



Association of Independent Museums

CULTURE RECOVERY FUND
ARTS COUNCIL ENGLAND GRANTS PROGRAMME

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THE CULTURE RECOVERY FUND

Exists to:

Support significant cultural organisations, in England, which were financially sustainable before Covid- 19 but are now at imminent risk of failure and have exhausted all other options for increasing resilience.

OVERVIEW

- The outcome of funding is for organisations to be reopened or operating sustainably by 31 March 2021
- ACE is supporting ‘cultural organisations’, including Accredited Museums and those Working Towards Accreditation, with grants **or** repayable finance
- Funding is to enable those affected by Covid-19 to stay afloat so they can reopen, fully or partially or enable them to operate on a sustainable, cost efficient basis until they can reopen at a later date.
- NLHF, in partnership with Historic England, is supporting across the heritage ecosystem also with distribution of funds directly from DCMS .
- Funding will cover 1 October 2020 - 31 March 2021
- No match funding is required
- Organisations in receipt of emergency funding **are** eligible to apply
- State Aid – grants are subject to state aid rules, it is an organisation’s responsibility to check whether state aid clearance is required.

CAPITAL FUNDING (£120m)This will be delivered through Historic England, the Arts Council and the National Heritage Memorial Fund applications for funding via ACE (portal opens on 24 August) and NLHF will be distributed to projects currently in receipt of capital grants whose projects are affected by Covid-19.

ARTS COUNCIL ELIGIBILITY

Cultural organisations (both profit and not for profit) based in England, including:

- limited companies registered at Companies House
- community interest companies (CICs) registered with the CIC regulator
- charitable incorporated organisations (CIOs) registered with the Charity Commission
- charitable companies or charitable trusts registered with the Charity Commission
- limited liability partnerships registered at Companies House
- partnerships established under a partnership deed/ agreement
- community benefit and co-operative societies registered with the Financial Conduct Authority
- Royal Charter bodies
- statutory bodies and other public bodies including Universities and museum who run or maintain cultural services

The lead organisation must also be able to provide at least one year's independently certified or audited financial statements

Your organisation must have been financially stable pre Covid-19

APPLYING TO ARTS COUNCIL ENGLAND

- Apply via the Grantium portal – **REGISTER NOW**
- Read the guidance and the FAQs
- You do not need to have received public funding in the past to be eligible
- Total fund up to £500million directly from DCMS
- **Grants £50 000 - £3million**
- Cultural organisations based in England who are properly constituted as an organisation
- Accredited museums, incl Working Towards Accreditation
- Parent organisations of trading subsidiaries for costs expected to be incurred 1 Oct – 31 Mar
- Two rounds – **21 August and 4 September deadlines**
- Decisions
 - Round 1 open now – under £1million by 5 October; over £1million by 23 October
 - Round 2 opens 21 August under £1million by 16 October; over £1million by 6 November
- Also supporting re-payable finance for a further £270 million for organisations requiring over £3million – applications accepted from 21 August, closing 11 September.

COSTS YOU CAN APPLY FOR (1)

- Your organisation must have been financially stable pre Covid-19 (demonstrated through cashflow, one year's certified accounts or audited financial statements, balance sheet at 31 July 2020)
- **costs incurred between 1 October 2020 and 31 March 2021 that enable the organisation to remain open, reopen or partially reopen, where this represents a value for money approach and where the proposed activity is in line with Culture Recovery Fund: Grants programme, specific Government Covid-19 guidance, and does not constitute unnecessary risks.** Eligible costs include:
 - essential business expenditure, such as staff salaries, freelance employment and fixed/operational costs
 - equipment to ensure compliance with social distancing and other public health requirements
 - any up-front costs for preparing to restart activities that will drive future income, such as performances, exhibitions and marketing
 - increased costs as a result of trading in accordance with Culture Recovery Fund: Grants programme specific Government Covid-19 guidance
 - redundancy pay outs where decisions have been made to reduce staff
 - advice from professionals, for example on risk, safety, how to support staff or on new business models
 - debts incurred as a direct result of the Covid-19 pandemic

COSTS YOU CAN APPLY FOR (2)

- **costs to allow reduction of activity that ensure sustainability and preservation of the organisation, if that is the most cost-effective route to safeguard for the future, including:**
 - essential business expenditure, such as staff salaries and fixed/operational costs
 - protecting cultural assets by:
 - i. maintaining buildings and other assets (including collections) while closed (including environmental monitoring and conservation)
 - ii. stabilising collections at immediate risk
 - iii. temporary storage for collections, artefacts and documents
 - iv. supporting the retention of specialist skills and expertise
 - security to ensure buildings and sites are secure over the closure period
 - redundancy pay outs where decisions have been made to reduce staff
 - costs to prepare for reopening, including hiring staff & building working capital
 - debts incurred as a direct result of the Covid-19 pandemic
 - costs that may prevent the need for additional, unavoidable, public investment further down the line (for example, assets which may revert from third parties to public ownership in the event of insolvency, or otherwise need saving or protecting), or a future failure to deliver any statutory duties

COSTS YOU CAN APPLY FOR (3)

- **costs to ensure the value for money recovery of your organisation's financial sustainability, including:**
 - running risk management reviews and testing any identified actions to safeguard the organisation as needed
 - reconfiguring business plans, governance and activity needed to help safeguard the future of your organisation
 - considering or implementing organisational restructures and mergers where these have been identified as the most cost-effective way of sustaining an organisation
 - reflating reserves up to the equivalent of up to eight weeks' turnover

COSTS YOU CAN'T APPLY FOR

- New projects or activities
- Costs that are eligible to be covered by government support, for example, furloughing
- The remaining salary costs for staff on furlough not covered by the government's Job Retention Scheme, or any additional salary costs above the furloughing cap
- Operating beyond 31 March 2021
- Anything that contravenes Governments' advice on COVID-19 at 10 August 2020
- Significant historic debt (prior to 1 March 2020)
- Building and capital works
- Reflating reserves beyond the equivalent of eight week's turnover
- Costs already covered through other emergency support funding, for example through the NPO funding or ACE Emergency Response Package, Heritage Emergency Fund or Historic England's Covid-19 Emergency Heritage at Risk Response Fund.
- Costs relating to the promotion of the beliefs of political or faith organisations.

CAN WE APPLY FOR AN ACE PROJECT GRANT?

- Fund aims to support artists, community and cultural organisations
- Until April 2021 the fund will focus on individual practitioners and smaller independent organisations
- Chance to apply for funds to plan, test and shape new activity
- No longer need 10% match funding
- Must be accredited or working towards accreditation
- Partnerships can apply that contain one accredited museum
- Must have a long term or short term public engagement outcome within the project
- Projects can be for organisational resilience such as business planning or fundraising

REPAYABLE FINANCE

- Arts Council today published [guidance](#) for the £270m Repayable Finance Scheme. Applications will be accepted from 21st August. Applications will close on the 11th of September.
- This option will be available for the largest cultural organisations, designed for those who require more than the maximum £3m available through the Cultural Recovery Fund grant package.
- Applicants will be able to apply for funding in excess of £3 million, the limit of the grants already available, on generous loan terms including a payment term of up to 20 years, an initial repayment holiday of up to four years and a 2% interest rate per annum. During the four year repayment holiday, loans will accrue interest on a 6-monthly basis.
- Because loans involve a commitment from the organisation to repay, **organisations will be able to use the loan to cover costs into 2021 and up to 31 March 2022 if necessary.**
- Loans will be prioritised for organisations that are of local, regional and national importance, and where they play a key role in levelling up their local communities

APPLYING TO ARTS COUNCIL

Apply via the ACE online portal system – Grantium

- Basic details – amount requested, period of funding, last year's turnover, current reserves, numbers of staff you employ or contract.
- A series of key questions where you need to **MAKE YOUR CASE**

1. TELL US HOW COVID-19 HAS IMPACTED YOUR FINANCIAL VIABILITY, RESILIENCE AND SUSTAINABILITY

(up to 2,000 characters including spaces, approximately 350 words)

You will need to tell ACE:

- how your organisation was financially viable before the Covid-19 pandemic took hold
- how your organisation is at clear risk of no longer trading viably by 31 March 2021
- how you have taken advantage of other Government schemes and measures which have been introduced since the pandemic began
- how you have reduced your organisation's core costs in order to ensure your organisation is more financially resilient
- how you have exhausted all other reasonable options to ensure that your organisation remains financially viable, including affordable lending, viable alternative options for commercial, contributed and philanthropic income, and using your own resources

2. TELL US YOUR PLAN FOR HOW A GRANT FROM THIS FUND WILL ENABLE YOU TO ACHIEVE FINANCIAL VIABILITY BY 31 MARCH 2021 IN THE WAY THAT IS APPROPRIATE FOR YOUR ORGANISATION

(up to 4,000 characters including spaces, approximately 700 words)

You will need to demonstrate how your plan could enable your organisation to either:

- a) fully or partially remain open or reopen, where it represents a value for money approach, **or**
- b) not reopen, minimising costs in the interim period

You will need to tell ACE: your plan for the most value for money route to sustainability that:

- sets out the cultural activity you plan to progress
- represents good value for money with social distancing in place
- does not entail significant financial risks for your organisation
- shows you have taken appropriate steps to reduce costs
- maximises income as fully as possible in a cost-effective way, including extending opening hours if appropriate and taking advantage of temporary changes to Government rules and regulations

2. TELL US YOUR PLAN FOR HOW A GRANT FROM THIS FUND WILL ENABLE YOU TO ACHIEVE FINANCIAL VIABILITY BY 31 MARCH 2021 IN THE WAY THAT IS APPROPRIATE FOR YOUR ORGANISATION (CONT.)

You will need to tell ACE:

- how you have considered whether full reopening, scaled-back reopening, or remaining closed with a reduced cost base provides your best chance for longer-term survival
- how you have the skills and experience available at a senior level to enable you to adapt and flex your business to the changing external environment, and ensure the best chance of longer-term viability, sustainability and recovery
- what financial controls, monitoring and reporting processes you have in place to ensure the effective financial management of your organisation

3. TELL US ABOUT YOUR ORGANISATION'S WORK AND HOW IT IS CONSIDERED TO BE CULTURALLY SIGNIFICANT AND/OR HOW IT CONTRIBUTES TO PROVIDING CULTURAL OPPORTUNITY IN ENGLAND

(up to 4,000 characters including spaces, approximately 700 words, split across two text boxes of maximum 2,000 characters)

You will need to tell ACE about:

- a) your national and international significance within the cultural sector **and/or**
- b) your role in providing cultural opportunity in England

You only need to answer option a) or b), although you are welcome to respond to both if you prefer.

- a) the following prompts will help you to tell us about your national or international significance in the cultural sector, if that is most relevant for your organisation:
- that you are an organisation which makes a major contribution to the national and international reputation of the cultural sector in England and that you can demonstrate your commitment to excellence and innovation in the way you create, present and distribute content and to building national and/or international partnerships
 - that your organisation has national or international reach, relevance and impact, for example whether you care for and provide public access to buildings or collections that are nationally significant or that your activity is important for the development of your artform or discipline and/or
 - that you offer public access to nationally or internationally significant artistic, curatorial and/or cultural training or employment, including the development of a diverse and growing talent pipeline provision or content and/or
 - that you fulfil a national or international leadership or development role within an artform/sub-artform or discipline that could not be easily replicated or replaced

b) the following prompts will help you to tell ACE about your role in providing cultural opportunity in England, if that is most relevant for your organisation:

- that you are located in a place where there is a relatively low number of cultural organisations, and whose loss would further reduce cultural engagement opportunities for audiences, particularly for people from underserved groups in society and for young people
- that you are located in a place where there are relatively low levels of cultural engagement and that, as an organisation, you work with people there, particularly those from underserved groups, to help them develop and express their creativity throughout their lives
- that you are a vital cultural organisation in a place, because of the employment opportunities you provide, the contribution you make to economic agendas such as tourism, and/or the important role you play in enhancing local creative skills
- that, as an organisation, you play an important role in supporting a collaborative approach to the cultural ecology within a place, through partnership with other cultural organisations, and/or with organisations in other sectors (for example, a Cultural Education Partnership)
- that, as an organisation, you demonstrate a leading role in driving innovation in a particular art form, or sub-art form, within the country
- **that, if your organisation is a museum, you care for collections which have important national, regional, local or community resonance, and/or the loss of that collection would impact disadvantaged communities, and/or our understanding of diverse communities across England**

4. USING THE PROTECTED CHARACTERISTICS OUTLINED UNDER THE EQUALITY ACT PLEASE TELL US HOW YOU WILL IMPROVE THE DIVERSITY OF YOUR WORKFORCE, GOVERNANCE, AUDIENCES, VISITORS AND PARTICIPANTS

(up to 2,000 characters including spaces, approximately 350 words)

You will need to tell ACE:

- what steps you will take to broaden the diversity of your workforce and governance, and the impact of those changes
- what steps you will take to broaden the diversity of your audiences, visitor base and participants, and the impact of those changes

INCOME AND EXPENDITURE

- This is to understand your financial position and income you expect, plus details of how you intend to use the amount requested.
- Tables to complete in the application form

ATTACHMENTS (1)

- a completed cashflow template (01 Oct – 31 Mar minimum)
- your most recent management accounts for the year ending 31 March 2021 (these should show your organisation's actual income and expenditure to 31 July 2020 against your original budget for the year and your forecast income and expenditure to 31 March 2021)
- a balance sheet at 31 July 2020, showing levels of restricted and unrestricted reserves
 - A balance sheet shows the value of an organisation on a particular date, including what the organisation owns and owes (its assets and its liabilities)

ATTACHMENTS (2)

For applications under £1 million:

- not less than one year's full independently certified or audited financial statements (maximum of three years), prepared to the relevant legal standard for an organisation of your size and status

For applications over £1 million:

a plan showing what activity you anticipate delivering between 1 October 2020 and 31 March 2021 to include any prolonged closure period and outline budgets

- not less than three years' full independently certified or audited financial statements (or a minimum of one year if constituted more recently), prepared to the relevant legal standard for an organisation of your size and status

DECISIONS

£250k and below – decision meeting in your Area

Applications over £250,000

Answers to each question will be assessed using the ‘prompts’ that reflect the criteria.

- **Financial Resilience and Sustainability** (questions 1 and 2)
- **Cultural significance** (question 3)
- **Diversity of audiences and workforce**

Rating applied for each question :

- **Not met** - *The application does not meet the criteria*
- **Met** - *The application meets the criteria*
- **Strong** - *The application strongly meets the criteria*

If you are a Museum (either with Accredited or Working towards Accreditation status) applying for £250,001 and over, ACE will share your application with [National Lottery Heritage Fund](#) for their review and comment.

BALANCING CRITERIA

- **Geographic spread:** we will take into account the need to support cultural organisations across England. We will also consider whether your organisation is based in an area of low cultural engagement, as per the [Active Lives Survey](#).
- **Increasing diversity and broadening access and participation in culture:** we want to support organisations who are committed to developing diversity, particularly for those audiences and participants that are less likely to interact with culture, those organisations which promote understanding of diverse communities across the country, and those which promote positive social outcomes through place based collaboration
- **Range of artforms and disciplines:** we want to support a range of organisations across the cultural ecosystem including our defined artforms and disciplines. These are: combined arts (multiple artform, cross artform or hybrid artforms), dance, literature, museums, music, theatre and visual arts
- **Size and type:** we want to support a mix of cultural organisations across a range of sizes and scales that make a contribution to economic growth and sector employment including, for example, building-based companies, touring companies, arts venues, festivals and other types of organisations

CONDITIONS OF FUNDING

If you are awarded a grant, you will be required to sign up to the terms of this grant, which include specific requirements from DCMS.

- the organisation will exercise pay restraint for at least 18 months from the date of the funding agreement, where legally possible for them to do so, including imposing a pay freeze for all senior staff and 10% pay reductions to pre-Covid-19 pay for those contracted to receive above £150,000 per year
- the organisation will demonstrate a commitment to increase its organisational diversity and the diversity of its audiences, visitors and/or participants
- the organisation will demonstrate a commitment to progress towards net zero greenhouse gas emissions by 2050 and reporting against it
- the organisation will demonstrate a commitment to increase educational/outreach work
- the organisation will comply with legislation relating to State aid
- the organisation will ensure they take reasonable steps to protect the heritage assets they are responsible for, in particular their physical estates.



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GOOD LUCK WITH YOUR APPLICATION