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# COVID-19: Culture Recovery Fund

## Inquiry

The covid-19 pandemic meant that museums, galleries, cinemas, music venues, nightclubs, theatres, arts centres, archives and heritage sites were required by law to close their doors on 23 March 2020, with many remaining closed for most of the following year and not all due to fully reopen until summer 2021.

Without targeted support, the Department for Digital, Culture, Media & Sport (DCMS) expected large-scale financial failures for the UK's cultural, arts and heritage institutions, and announced its £1.57 billion Culture Recovery Fund in July 2020 to help these institutions survive the pandemic and to support their long-term sustainability. Of the £830 million grants and loans funding awarded to the sector so far, £495 million has been actually paid out.

The Department aimed to support the survival of 75% of the organisations in the sector at risk during 2020-21. To determine how much money would be available, the Department considered various scenarios. Its worst-case scenario assumed that social distancing would remain until the end of March 2021 and that demand would remain at 40% of pre-COVID-19 levels. The current situation exceeds this worst-case scenario.

The criteria for awarding funding included that organisations were financially viable before COVID-19; had exhausted all other funding options; were 'culturally significant'; or were essential to the cultural fabric of a place or supported the government's wider 'levelling-up' agenda. Applications for both revenue and capital grants were oversubscribed, while loans funding was undersubscribed.

By December 2020, 85% of revenue grants had been awarded to the arts and 15% to heritage organisations. London received 31% of total funding, followed by the North West and South East which each received 12%.

In common with other emergency COVID-19 funding, implementing the CRF has presented risks of fraud, error, duplication and overpayment, and DCMS also created the Culture Recovery Board in July 2020 to provide assurance to the Secretary of State over funding and approve loans over £3 million. By January 2021, three reports of fraud relating to two grants administered by ACE had been received through the COVID Fraud Hotline. The grants, totalling £473,000 were withheld by ACE and no funds were paid out.

The Committee will question senior officials at DCMS and the Chief Executive of Arts Council England. If you have evidence on the issues raised in this inquiry, please submit it here by 6pm on Thursday 15 April.

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