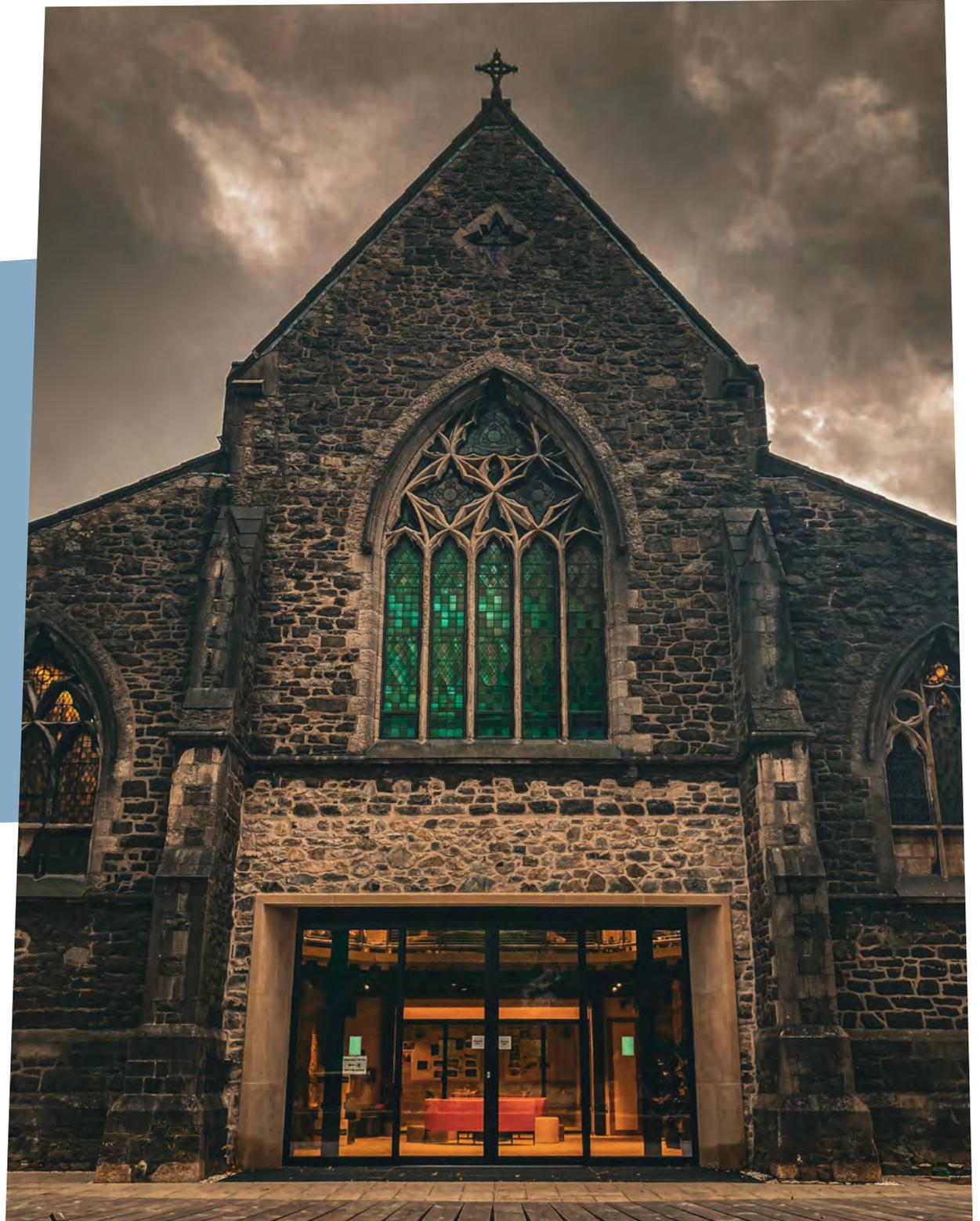


Arts Capital Investment

Guidance

June 2025



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Arts Capital Investment

Arts Council of Wales in partnership with Welsh Government invites organisations to apply for time limited capital funding to invest in arts organisations, buildings and venues across Wales. Applicants must offer artistic programming and opportunities for audiences, users and visitors.

Important note

Before completing an application you must be confident that you can start and complete your project (including any procurement etc that might be required) and claim funding prior to 5 March 2026 as we are unable to make payments after this date. Your projects should therefore be developed to a stage that will allow you to meet these strict claim deadlines to avoid losing some or all of your funding.

In making an application you are confirming your understanding of these deadlines (including that you will lose funding if you fail to meet them).

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Introduction

The Arts Council of Wales has been awarded funding from Welsh Government to support capital initiatives for 2025-26.

The purpose of the funding is to provide organisations with critical capital support, maintenance and/or transformational grants. The main element of funding is from Welsh Government with conditions that successful capital projects will need to be completed within the financial year and evidence of expenditure will need to be submitted to the Arts Council of Wales by 5 March 2026. Occasionally, in strategic cases we also use Lottery funding for certain projects.

In making an application to this fund you are confirming that you will be able to complete your project and claim the full grant by 5 March 2026.

Arts Council must report progress to Welsh Government on projects awarded and funding not claimed by 5 March 2026 will be lost and we will not be able to provide funding for completion of your project after this point. It's important therefore that you can confirm your ability complete your project in the timescale and this will form part of our application assessment.

What is a Capital project?

A Capital project is expenditure made in relation to capital assets such as buildings and equipment. You can apply to this fund to buy, upgrade and refurbish capital assets.

If you are applying for capital funding to improve an existing asset you will need to show that this investment will extend its life, increase its capacity or improve its quality. For example, if you are applying for funding to purchase new sound and lighting equipment, the project should improve the quality of the venue as it will offer a better experience to audience members and be more appealing to a production company. You should also consider the environmental impact that the capital project will have on your organisation. The ongoing financial implication of any capital expenditure must be considered prior to application as capital projects that make an organisation less financially resilient or would lead to a need for increased funding are unlikely to be approved.

What will the funding support?

We expect demand for this funding will be high and we might not be able to support all applications. When planning your capital project you should consider what to do if your application is unsuccessful, or if you're offered less money than you applied for.

You will be able to apply under one of the following categories.

- For applications up to and including £250,000 you can apply for up to 90% of your eligible costs.
- For applications over £250,000 we expect to fund up to 75% of your eligible costs.

You will need to provide evidence of how you are funding the remaining percentage from other sources. We will consider the level of your request when assessing your application, as well as the availability of your match funding. This will form part of our assessment of the viability of your project completing within the identified timescale and within the financial year.

The overall aim of this fund is to provide critical capital support, maintenance and/or transformational grants. Examples of projects that we will consider:

- Enhancing, improving, critical maintenance and refurbishing existing arts buildings and venues, especially where these changes support community integration, children, young people and families.
- Contributing towards feasibility studies for strategic capital projects to enable organisations to investigate the viability of their ideas further.
- Purchasing or upgrading equipment, as well as developing digital transformation, including digital based assets.
- Improving facilities and purchasing equipment that will specifically enhance the accessibility of arts buildings or have a positive impact on reducing carbon footprint.

You can include professional fees and irrecoverable VAT (VAT that you cannot recover from HM Revenue and Customs) as part of the eligible project costs. You should include the NET amount on your budget unless you cannot recover all of your VAT. Please confirm your VAT status, and tell us if you are including irrecoverable VAT (and how much)

In distributing this funding we will not consider applications for:

- The purchase of musical instruments.
- Projects that will increase the need for public funding (including from Arts Council of Wales).

We will assess your application in three key areas:

1. Eligibility

Only organisations can apply for this funding. To be able to apply your organisation and/or building must be based in Wales. You must evidence that you have a track record of delivering a professional programme of arts activity in Wales.

Before you develop your application please [check our guidance on whether your organisation is eligible to apply](#). **Please note**, Companies Limited by Shares are NOT eligible to apply for this funding.

You will be asked to confirm that your organisation meet these eligibility requirements at the start of the online application process. The building/project must also meet the requirements of the Equality Act in terms of accessibility. Tell us about the accessibility of your building, we have provided a self-assessment access audit document to complete and submit with your application if you are unable to provide an independent access audit. We are unable to offer funding to multi-use community facilities through this funding stream at the levels described in these guidelines. If you are in discussion with other funders about your project, then please let us know in order that we can offer appropriate advice.

You will need to tell us about your eligibility as part of the Project Proposal document and your response will be considered as part of the assessment process.

2. Scheme priorities

- How the project will make you more financially sustainable.
- How the project will make you more environmentally sustainable.
- How the project will improve the accessibility of your building for all users, including physical access and access for a range of diverse communities and people with disabilities or diverse needs.
- How the project meets the goals of the [Wellbeing of Future Generations act](#), the [First Minister's four priorities for the Welsh Government](#), and [Welsh Government's priorities for culture](#).

You will need to tell us about how your project meets our scheme priorities as part of the Project Proposal document and your response will be considered as part of the assessment process.

3. Project quality

- What benefits will your project bring to your audience, community or your organisation. Tell us more about your project and how it will have a beneficial impact.
- How your project will be managed, including how you will manage risk.
- How you will ensure you complete the capital project within the strict identified timescale.
- The availability of match funding to ensure your project can be fully funded.

You will need to tell us about how your project addresses these considerations as part of the Project Proposal document and your response will be considered as part of the assessment process.

In addition, the panel assessing the application may take into consideration balancing factors including the geographical spread across Wales, the impact the investment will have on the public, artform and whether an applicant has recently benefitted from other capital investment.

We won't consider applications for funding if the proposed work/purchases would increase how much it costs to run your organisation without it also delivering a similar or greater income increase. That is, your project shouldn't make you more reliant on external funding than you currently are.

We will consider the level of security required (for example a legal charge or deed of covenant in some cases) on a case-by-case basis, depending on the size of grant and the type of project.

Application process

- You must speak to one of our Officers before submitting your application. You can contact us at capital@arts.wales with a brief outline of your project proposal, to access a link to the application form.
- You'll need to use our online 'portal' to make an application. If you haven't done so already you'll need to register for access to the portal. [You can find out how to register here.](#)
- In the application form tell us the project details with a brief project description. You will then use the Project Proposal document that we will send you to demonstrate how your projects aligns with the criteria set out in this guidance. You must complete the Project Proposal document by responding to the questions in the three key areas of Eligibility, Scheme Priorities and Project Quality, and attach it to the application form. You must also include a budget outlining how you anticipate using the grant. Please use the capital budget template that we send you.

Accessibility

If you have any access needs and are thinking of making an application, we can help to make sure that you're supported during the application process. Please contact our Grants and Access Officer at access.support@arts.wales to discuss how we can help with specific access needs.

You can [find out more about access support on our website.](#)

Who will make the decision?

A panel made up of selected members of the Arts Council of Wales will be responsible for assessing the applications and a recommendation will be taken to our Capital Committee for a decision.

If your application is successful, we'll send you a formal offer of grant and any additional conditions of grant. You will also be subject to our standard conditions of grant which you can find on our website.

If your application is unsuccessful, we will explain the main reasons for our decision. You'll be able to discuss this with a member of our Capital Team if you wish.

We pay all capital projects in arrears on receipt of an invoice. A member of our Capital Team will discuss the payment process with you if your application is successful.

Timelines

The deadline for applications will be midday 2 July 2025.

In most cases we expect decisions expect to be made by the end of August 2025.

What questions will I need to answer?

1. Pre-Application Checks

Pre-application checklist.

2. Contacting You

Information about who to contact in relation to the application. This will include your language preferences and bank account information.

3. Tell us about your project

Key information about your project, including its title, start and end date and basic budgetary information including access support costs.

4. Project Description

In a nutshell tell us briefly what the project is and why you are undertaking the project.

You must then expand into further project details and tell us specifically how you meet the eligibility, scheme criteria, and Project Quality in the separate **Project Proposal Document** and attach it to your applications for submission. We will use the answers in this document to assess your project.

You must also include a budget outlining how you anticipate using the grant. Please use the capital budget template we provide.

5. Artform

Information about the range of artform activity that will be part of your project.

6. Activity types

Information about the types of activity that will be part of your project.

7. Proposed targets

Information regarding your proposed project targets, including number of exhibitions, performances, workshops, and audiences/attendees.

8. Language

The impact you think this project will have on the Welsh Language: Positive, Negative or Neutral

9. Project location

Tell us where your project activity will take place.

10. Project equalities information

Give us equalities monitoring information for your project.

11. Review your application

You will see all sections of your application from here. Please check and update if needed.

12. Pre-submission check

Important: once you click the 'next' button below you will not be able to edit any information provided in the previous sections.

Summary information is displayed here. To make any changes to your answers, click the 'previous' button at the bottom of the page to return to the review tab.

13. Supporting documentation

This section allows you to submit all your supporting documentation called attachments.

We've highlighted the attachments that you should submit depending on the scale and type of your project. You can include other documents you feel is necessary to help us understand the project.

You must include these documents:

- Project Proposal Document – mandatory for assessment.
- Your project budget (this must be on our Project Budget Template) – mandatory for assessment.
- Suppliers' quotations: you must submit three quotations from separate suppliers for all items or packages of items costing £5,000 or more (if you don't provide these at the time of application then you must provide them prior to starting any work).
- For work valued at over £25,000 you must agree to complete an open competitive tender process (usually via Sell2Wales) and we may ask to be part of this process. If these appointments have already been made you will need to submit an appropriate tender report.

Other examples of supporting information might include:

- Evidence of demand for your project.
- Evidence of partnership funding.
- Letters confirming any in-kind support.
- Design drawings.
- Business plans for projects that are at a later stage of the design/ construction process.

14. Declaration and submit your application

Read declaration and submit your application.

How to use the project budget template

Your project budget must be submitted on our Project Budget Template.

The template will automatically calculate subtotals for you and help ensure your budget balances. You should complete the white boxes on the spreadsheet, where appropriate. If some of the headings aren't relevant to your project you can leave them blank. Shaded cells should not be changed. Please use full £ only.

Your project budget should tell us how much your project will cost (expenditure) and how much you'll receive to pay for it (income). The income and expenditure for your project should balance (be equal). We cannot accept your budget if it does not balance so check this carefully. You must ensure the budget reflects which percentage of eligible costs you can apply for. Budgets must demonstrate that a project can be delivered within the financial year.

- For applications up to and including £250,000 you can apply for up to 90% of your eligible costs.
- For applications over £250,000 we expect to fund up to 75% of your eligible costs.

Project Expenditure

Use the template to tell us how much your project will cost. Use the headings given to show us the cost of all the items you will be paying for as part of your project. You can add in additional cost headings depending on the needs of your project.

Equipment

Tell us the cost of the equipment you want to buy. You should separate the cost into individual items or packages. A package is a group of items that you intend to order from one supplier. For example, if you intend to buy LED Stage Lighting from one supplier and some portable sound equipment from another, your budget would look like this:

Equipment		
Equipment (Item 1/Package 1)	LED Stage Lighting	£1,700
Equipment (Item 2/Package 2)	Portable sound equipment	£3,500

The cost you include in your project budget should match with any suppliers' quotations submitted with your application.

Building work

Tell us the total cost of any building work. You may want to separate this into different packages of work if you'll be using different contractors to carry out different elements of work. Detail what the building costs are in the budget.

If you intend to pay any individual or organisation/contractor £5,000 or more, you will need to appoint them using a competitive selection process. We'll check to make sure that you have appointed other people or organisations to work on your project appropriately. We'll expect you to submit a minimum of three quotations from separate contractors.

If you intend to pay any individual or organisation/contractor £25,000 or more we'll ask you to submit a tender report that tells us why you have chosen to use that contractor. You will also be expected to appoint through an open tender process and you should gain approval from us for the tender documents before advertising.

If you have already received quotations or tenders for your project, you should use the estimates as the basis for your project budget.

If you need more space, you can use the "Other costs" section of the template to tell us about project costs not outlined in the headings.

Professional Fees

Tell us about any professional fees you will pay and list what they are in the budget. You should tell us in your project proposal why you need to pay professional fees. If you intend to pay any individual or organisation £5,000 or more, you will need to appoint them by using a competitive selection process. We'll check to make sure that you have appointed other people or organisations to work with you on your project appropriately.

Value of support in kind

This can include the work of an unpaid volunteer, and the donation of land, buildings or equipment. We do not accept discounts given by suppliers as an in-kind contribution to your project. This means that we cannot accept an in kind contribution from any supplier that you are also paying as part of your project as we would consider this to be a discount.

You should submit a letter with your application which confirms the in-kind support and shows the value of the goods or services being given, and how you've calculated it.

How to use the project budget template

VAT

If you are registered for VAT, your project budget should only include VAT that you cannot claim back (called “irrecoverable VAT”). Tell us how you have calculated the amount of irrecoverable VAT you have included in your project budget.

If you are not registered for VAT you should include VAT in your project budget. We can fund irrecoverable VAT if you include it within your original request.

Contingency

You should include contingency relevant to the project.

Other Costs

Tell us any other costs you will have to pay as part of your project. This may include recruitment costs, surveys such as an asbestos survey, legal fees and statutory charges.

Project Income

Use the template to tell us about the income you will use to pay for the project. You should tell us the name of each funding partner, and whether their contribution is confirmed or being applied for.

Your own funds

If you are a multi year funded organisation this cannot come from your revenue grant.

Earned Income

Tell us here about any income from earned income.

Local Authority Funding

Tell us here about any grants from the Local Authority.

Other Public Funding

Tell us here about any grants from public organisations such as the Welsh Government or the UK Government.

Support in kind

This should be the same as any in-kind cost you included in your project expenditure figures.

Other Income

Tell us here about any other income you will use to pay for the cost of your project. This can include:

- Income from fundraising, public appeals and donations.
- Grants from other Lottery Distributors.
- Grants from Trusts and Foundations.

Need to get in touch?

You must get in touch with the capital team to access the application form. Please contact us via email with a brief account of your project: capital@arts.wales

Should you have any technical issues with the application form or your portal account, please contact our Grants and Information team: grants@arts.wales

You can also contact us in a number of ways:



Telephone: 03301 242733 (all calls charged at local rates)
10am-4pm Monday to Friday



Website: arts.wales



Facebook: [Cyngor Celfyddydau Cymru | Arts Council of Wales](https://www.facebook.com/CyngorCelfyddydauCymru)



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