

NTIA | NIGHT TIME
INDUSTRIES ASSOCIATION

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**Culture Recovery Fund:
Emergency Resource Support**

Webinar

THURSDAY 8th JULY 2021

ABOUT THE FUND

Applicants can apply for funding to cover the period up to a point where they can demonstrate a return to financial viability, but no later than 31 December 2021, and must be able to demonstrate they are ***at risk of insolvency within 12 weeks of the point of application.***

Not for-profit organisations can apply for grants of between £25,000 and £3 million.

For-profit organisations can apply for grants between £25,000 and £1 million.

By 'at clear risk of no longer trading viably' we mean you can demonstrate that, without additional support through Emergency Resource Support, your organisation would not have the ability to generate sufficient income or sufficient cash reserves (or near-cash reserves where it is appropriate to liquidate them) in order to meet operating payments and debt commitments, then you are at risk of no longer trading viably.

This is similar to the definition of cash-flow insolvency. However, given the unique circumstances of many cultural organisations (including the importance of cultural assets in their reserves) we will review and consider all the information in your application, together with any other information we hold about your organisation, or which is publicly available, as to whether your organisation is at risk of no longer trading viably.

If you have previously received a grant from the Culture Recovery Fund, there are cumulative limits on how much you can apply to this programme for:

- if you are a non-profit organisation, the maximum you can receive in total across all rounds is £4 million
- **if you are a for-profit (commercial) organisation, the maximum you can receive in total across all rounds is £1.5 million**

YOU CAN ONLY SUBMIT ONE APPLICATION TO THIS FUND

ELIGIBILITY CRITERIA

WHO CANNOT APPLY

- Individuals and sole traders
- Private members clubs
- Subsidiary companies (the application must come from group parent company)
- Organisations / associations not registered at companies house
- Organisations that have previously received funding through the Repayable Finance programme

If you are applying for £1,000,000 and under was your organisation constituted and registered at either Companies House, Charity Commission and/or other appropriate regulatory body on or before 31 March 2019?

If you are applying for £1,000,001 and over was your organisation constituted and registered at either Companies House, Charity Commission and/or other appropriate regulatory body on or before 31 March 2018?

Is your organisation's primary role to create, present or support one (or more) of these genres or sub genres that fits within Arts Council England's current remit excluding Libraries? (Dance, Visual Arts, Music, Theatre, Literature, Combined Arts, and Museums).

Are you able to evidence that your organisation is at risk of no longer trading viably within the next 12 weeks?

Please confirm that you have exhausted all other reasonable options to ensure that your organisation remains financially viable including government relief schemes , affordable lending, viable alternative options for commercial, contributed and philanthropic income, and using your own resources

Please confirm that you are happy to have future contact with Arts Council England to discuss how plans for sustainability are progressing.

Organisations that scored 'Not met' for Cultural Significance in previous rounds of the Culture Recovery Fund programme may not be invited to apply, however we will review any previous information alongside any new information provided in the Permission to Apply form. This combined information will be used to determine whether you will be invited to apply.

THE APPLICATION PROCESS

FIRSTLY...

SET UP A PROFILE ON GRANTIUM!

TIMELINES

STEP 1: PERMISSION TO APPLY

OPENS 8TH JULY
CLOSES 30TH SEP

DECISION IN 5 WORKING DAYS

STEP 2: FULL APPLICATION

OPENS 15TH JULY
CLOSES 14TH OCT

FULL APPLICATION MUST BE SUBMITTED WITHIN 5 WORKING DAYS OF BEING GRANTED
PERMISSION TO APPLY

DECISION TURNAROUND TIME 6 WEEKS

PERMISSION TO APPLY

START WITH THE FINANCE

1. It is **ESSENTIAL** that you send in the completed cashflow forecast template with the Permission to Apply form, or your application will be rejected.
2. The Permission to Apply form asks for how much funding you will be requesting, so refer to the application guidance and make sure you're only applying for funding to cover **ELIGIBLE** expenditure.
3. If your project has any capital elements, check that these are eligible and if there are any specific requirements.
4. If you have a fair pay policy make sure to mention it in your narrative.

ROADMAP OUT OF LOCKDOWN

Applicants should apply using the assumptions as laid out in the government's roadmap out of lockdown. Applicants should submit plans for the rest of the 21/22 Financial Year based on the assumption that we will continue operating under the current Step 3 guidelines until 19 July, with Step 4 to take place no earlier than 19 July.

Different organisations will have different lead in times and risk profiles and so should articulate the timelines for transitioning back to full reopening.

ELIGIBLE EXPENDITURE

- essential business expenditure, such as staff salaries and fixed/operational costs for the duration of the funding period
- costs for projects/activity that are/is essential to your continued operations and that are/is related to the reopening of businesses in a Covid-safe manner and that will drive future income
- full or partial repayment or clearance of Covid-related debt incurred since 01 April 2020, not including affordable lending

- building reserves, up to a maximum value of eight weeks' turnover
- proportionate redundancy pay outs where decisions have been made to reduce the workforce
- running risk management and financial reviews and testing any identified actions to safeguard the organisation as needed
- one off costs arising from organisational development including reconfiguring business plans, governance and activity needed to help safeguard the future of your organisation – in particular costs that will enable organisations to increase income

“one-off costs” up to a maximum of 10% of the full grant request in order to adapt any existing activities and core business. These costs can include; Purchasing or installing essential Covid-19 related equipment, adaptations to help you operate and comply with social distancing requirements, essential IT equipment and connectivity costs to support homeworking, activities to enable your organisation to put information online and to interact with your community/customers if your site is closed, for example, digital expertise, equipment or customer relationship management system

WHAT CANNOT BE FUNDED

- New projects
- Operational costs beyond return to viability (before 31st Dec)
- Repayment of COVID related debt (with exceptions)
- Clearing historic debts incurred prior to 1st April 2020
- Repayment of CBILS, Bounce Back Loans or any government backed borrowing
- Repayment of historic structured loans, tax bills, fines
- Building reserves beyond 8 weeks turnover
- Redunancy costs that are not deemed 'proportionate'
- One off costs beyond 10% of the total grant amount
- Costs covered by other government support (e.g. JRS)

- paid for lobbying
- costs that are covered by an insurance pay-out
- costs related to the promotion of the beliefs of political or faith organisations
- anything that contravenes Government's advice on Covid-19
- using grant funds to directly enable one part of government to challenge another
- using grant funding to petition for additional funding
- expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy
- input VAT reclaimable by the grant recipient from HMRC
- payments for activities of a party political or exclusively religious nature

QUESTION 1 (400 words)

Briefly describe any schemes or income sources you have utilised (*These schemes include but are not limited to the Coronavirus Job Retention Scheme, Restart Grant Scheme, Recovery Loan Scheme, Additional Restrictions Grant Scheme, Coronavirus Statutory Sick Pay Rebate Scheme, Coronavirus Business Interruption Loan Scheme, Coronavirus Bounce Back Loan Scheme, Retail, Hospitality and Leisure Grant Fund, Small Business Grant Fund, Kickstart Scheme*)

If you are invited to apply you will be asked to provide further financial information. Please bear in mind that all income sources should be factored in to the cashflow forecast document that you provide

QUESTION 1

Have you taken advantage of other Government schemes and measures which have been introduced since the pandemic began, if so, please describe what these sources are and what funding you received?

Have you exhausted all reasonable options to cover any anticipated shortfall due to the Covid-19 crisis, including affordable lending; viable alternative options for commercial, contributed, and philanthropic income; and using your own resources?

QUESTION 2 (400 words)

Briefly tell us about your organisation and its work

What cultural activities does your organisation create, present or support?

What activity do you plan to deliver within the funding period, and how is this the most appropriate way for you to transition to a full operation?

What conclusions have you drawn about likely consumer behaviour during this period, and what is its impact on your plans?

Please describe the current status of your organisation: are you operating, partially operating or have you temporarily closed/ceased trading?

QUESTION 3 (400 words)

Briefly set out your organisations current position, detail on projected/forecast risk of no longer trading viably and how you would use a grant from this fund to achieve financial viability. You will be able to provide further information on this if you are invited to apply.

How have you managed financial risk in your organisation during this period and, if appropriate, how have you adapted your plans as the public health context has changed?

QUESTION 3

If you have previously received a Culture Recovery Fund grant, how have you used it wisely and prudently, including, if appropriate, how you repurposed it as the public health context has changed?

Please outline your projected risk of no longer trading viably within the 12 week period stipulated for this fund.

NEXT STEPS

Remember that you only have 5 days to submit the full application once you've been given permission to apply. Your accountant could be gathering the following to be prepared...

- a completed cashflow forecast template, for the ensuing 12 month period
- a completed detailed budget template, for the ensuing 12 month period
- a balance sheet as at the point of application, showing actual levels of restricted and unrestricted reserves
- a balance sheet projection for the point you predict a return to financial viability, showing projected levels of restricted and unrestricted reserves
- last two financial year's full financial statements, prepared to the relevant legal standard for an organisation of your size and status

TOP TIPS

Remember to answer all the prompts in the question

Your cultural significance: What's special or unique about what you do? How do you help to nurture new talent? How do you collaborate with others to create innovative new projects? How can you diversify your audience and workforce?

What will be lost if you cease trading? Jobs, opportunities for emerging artists, freelance work you support, community services you provide, local economic impact.

SUPPORTING DOCUMENTS

1. ALWAYS use the excel templates rather than your own version
2. For the Cashflow, make sure you've included everything to show a true position (i.e. loan payments, deferred VAT / corporation tax).
3. In the full application stage you will need to upload Activity Plan details so its good to start work on that early

RESERVES!

Unrestricted reserves

Funds which can be spent on any activity which falls within your organisation's objects. Unrestricted funds will form the majority of most organisations' income and is, in many ways, the most useful source of revenue as it can be spent on any of your activities.

Designated reserves

Funds which have been set aside by the organisation's board of directors for a specific purpose, however this purpose is not the only thing that the funds can be spent on. Examples: solar panels for your office building, new computer equipment.

Restricted reserves

Funds which can only be used for the purposes for which they were given. These purposes are usually set out in a funding application or agreement. Examples: project grants, capital funding, public appeals for restoration of a venue.

PERMISSION TO APPLY REVIEW

We will review your planned submission before you send it in, making any recommendations as to how you could strengthen the answers, and any information that is unclear or is missing.

£150+VAT

BID WRITING SUPPORT AND REVIEW

We will assess whether you have fully answered the questions, identify areas of weakness in the application, Suggestions for changes where the explanation is unclear, suggestions for additional ideas you could mention, check that your budget makes sense and is clear.

Webinars and online resources will be included to help you write your bid.

£275 +VAT

FULL BID WRITING SERVICE

We will write the application for you, after you have completed a pre-application questionnaire to provide the information we need. The fee is based on our experience that it will take 16 hours of bid writing time per application, which is normally sufficient. Any additional time over this will be charged at £50+VAT per hour. If you would like us to submit your application via Grantium for you, this is charged at an additional £150 + VAT.

£800 +VAT

THANK YOU

sylvia@sixtillsix.com

davidrandall@sixtillsix.com

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