

At the SCAN member meeting last Friday, 11 September, we collated questions about the new Cultural Organisations and Venues Recovery Fund. Here are the responses we received from Creative Scotland today (Monday 14 September).

Q. How do you define insolvency and how should we best illustrate critical condition for organisations that don't rely on ticket sales or bar takings?

A: A company is insolvent when it can't pay its debts. The cash flow will illustrate what the costs and income of the organisation are and whether there is sufficient cash to enable future costs to be paid or not.

Q. Are people applying for this fund allowed to have reserves, and if so, any specifications re reserves policy?

A: This fund is focussed on preventing insolvency and protecting jobs therefore cash is the primary focus. Reserves often include elements which cannot be easily converted into cash, therefore, are less relevant in preventing insolvency.

Q. Where organisations don't hold significant reserves and provision for redundancy payments would tip them into insolvency how should this be evidenced and planned for?

A: The purpose of the fund to avoid redundancy were possible, therefore, the amount of funding requested should be at a level that will avoid insolvency. We recognise that, in some cases, there may be a need for limited redundancies as organisations transition to more sustainable business models.

Q. What is the weighting between the three criteria?

A: This is being reviewed at the moment. Likely to be 50% question 1, 50% question 2 & 3, with a minimum threshold for each part.

Q. Are those whose organisations are within ALEOs (eg Glasgow International) eligible to apply?

A: The fund is intended for whole businesses, so the ALEO would need to apply and demonstrate the threat of insolvency.

Q. If you have accessed the Third Sector Resilience Fund are you eligible to apply?

A: This has not been identified as a specific exclusion, but awards from this fund would need to be shown in any cashflow.

Q. If you are a public gallery, linked to a university such as Cooper Gallery are you eligible to apply?

A: No, the application would need to come from the corporate entity and HE bodies are not eligible.

Q. If you are a festival and you don't have continued year-round engagement, how do you demonstrate this within the extended criteria for the £150k+ request?

A: The fund is intended to prevent insolvency and protect jobs in the period to 31 March 2021. Given that 1) a limited number of festivals will take place in this period (or shortly

after) and 2) we anticipate high demand for the fund then we have decided to prioritise organisations that have continued to engage with their audiences since lock-down.

Q. Similarly, if you are a festival and the impact on jobs and employment won't be felt until after March 2021 (eg, the event itself and associated employment wouldn't happen until April 2021), how should you articulate this with regards insolvency?

A: It is a requirement of funds provided by Scottish Government that they must relate to the period to 31 March 2021. In addition, the uncertainty around the planning of activity post 31 March 2021 makes the public funding of this activity difficult given the risks around whether it will be delivered or not.

Q. Is there an appeal available around exclusion from eligibility?

A. There is no appeal process

Q. Is there an appeal process on decisions, and if so can it be clarified?

A. There is no appeal process

Q. Who are the external assessors/ what is the make-up of the panel?

A. Still to be determined

Q. Will assessor recommendations and panel final decisions be equalities impact assessed or subject to board review before decisions are issued?

A. Yes

Q. The timeline around the feedback point in January, in order to release remaining funds, is very tight and will be difficult to get the relevant figures together. Can this be either dropped completely or at the very least reviewed?

A. Given the significant sums involved we are required to monitor the awardees more closely to ensure that the objectives of the fund are being met.

Q. When will we have more information on the other funds relevant to our sector (Creative Freelancers Hardship Fund, additional £3.5m to Open Fund, £1.5m Cultural Collective, Youth Arts Fund)?

A. The dates for all of these have been communicated in our regular updates on emergency funding, the most recent of which can be found here:

<https://www.creativescotland.com/what-we-do/latest-news/archive/2020/09/culture-recovery-fund-launches>

We will be issuing further updates on a weekly basis.

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