

ARTS COUNCIL OF NORTHERN IRELAND

CREATIVE INDUSTRIES INNOVATION FUND 2012/2013

Supported by **NORTHERN IRELAND SCREEN** and **DIGITAL CIRCLE**

*Stimulating innovation, R&D and creativity in the economy,
and encouraging export focused growth, by developing the creative industries*

GUIDANCE NOTES

**BUSINESSES AND SECTORAL
DEVELOPMENT BODIES**

Application round opens	Application deadline	Decision by
16 January 2012	4.00 pm Thursday , 23 February 2012	End May 2012
<p>NB This funding round is open ALL sectors within the Creative Industries wishing to deliver project that will develop commercially viable content, products, services and experiences.</p> <p>All projects must be completed by 31st March 2013.</p>		

ADVICE AND ASSISTANCE

For project advice or assistance with any aspect of the application form contact:

David McConnell, Programme Officer
(t) 02890 385270 (e) dmccconnell@artscouncil-ni.org

Beverly Coomber, Assistant Programme Officer
(t) 02890 385271 (e) bcoomber@artscouncil-ni.org

We strongly recommend that you contact the relevant sectoral body before submitting your application, as it must demonstrate how your proposal meets their strategic aims and objectives:

Northern Ireland Screen
(t) 028 9023 2444 (e) andrew@northernirelandscreen.co.uk

www.northernirelandscreen.co.uk

Digital Circle
(t) 028 9045 0101 (e) Matt@digitalcircle.org www.digitalcircle.org

CONTEXT AND BACKGROUND

Stimulating innovation, R&D and creativity is a top priority in rebuilding and rebalancing the Northern Ireland economy. This includes promoting a wider innovation agenda incorporating collaborative initiatives between businesses, and between businesses, academia and the public sector.

Prosperous economies are characterised by a strong creative sector and the creative industries are recognised across the world for their potential for wealth and job creation. It has become common practice to describe the creative industries as consisting of 13 sectors or by models which group sub-sectors by the way in which commercial value is delivered: for example, providers of creative services or experiences; and producers of creative content or originals.

The common theme is that the creative industries are based on individual creativity, skill and talent. They create wealth and jobs through the development of intellectual property and creative content, products, services and experiences. This diverse sector can also stimulate wider innovation across the economy and new ways to add value to other business sectors such as manufacturing and tourism.

The Department of Culture, Arts & Leisure (DCAL) is the government lead on the creative industries. The Department secured funding for a pilot Creative Industries Innovation Fund (CIIF) for the period 2008-11. The fund was administered by the Arts Council and supported 133 business and 23 sectoral development projects. Priorities for Action under three broad themes were: Innovation in Business; Innovation through People; and Innovation through Sectoral Infrastructure and Knowledge.

DCAL is investing a further £4m over 2011-15 to continue to grow and develop the creative industries. This will include a refocused Creative Industries Innovation Fund (CIIF 2) which will provide support for innovative development of **commercially viable content, products, services and experiences capable of competing in global markets.**

CIIF 2 is administered by the **Arts Council of Northern Ireland** - the lead development agency for the arts in Northern Ireland.

The CIIF 2 programme is supported by **Northern Ireland Screen** as the government-backed lead agency in Northern Ireland for the film, television and digital content industry; and by **Digital Circle** - an association of digital content companies in Northern Ireland which works to develop skills and investment to ensure long term prosperity.

WHO CAN APPLY?

ALL those, including Sectoral Development Bodies, working within the Creative Industries are eligible to apply in this round of CIIF 2.

Sectoral Development Bodies are defined as

“organisations whose **core** purpose facilitates development of the creative industries through innovative initiatives that enhance the infrastructure, knowledge and people with the creative industries sector.”

Local Authorities and Institutes of Further and Higher Education can be considered as sectoral development bodies under CIIF 2.

All sole traders must be registered with Revenue and Customs and provide a copy of their UTR along with evidence of a business bank account. Limited companies and Partnerships must also be fully constituted.

Start up businesses can apply but must be fully constituted and registered prior to applying for any CIIF award.

PRE-APPLICATION ADVICE WORKSHOPS

The Arts Council wishes to ensure that all applicants receive an equal opportunity to submit an eligible application with a viable proposal that meets CIIF 2 criteria. To ensure eligibility, inclusion of all required documentation is also essential.

We would therefore like to invite applicants to attend a pre-application advice workshop to discuss their proposed projects.

Workshop details

Belfast Workshops

Dates - 23rd and 26th January, 2nd and 6th and 9th February 2012

Times - 9.30am -1pm & 2pm – 4.30pm

Venue - ACNI, MacNeice House, 77 Malone Road, Belfast

Derry Workshops

Date – 31st January 2012

Times – 10am -1pm & 1pm - 4pm

Venue – Magazine Studios, Magazine Street, Derry, BT48 6HJ

Please contact Beverly Coomber on 028 9038 5271 or email bcoomber@artscouncil-ni.org to book your place.

These workshops will be facilitated on a one-to-one basis by the Arts Council, Northern Ireland Screen, Craft NI and Digital Circle. **Each workshop will be limited to 25 minutes.**

Attendance at a workshop is **not** compulsory, but is **strongly recommended**.

Further workshops or roadshows may be added if there is a significant demand.

FUNDING ALLOCATION

- A minimum of 80% of all available funding for awards in CIIF 2 will be allocated to creative businesses, and a maximum of 20% to sectoral development bodies
- All awards to businesses will not exceed £10,000
- Awards to sectoral development bodies are capped at £20,000

NB It is not essential to have a digital content element to your proposal.

CIIF 2 is now open to all creative industries sub-sectors, but digital content themed projects from any area of the creative industries are encouraged. The programme will aim to support up to 40% of all available funding for awards supporting digital content themed projects.

Digital technologies are transforming creative processes and are creating new and dynamic relationships between content creators and consumers and provide new routes to market. 70% of the value and most of the growth potential of the creative industries in the UK lies in the content space. This can include areas such as animation; mobile/web content; e-learning/serious gaming; publishing; film; television; and music.

CRITERIA FOR DECISION MAKING

NB Within the criteria for decision making, applications from sectoral development bodies will be expected to demonstrate how their proposed applications and projects will be able to support businesses in the creative industries within Northern Ireland.

1. The extent to which the proposal meets CIIF 2 objectives.

CIIF 2 aims to stimulate innovation, R&D and creativity in the economy and encourage export focused growth by developing the creative industries.

NB Please address only the objectives relevant to your project.

Innovation in Business

- New content, products, services and experiences
- Creation of new creative businesses
- Development and growth of existing creative businesses
- Network, collaboration and co-operation between creative businesses
- Development of linkages with national and international best practice

Innovation through People

- Investment in the development of exceptional talents
- Encouragement of entrepreneurial activity and of an enterprise culture
- Creative talents in traditional industries
- Internationalisation of talent by drawing talented people and resources back to Northern Ireland; exposing Northern Ireland talent to new international markets and showcasing the creative industries to develop Northern Ireland's image and brand.

2. The extent to which the proposal meets CIIF 2 priorities.

NB Please address all 3 priorities.

Cross-Sectoral Collaboration

Collaboration between businesses within the creative industries, and with other business sectors, will encourage knowledge exchange and business sophistication, new market opportunities and enhance the wider impact of the creative industries across the economy.

Collaborative activity between creative businesses and academia will also help to draw out commercially relevant research and business proposals.

Export-Focused Activity

Northern Ireland's small domestic market will not secure the wealth creation needed to benefit society as a whole. Export-led economic growth will provide access to larger markets with greater trade opportunities to grow the private sector and increase wealth and employment.

Innovation and Entrepreneurial Potential of Northern Ireland's Culture, Arts and Leisure base

The island of Ireland is renowned internationally for its culture and art. These are strategic assets for the region. The diverse cultural, arts, sporting and leisure infrastructure and resources across Northern Ireland constitute a pre-innovation platform, which can inspire and fuel the emergence of creative people and creative enterprises.

CIIF 2 seeks to support businesses that develop commercially focused collaborations with culture, arts and leisure organizations and resources to develop new creative content, products, services and experiences.

3. Degree of innovation and contribution to innovation, R&D and creativity in the economy.

NB Sectoral Development Bodies will have to select the type of innovation most relevant to the businesses that they will be supporting with the Creative Industries in Northern Ireland.

The Strategic Action Plan for the Creative Industries emphasises the need for innovation. Tracking the nature of the innovation within CIIF 2 supported projects is based on the Doblin Model of Innovation.

The Doblin Model of Innovation examines innovation in four broad areas and ten specific activities, these being:

- Finance – Business Model / Networks and Alliances
- Process – Enabling process / Core Processes
- Offerings – Product Performance / Product System / Service
- Delivery – Channel / Brand / Customer Experience

NB Please address only the types of innovation relevant to your project.

4. Return on Investment, Sustainability and potential for longer term business success.

CIIF2 Awards are made to strengthen the ability of the applicant to contribute to the NI economy through creativity and innovation. This refers not only to products, but also to the development of the business for longer term success.

Sectoral Development Bodies must demonstrate, within their proposal, how their project will help businesses achieve a defined return on investment and potential for sustainability

ALL Business Applicants MUST demonstrate within their proposal a defined **return on investment** and **potential for sustainability** e.g. creation of jobs, increased turnover or profitability, delivery of cost efficiencies.

ALL applicants will need to supply **TWO** income & expenditure accounts for financial years 2012/13 and 2013/14 in support of this criterion. (**See Enclosure 4**)

HAVE YOU PREVIOUSLY RECEIVED A CIIF 2 AWARD IN 2011/2012?

If you have been successful in receiving an award in previous CIIF 2 Rounds during 2011/2012, you **MUST** be able to demonstrate tangible outcomes and achievements to date.

Applications from businesses that cannot do so will be considered ineligible for this funding round.

WHAT COSTS CAN BE COVERED BY A CIIF 2 AWARD?

- Content/product development costs;
- Freelance/short-term contracts;
- Existing staff costs, positions or roles including Directors;
- Reasonable travel and subsistence costs;
- Reasonable advertising and PR costs;
- Networking and cooperation costs associated with collaborative activity
- Export advice and assistance
- Appropriate and reasonable market research costs

WHAT COSTS CANNOT BE COVERED BY A CIIF 2 AWARD?

- Business start-up costs, including legal costs
- Staff costs, where the post is funded, and staff time and activity are not specifically allocated to delivery of the CIIF project
- Overheads (rent, electricity etc)
- Any items of capital/equipment
- Legal costs for IP protection, trademarks etc.
- Development or updating of business websites for general promotion of the business. This is viewed as generic and expected business activity.

HOW MUCH CAN YOU APPLY FOR?

- 100% grants are available to cover costs listed above up to a maximum of £10,000 from **businesses**.
- **Institutes of Further and Higher Education and Local Authorities** can apply for grants to cover costs up to a maximum of £20,000, but will require 25% match funding (non ACNI).
- **Other Sectoral Development Bodies** can apply for apply for a 100% grant to cover costs up to a maximum of £20,000, but priority will be given to those bodies offering partnership funding from their own or other resources.

CIIF 2 funds CANNOT be used as “gap” or “shortfall” funding for projects already in development.

MULTIPLE APPLICATIONS

All applicants are limited to **one application** per funding round.

NB Sectoral Development Bodies are limited to **one organisational application** per funding round.

BUSINESS MENTORING SUPPORT

Nurturing Talent and Harnessing Ideas was the title of a joint paper by the Chief Executives' Forum and the Institute of Directors (IoD).

It advocated the potential of the creative industries to support economic development in Northern Ireland and highlighted that many creative enterprises could benefit from enhanced business acumen and expertise, and an injection of shrewd business direction.

The IoD are supporting CIIF 2 by providing a free business mentoring support, which will be available to businesses in receipt of a CIIF 2 award. Applicants are required to indicate on the application form which area of business expertise they may wish to avail of.

FINANCIAL MANAGEMENT OF PROJECTS

It will be **mandatory** for CIIF 2 clients to attend a workshop prior to the commencement of their project. This workshop will address financial reporting requirements to meet the conditions of grant, and of the Arts Council's financial verification process.

EVALUATION OF CIIF 2

CIIF 2 will be subject to an ongoing programme of evaluation.

Successful applicants must agree to participate in the evaluation process as and when required, in accordance with mandatory conditions of offer.

HOW ARE DECISIONS MADE?

Each application will be assessed by a member of the CIIF team on its merits against the Fund's decision-making criteria and decisions will be made by representatives of the CIIF Consortium.

The Consortium will consist of representatives from the Arts Council of Northern Ireland, Department of Culture, Arts & Leisure, Department of Enterprise Trade and Industry and Department of Education and Learning; with advice from Invest NI, Northern Ireland Screen, Craft NI and Digital Circle.

Other sectoral organisations may provide similar advice and support to the Consortium.

PROCESS

1. You can apply **online or download the forms** from the Arts Council website to submit in hard copy.

Applications submitted by fax, disk or email **cannot be accepted** as we require original signatures on at least one copy of the form.

Hard Copy Applications

Complete and return the application form, all relevant enclosures and supporting material as specified.

Please refer to section six for guidance on mandatory enclosures. **Incomplete applications will be deemed ineligible and will not proceed to assessment stage.**

Online Applications

When you apply online you will receive an email requesting you to submit a **Confirmation of Online Application Form** (available to download from the Arts Council website) and **relevant enclosures within 5 working days.**

Please refer to section six for guidance on mandatory enclosures. **Incomplete applications at the end of the 5 –day period will be deemed ineligible and will not proceed to assessment stage.**

2. The Arts Council will normally acknowledge receipt of application forms within **20** working days of the closing deadline.
3. Applications will be assessed against the criteria for decision-making by a member of the CIIF team, who will make a recommendation to the CIIF Consortium.
4. Decisions will be made by the Consortium.
5. Following the Consortium's decision successful applicants will be issued with a contract outlining the conditions attached to the award and the purposes for which the award can be used.
6. **You cannot start your project until you have met certain conditions of grant and received a letter of commencement from the Arts Council.** You should take this into account when planning your project.
7. Unsuccessful applicants will receive a letter detailing the reason/s why the application was unsuccessful.

IS THE DECISION FINAL?

Further information is available at <http://www.artscouncil-ni.org/other/complaints.htm>

If the Consortium upholds your complaint you will be offered the opportunity to re-apply for funding.

HOW WILL PAYMENT BE MADE?**Payment to Businesses**

90% of the grant will be paid subject to:

- Receipt of the signed letter of offer
- Proof of compliance with any pre-commencement conditions
- Receipt of all documentation relating to the acceptance of the grant offer within 2 weeks of the date on Letter of Offer

The remaining **10%** will be held until the project has been completed **and** the post-project evaluation report has been received.

Payment to Statutory Bodies

All payments to Statutory Bodies will be paid retrospectively in stages. Stages will be agreed within the CIIF 2 contract.

POST-DECISION MONITORING

You will receive a monitoring visit from a CIIF Officer prior to 31st December 2013. Businesses may also be selected to receive a financial verification visit.

At the end of the project you will have to submit an End of Project Report on a pre-supplied form. On this form you will have to give details of:

- The final income and expenditure for the project
- An evaluation of the project – was it successful, did you meet your targets, etc.

Details on how to complete this paperwork will be provided at the CIIF workshop prior to the commencement of your project.

Failure to comply with all aspects of post-decision monitoring, and within set deadlines, may result in the partial or full repayment of the grant.