

Project information

0

Applicant name: Kent County Council

Project title: Turner Contemporary

Project number: TCFF-00825598-R1

Amount requested (£): £865,000

Amount awarded (£): £865,000

Offer letter

23 March 2026

Lucy Keeley
Kent County Council
KENT COUNTY COUNCIL, Invicta House,
MAIDSTONE
ME14 1XX

Dear Lucy Keeley

Offer Letter

Programme: Creative Foundations Fund
Project: Turner Contemporary
Organisation name: Kent County Council
Reference: TCFF-00825598-R1 (Restricted funds)
Budget: 2025/26

Congratulations on your successful application.

This is to confirm that we will provide you with a restricted grant of up to £865,000 towards the costs of the Project.

You must start the Project on the Start Date and complete it by the End Date as set out in Schedule 1 (the Agreed Capital Project Plan).

A relationship manager will be assigned to your grant and will contact you soon to discuss it in more detail. In the meantime, should you wish to discuss any matters further, please contact enquiries@artscouncil.org.uk quoting the reference above.

Public announcement

This information is embargoed until a public announcement is made in the coming weeks to highlight the successful applicants. We ask you to keep this news confidential until after that. Our communications team will be in touch shortly to discuss the details of the announcement, including the announcement date once that is confirmed, and how you can support it.

1. Our offer

1.1 This offer is subject to your acceptance of our Standard Terms and Conditions for Capital Grants (the Terms and Conditions).

1.2 The Terms and Conditions are attached to the 'Attachments' screen, and your application and attachments are within your online account's 'Submissions' area. These documents, including the requirements outlined in the Guidance for Applicants, this Offer Letter, Schedules 1 to 3, and the payment conditions, form your Grant Agreement with us. The Terms and Conditions are standard for all grants made under this programme and are non-negotiable. Terms defined in this Offer Letter have the meaning given to them in the Terms and Conditions.

1.3 This programme is funded using money from Grant-in-Aid and is restricted to delivering the Project. The grant must only be used to purchase or improve fixed assets that will be capitalised on your balance sheet (Capital Expenditure).

1.4 The grant should be shown as restricted funding in your accounts in accordance with Clause 3.19 of the Terms and Conditions. We reserve the right to review and adjust funding in light of your progress in achieving the objectives of this grant.

2. Agreed Project

2.1 The Agreed Capital Project Plan is set out in Schedule 1 and is supported by your application and attachments on which we based our decision.

2.2 The success of the relationship relies on effective communication and information sharing. You must tell us in advance if you want to make any significant changes to the Project under this Grant Agreement. We will not unreasonably withhold our consent to such changes, but you must receive our written approval. Changes to the Project are covered in the Terms and Conditions.

3. Accepting our Offer

3.1. Accepting your grant is completed online by following the 'Offer Letter Acknowledgement' workflow. At the bottom of this page, you are asked to confirm that you have read the offer letter. On the following screens, you will view your Monitoring Schedule and Payment Conditions, our Terms and Conditions, and a bank details form. You will then complete a declaration stating whether you accept this offer of grant. Once you press 'submit' on the final screen, your acceptance will be sent to us for review.

3.2. This offer will no longer be valid if you do not accept it within four weeks from the date it was issued.

4. Security over the Project Assets

4.1. If we have requested security, the type of security required for the Project will be specified in Schedule 1 (Agreed Capital Project Plan). The applicable security will be accompanied by any documents specified in Clause 10.2 of the Terms and Conditions. We will require these documents to be completed to our satisfaction before the relevant payment is released, as set out in the Monitoring Schedule and Payment Conditions. Further guidance is set out in Schedule 2 (Security Guidance).

4.2. If Schedule 1 (Agreed Capital Project Plan) includes security, you must instruct solicitors at your own expense to handle these requirements on your behalf. After accepting this offer, you must send us your solicitor's contact details as soon as possible. As set out in Schedule 2 (Security Guidance), your solicitor must provide us with official copies of the current title register, including a plan and all requested information, to enable us to put in place the required security documentation. The applicable security document, certificate on title and legal opinion will be drafted by us in our standard form.

5. Receiving your initial and interim payments

5.1 We will pay the grant in quarterly instalments in arrears. Payment amounts will depend on the amount of expenditure you are able to evidence in the expenditure listing submitted with each payment request.

5.2 If you have a demonstrable need for the grant instalments to be paid upfront or at 'point of need' (i.e. towards as yet unpaid expenditure instead of in arrears), you will need to provide supporting information to justify your request (e.g. an organisational cash flow, recent financial statements and/or bank statements). If your request is agreed, the claim will need to be substantiated with a valid invoice, purchase order, quotation or contract. We reserve the right to ask for any further information as required in order to consider any request for 'point of need' payments.

5.3 The first payment will be scheduled on the date set out in the Monitoring Schedule and Payment Conditions, and paid upon receipt of evidence of expenditure and confirmation that the first payment conditions have been satisfied.

5.4 For us to release your first payment, you must:

- Accept our offer online. Once we have reviewed your acceptance, you will be able to view the 'Payment Request (Initial)' task in your 'Submissions' area.
- Send us your bank details using the 'Submit Bank Details' step in Grantium (see: Bank Details form on the 'Attachments' screen).
- Submit your 'Payment Request (Initial)', which includes an expenditure listing and space to attach any information required to meet the payment conditions we have set for your first payment (as outlined in the Monitoring Schedule and Payment Conditions).
- Provide any evidence of spend we have requested.

5.5 We will make further quarterly instalments of the grant in arrears, unless otherwise agreed (see: paragraph 5.2). These instalments will be net of any VAT recoverable from HM Revenue and Customs or gross of irrecoverable VAT.

6. Payment Conditions

6.1 Payments are conditional upon receiving and approving any additional monitoring information (or 'payment conditions') that we have requested. The payment conditions for the grant are outlined in the Monitoring Schedule and Payment Conditions. Please note that the listed dates refer to when we expect you to submit the information to meet the relevant conditions and do not indicate when we will send a payment. After you meet the conditions for each payment, it will typically take 15 to 20 working days for the funds to be processed and to arrive in your bank account.

6.2 We reserve the right to request further information regarding payments and will not release funds to cover expenditure that we deem unreasonable.

6.3 Without limitation at our discretion as outlined in paragraph 6.2 above, expenditure will be deemed unreasonable if:

- you have not followed the requirements for procuring goods, works, or services as stated in the Terms and Conditions
- you incurred the expenditure before the date of the Grant Agreement
- it has not been incurred to deliver the Project
- it is not considered Capital Expenditure
- it relates to an invoice, purchase order or quotation that has not been paid yet (except where an upfront payment arrangement has been agreed as set out at paragraph 5.2 above)
- your progress reports do not demonstrate that a) grant instalments released have been spent, or that b) further grant instalments are required to deliver the Project
- you have not submitted a progress report at the specified intervals
- you incurred the expenditure after the End Date.

6.4 If you are unable to demonstrate a need for a payment on the date set out in the relevant instalment of grant in the Monitoring Schedule, or you have notified us of any delay to the Project in accordance with Clause 3.7 of the Terms and Conditions, you accept that we reserve the right to amend or vary after consultation with you the Monitoring Schedule and Payment Conditions so that it reflects any revised spending plans.

7. Reporting to us on your activity

7.1 The Monitoring Schedule and Payment Conditions outline the minimum information you must provide for us to monitor your performance under this Grant Agreement. In addition to the payment conditions, you will provide quarterly reports to demonstrate the progress of the Project and to bring any matters to our attention as required by the terms of the Grant Agreement.

7.2 The schedule on the next screen includes conditions for completion of progress reports. This allows us to review your project's progress before releasing payment and confirm that the grant instalments released to date have been spent. Progress reports are completed online, as part of each Payment Request submission and are due on the dates stated in the Monitoring Schedule. The link to the Payment Request and Progress Report will appear in your 'Submissions' area four weeks before the due date shown in the Monitoring Schedule. The following documents must accompany the progress report:

- An up-to-date timetable which sets out the Project's major milestones. It should separately identify the design, procurement, construction, and commissioning activities.
- Updated cash flow forecast showing income and expenditure for the Project.
- Updated risk register covering all risks identified for the Project. It should include:
 - i. the risk and the likelihood of the risk occurring
 - ii. the impact on your project if it does happen
 - iii. how much each risk may cost
 - iv. how you can prevent the risk or mitigate it if it does happen
 - v. the person responsible for dealing with the risk
- Details of expenditure against the agreed budget, including any changes to the budget or forecast cost for the Project. This should separately identify the project contingency to ensure that appropriate contingency levels are retained as the project progresses and provide an overview of the adequacy of the remaining contingency when considered against the costed risk register.

7.3 If you do not need a payment on the date set out in the Monitoring Schedule, you must as a minimum submit a Progress Report with the documents set out in paragraph 7.2 above.

7.4 We will keep part of the grant until the Project is finished. The final payment will not be released until you have submitted a final activity report form and fulfilled any final payment conditions that we have outlined. The link to the Final Payment Request will appear in your Submissions area four weeks before the end date of your activity as stated in the Basic Details section of your full application. It must be completed and submitted to us (including information to meet the final payment conditions) within one month of the End Date for the Project.

8. Evaluation and data collection

8.1 Independent evaluators have been appointed to assess the impact of the fund. You will be expected to engage with the evaluators as required.

8.2 The annual data you will need to collect and submit during the project is set out in Schedule 3 (Data and Evaluation), attached to the 'Attachments' screen. This data will be collected in the progress report at agreed intervals as set out in the Monitoring Schedule.

8.3 An Evaluation Form will be issued for you to complete after your project finishes. The Evaluation Form will capture data to provide evidence of what your project has achieved and the impact of the business-critical works it has enabled you to complete. This information will be used to assess the fund's impact against the programme aims and outcomes (Schedule 1, Part 1). The Evaluation Form questions will be made available on our website.

9. Equality

9.1 As part of the Project, you will advance equality of opportunity, considering participants across all protected characteristics and, if necessary, adjust the Project to ensure you are not acting in a discriminatory manner.

10. Prevention of bribery, fraud, and corruption

10.1 We are committed to protecting public funds against all attempts to perpetrate fraud, bribery, and corruption. We will conduct checks on a sample of applications annually to ensure that our funding is used appropriately. We reserve the right to request all documentation related to your Project, so you must retain all relevant records, including financial information, for our access.

10.2 You must put in place appropriate systems, policies and procedures to monitor, detect and prevent the risk of fraud, bribery, and corruption in connection with the Project as specified in Clauses 3.20 to 3.23 of the Terms and Conditions.

11. Acknowledging our funding

11.1 You are required to download the Grant Award Logo and read the guidelines on acknowledging your funding before using the logo. Please visit <http://www.artscouncil.org.uk/grantawardlogo>.

11.2 You will use our Grant Award Logo, as appropriate, on all related information, marketing and publicity materials. This includes, where relevant, using the Grant Award Logo on large boards and hoardings during construction and permanently in a public area of your building upon completion of the Project. See the Terms and Conditions for more details. For more information, you can email grantawardlogo@artscouncil.org.uk.

12. Freedom of information

12.1 Any information we receive from you will be subject to the Freedom of Information Act 2000. By law, we may be required to disclose your information to a member of the public if they request it under the Freedom of Information Act. For further details, see the Freedom of Information section of our website.

12.2 Please let us know if you consider any of the information you provided to us commercially sensitive or confidential. We will take this into account when processing any requests for information; however, any decision to release information is at our absolute discretion, in accordance with the Freedom of Information legislation.

13. Additional Conditions

The grant is subject to the following Additional Conditions:

13.1 If we have paid you any part of the grant and it becomes apparent that it has not been treated as Capital Expenditure, we will recover any such sum from you as required by Clause 11 of the Terms and Conditions.

13.2 We will monitor the progress of the Project after the final payment is made. We may request that you submit reports to confirm that the Project Assets are being used in accordance with the Agreed-upon Purpose as outlined in the Grant Agreement.

14. Subsidy Control

14.1 The Arts Council has carried out an assessment of the compliance of the award of the grant to Kent County Council in line with the requirements of the Subsidy Control Act, based on the information provided by Kent County Council. This award satisfies the Subsidy Control Act on the basis of it not meeting the cumulative criteria of a subsidy. The Arts Council confirms it has not treated this award as a 'subsidy' as defined under Section 2 of the Subsidy Control Act 2022.

Should this position change, we may add additional conditions to the award as required.

Should you have any questions on this grant agreement, please contact enquiries@artscouncil.org.uk, quoting the grant reference.

Yours sincerely,

Beverley Dawson
Director, Capital Investment

For and on behalf of Arts Council England

I have read the offer letter: Yes

Monitoring Schedule and Payment Conditions

Payment amounts for initial and interim payments will show as £0. The actual payment amounts will depend on the level of expenditure you are able to evidence in the expenditure listing submitted with each payment request.

Submission name	Due date	Payment amount	Payment conditions
Payment Request & Progress Report #1 (Initial)	30/06/2026	£0	<ul style="list-style-type: none"> • Clarification of terms of lease between applicant (leaseholder) and operator • A completed bank details form submitted using the online system • An updated cash flow projection using the template provided • A completed expenditure listing • Evidence that 100% of the partnership funding required to complete the project has been confirmed in writing (e.g. funding agreements, offer letters) • A procurement method statement • Evidence of completion of security • A completed progress report submitted using the online system • Confirmation of ownership : Confirmation of freehold ownership of the Project Asset
Payment Request & Progress Report #2 (Interim)	30/09/2026	£0	<ul style="list-style-type: none"> • An updated cash flow projection using the template provided • A completed expenditure listing • Confirmation that all statutory approvals required for your project have been obtained • An updated timetable for the Agreed Project • An updated risk register for the Agreed Project • A completed progress report submitted using the online system
Payment Request & Progress Report #3 (Interim)	30/12/2026	£0	<ul style="list-style-type: none"> • An updated cash flow projection using the template provided • A completed expenditure listing • An updated risk register for the Agreed Project • An updated timetable for the Agreed Project • A completed progress report submitted using the online system
Payment Request & Progress Report #4 (Interim)	30/03/2027	£0	<ul style="list-style-type: none"> • An updated cash flow projection using the template provided • A completed expenditure listing • An updated risk register for the Agreed Project • An updated timetable for the Agreed Project • A completed progress report submitted using the online system
Payment Request & Progress Report #5 (Interim)	30/06/2027	£0	<ul style="list-style-type: none"> • An updated cash flow projection using the template provided • A completed expenditure listing • An updated risk register for the Agreed Project • An updated timetable for the Agreed Project • A completed progress report submitted using the online system

Payment Request & Progress Report #6 (Interim)	30/09/2027	£0	<ul style="list-style-type: none"> • An updated cash flow projection using the template provided • A completed expenditure listing • An updated risk register for the Agreed Project • An updated timetable for the Agreed Project • A completed progress report submitted using the online system
Payment Request & Progress Report #7 (Interim)	30/12/2027	£0	<ul style="list-style-type: none"> • An updated cash flow projection using the template provided • A completed expenditure listing • An updated risk register for the Agreed Project • An updated timetable for the Agreed Project • A completed progress report submitted using the online system
Payment Request & Progress Report #8 (Interim)	30/03/2028	£0	<ul style="list-style-type: none"> • An updated cash flow projection using the template provided • A completed expenditure listing • An updated risk register for the Agreed Project • An updated timetable for the Agreed Project • A completed progress report submitted using the online system
Payment Request & Final Report (Final)	30/06/2028	£86,500	<ul style="list-style-type: none"> • Statement of income and expenditure certified by a qualified independent accountant and confirmation that the grant has or will be capitalised on your balance sheet • Plan to address scheduled and unscheduled repairs, upkeep, and proactive maintenance to achieve the designed life expectancy of the buildings and equipment • A completed expenditure listing • A final activity report submitted using the online system • An asset register for your Agreed Project • Confirmation of registration of security at Land Registry and Companies House, where relevant • 10 year costed management and maintenance plan for the site as a condition of final payment.
Evaluation form	31/03/2030	£0	

Submission details

Payment Request & Progress Report #1 (Initial)

Due date: 30/06/2026

Submission type: Payment Request and Progress Report

Payment conditions

- Clarification of terms of lease between applicant (leaseholder) and operator
- A completed bank details form submitted using the online system
- An updated cash flow projection using the template provided
- A completed expenditure listing
- Evidence that 100% of the partnership funding required to complete the project has been confirmed in writing (e.g. funding agreements, offer letters)
- A procurement method statement
- Evidence of completion of security
- A completed progress report submitted using the online system
- Confirmation of ownership : Confirmation of freehold ownership of the Project Asset

Submission details

Payment Request & Progress Report #2 (Interim)

Due date: 30/09/2026

Submission type: Payment Request and Progress Report

Payment conditions

- An updated cash flow projection using the template provided
- A completed expenditure listing
- Confirmation that all statutory approvals required for your project have been obtained
- An updated timetable for the Agreed Project
- An updated risk register for the Agreed Project
- A completed progress report submitted using the online system

Submission details

Payment Request & Progress Report #3 (Interim)

Due date: 30/12/2026

Submission type: Payment Request and Progress Report

Payment conditions

- An updated cash flow projection using the template provided
- A completed expenditure listing
- An updated risk register for the Agreed Project
- An updated timetable for the Agreed Project
- A completed progress report submitted using the online system

Submission details

Payment Request & Progress Report #4 (Interim)

Due date: 30/03/2027

Submission type: Payment Request and Progress Report

Payment conditions

- An updated cash flow projection using the template provided
- A completed expenditure listing
- An updated risk register for the Agreed Project
- An updated timetable for the Agreed Project
- A completed progress report submitted using the online system

Submission details

Payment Request & Progress Report #5 (Interim)

Due date: 30/06/2027

Submission type: Payment Request and Progress Report

Payment conditions

- An updated cash flow projection using the template provided
- A completed expenditure listing
- An updated risk register for the Agreed Project
- An updated timetable for the Agreed Project
- A completed progress report submitted using the online system

Submission details

Payment Request & Progress Report #6 (Interim)

Due date: 30/09/2027

Submission type: Payment Request and Progress Report

Payment conditions

- An updated cash flow projection using the template provided
- A completed expenditure listing
- An updated risk register for the Agreed Project
- An updated timetable for the Agreed Project
- A completed progress report submitted using the online system

Submission details

Payment Request & Progress Report #7 (Interim)

Due date: 30/12/2027

Submission type: Payment Request and Progress Report

Payment conditions

- An updated cash flow projection using the template provided
- A completed expenditure listing
- An updated risk register for the Agreed Project
- An updated timetable for the Agreed Project
- A completed progress report submitted using the online system

Submission details

Payment Request & Progress Report #8 (Interim)

Due date: 30/03/2028

Submission type: Payment Request and Progress Report

Payment conditions

- An updated cash flow projection using the template provided
- A completed expenditure listing
- An updated risk register for the Agreed Project
- An updated timetable for the Agreed Project
- A completed progress report submitted using the online system

Submission details

Payment Request & Final Report (Final)

Due date: 30/06/2028

Submission type: Payment Request and Progress Report

Scheduled payment amount: £86,500

Payment conditions

- **Statement of income and expenditure certified by a qualified independent accountant and confirmation that the grant has or will be capitalised on your balance sheet**
- **Plan to address scheduled and unscheduled repairs, upkeep, and proactive maintenance to achieve the designed life expectancy of the buildings and equipment**
- **A completed expenditure listing**
- **A final activity report submitted using the online system**
- **An asset register for your Agreed Project**
- **Confirmation of registration of security at Land Registry and Companies House, where relevant**
- **10 year costed management and maintenance plan for the site as a condition of final payment.**

Submission details

Evaluation form

Due date: 31/03/2030

Schedule 1: Agreed Capital Project Plan

1. Programme Aims:

The aims of the fund are to:

- increase the economic sustainability of cultural and creative organisations through improving existing cultural buildings and equipment
- decrease the risk and financial impact of abandoned or cancelled performances, exhibitions, or events caused by equipment or infrastructure failure
- grow audience engagement and access by underserved communities to high-quality creative work and cultural infrastructure

2. Programme Outcomes:

The outcomes we expect to see from this investment are:

- improved value for money through decreasing the amount of expenditure on maintenance and repair of cultural assets
- reduced loss of high-quality cultural work from creative and cultural organisations as a result of asset failure or degradation
- cultural organisations develop more sustainable financial and business models, adapting to the changing environment and needs of the communities with whom they work
- improved energy efficiency and environmental performance of cultural buildings and equipment

3. Capital Project:

A programme of essential remedial works to Turner Contemporary that have been identified as business-critical & which will ensure that the building is fit for purpose, compliant with statutory requirements, protect the long-term integrity of the building, & address operational & strategic priorities including accessibility, sustainability, & revenue generation. They will ensure TC can continue to deliver their world class programme.

KCC & TC are committed to working together to achieve outcomes that deliver coastal regeneration, growing the Kent economy & improving wellbeing of communities.

4. Grant Agreement Duration:

Fifteen (15) years after the date of the funding agreement for a grant of £500,001 up to and including £1,000,000 for building works.

5. Start Date: 01/04/2026
6. Expected completion date: 30/06/2028
7. Grant: £865,000
8. Partnership Funding: £50,000
9. Partnership Funding confirmed: 100%
10. Total Project Cost: £915,000

11. Project Asset(s):

- Turner Contemporary, The Rendezvous
MARGATE
CT9 1HG

12. Agreed Use:

The Asset is to be used for the following purposes:

The Project Asset (Turner Contemporary) is to be used as an art gallery displaying a changing programme of historical and contemporary art exhibitions, ancillary cafe and retail facilities, and a space to deliver educational activities.

13. Security

Deed(s) of Covenant between Kent County Council and Arts Council England, with a restriction on the title over the freehold of the Project Asset(s) for a period of 15 years. Solicitors undertaking to register at the Land Registry within 28 days.

Provision of satisfactory legal documents as required by Clause 10.2 of the Terms and Conditions, including a Certificate of Title, a Legal Opinion, and a Letter of Undertaking regarding registration at the Land Registry and Companies House (in Arts Council England's standard form), by your appointed solicitors.

If you are a statutory body, please provide evidence of local authority cabinet approval or equivalent for the acceptance of the grant, as per the Terms and Conditions provided.

Attachments

Document Type	Required ?	Document description	Date attached
1. Bank details	Yes	Bank details	02/06/2025
2. Terms and conditions	Yes	Terms and conditions	24/04/2026
3. Cashflow template	No	Cash flow template	30/04/2026
4. Additional schedule	Yes	Schedule 2 (Security Guidance)	19/03/2026
5. Additional schedule	Yes	Schedule 3 (Data and Evaluation)	19/03/2026

Attachment details

Document description: Bank details

Attachment details

Document description: Terms and conditions

Attachment details

Document description: Cash flow template

Attachment details

Document description: Schedule 2 (Security Guidance)

Attachment details

Document description: Schedule 3 (Data and Evaluation)

Acknowledgement

On-line offer acceptance form

Programme: Creative Foundations Fund
Applicant name: Kent County Council
Reference: TCFF-00825598-R1
Name of activity: Turner Contemporary

Ownership of land and buildings

By accepting this offer, you agree to the following:

You have read and understood the Arts Council's requirements relating to the ownership of land and buildings as set out in Guidance for Applicants.

For the avoidance of doubt, the Arts Council's requirements relating to the ownership of land and buildings are:

As a condition of the initial payment, you will need to demonstrate that you have appropriate security of tenure for the land and/or buildings where the Agreed Project will take place (the Project Assets), being either the freehold ownership or leasehold ownership of the Project Assets, and that they can be used for the Agreed Project. The number of years that need to be remaining on your lease will be calculated from the date of this Funding Agreement, as set out in the Standard Terms and Conditions for Capital Grants. The lease should be registered and assignable, without a break clause. It should contain no forfeiture on insolvency provision and the permitted user clause must be compliant with the capital project and proposed use.

Do you accept the grant offer in relation to the activity named above on the terms and conditions stated in the offer letter? Yes

If you are acting as a representative of an organisation, by accepting this grant offer you are confirming that:

- a) You (the person accepting this offer) are authorised to accept a grant from us on behalf of your organisation.
- b) You understand that if you make any seriously misleading statements (whether deliberate or accidental) at any stage during the application process and life of the grant, or knowingly withhold any information, this could make your grant agreement invalid and you could be liable to repay any funds to us.
- c) You understand that personal data will be collected and used in accordance with Arts Council England's Privacy Notice and will be subject to our obligations under the Data Protection Law and the Freedom of Information Act.
- d) You have satisfied yourself, whether by reference to independent legal advice or otherwise, as to compliance with relevant Subsidy Control rules.
- e) You are able to comply with the Terms and Conditions, which are attached to this offer and are available on our website.
- f) None of the Terms and Conditions have been breached and that payment of this grant does not, and will not be used to, breach any of the Terms and Conditions.

Name: Lucy Keeley

Submission summary

Page	Last Updated
Project information	No Input Required
Offer letter	01/05/2026
Schedule 1	No Input Required
Attachments	01/05/2026
Acknowledgement	01/05/2026



ARTS COUNCIL ENGLAND

Standard Terms and Conditions for Capital Grants

March 2025

Standard terms and conditions for grants

These standard terms and conditions for grants apply to all grant offers made through Arts Council Capital programmes (as set out in your offer letter) from 1 March 2025 onwards.

This document is important. It sets out the standard legal conditions of our grant offer to you. This is a legal document, and you should ensure that you fully understand your responsibilities before accepting a grant from us.

If you have any general questions about this document, please contact our Customer Services team on 0161 934 4317 or via our [website \(https://www.artscouncil.org.uk/contact/contact-customer-services\)](https://www.artscouncil.org.uk/contact/contact-customer-services).

However, if you need legal advice, please contact your solicitor.

If you do not have access to the internet or email and require additional documents, or if you require this document in an alternative format, you can ask us by phoning 0161 934 4317 or contacting us via our [website \(https://www.artscouncil.org.uk/contact/contact-customer-services\)](https://www.artscouncil.org.uk/contact/contact-customer-services).

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1. Definitions

- 1.1. The **'Agreed Capital Project Plan'** means the activity or activities (as amended occasionally with our approval), which is included in the Grant Agreement.
- 1.2. **'Agreed Use'** means how you will use the Project Assets purchased, renovated, created or improved using the grant and as set out in the offer letter of the Grant Agreement.
- 1.3. **'Branding Guidelines'** means our Branding Guidelines relating to your use of the Grant Award Logo and the Lottery Grant Award Logo as set out on <https://www.artscouncil.org.uk/grant-award-logos/logo-guidelines> and which may be updated from time to time.
- 1.4. The **'Grant Agreement (which may alternatively be referred to as the 'Funding Agreement')**, which you have accepted, includes and incorporates:
 - 1.4.1 the requirements set out in the Guidance for Applicants,
 - 1.4.2 the application and attachments, including the Project Proposal, where relevant
 - 1.4.3 the offer letter, which may include the Agreed Capital Project Plan and additional conditions,
 - 1.4.4 these standard terms and conditions,
 - 1.4.5 the payment conditions,
 - 1.4.6 together with any other conditions we have imposed and/or you have agreed to from time to time.
- 1.5. The **'Grant Agreement Duration'** means the period the Grant Agreement will remain in force, as set out in clause 12.1.
- 1.6. The **'Grant Award Logo'** means our grant award logo as set out on <https://www.artscouncil.org.uk/grant-award-logos>.
- 1.7. The **'Guidance for Applicants'** means the published guidance relevant to the funding programme and supporting information sheets, as updated by us from time to time.

- 1.8. The **'Licence Period'** means the period specified in clause 12.2, or such other period as is specified in the Grant Agreement, or such shorter period if your use of the Grant Award Logo and/or Lottery Grant Award Logo is terminated earlier in accordance with these terms and conditions.
- 1.9. The **'Lottery Grant Award Logo'** means the National Lottery Crossed Fingers logo alongside the Grant Award Logo, with messaging, as set out on <https://www.artscouncil.org.uk/grant-award-logos>
- 1.10. A **'Named Partner'** means the partners working with you on the Project as set out in the Grant Agreement and/or any other additional partners that we have agreed in writing, who will be involved in your Project and entitled to use the Licensed Rights in accordance with the provisions of clause 4 of these Terms and Conditions.
- 1.11. **'Partnership Funding'** means the funding from other sources needed in addition to our grant to complete the Project.
- 1.12. The **'Project Assets'** means any property (whether real, moveable or intellectual) that is purchased, renovated, created, improved or equipped using the grant in the course of the Project.
- 1.13. The **'Project'** means the project or activity that has been agreed with us for which we are giving you a grant, as set out in your application or proposal, together with any supporting documents such as budget information, a timetable and any other documents that set out how your Project will be managed ('the Project Proposal').
- 1.14. The **'Start Date'** means the date you will commit to start the activities to deliver the Project as set out in your Grant Agreement.
- 1.15. The **'End Date'** means the date i) a certificate of practical completion (or its equivalent) is issued for any building work or ii) the Project Assets are ready to be used as the Agreed Use described in the Grant Agreement.

- 1.16. The **‘Total Project Cost’** means the total projected or actual cost of the Project.
- 1.17. The **“Subsidy Control Regime”** means the Subsidy Control Act 2022 and the Subsidy Control (Subsidies and Schemes of Interest or Particular Interest) Regulations 2022, together with the Department for Business, and Trade and the Competition and Markets Authority’s published guidance on the Subsidy Control Regime or as such other laws and/or guidance that may apply or as amended or replaced from time to time, that regulates the award of financial assistance that meets the definition of ‘subsidy’ at section 2 of the Subsidy Control Act 2022.
- 1.18. **‘We’, ‘us’ and ‘our’** means Arts Council England, including our employees and those acting for us.
- 1.19. **‘You’ and ‘your’** means the person (individual) or organisation that we have given a grant to and is bound by these terms and conditions.
- 1.20. A reference to ‘the date of the Grant Agreement’ shall mean the date on which you accepted the offer of grant on our Grantium system. This may be different to the date on your offer letter.
- 1.21. A reference to something being done ‘in writing’ shall include written communication, electronic communication, and a change being made to your grant via our Grantium system.

2. The grant

- 2.1. The amount of the grant is set out in the offer letter. We are not able to increase the amount of the grant. The amount of the grant may be different to the amount that you applied for.
- 2.2. You must accept our offer within four weeks of receiving it online. If you do not accept your grant online within four weeks, our offer will lapse.
- 2.3. The offer letter must be accepted by someone who is authorised to sign on behalf of your organisation. Your acceptance online will be deemed as signing the offer letter, making the terms binding.

- 2.4. Subject to satisfactory receipt of the information and actions required from time to time, we will pay the grant in instalments as set out in the Grant Agreement.
- 2.5. You must use the grant exclusively for the Project.
- 2.6. You must tell us promptly about any changes to information you have given us, including any changes to your bank or building society details and you must make sure that the information you hold is always true and up to date.
- 2.7. You must hold any unused part of the grant on trust for us at all times.
- 2.8. You must tell us if you receive any other funding for the Project from us or any other source at any time during the Grant Agreement Duration. If this means that you no longer need the grant from us and/or that any part of the grant is a duplicate payment for something you will or have received other specific funding for, we may ask you to repay all or part of the grant in accordance with clause 11.
- 2.9. If you spend less than the whole grant on the Project, you must return the unspent amount to us promptly. If the grant part-funds the Project, you must return the appropriate share of the unspent amount to us.
- 2.10. As the grant comes from public funds, you must account to us for any profit you make from the Project and we reserve the right to require you to pay back all or part of the grant.
- 2.11. If you enter into an agreement with any third party with a view to commercial exploitation of the Project or anything related to it, you must contact us to obtain our consent. Our consent may be subject to conditions, including conditions requiring the repayment of all or part of the grant.

3. The Project

- 3.1. The Project will form the basis for the reporting, monitoring and assessment of performance under this Grant Agreement.

- 3.2. You must take appropriate steps to monitor the delivery and success of the Project to ensure that its aims and objectives are achieved.
- 3.3. You consent to us sharing information about the Project with an independent project monitor, if one is appointed, at our cost and discretion. We will notify you if we are going to do this.
- 3.4. You must get our written permission before making any changes to the Project or to its aims, structure, delivery, outcomes, duration or ownership.
- 3.5. If we agree that you can make changes to the Project, we may ask you to agree to additional conditions. Any agreed changes and/or additional conditions will be made in writing between us and you. You should not start any new or changed activity until that has been agreed by both us and you.
- 3.6. You must start the Project within one month of receiving the first grant payment from us.
- 3.7. You must tell us immediately in writing about anything that might significantly delay or threaten your plans to complete the Project or if your ability to complete it changes.
- 3.8. You must obtain Partnership Funding to meet any part of the Total Project Cost we do not fund [and you will provide written evidence of this Partnership Funding immediately upon receipt].
- 3.9. You must tell us immediately in writing as soon as the Total Project Cost is expected or anticipated to increase, explaining the reason for any overrun and how it is intended that any overrun will be funded. You must also provide an updated budget or any other information we request.
- 3.10. You must ensure that all records, including financial records, relating to the Project are accurate and up to date. You must keep these records for at least seven years after the end of the Grant Agreement Duration.
- 3.11. You must maintain adequate insurance at all times, and we may ask you to send us copies of these policies. This includes employee and public

liability insurance and insurance that covers the full replacement value of any Project Assets.

- 3.12. You must give us, or any person nominated by us, access to all records relating to the Project or other projects funded by us upon demand, including (but not limited to) accounts and any other financial records, VAT and any other tax records. We can ask for access to these records for up to seven years after the Grant Agreement Duration has ended.
- 3.13. Where required, you must allow us (or anyone we authorise) to have access to:
 - 3.13.1. inspect the Project Asset(s) and any work to them;
 - 3.13.2. monitor the progress of the Project at any time for the Grant Agreement Duration; and,
 - 3.13.3. monitor the Agreed Use.
- 3.14. You must take all reasonable steps to minimise the Project's environmental impact.
- 3.15. You must send us any information and records that we reasonably require to verify your identity, monitor your Project and how the grant is being used.
- 3.16. If it is requested as part of your monitoring schedule and payment conditions, you must provide us with a report on the Project within one month of the End Date, using our standard activity report form, which is held in your online account on Grantium.
- 3.17. Where requested you must provide us with clear and accurate accounts that cover the period of the Project. These accounts must follow any relevant legal requirements for accounts, audit or examination of accounts, annual reports or annual returns and must clearly show income and expenditure. We may ask for proof of expenditure.
- 3.18. If the grant is for more than £50,000, a qualified and independent accountant must certify a statement of income and expenditure and confirm that the grant will be capitalised on your balance sheet in your accounting records.

- 3.19. You will show our grant and related expenditure as restricted funds under the “Arts Council Capital Grant” description in your annual accounts. You will separately identify unspent funds and assets in the accounting records for the grant. If you have more than one restricted fund, it will include a note to the accounts identifying each restricted fund separately. If you have more than one grant from us, it will record each grant separately in the notes to the accounts.
- 3.20. You must have a sound administration and audit process, including internal financial controls, to safeguard against fraud, theft, money laundering, economic crime, counter-terrorist financing or any other impropriety or mismanagement in connection with the Project.
- 3.21. You must notify us in writing of all cases of fraud or theft (whether proven or suspected) relating to the Project as soon as they are identified. You must explain what steps are being taken to investigate the irregularity, and you shall keep us informed about the progress of any such investigation. You must provide all the information we require to confirm that you have addressed any actual or suspected fraud, theft or other financial irregularity to our satisfaction.
- 3.22. In carrying out your Project, you must operate in a way which complies with all relevant laws and government requirements. This includes, but is not limited to, legislation or regulations governing how you operate, the work you carry out, the staff you employ, or the goods and services you buy. For example, you are responsible for obtaining any licences, permissions and insurance required by law or ensuring best practice.
- 3.23. You must have appropriate policies and procedures in place and act in accordance with them at all times to help you comply with any relevant law, government requirements and best practice. This may include, but is not limited to:
- (i) at all times complying with Data Protection Legislation. Data Protection Legislation shall mean without limitation:
 - a) the United Kingdom General Data Protection Regulation (as this is defined in section 3(10) and supplemented by section 205(4) of the Data Protection Act 2018);
 - b) the Data Protection Act 2018;

- c) the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426);
 - d) all other applicable UK laws in force from time to time relating to privacy and data protection;
 - e) the General Data Protection Regulation ((EU) 2016/679) (as applicable); and
 - f) any guidance and codes of practice issued by the Information Commissioner's Office or any other applicable relevant regulatory authority.
- (ii) You must act in a manner to ensure the safety and wellbeing of all participants in the delivery of the project.
 - (iii) Equal opportunities, including discrimination on the basis of race, age, gender, disability, religion and/or sexuality.
 - (iv) Employment law.
 - (v) Harassment and bullying.
 - (vi) Procedures to monitor, detect and prevent the risk of fraud, economic and financial crime prevention including processes in place to report any suspicions or related issues.
- 3.24. You must take all reasonable steps to ensure the safety of the children, young people and adults at risk of abuse that you will work with. You will follow expectations and best practice published in our [Safeguarding Policy for Grant Holders](#), as may be amended from time to time, by having appropriate policies and procedures in place to ensure the protection of children, young people and adults at risk and in complying with those policies and procedures.
- 3.25. You must comply with this clause 3.24 even if you are not required to do so under any child protection or care standards legislation, and whether the work is formal, informal, voluntary or salaried.

We cannot advise you of your legal responsibilities in dealing with vulnerable people, and these conditions are not legal advice. If you have any queries about your obligations, we strongly advise that you seek

independent legal advice and also contact the National Society for Prevention of Cruelty to Children <https://learning.nspcc.org.uk/>

- 3.26. You must have adequate procedures to manage and monitor any actual or perceived bias or conflicts of interest.
- 3.27. When procuring goods, work or services that are funded in whole or in part by the Grant Agreement, you must ensure you are:
 - 3.27.1. getting the best value for money when buying goods, works, or services and ensuring that any procurement process is conducted transparently and proportionately and suppliers are treated equally and without discrimination.
 - 3.27.2. having appropriate policies and procedures for obtaining quotes or competitive tendering in place for purchasing any goods, works or services costing more than £12,000 (including VAT) over the whole life of the contract, including any extensions (irrespective of how likely it is that they will be exercised).
 - 3.27.3. complying with your obligations under the Public Contracts Regulations (“PCR”) or the Procurement Act 2023 (as applicable), if you are a contracting authority subject to the PCR; and
 - 3.27.4. for contracts within the scope of Regulation 13 of the PCR, procure in a manner compliant with the PCR; and advertised in such a way as to ensure that all interested suppliers in the market are aware of the opportunity to tender for the contract as if you are a contracting authority for the purposes of the PCR. You understand that you shall not sub-divide a requirement intending to exclude the application of clause 3.27.4 or comply with your obligations under the PCR.
- 3.28. We may request information to satisfy us that you have complied with your obligations under clauses 3.27.1 to 3.27.4, and you must provide all the information we require.
- 3.29. You acknowledge that we may incur financial liability if you break your obligations under clauses 3.27.1 to 3.27.4 and that you shall be liable to us for any losses, costs (including legal costs), damages and any other financial liability that it incurs as a direct result of such a breach.

4. Information, marketing and publicity

- 4.1. You must acknowledge our support by featuring the Grant Award Logo on all information, marketing and publicity materials relating to the Project, including printed and online material (including any advertisements, accounts and public annual reports, or in written or spoken public presentations about the Project) ("**Promotional Material**"). In addition, if your grant is from National Lottery sources, you must also feature the Lottery Grant Award Logo in all Promotional Material.
- 4.2. In addition, you must also acknowledge our support and the support of the National Lottery (if your grant is from National Lottery sources) in any spoken public presentations relating to the Project.
- 4.3. For the sole purposes of complying with your obligations under clause 4.1 above (the "**Permitted Purpose**"), we hereby grant you a non-exclusive, royalty-free, non-transferable, non-sub-licensable (except as permitted under this clause 4.3) licence to copy, publish and otherwise use the Grant Award Logo and (if your grant is from National Lottery sources, the Lottery Grant Award Logo) ("**Licensed Rights**") for the Permitted Purpose for the Licence Period. Where you are working directly with a Named Partner for the Project, you shall be entitled to sub-license the Licensed Rights to such organisation provided that the sub-licence is granted in line with the terms of the Grant Agreement and you and such organisation enter into a sub-licence agreement which ensures compliance with the terms of the Grant Agreement. You shall provide us with the name and/or copies of any sub-licences granted to any third party by you when these are entered into and as/when reasonably requested by us from time to time.
- 4.4. You must comply with the Branding Guidelines relating to the use and mode of display of the Licensed Rights.
- 4.5. You can download the Grant Award Logo and the Lottery Grant Award Logo (if required) and access full details of how to acknowledge our support at www.artscouncil.org.uk/grantawardlogo.
- 4.6. You acknowledge that the National Lottery Crossed Fingers logo and the words 'The National Lottery' are owned by the Gambling Commission (the "**Commission**"). The Commission is responsible for licensing and regulating the National Lottery. It aims to ensure the integrity of the

National Lottery, to protect players and to maximise the funds that can be paid out in grants. The Commission has granted Allwyn Entertainment Ltd ("**Allwyn**") a licence to operate the National Lottery until 31 January 2034. Under the terms of the licence, it is a single-purpose company, dedicated to the operation of the National Lottery and is regulated by the Commission. You further acknowledge that we own the Grant Award Logo. You will not at any time do or permit to be done any act which will or may weaken, damage or be detrimental to the Grant Award Logo or the National Lottery Crossed Fingers logo or the reputation or goodwill associated with them, us or the Commission, or that may invalidate or jeopardise any registration of the Grant Award Logo or the National Lottery Crossed Fingers logo.

4.7. Please note that with regard to the Lottery Grant Award Logo:

- 4.7.1. you will only be entitled to use the Lottery Grant Award Logo if your grant is from National Lottery sources;
- 4.7.2. you may not transfer your right to use the Lottery Grant Award Logo to another project or organisation; and
- 4.7.3. we will share information about your Project with the Commission and Allwyn to enable them to monitor your compliance with their own National Lottery grant award guidelines (which form part of the Branding Guidelines) and to take appropriate action should you breach their terms.

4.8. You will promptly notify us in writing of any of the following matters which come to your attention during the Licence Period (giving full particulars):

- 4.8.1. infringement or suspected or threatened infringement of the Licensed Rights or any part thereof, whether by imitation or otherwise;
- 4.8.2. any allegation or complaint made by any third party that the Licensed Rights, or any part thereof, is invalid or that their use infringes any third party rights or may cause deception or confusion to the public; and
- 4.8.3. any other form of attack on or claim to the Licensed Rights or any part thereof.

4.9. We acknowledge that you will own all rights in any materials produced for or relating to the Project and in the Project Proposal, including any intellectual property rights but excluding any rights in the Licensed Rights.

You hereby grant us a non-exclusive, worldwide, royalty-free, perpetual licence to reproduce any materials relating to the Project and the Project Proposal as we reasonably require for marketing and publicity purposes. We may also share information with Allwyn, the Commission, other funders, government departments, regulatory agencies, partners and others with a legitimate interest in public funding.

- 4.10. We have the right to terminate your licence to use the Lottery Grant Award Logo immediately on written notice if:
 - 4.10.1. our own permission from the Commission and/or Allwyn to use the National Lottery grant award logo is terminated;
 - 4.10.2. you do not comply with your obligations contained in this clause 4, including the Branding Guidelines; or
 - 4.10.3. your grant from the National Lottery funds is withdrawn, suspended or terminated.
 - 4.10.4. We have the right to terminate your licence to use the Grant Award Logo immediately on written notice if you do not comply with your obligations contained in this clause 4, including the Branding Guidelines.
 - 4.10.5. On expiry or termination of your rights under clause 4.3 in relation to the Grant Award Logo or the Lottery Grant Award Logo (as relevant) for any reason, you will without delay discontinue all use of the Grant Award Logo and Lottery Grant Award Logo (as relevant) and deliver up to us all material containing the Grant Award Logo and Lottery Grant Award Logo in your possession, power, custody or control.

5. Additional Conditions for organisations

- 5.1. You will ensure that you are at all times correctly constituted and that you can deliver the Project under the terms of your constitution.
- 5.2. You must get our written agreement before:
 - 5.2.1. changing your governing document, (unless you are a statutory organisation) concerning your aims, payments to members and members of your governing body, the sharing out of your assets (whether your organisation is dissolved or not), or the admission of any new members; or

- 5.2.2. transferring your assets to, or merging or amalgamating with, any other body, including a company set up by you.
- 5.3. You must write to us as soon as possible if any legal claims or regulatory investigations are made or threatened against you which may or may not adversely affect the Project during the duration of the Grant Agreement (including any claims made against members of your governing body or staff concerning the organisation).
- 5.4. If you are an unincorporated group, the person accepting the grant must have the authority of the group to enter into the Grant Agreement on behalf of all the members of the group. All members of the group will be jointly and severally liable under the Grant Agreement.
- 5.5. You must tell us in writing as soon as possible of any investigation concerning your organisation, trustees, directors, employees or volunteers carried out by the Police, Charity Commission, the Office of the Scottish Charity Regulator, HM Revenue & Customs or any other regulatory body.
- 5.6. You acknowledge that the grant comes from public funds and acknowledge that the support provided must be compliant with the Subsidy Control Regime. Where applicable, you agree that we will publish information relating to the grant and that you will keep reasonably detailed records to demonstrate compliance with the Subsidy Control Regime and shall provide a copy of such records to us upon reasonable request. In the event that it is deemed by a competent court or other regulatory authority to be non-compliant with the Subsidy Control Regime, you will repay the entire grant (and any other sums due) immediately.

6. Building Work

- 6.1. If all or any part of the Project is to be used for building work, you must ensure that:
 - 6.1.1. you employ a lead professional(s) with appropriate building experience to manage the design and tender process, the post-contract works and to certify that the building works have been properly carried out;
 - 6.1.2. you appoint design, cost, management and other specialist consultants with appropriate experience for the project's value and complexity;

- 6.1.3. you have received any planning permission, listed building consent and building regulations consent (or other applicable consents or regulations) required for the building work;
- 6.1.4. if structural work is necessary, you employ a structural engineer;
- 6.2. You will use building professionals who are fully qualified members of an approved professional body and have all necessary professional indemnity insurance with indemnity limits appropriate to the Project. This includes appointing a conservation-accredited professional if you are undertaking work to a grade I or II* listed building;
- 6.3. If building works come under the Construction (Design and Management) Regulations 2015 (as amended from time to time), you will confirm that you have appointed a principal designer and complied with the regulations;
- 6.4. You put in place all necessary contracts with contractors and consultants on industry standard terms and conditions;
- 6.5. Before appointing contractors or consultants, you will check their capability and financial ability to fulfil the proposed contract requirements. Based on these checks, you agree to take all reasonable steps to minimise any identified risks. This includes specifying a performance bond or parent company guarantee in tender documents if necessary.
- 6.6. Pursuant to clause 6.5, you agree to inform us immediately of all risks with respect to any third-party insolvency. In the event of insolvency, you undertake to appoint an alternative contractor or building professionals at your own cost. We reserve the right to enforce any additional requirements in respect of clauses 6.5 and 6.6.
- 6.7. You must arrange any additional insurance cover required as a consequence of building work.
- 6.8. We may insist on third-party rights being given to us (and in a form approved by us) under any contract you have with a contractor and or building professionals.
- 6.9. Building contracts must contain a clause which allows you to retain part of the contractors' fees on practical completion of the works and,

- 6.10. You must retain all construction documents for seven years after the final grant payment. This is to include but not limited to:
- 6.10.1. contract drawings and specifications;
 - 6.10.2. as-built drawings;
 - 6.10.3. health and safety files;
 - 6.10.4. building contract with the main contractor and key sub or specialist contractors;
 - 6.10.5. other building contracts as appropriate
 - 6.10.6. planning and/or listed building consent, including the confirmations of the discharge of the conditions of consent;
 - 6.10.7. discharge of reserved building control completion certificate;
 - 6.10.8. fire officer approval;
 - 6.10.9. contracts of engagement for professional teams; and,
 - 6.10.10. any other documents we may request.

7. General Conditions

- 7.1. If you breach any term and/or condition of the Grant Agreement and we do not enforce one or more of our rights straight away, this does not mean that we will not do so in the future. We will give up our right to enforce the whole or any part of the Grant Agreement only if we tell you in writing.
- 7.2. If you have other Grant Agreements with us, you must also follow the terms and conditions of those grant agreements. If there is any conflict between those terms and conditions and the terms and conditions of this Grant Agreement, then these terms and conditions will take precedence so far as they relate directly to the delivery of this Project.
- 7.3. If you breach any term and/or condition of the Grant Agreement, we may consider this a breach of any other grant agreements you have entered into with us. We may take the same actions under those grant agreements as we do under this Grant Agreement, including making you pay back the grant(s) and stopping any future payments.
- 7.4. You must tell us in writing as soon as possible if you have had any other grant agreement, either with us or any other funder, withdrawn or terminated due to misrepresentation and/or fraud on your behalf. If you do

not disclose this information to us immediately, we reserve the right to terminate the Grant Agreement.

- 7.5. Our staff, council members and advisers cannot give you professional advice and will not take part in carrying out your business. We cannot be held responsible for any action you take, any action you fail to take, or for your debts or liabilities. Even though we may give you funding and talk to you about your activities, you are still fully responsible for every part of the Project, your business and the decisions about it. We will not be responsible to anyone else who may take, or threaten to take, proceedings against you.
- 7.6. You are responsible for your own management, business and artistic advice. This includes considering whether you need to get your own advice in relation to: finances, accounting, tax, solvency, insurance, human resources, legal advice (including your compliance with legislation or other types of professional advice. You must not assume that your business is financially stable or solvent (this means your business is able to meet its financial responsibilities), even if we continue to support you.
- 7.7. You must obtain all approvals, consents and licences required by law to complete the Project. You must comply with any relevant laws or government requirements which are applicable and/or in force at any time during the Grant Agreement Duration, and comply with best practice in governance, reporting and operation. This will be done at your own cost and includes (but is not limited to):
 - 7.7.1. ensuring that you/your organisation do or does not work with organisations proscribed under the Terrorism Act 2000 - <https://www.gov.uk/government/publications/proscribed-terror-groups-or-organisations--2>
 - 7.7.2. ensuring that you comply with all anti-bribery and anti-corruption legislation;
 - 7.7.3. If applicable, you will comply with the Modern Slavery Act 2015 and any other slavery, servitude and forced or compulsory labour and human trafficking legislation;
 - 7.7.4. Any legislation of regulations in relation to 'sanctioned' countries, organisations, and/or individuals which may be in force at any time during the Grant Agreement Duration ("Sanctions Legislation"). Information on the UK Sanctions Regime can be found at:

<https://www.gov.uk/guidance/uk-sanctions#:~:text=The%20Sanctions%20Act%20provides%20the,to%20conduct%20by%20UK%20persons.>

- 7.8. Your grant comes from public money, so if you are planning to buy goods or services with your grant, you should always buy them in a way that will give value for money and avoid any conflicts of interest. This includes following any obligations on you under the Public Contracts Regulations 2015, as set out in clause 3.27.
- 7.9. Our funding is contingent on receiving funds from different sources. We do not expect this funding to be reduced or stopped but, if it is, we may reduce or stop your grant before we have paid you the full amount with no further liability to you.
- 7.10. We are not obliged to provide, and nor should you assume that we will, any further funding for the Project after this Grant Agreement comes to an end.
- 7.11. The Freedom of Information Act 2000 (“FOIA”) applies to us. This means any information that the Arts Council receives from you will be subject to the Freedom of Information Act 2000. By law, we may have to provide the information to a member of the public if they ask for it under FOIA. For further details, see the our information sheet titled “How we treat your application under the Freedom of Information Act”, available on our website: <http://www.artscouncil.org.uk/>. If you have any concerns, you should let us know, as some information may be covered by exemptions under FOIA (for example if the information is sensitive or confidential) however any decision to release information under FOIA is at our absolute discretion.

Visit our publication scheme at www.artscouncil.org.uk/freedom-information for more information on how we apply the FOIA and our data protection policy.

We encourage you to visit www.ico.gov.uk or information on the FOIA.

8. VAT

- 8.1. You acknowledge that the grant is not considered for any taxable supply for VAT purposes. You acknowledge that our obligation does not extend to paying you any amounts in respect of VAT in addition to the grant.
- 8.2. If you are registered for VAT or subsequently become liable to register for VAT, you must keep proper and up-to-date records, and you must make those records available to us and give us copies when requested.
- 8.3. If we have agreed to fund any or all of the VAT costs associated with your Project and you subsequently recover any VAT, you must pay us back immediately any of the VAT that has been paid for with the grant.

9. Conditions relating to assets or goods purchased with the grant

- 9.1. You will maintain the Project Assets in good repair and condition and ensure they are adequately insured. You must maintain and manage the Project Assets in accordance with a maintenance and management plan. If we ask you to provide us with a copy of this plan during the Grant Agreement Duration, you must provide it to us.
- 9.2. You must keep a register of all Project Assets. The register must include a description of the asset, full details of any acquisition or improvement, and full details of the asset's ownership and disposal.
- 9.3. You must only use the Project Assets for the Agreed Use set out in the Agreed Capital Project Plan.
- 9.4. During the Grant Agreement Duration, you must not sell any Project Assets or goods that have been totally or partly bought, restored, conserved (maintained or protected from damage) or improved with our grants without our prior written consent. If consent is given and you sell or dispose of the Project Assets or enter into a rent review arrangement, you may have to repay us all or part of the grant received from us. The amount you must repay will be directly proportional to the share of the project costs that came from us. If, with our consent, you sell the Project Assets wholly or partly bought with the grant, it will be at full market value, and we may impose conditions upon the transfer or disposition. Any dealings that you choose to make with the Project Asset funded by us will be at your own cost.

- 9.5. If the grant has contributed (or will contribute) to the costs of buying, restoring, conserving, or improving land, buildings or any other asset, you must not apply for a mortgage over that asset or use it as security without our prior written approval. Any dealings you choose to make with the asset funded by us will be at your own cost.
- 9.6. If the Project Asset is a leasehold interest, you must ensure that the funding does not enable your landlord to charge a higher rent as a result of the grant during the Grant Agreement Duration.

10.Land and Legal Requirements

- 10.1. If your Project involves building works to property, and/or the purchase of leasehold and/ or freehold property:
 - 10.1.1. we may take security on the freehold and/ or leasehold interest for your responsibilities under the terms of the Grant Agreement. Any legal advice required for you to put in place this security to our satisfaction will be at your own cost;
 - 10.1.2. we reserve the right to request any type of security or additional security (now or in the future) or consolidated security if it is considered necessary and desirable given the circumstances of the Project. We will also consider past capital projects funded by us in deciding as to our requirements. If we have asked for security over the Project Assets, we will require the requested documents to be completed to our satisfaction before the relevant payment is released.
- 10.2. The type of security required for the Project will be set out in the offer letter. This may include a Deed of Covenant, Legal Charge (fixed), or Legal Charge (fixed and floating), in our standard form, or if the property is unregistered, a Deed of Dedication, and registration of a caution against first registration and the appropriate land charge and confirmation that upon first registration, our standard restriction wording will be registered against the title thereafter. The applicable security document will be accompanied by any of the following documents as specified in the Grant Agreement:

- 10.2.1. a solicitor's undertaking in our standard form to register the security document upon completion at the Land Registry and at Companies House within 28 / 21 days respectively; and/or;
 - 10.2.2. a certificate of title in our standard form. This is to be provided by a solicitor, or in-house legal team if applicable, which holds professional indemnity insurance sufficient to cover at least the value of the grant. This certificate will confirm that you are the freehold owner of the title of the Project Asset or a lessee under a lease which meets our requirements under clause 10.5, and discloses any adverse interests affecting the Project Asset; and/or
 - 10.2.3. a legal opinion in our standard form from your solicitors (which hold professional indemnity insurance sufficient to cover at least the value of the Grant) confirming that you have the legal powers necessary to enter into all of the documents related to the Grant and relevant security, if you are not a statutory body (this includes local authorities and universities); and/or
 - 10.2.4. if you are a statutory body or university, evidence of local authority cabinet approval or equivalent for the acceptance of the Grant on the terms and conditions provided and delivery of the Project.
- 10.3. You may be required to give us copies of all relevant documents affecting the title to the property (for example, all mortgages, conveyances, leases and so on that affect the legal rights to the property).
- 10.4. If any part of the grant is to buy land (whether freehold land or leasehold land), you are to send us when asked the following documents:
- 10.4.1. a surveyor's report on the condition of the property, its value for the purpose of the Project and continued use for creative and/ or cultural purposes;
 - 10.4.2. confirmation by your solicitors that all necessary consents for the use of the property for the purposes of the grant have been obtained;
 - 10.4.3. for the purchase of leasehold land, a copy of the future lease and/ or agreement for lease;
 - 10.4.4. an undertaking to satisfy all other requirements as set out in clause 10.2.1 upon completion of the purchase of the freehold or leasehold interest; and any other documents or requirements that we may request in order to meet the legal requirements.

- 10.5. If any part of the grant is to buy or fund the development of leasehold land, then you must send us a copy of the lease and ensure that the lease meets our standard lease requirements set out below:
- 10.5.1. For grants used for refurbishment works or purchase of land and buildings up to and including £500,000: a registered and assignable lease of at least ten (10) years, without a break clause, no forfeiture on insolvency provision and a permitted user provision that is compliant with the Agreed Use.
 - 10.5.2. For grants used for refurbishment works or purchase of land and buildings of over £500,000 and up to and including £1 million: a registered and assignable lease of at least fifteen (15) years, without a break clause, no forfeiture on insolvency provision and a permitted user provision that is compliant with the Agreed Use.
 - 10.5.3. For grants used for refurbishment works or purchase of land and buildings of over £1,000,000 and up to £5 million: a registered and assignable lease of at least twenty (20) years, without a break clause, no forfeiture on insolvency clause and a permitted user clause that is compliant with the Agreed Project.
 - 10.5.4. For grants used for refurbishment works or purchase of land and buildings of over £5 million: a registered and assignable lease of at least thirty (30) years, without a break clause, no forfeiture on insolvency clause and a permitted user clause that is compliant with the Agreed Project.

11. Breach of these terms and conditions, and suspending or repaying the grant

- 11.1. If you fail to meet any of these terms and conditions or breach the Grant Agreement in any way, we may, in our absolute discretion (in addition to the other rights outlined in this Grant Agreement):
- 11.1.1. require you to pay back all or part of the grant (regardless of how much you may have already spent); and/or
 - 11.1.2. stop any future payments; and/ or
 - 11.1.3. terminate the Grant Agreement immediately;
 - 11.1.4. take any of these actions in connection with any other grant agreement that you may have with us; and/or
 - 11.1.5. require you to adhere to additional conditions

11.2. In addition to the above, we may also impose additional conditions on the grant if:

- 11.2.1. you are in breach of the Grant Agreement;
- 11.2.2. we withdraw or suspend any part of the funding for the Project;
- 11.2.3. we judge that members of your governing body, volunteers or staff or any person or organisation closely involved in carrying out the Project act in a way that may have a detrimental effect on the Project or on our reputation as a distributor of public money. For the avoidance of doubt, this would apply to the manner and speed of the delivery of the Agreed Project, or to any illegal or negligent actions by you, and not to any artistic decision made by you;
- 11.2.4. we have reasonable grounds to believe that it is necessary to protect public money; and/or
- 11.2.5. we believe such conditions are necessary or desirable to make sure that the Project is delivered as agreed.

11.3. We may suspend payment of the grant if we wish to investigate any matters concerning the grant (or any other grants given by us to you). You understand and accept that we will accept no liability for any consequences, whether direct or indirect, that may arise from a suspension even if the investigation finds no cause for concern.

11.4. We may recover the grant in our absolute discretion, if any of the following events occurs:

- 11.4.1. you close down your business (unless it joins with, or is replaced by, another business that can carry out the Project and we have provided our prior written permission);
- 11.4.2. you make any changes to the Project without first getting our written permission;
- 11.4.3. you use the grant for anything other than the Project;
- 11.4.4. you do not follow our reasonable instructions;
- 11.4.5. you do not complete the Project on time;
- 11.4.6. you do not carry out the Project with reasonable care, thoroughness, competence and to a standard that would be expected for your level of experience in your artistic practice, profession or line of work;

- 11.4.7. you receive funding for the Project, or any specific element of the Project from us under a separate grant agreement, or another source that duplicates, or is an attempt to duplicate, the funding we have awarded;
 - 11.4.8. you have supplied us with any information that is wrong or misleading, either by mistake or because you were trying to mislead us;
 - 11.4.9. you are declared bankrupt or become insolvent, any order is made, or resolution is passed, for you to go into administration, be wound up or dissolved; an administrator or other receiver, manager, liquidator, trustee or similar officer is appointed over all or a considerable amount of your assets; or you enter into or propose any arrangement with the people you owe money to;
 - 11.4.10. you act illegally or negligently at any time;
 - 11.4.11. you act in such a way that we believe you have significantly affected the delivery of the Project, or are likely to harm our or your reputation, or it is, in our discretion, necessary to protect public money;
 - 11.4.12. without first getting our approval in writing, you sell or in some other way transfer the grant, your business or the Project to someone else;
 - 11.4.13. we deem it unlikely that the grant will fulfil the purpose for which we made it; and/or
 - 11.4.14. you work with any prohibited organisation proscribed under the Terrorism Act 2000 as set out in clause 7.7.1.
- 11.5. We may ask you to cover our reasonable costs in relation to our liabilities, damages, losses, including reputational loss, expenses and costs (including all interest, penalties, legal costs calculated on a full indemnity basis) and any reasonable professional costs and expenses suffered or incurred by us in connection with your acts and/or omissions in relation to the Project and/or the requirements of the Grant Agreement.

12.Termination of the Grant Agreement

- 12.1. The Grant Agreement shall remain in force for whichever of these is the longest time:

- 12.1.1. five (5) years after the date of the Grant Agreement for a grant up to and including £500,000 for the purchase of goods and services; or,
 - 12.1.2. ten (10) years from the date of the Grant Agreement for a grant up to and including £500,000 for building work and/ or purchase of land and buildings; or,
 - 12.1.3. fifteen (15) years from the date of the Grant Agreement for a grant of more than £500,000 and up to and including £1,000,000 for building work and/ or purchase of land and buildings; or,
 - 12.1.4. twenty (20) years from the date of the Grant Agreement for a grant of more than £1,000,000 and up to and including £5,000,000 for building work and/ or purchase of land and buildings; or,
 - 12.1.5. thirty (30) years from the date of the Grant Agreement for a grant of more than £5,000,000 for building work and/ or purchase of land and buildings; and/or.
 - 12.1.6. as long as you do not carry out any of the terms and conditions of the Grant Agreement or any breach of them continues (this includes any outstanding reporting on grant expenditure or Project delivery).
- 12.2. Unless specified otherwise in the Grant Agreement, the Licence Period shall commence on the date of the Grant Agreement and continue thereafter for whichever of the periods detailed in clauses 12.1.1. to 12.1.6 (inclusive) is the longest time.

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We welcome all comments on our work. Please send these comments to our Customer Services Team at The Hive, 47 Lever Street, Manchester, M1 1FN or via the contact form on our website at: <http://www.artscouncil.org.uk/contact-us>

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Creative Foundations Fund Grant Agreement

Schedule 2 (Security Guidance)

This schedule sets out a brief summary of each security document that may be required as part of our security requirements. Where these requirements apply to your grant, they will be set out in the Monitoring Schedule and Payment Conditions and in Schedule 1 (Agreed Capital Project Plan). Please ask your appointed solicitor to review the information below and confirm to your representative at Arts Council England when you are ready to proceed with the security requirements. The relevant security documents will be provided by Arts Council England Legal Services with the exception of board minutes and any internal authorisations, which must be prepared and provided by either you or your appointed solicitors.

Deed of Covenant

This is a document which places a restriction over your Project Asset's Land Registry Title. The terms of the Deed of Covenant are generally as follows:

The Grantee (sometimes including a Landowner) shall not:

- not without the prior written consent of the Arts Council, assign, transfer or charge the Land or grant any lease or license, agree to grant any lease or license or enter into or permit any parting with possession or sharing arrangements whatsoever in respect of the Land;
- not, except with the prior written consent of the Arts Council, use the Land other than for the purpose of the Agreed Use; and
- not damage or destroy the Project.

Where the Project Asset is unregistered, a Deed of Dedication is required instead containing similar covenants as the Deed of Covenant alongside further obligations to register a restriction upon first registration of the Project Asset.

Legal Charge

This is a mortgage over the Project Asset to be registered at the Land Registry. This contains similar covenants to the Deed of Covenant alongside specific enforcement powers.

Where existing legal charges are already in place, an Intercreditor Deed may be required to govern ranking and priority.

Fixed and Floating Charge

This is an extension of the Legal Charge above but also includes a debenture over all other assets of the Grantee.

Legal Opinion (with the exception of local authorities and universities)

The purpose of providing the legal opinion is to inform the addressee of the legal effect of a transaction or matter and to identify legal risks that the addressee should consider further and evaluate.

This includes:

- Proof that the Grantee exists, including the fact that it has been incorporated and is validly subsisting, and, if applicable, that it has been duly registered;
- That it has the (corporate) capacity to do what it wishes to do, as set forth in its articles, legislation, and the common law;
- That it is in good standing financially and as a valid and subsisting corporation with respect to the filing of annual returns and perhaps other filings which may be required in order to assure that the company is not in danger of losing its corporate existence or capacity; and
- That all required corporate actions have been taken, including confirmation that all corporate resolutions authorising the corporation to enter into the transaction have been executed and that the appropriate resolutions appointing persons to execute and deliver the documents have been passed.

This must be provided by a solicitor along with board minutes authorising the transaction.

Council Authority (for Public Bodies)

Local Authorities and Universities are not required to provide a Legal Opinion but instead must provide their authority (a board or council decision) authorising entering into the Arts Council grant agreement and the subsequent security.

Undertaking

This is the equivalent of a promise from your solicitors to register the restriction from the Deed of Covenant or the Legal Charge over the Project Asset's Title and where relevant, at Companies House.

Where the Project Asset is unregistered, a Caution against first registration will need to be registered instead.

Certificate of Title

The Certificate of Title (in the Arts Council's standard form) will require your solicitor to review the Land Registry Title of the Project Asset in full, setting out the covenants, rights and reservations affecting it. A full Local Search is also required and the planning use of the Project Asset will need to be confirmed. This Certificate will need to be certified by your solicitor to confirm that the Project will not be jeopardised by any of the disclosures or entries on Title.

Where leasehold land is concerned, Section 2 of the Certificate of Title must also be completed setting out the lease terms. Where the lease is not considered to be compliant with our Standard Terms and Conditions, a Deed of Variation will be necessary.

Schedule 3 – Data and Evaluation

We are working with independent evaluators and the Department for Culture, Media and Sport to ensure that the impact of the fund is evaluated comprehensively. Data collection is applied as a condition of receiving payments, to be submitted as part of the regular progress reporting you will see noted at agreed intervals across your Monitoring Schedule.

This document sets out a number of data submission requirements to be provided annually to support the evaluation, in addition to the regular progress reporting requirements.

Annual data to be collected:

1. Visitor / Audience Numbers:
 - a. Artists and creatives, or specialists
 - b. Staff
 - c. Audience (live)
 - d. Audience (broadcast, online, in writing)
 - e. Other users of your building or services
2. Numbers of hours open/ no. of performances/ exhibitions/ events
 - a. Number of hours your building was open
 - b. Number of performances
 - c. Number of exhibitions
 - d. Number of workshops
 - e. Number of events
 - f. Number of studio spaces leased/ occupied
3. Loss of activity due to asset failure and degradation and/or the need for urgent capital works
 - a. Number of hours of activity (performances, exhibitions and/or events) cancelled or abandoned
 - b. Number of seats unusable or impacted
 - c. Square metres of property unusable
4. Financial impact of asset failure and degradation and/or the need for urgent capital works
 - a. Lost revenue / income from performances, exhibitions and/or events cancelled or abandoned
 - b. Cost of reactive and emergency repairs (not routine maintenance)

- c. Cost of hiring emergency or replacement equipment
 - d. Cost of hiring / renting alternative space
 - e. Additional staffing costs due to reactive measures
5. Energy Consumption (kWh/year):
- a. Grid electricity
 - b. Natural Gas
 - c. Biomass
 - d. On-site renewable (only energy used by the building)
 - e. District heating/ cooling network