of risk is high or increases. We also expect to be involved in strategic recruitment activities, especially for senior appointments (including directors and trustees). This may include commenting on job descriptions, being informed about shortlisting or observing interview panels.

In addition to the relationship you have with the Arts Council via our monitoring arrangements, you are also likely to have contact with your Relationship Manager or other Arts Council staff on a range of other matters. We might, for instance, contact you to help us gather intelligence on particular issues facing your sector or subsector or where we want to discuss particular opportunities in relation to our place-based working.

The roles and responsibilities of your board (or oversight group)

It is the responsibility of the organisation's board (or equivalent oversight group) to monitor and report on the progress being made to achieve the targets and success measures on which the funding agreement is based.

For most NPOs, their constitution already provides for a suitably qualified board of directors or trustees to oversee the mission of the organisation, and to provide effective governance and oversight of activity, operations and finances. However, we recognise that some of the organisations we choose to invest in will not have a 'traditional' board of directors or trustees (eg museums, libraries or arts centres that are part of a local authority or a university). For these organisations, we require they have in place an appropriate 'oversight group' by the time that their funding agreement comes into effect on 1 April 2023.

Whatever its form, the board or oversight group must have the following minimum responsibilities and authority:

- to be independent of the executive leadership of the NPO
- to have – in either direct or delegated form – responsibility for overseeing the national portfolio funding agreement
- to meet regularly (at least four times a year) with the executive leadership to review progress on the national portfolio funding agreement
- to receive and review regular reports on progress against the funding agreement and ensure that those reports are forwarded to the Arts Council on a timely basis
- to meet and communicate directly with the Arts Council, independent of the executive if required
- to ensure that the organisation has policies and procedures in place that comply with legislative requirements and best practice, that they are implemented, and that they are reviewed regularly

In addition, we expect boards/oversight groups to take an active role in ensuring that our four [Investment Principles](#) are embedded in the culture and working practices of the organisation.

What do we mean by an appropriate board or oversight group?

The Arts Council has a responsibility as stewards of public funding to ensure that all the organisations and individuals we support use our investment for the purposes it was intended. We expect our grant recipients to use their grants efficiently and effectively to maximise benefits to the public and, given the scale of public funding we are investing in NPOs, it is especially important that we are confident we are investing in well-run organisations.

For the Arts Council, one of the characteristics of a well-run organisation is that it has a board or oversight group that is independent of the executive and can take responsibility for ensuring the efficient and effective delivery of the organisation's NPO funding agreement with the Arts Council. This responsibility will include ensuring that the organisation's executive officers are being held to account for making progress against the targets and success measures that are mutually agreed as part of the funding agreement – and that the Arts Council receives regular reports on that progress.

All boards/oversight groups will need to ensure they have appointed a chair that has the authority to meet or correspond with the Arts Council when required and to represent the board's views.

All board or oversight group members must be provided with, and read, the Arts Council's [applicant guidance for NPOs 2023-26](#), your organisation's NPO application, the funding agreement with the organisation (including its terms and conditions) and this Relationship Framework. Members should also have read Let's Create and the Arts Council's 2021-2024 Delivery Plan. It remains the responsibility of the directors, other officers, and all those directing an organisation's affairs to ensure that it properly fulfils its legal duties. The board must report any potential breaches of the terms and conditions to the Arts Council at the earliest opportunity.

Reporting and monitoring requirements

Quarterly submission of board papers

A core component of our reporting and monitoring arrangements will focus on the quarterly submission of board papers (or equivalent). We expect to be sent a full set of board papers, which as a minimum must include the following:

- an agenda for the board meeting
- minutes from the previous board meeting
- up-to-date financial information, including:
 - your most recent management accounts – these should include the original budget set for the year, the budget and actuals for the period and to date, the resulting variances, and revised projections to the end of the year
 - your most recent cash flow statement, including opening balances and a forecast to the end of the year
 - final (annual) financial statements
- your updated risk register/s
- progress reports against the targets and success measures set out in your Arts Council funding agreement which, where applicable, should identify any areas of activity where insufficient progress is being made and include appropriate plans and actions that have been approved by your board to help mitigate risks and/or increase progress and performance. You will find it helpful to use the templates you completed with your application for reporting to your board

Local authorities and universities reporting on a specific service area (or those with restricted funding) will need to report to their board or oversight group on the funded activity as well as on the performance of the organisation as a whole, where relevant.

Annual progress review

Organisations will have at least one formal, direct contact with a Relationship Manager each year in the form of an annual review meeting. These meetings will normally be carried out in the first quarter of the financial year and will be used to review the progress that your organisation is making against the agreed targets and success measures set out in your funding agreement. We would normally expect your senior leadership team and your chair to attend this meeting.

In addition to reviewing progress and performance over the previous year, these meetings will also be used to set out plans and conditions for the following year. For the meeting, we will expect you to provide proposed plans and targets using the templates provided (the plans should be informed by the progress you have already made to achieve the targets and success measures set out in your funding agreement), in addition to supplying an updated budget and cash flow for the year ahead.

You should consider whether, following discussion with your Relationship Manager, the plans presented should be (re)shaped by the feedback you receive.

Annual progress meetings may be carried out online or in person and may include onsite visits to support the observation of agreed activity. We expect at least one of the annual progress meetings to be carried out onsite over the full period of the funding agreement.

We will provide a headline summary of the discussion after the annual progress meeting.

Annual survey

Our annual survey forms the basis for our Official Statistic. Its longitudinal nature also helps to provide trends on the sector's financial resilience, the diversity of its workforce and the types of activity being accessed and delivered.

As we need to provide our stakeholders (including Government) with an increasingly accurate picture of the benefits of our investment, all NPOs will be required to provide us with comprehensive details over each year of the investment period on the following, where applicable:

- your audiences (including online/digital)
- workforce statistics
- activities
- income and expenditure
- digital content
- environmental impact
- the number of children and young people that are reached

Following feedback from NPOs, we will collect much of this survey data quarterly rather than annually. This should help you with your board reporting and reduce the annual data collection burden.

We will publish detailed information about the annual survey in autumn 2022, but we anticipate that quarterly requirements will include:

- basic audience data which you will be able to draw from that you are already collecting
- high level financial information including free reserves, your cash balance and net assets, ie the total of your current and fixed assets less current and long-term liabilities, drawn from your management accounts
- a brief summary of how you expect your organisation to perform financially in the coming months

For the annual survey to be effective, your organisation must be committed to ensuring your data reporting is accurate and verifiable, that it meets our standards for data capture and analysis, and that it has been approved by your board or equivalent oversight group. We will check the accuracy of the data before it is published as an annual official statistic under [Office for National Statistics](#) guidelines and will make it available for you to use as a comparative tool and for self-evaluation.

Audience data

It is vital that the Arts Council obtains robust data about the audiences of organisations in receipt of regular public funding. Most NPOs¹ will therefore be required to provide the Arts Council with their total audience volumes, as well as collecting postcode and demographic data (ie ethnicity, age, gender, disability, socio-economic background) from a representative sample and submit this to the Arts Council through a system that we will specify. This will be in addition to the information provided via the annual survey.

This will require you to survey some of your audiences in order to collect this data, using a set of questions and methodology determined by the Arts Council. Typically, this information will be collected and submitted on a quarterly basis.

We will analyse the data received to report on key trends to the Government and measure progress against our strategic aims in Let's Create. We recognise the value of the data that is provided, and as a publicly funded data source it is important that this information is freely available (in an appropriately anonymised format) to cultural organisations and other interested parties (eg local authorities and higher education) for the wider benefit of the sector and policy makers.

By contributing to the collective NPO audience dataset you are enabling the Arts Council to have access to vital information to make the continued case for public investment.

¹Some NPOs will be exempt from the requirement to share audience data with the Arts Council if they fall into one or more of the following categories:

- they solely deliver participatory activity that has no 'end product' experienced by an audience
- they solely work with vulnerable groups (eg in prisons)
- they are solely an artist/talent development organisation
- they are solely a publisher
- they have a physical public audience of less than 200 per year
- their audience members are solely under 16 years of age
- they are solely a touring organisation

Risk monitoring

When monitoring your organisation, we consider various factors to determine the degree of risk to the delivery of our funding agreement with you. In doing so, we also consider the overall resilience of your organisation, including in relation to issues caused by the Covid-19 pandemic as well as other external factors.

In assessing risk, we will specifically look at the following categories:

<p>Activity</p>	<ul style="list-style-type: none"> • Is the activity/programme being delivered as set out in the funding agreement? • Are there any current risks to the achievement of targets and success measures?
<p>Investment Principles</p>	<ul style="list-style-type: none"> • Are actions being delivered and progressed as has been set out in the funding agreement? • Are ambitions and priorities on target to be achieved?
<p>Governance and management</p>	<ul style="list-style-type: none"> • Is there an effective, up-to-date business plan being used to plan activity, and is it on track? • Is progress and performance of the organisation being effectively evaluated by the board and executive? • Is there effective executive leadership and is this being held to account by strong governance? • Are policies and procedures in place in compliance with legal/regulatory requirements and the terms and conditions, and is the organisation complying with those policies and procedures, for example in respect of equality and diversity, safeguarding and child protection? • Is there evidence of clear plans to develop the organisation’s sustainability and resilience? • Does the board operate independently of the executive leadership? • Does the board meet regularly with the executive team and review progress on the funding agreement? • Does the leadership invest in the development and training of staff? • Does the leadership have access to up-to-date data on the organisation’s performance to help inform its decision making? • How does the organisation manage and mitigate risk? Is the board involved in risk review?

Financial viability	<ul style="list-style-type: none"> • Does the organisation assess financial risk? • Is the projected income realistic, and does the organisation produce accurate financial information? • Are financial controls, monitoring and reporting suitable? • Is the quality of financial documents submitted to the board appropriate? • Is the organisation successfully building on existing earned/contributed income and actively looking for new sources of income? • Is the organisation effective at maintaining and building reserves?
Reputational risk	<ul style="list-style-type: none"> • Are there any risks or allegations of fraud or corruption? • Are conflicts of interest managed appropriately? • Has there been any damaging press and/or social media coverage? • Has there been any failures to comply with policies and procedures, for example in respect of equality and diversity and safeguarding? • Is there potential for reputational risk to the Arts Council or other stakeholders? • Are there regular discussions at the board about actual or potential reputational risks?

What do we mean by reputational risk?

We define reputational risk as any activity or behaviour that potentially breaches the terms and conditions of the funding agreement and/or is likely to result in negative or damaging reactions or coverage from the press, public, partners and/or stakeholders (eg sponsors and/or other funders) towards the organisation or the Arts Council. Any activity undertaken by the organisation can bring reputational risk to the Arts Council, regardless of whether the activity is directly funded through your grant or not.

The type of action or activity that may constitute or influence an increase in reputational risk can include, but not be limited to, allegations of fraud or corruption, legal and compliance issues, failure to uphold best practice in relation to equality and diversity, financial concerns, issues with artistic

and creative output that might be deemed controversial, and partnerships with organisations that might be perceived as being in conflict with the purposes of public funding of culture. Risks posed by negative press or social media coverage in relation to any of these issues, or to whistleblowing or similar concerns, should also be taken into account.

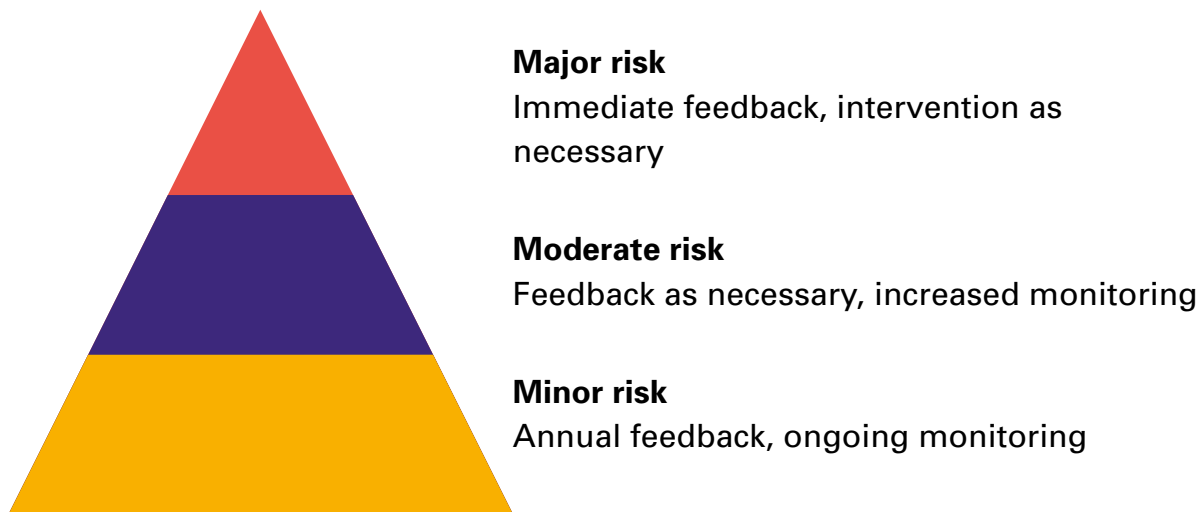
We expect your organisation and your board to be aware of these risks when planning activity, especially if the terms and conditions of the funding agreement are at risk of being breached. We expect you to be proactive with your responses and mitigations to any risks that have been identified.

You should also discuss any known or perceived risks with your board and seek appropriate/external advice, where needed. This should include considering legal or regulatory requirements, your own organisational policies and procedures, and the views and perceptions of different stakeholders, including their appetite for risk. If mitigations don't reduce the risk sufficiently, we would expect you to discuss with your board what further steps should be taken and would encourage you to discuss your plans and actions with the Arts Council prior to initiating a proposed activity that you have identified as high risk.

For the avoidance of doubt, we expect all NPOs to support freedom of expression. We see this as essential for a thriving cultural sector in this country. The purpose of reviewing reputational risk is to ensure that you and your board are well placed to support creative practitioners delivering work that you might have identified as 'high risk'.

We reach a conclusion about the level of risk for each organisation based upon a range of factors, including your quarterly board paper submissions (including financial reports), annual progress reviews, annual accounts, evidence of excellence and/or reputational risks and concerns (eg press coverage, stakeholder feedback, feedback through relevant evaluation frameworks/toolkits).

This diagram illustrates categories of risk and our consequent levels of engagement.



We record risks at least every three months (or as they arise). Our risk assessment will be made available to you through our application portal, Grantium, on a quarterly basis. You will be advised of any changes to our monitoring of your organisation, if applicable.

We will use your risk level to determine whether any changes to our relationship are required and/or whether any further intervention/s or additional conditions to the funding agreement are needed to support your organisation to reduce its level of risk.

We expect the majority of our NPOs to be minor risk. Our Relationship Managers will prioritise their national portfolio time to focus on those organisations we consider carry a major degree of risk to our investment. We will expect to hold conversations with your chair (and other board members, as applicable) as well as with executive officers about action that may need to be taken to mitigate risk. These conversations aim to help you to improve the situation, but if no progress is made, your funding could be at risk. See the next section, [‘Keeping to the terms of your funding agreement’](#), for further details.

Keeping to the terms of the funding agreement

If your organisation is not meeting the requirements set out in the funding agreement, our first step will usually be to give you appropriate feedback and discuss this with you, so we can collectively understand and agree what the problems may be.

We expect your organisation's board (or oversight group) to be informed about any concerns we express, either in discussion at a meeting or in writing. We also expect that the board, working with your organisation's executive officers, will deal with the relevant issues and provide prompt and constructive advice on how you can meet the requirements set out in the funding agreement. We would expect any significant changes or challenges for the organisation to be shared with the Arts Council at the earliest opportunity.

If your organisation breaches, or is at risk of breaching, any terms of the funding agreement, we may take further action in addition to the feedback and discussion outlined above (which would usually be a first-stage measure).

For the avoidance of doubt, the terms and conditions of our funding agreement require organisations to deliver the activity to which they have committed, including achieving the targets they have set for themselves. We understand that plans do have to be adjusted to respond to business and other factors but would expect any proposed changes to be reported to and discussed with the board. We will determine through your board papers whether changes should be discussed with us but do expect any significant changes to the activity set out in the funding agreement to be agreed with us in advance.

Prevention and intervention

We will take appropriate action if your organisation breaches, or is at risk of breaching, the terms and conditions of the funding agreement. Measures we can take if the terms and conditions are breached are outlined below and will be based on the degree of risk to our investment. These measures should not be seen as a step-by-step process. We will approach each instance individually and determine the appropriate intervention or combination of interventions.

- **Action plans:** we may ask for and agree an action plan for improvement in response to the concern(s) raised. Within this plan we may ask you to consider changing your key officers, both executive and/or non-executive. You will be responsible for this action plan and we will monitor its effect over an agreed timeframe.
- **Additional payment conditions:** we may place extra conditions on our grant payments if you have not met the terms and conditions set out in the funding agreement or where we are particularly concerned about the risk to our investment.
- **Consultancy:** we may ask external consultants to provide us with detailed information on areas of concern. This may be because we need more information, because we need specialist input, and/or because we want to support you to develop and improve.
- **Eligibility for development funds:** if we have not received and agreed clear and credible plans to deal with issues, we will make your organisation ineligible for other Arts Council funding programmes (for instance National Lottery Project Grants or capital).
- **Increased monitoring and reporting:** we may ask that your executive officers or chair (or both) meet with senior Arts Council officers to confirm that areas of concern we identified are being dealt with (for example if progress to deliver against the Outcomes or embed the Investment Principles is not being met). We may also ask for written reports more frequently on certain issues.
- **Reduction of funding:** where you have breached the terms and conditions of the funding agreement, we may decide that your funding should be reduced on either a temporary or permanent basis.
- **Repayment of funds:** in cases where you have clearly continued to breach the terms and conditions, we may ask you to repay our investment.
- **Stakeholder review:** we may hold a joint review meeting with other investment partners and discuss areas that can be improved or developed.

- **Withdrawing investment:** where you are in either significant or sustained breach of the terms and conditions of your funding agreement, we may decide that continued investment is not a proper use of public funds and we will discontinue it. We would take into account the evidence available, interventions we have made and the progress you have made against your action plan/s.
- **Withholding payment:** if your organisation has not met the conditions of our funding agreement within an appropriate period, we may decide to withhold payment of a grant instalment (or part of a payment) until you have met the necessary conditions.

If we decide to carry out any of the above interventions, we will tell you in advance in writing and set out our rationale.

There may be situations where a breach of terms and conditions could lead to an immediate withdrawal of funding, for example if you have worked with a proscribed organisation under the Terrorism Act 2000 (see [here](#) for further information), or where the board has resolved to wind down the organisation.

Other organisational requirements and expectations

In addition to the reporting and monitoring requirements set out in this document, we also expect all NPOs to support and comply with the following policies and procedures. If we believe that the terms and conditions of our funding agreement have been breached in relation to any of the issues set out below, we will take appropriate action:

- **Counter fraud:** Arts Council England takes a zero-tolerance approach to grant applicants who commit fraud or bribery. In the event that such activity occurs, we will seek to undertake appropriate actions and sanctions that prevent, detect, act and recover funds, as applicable. This may include, but not be limited to:
 - a) Taking civil action in matters where fraud is an issue, but it is unlikely to lead to a criminal investigation.
 - b) Taking civil action where there has been an irremediable and substantive breach of the terms and conditions of grant.
 - c) Taking action, as is considered fit, in cases of minor or inadvertent breaches.

- d) Withdrawing a live grant or offer letter following the conclusion of an investigation based on breaches of our terms and conditions or identified illegal activity as per the Grant Withdrawal Process 2019.
- e) Marking applicants as ineligible for the funding programme, as per the 'Ineligible applications criteria'.
- f) Seeking recovery, as the prime consideration, in cases of fraud.
- g) Prosecuting offenders, and using the Proceeds of Crime Act 2002 to recover funds, in cases where money laundering is proven.
- h) Considering and using all relevant legislation, either through criminal or civil action when fraud, bribery or corruption are identified following legal advice.

For further information please read our [Counter Fraud Strategy and Policy](#) or email fraud@artscouncil.org.uk.

- **Equality and fair pay:** The Arts Council has a duty to ensure we meet the Public Sector Equality Duty 2011 and the protected characteristics as defined in the Equality Act 2010. We are also committed to promoting equality of opportunity, regardless of socio-economic background and want all of our funded organisations to deliver their programme/s in a sustainable way – for their staff, for freelancers, and for the long-term health of the sector.

Our current Delivery Plan sets out our [four Equality Objectives](#), which explain how we will put our legal duty into action.

Our Delivery Plan also sets out our commitment to funding a new national portfolio of cultural organisations that provide improved access and opportunity, including offering more equitable and transparent support for creative and cultural practitioners and clearer progression routes into the industry.

We will expect all NPOs to share and uphold these commitments and we have published further information about [Equality and Fair Pay](#) and [Supporting Practitioners](#) to support you to meet these expectations. We also expect all organisations we fund to take all reasonable steps to ensure the safety of the children and adults at risk that they will work with.

- **Modern slavery:** Modern slavery encompasses a wide range of horrendous crimes such as human trafficking, slavery, servitude and forced labour – Arts Council England has zero tolerance of modern slavery, as outlined in our [Modern Slavery Statement](#).

We are committed to improving our practices to prevent modern slavery within our own business, our supply chains and within the organisations we fund, including NPOs.

Our existing terms and conditions require funded organisations to comply with all relevant laws and government requirements, which includes the Modern Slavery Act 2015. In addition, our terms and conditions also require recipients of funding to have appropriate policies and procedures in place and to act in accordance with them at all times to help them comply with any relevant law, government requirements or best practice.

- **Working with proscribed terrorist groups or organisations:** All our funded organisations are required to operate to appropriate legislation for tackling terrorism and extremism. This includes the Prevent Duty (ie the Counter-Terrorism and Security Act 2015) and the Terrorism Act 2000, as appropriate.

Under the Terrorism Act 2000, the Home Secretary may proscribe an organisation if they believe it is concerned in terrorism, and it is proportionate to do. For the purposes of the Act, this means that the organisation:

- commits or participates in acts of terrorism
- prepares for terrorism
- promotes or encourages terrorism (including the unlawful glorification of terrorism)
- is otherwise concerned in terrorism

Funded organisations found to be working with and/or supporting any groups or organisations banned under UK law will be in breach of their funding agreement (see [here](#) for further information). This will lead to an immediate withdrawal of funding.

The Charity Commission also requires charities to report serious incidents, including incidents relating to terrorism or extremism. If a serious incident takes place within your charity, it is important that there is prompt, full and frank disclosure to the Commission, as well as to the Arts Council. For further information, please read the [guidance on how to report a serious incident in your charity](#).

- **Workplace disputes:** We expect all NPOs to have an open and inclusive workplace culture, where employees and workers can speak up about issues or concerns they (or their co-workers) may be experiencing. Employees and workers should be confident they'll be heard and have their problems addressed by the organisation in an appropriate way.

We expect our funded organisations to follow full and fair procedures to try and resolve any workplace issues that arise and, where possible, avoid the use of non-disclosure agreements (NDAs) as a mechanism for dispute resolution. For further information on the use of NDAs, please visit the [ACAS website](#).

- **Raising a concern:** The Arts Council published a revised Raising a Concern policy in January 2022. All those receiving funding from us should be aware that when concerns are raised with us by third parties (or when we are made aware of concerns through press or social media) we will investigate and will contact the named organisation/s to seek assurance that our terms and conditions of funding have not been breached. Organisations in receipt of Arts Council funding are required to cooperate fully and promptly with our investigation.

Current and future investment

Our funding agreement with NPOs will state that the amounts offered for each year of the investment period are indicative and subject to the Government's Spending Review for the period.

We can only guarantee future instalments of your investment as long as sufficient funds from the Government and/or the National Lottery are available to us. It is possible therefore that our funding to you during this investment period may be reduced.

In the funding agreement, we make it clear that NPOs should not assume investment beyond their current agreement. Any future investment beyond the 2023-26 investment period will involve an application process and the timing of this will depend on Government budget announcements. We will provide as much notice as possible about when applications will be welcomed, along with details of other information we will need.

Our future investment decisions may be influenced by factors that are additional to the specific merits of individual applications. For example, we will look at how organisations have delivered on previous funding agreements, with a particular emphasis on the progress made to achieve targets and success measures. We will also take into account the feedback we have provided you and the level of support and/or intervention that has been delivered to you during the previous funding period.

We will also continue to ensure all our investment makes the best possible contribution to the delivery of our strategy, Let's Create.

Contact us

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You can also Livechat with our Customer Services team by clicking the icon on our Access Support page: artscouncil.org.uk/access-support