



Department for
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Meg Hillier MP
Chair, Public Accounts Committee
House of Commons
London SW1A 0AA
Sent by email only

23 April 2021

Dear Chair,

Update on progress made in the delivery of the Culture Recovery Fund

Thank you for your invitation to join the committee hearing on the Culture Recovery Fund (CRF) on 26th April 2021. Ahead of the hearing, we wish to provide you with a short update on continuing progress made to deliver the Culture Recovery Fund and provide vital support to cultural organisations across England as well as some additional information about decision making structures across the competitions.

Progress Update

As you are aware, as part of the NAO's investigation into the delivery of the CRF, they published a report on 12th March 2021 which detailed the delivery of the fund up until 19 February 2021. The NAO found that DCMS and its arms length body (ALB) delivery partners (The Arts Council England, British Film Institute, National Lottery Heritage Fund and Heritage England) had collectively awarded £830 million with £495 million paid out to recipients.

We can now confirm that with the announcement of CRF 2 awards on 02 April 2021, over £1.2bn has now been awarded across CRF revenue, capital and repayable finance competitions to more than 5000 individual organisations and sites. In accordance with the grant agreements and drawdown schedules in place, our ALB delivery partners have continued to distribute money and we can provide the following updates:

- 100% (252,048,000) of CRF 1 and CRF 2 loans have now been paid out
- 85.95% (£458,299,648) of CRF 1 recovery grants have been paid out
- 45% (£56,768,432) of CRF 1 capital grants have been paid out

With regards to residual CRF 1 payments, grant awards were structured in instalments to give sustained support throughout the financial year to help recipients cover covid-related costs as they arose and final payments on recovery grants will be paid out by the end of April 2021. A payment schedule is in place across our ALBs for Round 2 funding awards to ensure applicants swiftly get



the support they need. For capital, payments are made in arrears against actual expenditure incurred rather than on a payment schedule. We have provided a full breakdown of distribution to date across CRF funding competitions at Annex A.

Decision Making

Decisions across the fund were based on strict criteria set by Government which were made available in advance on our website, and applications were judged by how closely they met these criteria. Decisions took into account cultural significance, financial viability, resilience, sustainability, and cost-effective plans for using funding from this programme.

The Culture Recovery Board was created to provide extra assurance on the programme as a whole, and to make decisions on the repayable finance awards. Repayable finance decisions were made using recommendations from an Investment Subcommittee of the Board, which scrutinised all applications on the basis of information provided by DCMS Secretariat and ACE, working in conjunction with external financial advisers. DCMS is the Accountable Body for the Repayable Finance programme funds, which means that the Board is ultimately accountable to DCMS for its decisions.

For the larger grants over £1million, the board provided a valuable assurance function, reviewing the recommendations made to ensure robustness and consistency across the decision-making process. Board members brought 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 our decision-making.

I trust that this information is helpful to the Committee and I look forward to the hearing on 26th April.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Sarah Healey', with a stylized, cursive script.

Sarah Healey
Permanent Secretary

Annex A:

Breakdown of CRF allocations and payments as accurate to 16/04/2021

	Recovery grants	Repayable Finance	Capital Grants	Total
Total Value of Awards (£) CRF 1	£533,259,060	£169,951,000	£126,839,655	£830,049,715
Total Payments to Date (£) CRF 1	£458,299,648	169,951,000	£56,768,432	£685,019,080
Total CRF 1 Payments to Date as % of Total Value of awards	85.94%	100%	44.76%	82.52%
Total Value of Awards (£) CRF 2	312,222,073	£82,097,000	N/A	£394,319,073
Total Payments to Date (£) CRF 2	£0	£82,097,000	N/A	£82,097,000
Total CRF 2 Payments to Date as % of Total Value of awards	0%	100%	N/A	20.82%