



Department for  
Digital, Culture,  
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Rt Hon John Spellar MP  
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Dear John,

Thank you for your letter dated 5th October regarding my response to your previous letter about the Culture Recovery Fund. I am sorry you were not satisfied with my original response.

As you will know, the Culture Recovery Fund's core purpose is to support critical organisations to weather the impact of coronavirus. We have already allocated millions of pounds to thousands of organisations, across the country, both large and small. As I stated in my original response, we have ensured that all organisations had the opportunity to apply to the fund, those of international and national importance, alongside smaller organisations of local importance.

The criteria to be awarded a grant have been rigorous and the Arts Council England (ACE), who made decisions independently of the government, are confident they have applied them in all decision making. Organisations offered funding had to demonstrate that their operations were sustainable prior to the pandemic, and that they were at risk of no longer trading viably by March 2021. They also had to show that they have a sustainable, viable plan and that this funding would help them to continue trading.

The Culture Recovery Board was created to increase assurance over the delivery of the Culture Recovery Fund programme, and to leverage a range of external expertise to support the decision making. For the larger grants over £1million, they provided an important assurance function, reviewing the decisions made to ensure robustness and consistency across the decision-making process. As you will know, the Board has an independent chair and includes the chairs (or a nominated board member) from each of the relevant Arm's-Length Bodies. Board members bring a range of skills and experience to the role, and the spread of members represents different aspects of the culture and heritage sectors as well as bringing appropriate rigour and expertise to decision-making. The spread of Board members is there to offer some regional, sectoral and commercial expertise and to bring rigour and expertise to decision-making. Board members are not there to represent a particular sub-sector.

We understand that those organisations that do not receive regular government funding and are not in the National Portfolio Programme are more vulnerable than those who do, given their reliance on earned income and philanthropic giving. That is why we set clear robust criteria to help assist the Arms-Length Bodies in allocating funds to the organisations most in need of support. This included making sure that we can continue to make progress towards a more diverse sector that is open and welcoming to all. Additionally, decisions on larger grant payments have been scrutinised by the independent CRF board. The board will also make decisions on the repayable finance element of the Fund, which means that there is an additional assurance that funding decisions are fair and unbiased.



Alongside this criteria, we have asked all of the Arms-Length Bodies making funding decisions to look specifically at the track record of all applicants on delivering social benefit and welcoming diverse audiences. Organisations in receipt of funding will therefore be expected to demonstrate progress in diversity and outreach over the coming years in return for this investment into their futures. For example, the ACE guidance stipulates:

Using the protected characteristics outlined under the Equality Act please tell us how you will improve the diversity of your workforce, governance, audiences, visitors and participants. Applicants were required to detail what steps they will take to broaden the diversity of their workforce and governance, and the impact of those changes.

We have always been clear that this funding will not support everyone and sadly for some organisations this may mean job losses. It is simply not possible to support and save everyone. This support package does however build on unprecedented government support - the Job Retention Scheme; a years' business rates holiday for leisure businesses; a reduction in VAT; the Bounce Back Loans scheme. This funding is also in addition to £119 million made available by ACE to individuals, with £26 million already distributed and £95.9 million currently available to apply for via open funds.

We also recognise the crucial role that individuals play in making our arts and creative industries world-leading, and, over two thirds of those who are self-employed in the country have been eligible for the Self-Employment Income Support Scheme. In addition, ACE has made over £26 million of awards to over 8,200 individuals through non-CRF funds in this financial year alone, including:

- £17.1 million distributed through the Emergency Response Fund for individuals;
- £9 million awarded directly to individuals through ACE's £77.9m Project Grants fund
- £6 million has been given to benevolent funds to provide direct awards to individuals, so far reaching more than 3,400 people.

We also know that where Project Grants and other funding is awarded to organisations, a substantial portion of this will be used to employ staff and freelancers on various projects.

You mention the Entertainment and Events working Group. The Cultural Renewal Taskforce and the Entertainment and Events working group includes extensive membership from across the artistic and creative industries sectors. The organisations sitting on the task force vary not only by size and scale, but also represent a broad range of smaller organisations from across the country, presenting a broad range of views and backgrounds.

We do of course understand this remains a challenging period for many organisations across the country, and those who have not been offered funding through the Culture Recovery Fund may be feeling concerned about difficult decisions that lie ahead. We want to do what we can to support organisations at this time. As mentioned above, ACE have collated a range of resources on their website, pointing to other available funding including the £77.9m available in project funding. They have also signposted useful advice, financial information and resources from other bodies around mental health and wellbeing.

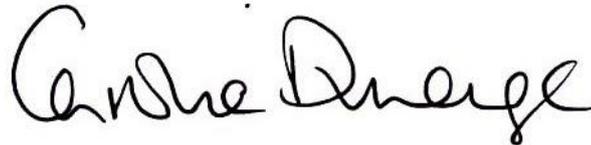
With regard to your point on a new National Plan for arts funding to represent our diverse arts sector, at the beginning of this year, ACE published their 10-year strategy *Let's Create*. The details of how ACE will deliver the *Let's Create* strategy is set out through Delivery Plans lasting for 3-4 years each. The Delivery Plan for 2020-23 was due for publication in May, but has been unfortunately delayed due to the current Covid-19 pandemic, and a new timetable for publication has not yet been set. We are however continuing to work closely with ACE to develop the Delivery Plan, and I would like to reassure you that we will ensure that the plan will look to benefit individuals and organisations fairly and well.



Finally, we have held back a proportionate amount of Culture Recovery funding with a view to offering further support when needed - we do not know what will happen next with this pandemic, and this government wants to support these sectors over the long term. DCMS and its ALBs are working closely to identify the ongoing needs of the sector, and will make decisions as soon as possible about how best to use this contingency funding to provide further support to the sector.

Thank you once again for writing, and I hope this information is helpful.

With best wishes,

A handwritten signature in black ink, reading "Caroline Dinenage". The signature is written in a cursive, flowing style.

Caroline Dinenage MP  
**Minister of State for Digital and Culture**