



Cyngor Celfyddydau Cymru
Arts Council of Wales

Transition Support for Arts Portfolio Wales Organisations (APWs)

Members leaving the Portfolio
after 31 March 2024

September 2023



Yn dyfarnu arian / Awarding funds from

Y LOTERIGENEDLAETHOL
THE NATIONAL LOTTERY®

Contents

1. What is transition support?.....	3
2. Why are we offering support?	3
3. Offering a helping hand – what type of support can I apply for?	5
4. How much can I apply for?.....	6
5. Who is eligible for support?	6
6. The programme’s objectives	7
7. Admission process	8
8. How will we assess your application?.....	9
9. Will we be offering transition support in future years?.....	9

Accessibility

Arts Council of Wales is committed to making information available in large print, braille, audio, Easy Read and British Sign Language and will endeavour to provide information in languages other than Welsh or English on request.

Arts Council of Wales operates an equal opportunities policy.



1. What is transition support?

Transition support is an important part of our approach to implementing the outcomes of our Investment Review. The transition support offered is a time limited scheme operated by the Arts Council of Wales.

Applications will only be open to current Arts Portfolio Wales (APW) organisations that are unsuccessful in their application to our Investment Review 2023 and whose funding will cease from 1 April 2024. It will not be open to other unsuccessful applicants, including organisations that may accept reduced offers.

The support will be a mixture of financial aid, offered alongside other practical support, at a particularly challenging time for organisations leaving the Portfolio.

You only need to make a formal application if you are requesting financial support (transition funding). This document will explain who will be eligible, and how to apply. If you are not asking for additional funding, then the other forms of support discussed within the document can be agreed with Arts Council officers without completing a formal application form.

2. Why are we offering support?

Our Investment Review has involved a detailed review of current funding. Our aim is to reach the end of this process and to be in a position where we are offering multi-year funding to organisations that are artistically vibrant, financially durable and with a level of investment that is sustainable given the current, difficult, economic context.

The extent to which we can achieve this goal depends on the funding that's available to us, and the strategic choices that we make.

Our Investment Review consultations, which we undertook in the second half of 2022, told us that the sector wanted us to do things differently and that the current funding model needed to change. That change will bring opportunities for new organisations to receive more regular funding and help us to support the six principles of the Investment Review:

- Creativity
- Widening Engagement
- Welsh Language
- Climate Justice
- Nurturing Talent
- Transformation

Under the proposed new model for the Investment Review there is a move away from funding a ‘portfolio’ of companies towards a mix of multi-year revenue and project funding agreements and in September 2023 we will have made ‘in principle’ decisions about which organisations will receive this multi-year funding. It is likely that, as a result of our decisions, some organisations that are currently part of our Arts Portfolio Wales will cease to receive their usual regular ‘revenue’ support towards core costs from 1 April 2024.

The Investment Review is not without its challenges. Making decisions during a period of tough funding constraints, and in a period of such economic difficulty, is never easy. For some, the outcome of the Investment Review will be a concern or disappointment, and there might well be organisations delivering high quality work for whom we’ll have to stop/reduce funding because others present a more persuasive case for investment or our data evidences more investment is needed in other areas.

Whilst all APW members have been given over 1 year’s notice that their funding will cease on 31 March 2024, those that are successful in their Investment Review applications will instead switch to a multi-year funding pattern with no break in funding (even if you are funded at a different level to previous years). For some however, the regular pattern of funding will stop at 31 March 2024.

We recognise that even with the notice given, the relative stability that APW funding will have provided puts APW members in a particularly challenging position when we cease regular funding. The model of working that this funding has allowed an organisation to employ can be very different to how project funded organisations operate, and this is one of the main reasons we are trying to open the multi-year funding model up to more organisations. Therefore, moving away from the year-on-year funding that APW funding has provided could mean a significant change in the way these organisations will need to operate. It could mean, among other things, changes in the following:

- The types or ‘volume’ of activity that can be undertaken.
- The staffing structure that can be supported.
- A significant shift in the funding model.

All of these could take more time to achieve than the notice period offered and so transition funding aims to assist organisations to make the change from one funding model to another.

We also recognise that change may be so significant that organisations may take the difficult decision to cease activity or disband operations altogether. Transition funding might also be able to help with costs associated with this.

More information on what will be available is contained within this guidance.

3. Offering a helping hand – what type of support can I apply for?

We realise that the ending of regular funding will be challenging for current APW members that have received Arts Council funding over many years. We're determined to do all that we can to protect the value of that investment, even under the most difficult of circumstances.

There are five options for support:

1. **Using an organisation's reserves** – we would expect an organisation to consider the appropriate use of any general reserves that it has accumulated.
2. **Using existing Arts Portfolio Wales funding differently** – the full amount of Arts Portfolio Wales funding allocated for 2023/24 will continue to be available. An organisation might therefore wish to discuss with us a different use for any remaining funds. This might take you away from your previously agreed targets contained within your 2023/24 Funding Agreement.
3. **Practical transition support** – we may be able to offer practical assistance to help organisations to adapt to their new funding circumstances. Such a package might include a combination of business advice for example. You can speak to us about how we can help you with this.
4. **Financial transition support** – this would consist of a 'one off' injection of funds to achieve a particular change. How to apply for financial support is discussed later.
5. **Lottery funding** – in some cases it might be appropriate for funding for future activity, or developmental initiatives, to be sought from our open to application Lottery funding schemes.

These provide a framework through which the most appropriate course of action can be discussed with us. The list is not a linear process, and we will work with you to decide on the most appropriate course of action should you wish to take advantage of the Transition Support. The most appropriate course of action could consist of one, or more, of the above, and the options could run concurrently, depending on your individual situation.

Our aim is to avoid, where we can, the need for enforced company closures. Transition support is about helping to identify alternative ways for organisations to continue to operate, even if this has to be on a different basis. We do however recognise that closure might be the only option in some circumstances. You can apply to us for support with this under the financial transition support option should you decide this is the only practical option.

4. How much can I apply for?

We recognise that current APW members will have had to balance keeping their operations as stable as possible during the year's notice period leading up to 31 March 2024 with being aware that they may not receive regular funding after that date.

Decisions on which organisations will receive multi-year funding agreements from April 2024 will be announced in September 2023 and so unsuccessful APWs will then have around 6 months in order to transition using their remaining 2023/24 funding. This is included as option 2 in the listed options for support in Section 3. You should consider this when considering applying for other forms of transition support.

As organisations are of varying complexities, we are offering the opportunity to apply for up to a further 3 months (25%) of organisation's 2023/24 APW funding as Transition Funding. This is in addition to the remaining funding for 2023/24. In exceptional circumstances we may be able to offer more (usually in cases where 25% of 2023/24 funding would be less than £30,000), but you will need to speak with us before applying for a higher amount.

The amount of financial support will vary for each organisation depending on their current funding and will be assessed individually based on their circumstances.

There is no guarantee that your application will be successful, and we may offer alternative support rather than direct financial assistance. Alternative support could be in the form of a reduced offer of financial assistance.

5. Who is eligible for support?

Transition support exists to support APWs who have been unsuccessful in their application to the Investment Review, are currently in receipt of Arts Council of Wales APW funding, and who are located in Wales. NB: New, unsuccessful, applicants to the Investment Review will not be eligible to apply for this support.

The Programme is available to all APWs who have been notified that Arts Council Arts Portfolio Wales funding will not be continued beyond March 2024. It won't be available to organisations that continue to receive funding, but at a reduced level from 2023/24.

If a current APW receives an offer lower than they have requested and subsequently decides not to accept the lower offer prior to March 2024 then it will be able to apply for Transition Support.

APWs appealing against our decision cannot be admitted to the Transition Support Programme whilst that appeal is 'live.' Once the appeal has been resolved, an APW will be eligible for admission to the Programme if its funding is to end after March 2024.

6. The programme's objectives

We aim to adopt a flexible approach to meeting the needs of individual organisations. There's no single, prescriptive approach.

However, it's expected that support will typically be targeted towards the following kinds of help:

- to refocus or reconfigure programmes of work.
- to provide business and technical support to Boards and senior staff who are implementing programmes of change.
- to find more cost-effective ways of delivering existing programmes of artistic work and/or the administration of the company's activities.
- to explore forms of collaboration, alliance or merger that would reduce the organisation's costs.
- to identify new areas of income generation and fundraising.
- to improve the organisation's asset base including equipment, staff skills, systems and working capital.
- in some instances, and where other options are not considered viable, funding could be used to enable an orderly closure of the organisation based on contractual obligations.

Transition Support does not exist to provide:

- project funding for arts activities.
- replacement Arts Portfolio Wales funding.
- settlement of legal costs and disputes.

7. Admission process

All eligible APWs will be invited to meet with Arts Council officers, should they wish, to discuss the most appropriate course of action. The meeting will consider options including:

1. **Use of reserves** – we will discuss how any reserves might be able to mitigate the cost of change.
2. **Using existing Arts Portfolio Wales funding differently** –our advice may be to use the balance of available APW funding to achieve an orderly ‘winding up’ of the company’s activities, or an organisation may wish to discuss with us a different use for any remaining funds.
3. **Practical transition support** – if it’s felt appropriate to consider specific transition support, the APW will be advised how we might be able to offer practical help.
4. **Financial transition support** – if you think additional funding is required on top of the other methods of support then see below to find out what sort of things we can help with and how to apply.
5. **Lottery funding** – in some cases APWs will be advised to consider an application to our Lottery funding schemes in order to continue specific elements of its work. (It should be noted, however, that Lottery funds are open to application. All applications are assessed on their individual merits, and no application can be guaranteed success.)

This list is not exhaustive, and support could take an alternative form to those above.

APWs that wish to take advantage of Transition Support should contact their Lead Officer to discuss the next steps. APWs seeking Transition Support in the form of additional funding will be invited to set out a brief synopsis of the activity they wish to undertake. This should be done using our online application strategic form. We can provide you with a link to this form on request.

The deadline for application to the scheme will be 8 weeks from the final decision date or 8 weeks after the final appeal decision if this route is taken. Transition funding applications will not be assessed while an appeal decision is in process. A current APW member that decides to reject a lower offer will need to make an application for transition support by the earlier of 8 weeks after it informs us of its decision to reject the offer, or 31 March 2024.

In assessing an APW’s case, we’ll supplement the information provided in the Application Form with information that we already hold.

If admitted to the Programme, the APW will be invited to work up a more detailed Project Plan. The completed Plan will be assessed and agreed with the Arts Council. It is envisaged that funds will be used within 12 months of admittance to the programme, after which funds may be withdrawn/revoked. If your plan involves using the funding over a longer period, then it should clearly state this in order that it can be agreed.

8. How will we assess your application?

We will assess your application on its own merits and your application will not be disadvantaged if you apply later in the application window.

It will be considered by a group of Arts Council officers and any decision on applications over £50,000 will be made by Council members.

In the event of a high value of applications, we may need to reduce what we can offer in terms of financial support although we believe that the limits discussed within this application should allow us to support all strong applications.

9. Will we be offering transition support in future years?

Our change to a much more fluid and flexible approach to funding, and a shift away from regular, major, reviews like the Investment Review means that, in future, organisations receiving multi-year funding will effectively receive more notice (and have more time to plan) if their funding is to cease. As a result, it is not our intention to offer transition funding in the future. We would expect organisations to use funding committed for the remainder of their funding period to support any transition.

We will work with you to ensure that this remaining funding is spent appropriately and will still be able to offer practical support during the notice period.