Scottish Arts Council

Information and Guidelines for Flexible Funding 2011-2013

Please read this information and the Quality Framework document attached before you complete the Application Form.

Part 1: Information

1. Background

The Joint Board of Scottish Arts Council and Scottish Screen is investing £7.98m each year in the Flexible funding programme (2011-2013) in order to achieve: ***A body of creative work of high quality, most but not necessarily all of which is presented or produced in Scotland. The work should be celebrated at home and beyond. The activity supported should result in a good geographic spread within Scotland.***

This programme of work will transfer to the new organisation, Creative Scotland, which is expected to be established in the first part of 2010, subject to legislative scrutiny by the Scottish Parliament.

2. Purpose of the fund

The fund has been established to enable:

- an organisation to be directly involved in creating/supporting the production and/or public presentation of the work of artists and creative practitioners
- an organisation to offer a range of services, support and advice to other arts and creative organisations, enabling these to best deliver and develop their programming and business objectives

3. Scope of the fund

The amount of funding for this programme is limited and **the demand for funds is expected to be extremely high**. We will not be in a position to fund all applications which may be eligible and meet the criteria. In addition, we may not be able to support your funding request in full.

Achieving the required level of partnership funding is essential with **at least 25%** of the total cost from sources other than the Scottish Arts Council of which **at least 10% of the total cost must be in cash**. If you are applying for larger amounts of money, we expect you to seek more **cash** partnership in line with the targets set in the table below:

Level of Grant per annum	**Proportion of cash partnership funding expected**
£50,000- £99,999	10%
£100,000- £199,999	15%
£200,000- £349,999	20%
£350,000- £500,000	25%

If you are seeking less than £50,000 per year, this fund is not applicable.

While Flexibly Funded organisations may be able to apply to us for project funding for activity in 2011/12 and 2012/13, they are unlikely to be a high priority for support. In your application for Flexible funding you should therefore only include activity that can be supported in full through income you plan to raise from sources other than the Scottish Arts Council plus the amount of Scottish Arts Council Flexible funding requested.

In the event that organisations that are currently Flexibly funded are unsuccessful in their application for Flexible funding for 2011/12-2012/13 we will not be able to offer financial support for organisational/transitional change.

4. Criteria for the fund

Organisations that apply must be based in Scotland and be able to demonstrate that they meet, or surpass, the requirements of the Scottish Arts Council's Quality Framework (available at www.scottisharts.org.uk/1/information/publications/1004296.aspx). When we assess your application these are the criteria that we will use:

- quality of **artistic** vision and leadership
- the appropriateness of your plans for widening **access** to ensure inclusion in all your services, employment and artistic programme
- strength of commitment to continually improving your **engagement with the public**
- good practice in the **governance and management** of your organisation, including your financial management

Flexible funding is intended to achieve a good geographic spread across Scotland. It is therefore important that you tell us about the geographic impact of your programme. Our final decision will aim to achieve a good balance of activity across the country.

5. Eligibility – who can apply

a. An organisation applying for Flexible funding will be either:

- an organisation that is directly involved in creating/supporting the production and/or public presentation of the work of artists and creative practitioners
  or
- an organisation that offers a range of services, support and advice to other arts and creative organisations, enabling these to best deliver and develop their programming and business objectives

b. Organisations need to be based in Scotland.

c. Organisations must be incorporated as companies and be able to supply Memorandum and Articles of Association. If you are not currently incorporated, we can still accept your application as long as you are already properly constituted and can provide evidence to demonstrate this. However, if your application is successful, it will be a condition of grant that you must become incorporated before any funding can be released. Please see the Companies House website for more information about becoming incorporated
www.companieshouse.gov.uk/infoAndGuide/companyRegistration.shtml
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d. There may be applicants who do not describe themselves as 'organisations' but who are still eligible to apply, subject to their being able to demonstrate accountability for public funds, and can meet the requirements of our Quality Framework (available at www.scottisharts.org.uk/1/information/publications/1004296.aspx).

- **Sole traders or partnerships** must be able to demonstrate that their business is appropriately set up and registered as a separate legal entity and has dedicated business banking arrangements in place.

- **Artists' groups** must be already established with an appropriate management structure in place, a written constitution, and dedicated banking arrangements.

- **Groups of organisations working together may apply as a consortium**. You must be able to provide a formal consortium agreement which clearly sets out the aims and objectives of the consortium, its membership and how the consortium will manage all aspects of its affairs. One of the partner organisations must take the lead and be responsible for managing the application and any grant. The nominated lead organisation must maintain this status throughout the funding period. Once the award has been made, we are unable to change the lead organisation to which the grant has been paid.

e. New organisations must be properly constituted before making an application – we are unable to consider applications from organisations whose legal status is not resolved. If you are formally constituted but do not yet have audited accounts, we will require evidence that suitable business banking arrangements are in place.

f. Organisations need to meet the partnership funding requirement (see section 3 above)

g. In addition, we can only fund organisations that are financially solvent.

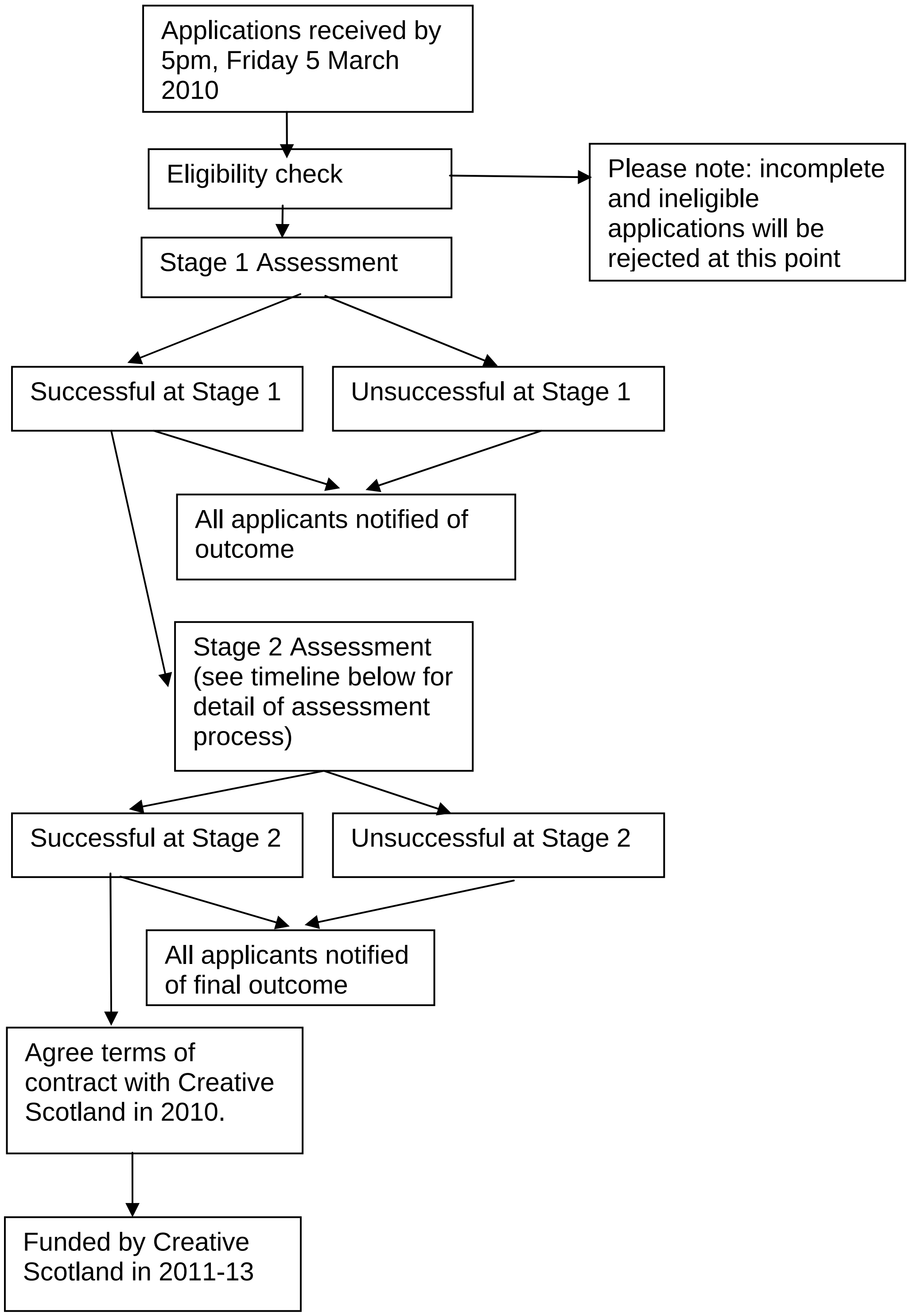
6. Eligibility – who cannot apply

- individuals (please see our Individuals: Application Guidelines for details of our project funding for individuals)
- organisations not based in Scotland
- organisations which are not formally constituted
- organisations which do not have a commitment to equal opportunities
- National Performing Arts Companies (National Theatre of Scotland, Scottish Opera, Scottish Ballet, Scottish Chamber Orchestra, Royal Scottish National Orchestra)
- National Collections (National Galleries of Scotland, National Library of Scotland, and National Museums of Scotland.)
- Scottish Arts Council/Scottish Screen Foundation funded organisations
- organisations seeking less than £50,000 per year

7. Timeline and process for application and decision

This is a **two stage application process**. At Stage 1, the key criteria we will be assessing your application against are Artistic Leadership and Public Engagement. At this stage we will work with a panel of specialist advisors to consider your responses to questions 16-21. In addition to assessing each individual proposal, the Stage 1 panel will also consider the overall balance of proposals received to ensure a good spread of activity across the country.

In Stage 2, the governance, management and financial information you have submitted will be scrutinised. The timeline and process are shown in the flowchart and table below.


Applications received by 5pm, Friday 5 March 2010
Eligibility check
Please note: incomplete and ineligible applications will be rejected at this point
Stage 1 Assessment
Successful at Stage 1
Unsuccessful at Stage 1
All applicants notified of outcome
Stage 2 Assessment (see timeline below for detail of assessment process)
Successful at Stage 2
Unsuccessful at Stage 2
All applicants notified of final outcome
Agree terms of contract with Creative Scotland in 2010.
Funded by Creative Scotland in 2011-13

Timeline

Date	Detail
5pm, Friday 5 March 2010	Deadline for receipt of completed application form and all supporting material
	Stage 1 Assessment by a mediation panel of senior staff and Specialist Advisors to assess: • Artistic Leadership • Public Engagement • overall geographic impact of programme Assessment will be based on **Questions 16 - 21 of application form only,**
By mid April 2010	All applicants will be notified whether or not they have been successful at Stage 1
	Stage 2 Assessment is multi-layered. a) Assessment by three officers; finance, specialist knowledge and independent officer, using full application as submitted.* b) Mediation by senior staff c) Recommendations made by directors d) Final decision by joint board
By mid-July 2010	All applicants will be notified as to final decision.

We will advise you of any significant changes to this timeline or process.

* We may bring in suitably qualified external assessors to help in this process.

8. Evidence/information we will use to assess your application

In addition to the information given in your application, the Scottish Arts Council will use the following information to inform the assessment:

Stage 1 only
- specialist advisors' knowledge of the wider arts sector in Scotland

Stages 1 and 2
- the staff's knowledge of the wider arts sector in Scotland
- your request in respect to the funds available and other competing bids
- the staff and specialist advisors' existing knowledge of the applicant's work
- Scottish Arts Council artistic evaluations covering the period April 2008 – December 2009. **If your organisation is unknown to us, we will rely solely on your application.**
- If we have any unresolved concerns about previous activity funded by us, such as outstanding final reports, this will be taken into account.

Part 2: Guidance on preparing your application

Section 1: General information

- You must answer all the questions in the application form, using the guidance at section 2 below. It is very important that you think carefully about how your proposal meets the criteria, and that you demonstrate this within your application.
- You must provide all of the supporting information that we request under section 3 of the application form and in the Checklist in section 3 below otherwise your application will be rejected.

Please note: we will assess the application **based on what you send us** and **will not seek any further information or clarification**. We have provided you with a checklist of the documents you need to give us. We will not refer any material that has been submitted in relation to any previous applications. However, we will use the knowledge of staff and specialist advisors about the wider arts sector in this process. For advice and support please direct any enquiry to FXOenquiries@scottisharts.org.uk.

Section 2: How to answer the questions

The following guidance refers to the question numbers in the application form and details the particular information we need in your answers to some of the questions relating to your proposal. Decisions will be made on the basis of the information you provide in your application form, so it is in your interest to ensure that your application is accurate and does justice to your proposal.

Question 10: what type of organisation are you?

Please note that Creative Scotland will be unable to fund non-incorporated bodies. Any company not currently incorporated, including registered charities, must agree to become so if funding is offered.

You should state the type of organisation that you are, using the guidance at Section 5 to ensure that you are eligible to apply, and to check what evidence of your status we may require.

Question 15: Business Plan
Your business plan should cover the period of funding 1 April 2011 – 31 March 2013 and include the following:

- vision and plans for the organisation
- artistic programme outline
- staffing structure and pay scales of the organisation
- equal opportunities policy
- details of the management of the programme and the person/s responsible for this
- short professional biographies of the key people involved in delivering the programme (maximum 200 words each)
- detailed budget for 2011/12, detailing all expenditure and income (clearly showing whether these are cash or in-kind) and audience/participation targets attached to this plan. Cost your programme realistically.
- outline budget for 2012/13

Your business plan should identify the markets, customers, expenditure and finances required, based on projected revenues and costs over a period of two to five years, including a listing and analysis of risks and uncertainties.

Question 16: describe your (artistic) vision and demonstrate how it is communicated and delivered through your agreed aims and objectives - this should come from your business plan. (maximum 250 words)

Question 17: tell us about your proposed programme of work for 2011-2013 and anticipated outcomes (maximum 500 words)

Include a short description of proposed projects during the period and key outcomes for your organisation.

Question 18: describe significant partnerships (regional, national or international) that you are involved in, or wish to develop during this period of funding.
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Include a short summary of proposed partnerships that you aim to/will have during the funding period.

Question 19: please tell us how you will develop and promote equality of opportunities and ensure inclusion and accessibility to all services, employment and your artistic programme. How will you put your equal opportunities plan into action?

Question 20: please describe how you intend to engage and develop audiences/ participants during this period of funding

How will the marketing and education work support the programme?
Please tell us about any target groups that you are proposing to work with over this period.

Question 21: please provide a summary of key achievements over the last two years to evidence and support the statements made above.

Question 22: Income and Expenditure
While we expect that you will have a full budget with your business plan, we ask that you complete this section, which will form the basis of a funding agreement if you are successful in this funding round. Please note the following guidance:

- **Partnership funding**

Achieving the required level of partnership funding is essential with **at least 25%** of the total cost from sources other than the Scottish Arts Council of which **at least 10% of the total cost must be in cash**. If you are applying for larger amounts of money, we expect you to seek more **cash** partnership in line with the targets set in the table at Part 1 above.

- **Contingency**

Your budget should include a suitable amount for unexpected or unknown costs (a contingency). Once we have awarded you a grant, we cannot increase it. As the funds are for more than one year, you should allow for inflation over the period of funding.

- **What should be included under each Income heading?**

Box office/programme income includes:	• Ticket income (main activity & hires) • Touring fees/guarantees/splits • Co-production income • Gallery/theatre hire • Exhibition sales • Website/print/CD sales
Ancillary earned income includes:	• Catering & bars • Programmes, confectionery, merchandise • Advertising income

	• Equipment, costume, music hire • Shop & catalogue sales
Other earned income includes:	• Education income • Royalties • Recharges to other companies • Course fees • Membership contributions/fees for services • Subscriptions • Income from tenants • Other fees – consultancy/conference • Investment income/interest/NIC rebates
Business sponsorship trusts, friends, donations	• Please list the income from these two sources separately.
Local authority revenue; local authority project	• Please list revenue and project income separately.
Other public funds:	• Please give a total figure for income from any other public body eg Arts Council England, Local Enterprise Company, Tourist Board, Scottish Government, British Council.
Other Lottery income:	• Please give a total figure which includes lottery monies from all sources except Scottish Arts Council.

- **What counts as Cash or In Kind?**

Please ensure that you include all in-kind contributions in both the projected income and expenditure sections of your budget, and that your calculation of the value of these costs is realistic. For more information, you can ask our Help Desk for our guidance note on in-kind contributions or download it from our website www.scottisharts.org.uk/1/information/publications/1006149.aspx.

Cash contributions may include:	• earned income from your activity, eg ticket sales, book sales, fees charged • funding from public organisations such as local authorities, local enterprise companies • grants from trusts and foundations • a contribution from your organisation
In-kind contributions may include:	• voluntary labour (but any time or services 'donated' should be additional and not part of the person's normal job) • donated equipment • services donated from other companies or organisations • use of premises or office space for the programme • carer support for people with disabilities
In-kind contributions *may not* include:	• the time or services of any employee whose post is funded by the Scottish Arts Council or for whom the funded activity would be within the usual scope of their remit • expenditure which forms part of the core costs of your organisation • the value of discounts on equipment

Section 3: Supporting documents

Your application should comprise the following documents (please see *Information about Supporting Documents* below for further explanation of what we are looking for):

1.	Application form
2.	Business plan to cover the funding period 2011-13
3.	Constitution, Memorandum and Articles of Association or other governing articles as appropriate (subject to exemptions described at *Legal status* below)
4.	A copy of your **most recent** audited or certified accounts or other evidence of financial status as described at *Financial status* below
5.	A copy of your **most recent** management accounts
6.	A copy of your **most recent** bank statement

Please note:

- Please provide documents electronically in PDF format.
- All documents must carry the appropriate signatures and dates – drafts or templates will not be accepted
- If you are applying by email and unable to supply any of the supporting documents electronically, these must be forwarded in hard copy along with the signature page, to arrive as soon as possible, and no later than **5pm on Friday 12 March 2010**
- **We are unable to accept any supporting material other than that detailed above**

Information about supporting documents

Some of what you need to provide may vary depending on your circumstances and the following explains what we are looking for

Legal status

Most applicants are required to provide evidence of their legal status, especially if applying for the first time. Exceptions to this are:

- local authorities, government agencies and statutory bodies, and organisations which currently receive Flexible funding from us
- organisations which have previously sent a constitution, unless there have been significant changes to it since the last time you provided this

The type of evidence you provide will depend on the type of organisation you are, and would typically be in the form of a written constitution or Memorandum and Articles of Association. It should clearly describe how your organisation is structured and managed, including how it will deal with financial matters, and should be appropriately authenticated with signatures and dates.

Our Help Desk can provide you with information on constitutions – please ask for our *Short Guide to Constitutions*. Alternatively you can download it from our website - www.scottisharts.org.uk/1/information/publications/1000295.aspx

Financial status

You must provide evidence of your financial status. We normally expect this to be your most recent audited or certified accounts, but this may take different forms depending on the type of organisation you are and what you are required to provide for Companies House or the Charities Regulator

- if you do not have audited or certified accounts, you will need to tell us why and provide other evidence of your financial status and that suitable business banking arrangements are in place
- regardless of whether you have applied for funding in the past and previously submitted your accounts, you must provide your accounts or evidence of your financial status along with this application

Section 4: How to apply

The application pack is in two parts and you must complete and submit both parts. Part 1 is in Microsoft Word format and is for the narrative information in your application. Part 2 is in Microsoft Excel format and is for gathering numerical information in a way which will enable us to collate and use your data effectively. If you have any difficulty in using these formats please let us know as soon as possible so that we can provide an alternative.

Your completed application form, business plan and supporting documents should be sent by e-mail FXO@scottisharts.org.uk to arrive no later than **5pm on Friday 5 March 2010.**

If you prefer to make your submission in hard copy, please send your application form, business plan and all other supporting documents to the **Grants Department** at the address below to arrive no later than **5pm on Friday 5 March 2010.**

Your application must be signed by both your chief executive and chair of the board of directors (or equivalent). If you are submitting your application in hard copy, the relevant signatures should be included. If you submit your application **by e-mail**, we will require a signed hard copy of the signature page of the application form (Section 5). This should be sent to the **Grants Department** at the address below by **5pm on Friday 12 March 2010. If we do not receive your signature page by this date we will be unable to proceed with your application.**

Please ensure that you retain copies of the application form and all supporting documents for your own files.

Scottish Arts Council
Grants Department
12 Manor Place
Edinburgh
EH3 7DD

Part: 3: What happens to your application?

1. On receipt of application
A Grants Co-ordinator will check that your application is eligible as outlined above and that it is complete. If your application is not eligible and/or is not complete we will reject it and return it to you with a letter to say why. Please note that we will not contact you to ask for missing information.

Receipt of your e-mailed application will automatically be acknowledged by return email. If you make your submission by hard copy, we will send you written acknowledgement that we have received your application within **10 working days** from the deadline date.

Your application will be assessed according to the process outlined above and as illustrated in the table in Part 1 above. Assessment of the viability of the programme will be done by independent officers, or specialists, with comment from staff with knowledge about the organisation. Decisions regarding the application will be made in stages, as agreed by the Joint Board.

Please do not try to influence the decision by lobbying officers, specialist advisors, directors or joint board members either directly or indirectly. If you do, we may reject your application.

2. After the decision

If you are unsuccessful
If your application is not successful we will write to you and explain why. We will also tell you who to contact if you need any further information about the decision.

If you are successful

If you are successful, we will inform you in writing, and then work with you during the following year to draw up a funding agreement. The following table outlines the process that will follow confirmation of an award of Flexible funding, and the associated timescales:

December 2010	We will ask you to submit updated artistic programme, cashflow, management accounts, audited accounts and budget. We will work with you to draw up a draft Funding Agreement.
January -March 2011	Funding Agreement will be finalised
March 2011	A formal offer letter will be sent out after completion of the Funding Agreement
April 2011	First payment of grant will be made on return of the signed offer letter.

Evaluation

We may ask you to take part in an evaluation study or carry out an assessment of the programme after it has finished.

Part: 4: Important additional information

Openness and Accountability

For the purposes of the Freedom of Information (Scotland) Act 2002 (FOISA) we are a Scottish public authority and any information we hold (which could include your application) could be seen by anyone making a request under the Freedom of Information Act.

We will hold information you supply in manual files. We will then summarise it and transfer the details to a computer-based grants management system. We are likely to hold reports from the information you supply within your application and from comments made on your application by external assessors and staff members are likely to be held on both manual and computer-based systems. We will make the information you supply available to those assessing any other grant applications you make.

Occasionally, we will use the information contained in your application for the purposes of research and evaluation, and this may be done by people who are not staff of the Scottish Arts Council.

Sometimes we may hold meetings to consider large scale grant applications where members of the public and media might be present. We could discuss your application, supporting material and reports written by our officers and independent assessors could be discussed at this open meeting.

By submitting your application you waive any right to raise any type of legal proceedings against us as a result of us releasing the contents of your application in response to an information request made under FOISA.

Information that we may release
If your application is successful we will release the following information from your funding application if we receive a FOI request:

- your name
- the amount of funding requested
- your 25 word project description

If more detailed information is requested, we will consider this request under FOISA and follow the Act's exemptions and the public interest test appropriately.

If we need to release more detail from your funding application we will contact you and let you know about this, although this may not always be possible. We will only release information on applications that are successful. We do not release information on unsuccessful applications

For more information on the FOISA please see the Scottish Information Commissioners website at www.itspublicknowledge.co.uk or read the FOISA guidance on our website at www.scottisharts.org.uk/1/information/freedomofinformation.aspx.

Data protection

We use data held on our grants management system for the following purposes
- to report statistics
- to assess applications
- for accounting purposes
- for contacting you

The details of your application may become public information (see *Openness and Accountability* above). However, your personal details will be held within our grants management system and our paper files, and only our staff, appointed auditors and individuals or organisations who may help us assess or monitor grants will have access to them.

You have a right under the Data Protection Act 1998 to see the information we hold on you. You can do so by completing a Subject Access Request form available on our website at www.scottisharts.org.uk/1/information/dataprotection.aspx. By signing your application form you are agreeing that we can use your information as shown above.

For more information on the Data Protection Act 1998 see www.informationcommissioner.gov.uk

Please note that **we view your signature on your application form as acceptance of the use of your data as outlined.**

Your application and supporting evidence will form the basis of the information that we hold on your organisation.

Please note that if you deliberately give any false or misleading information, we will withdraw your application or, if a grant has already been awarded, ask you to pay back any money we have given you. This will also have implications for any future applications you may submit.

How we work

At the Scottish Arts Council we aim to provide a prompt, helpful and high quality service and strive to ensure our operations are fair, open, accountable and effective. Our standards are set out in our Quality Service document which can be downloaded from our website www.scottisharts.org.uk/1/information/publications/1006351.aspx

Your comments and suggestions are important to us. Thanks to your feedback we seek to improve our service so our application process may change over time.

Should you feel unhappy with any aspect of your contact with us please let us know. You can phone or mail us at the usual address or e-mail qualityservice@scottisharts.org.uk and we will do our best to resolve your concerns as quickly as possible. If you are still dissatisfied, however, our complaints procedure is available from any member of staff, the Help Desk and on our website, www.scottisharts.org.uk

We are committed to making the best use of resources available to us by ensuring high standards of quality and customer care. We treat our customers with respect and our staff expect the same in return. We do not tolerate violence or verbal abuse.

Appeals

If you are dissatisfied with the way we have handled your funding application you can write or telephone us to tell us why you are unhappy. We will discuss your concerns with you and treat all comments you make very seriously. If you remain unhappy you may appeal **formally** against a funding decision we have made. All formal appeals must be made using our appeals form and sent to the Chair of the Appeals Committee. You can obtain further information about our Appeals Procedure from our Help Desk and website www.scottisharts.org.uk

Appeals made at any stage of the process will not be heard until the completion of the Flexible funding process.

If you are currently in receipt of Flexible funding from us and you appeal against a decision made as part of this process, it will not affect the duration of your current funding, ie your Flexible funding will still end on 31 March 2011.