

## Culture Recovery Fund: Loans programme specific Government Covid-19 guidance

### Assumptions about social distancing and the public health context for business planning

[updated 21/08/2020]

All applicants should provide plans for October 2020 – March 2021 based on the same central assumptions on social distancing and the public health context for England. Applicants should put forward a value for money plan to operate assuming the public health guidelines below and related guidance available through the hyperlinks.

As of the 10th August, whilst outdoor socially distanced cultural activity is possible, indoor performances with an audience are not permitted. This may change at some point in the Financial Year, and so the government has permitted organisations to submit a plan that includes both outdoor activity and some indoor activity compliant with the government's Stage 4 performing arts re-opening plans in this Financial Year, and in line with current social distancing measures. However, we cannot be certain about if or when this will be possible.

Organisations will therefore need to consider how any planned activity can be flexible and resilient to changes in what activity is permitted nationally and in their local area and that plans minimise reliance on this activity in a way that would risk the organisation's financial position if such activity was not possible as envisaged at the time of application. .

When proposing cultural activity such as performances, organisations should only propose taking on costs that offer good value for money and do not entail significant financial risk. This needs to be proportionate to the overall ask, and it is unlikely that costly activity with a relatively high level of subsidy per head would be funded through this programme. It does not mean you must take the cheapest approach at all times, but any approach you take must not involve significantly greater costs than the cheapest approach (as a proportion of your proposed budget) and must represent good value for money. Good value for money might be considered in regard to the programme as a whole (i.e. a proportionate ask), and for the activity itself, for example is it providing strong audience reach, reaching particularly under-served communities, employing freelancers, ensuring long-term partnerships etc.

When putting forward a plan, the following considerations should be taken into account:

1. [Social distancing measures](#), including the need to maintain distance at 2m or 1m+ plus mitigations and particular considerations for higher risk groups. We expect this will continue to constrain demand for many organisations, both in terms of venue capacity but also consumer demand. Consumer demand is likely to continue below standard levels for the time being, while gradually picking up if the health situation allows and consumer confidence returns. However, this may vary across demographics, given the different levels of risk that the virus presents for them. Organisations will want to consider how their typical customer base is likely to respond to continued social distancing measures.

2. [International travel restrictions](#), current advice is that all but essential international travel should be avoided. This means that organisations that rely more heavily on international tourists for their customer base might be more significantly affected. Organisations will want to consider how ongoing travel restrictions both from and into the UK will impact their ability to tour and receive international customers and shows.
3. The [Contain Framework](#), which sets out how national and local partners will work with the public at a local level to prevent, contain and manage outbreaks. This includes measures to close specific sectors or areas, restrict movement of people and gatherings.
4. The [performing arts guidance](#), [museums, heritage and galleries guidance](#) and other [relevant guidance](#) for particular organisations, sets out how organisations should undertake activity in a Covid-secure way. Organisations should ensure that any activity in their plan adheres to this, and other relevant guidance.

The path of the virus is uncertain, and it is therefore impossible to predict between now and March. The above is not a prediction or a vision for how the context will play out in the remainder of the financial year. As set out in more detail in [the government's roadmap for recovery](#) any further steps to continue to open up the economy will be dependent on the state of the epidemic at the time and the trajectory of cases being stable or remaining in decline. Similarly, it will be necessary that local outbreaks are identified quickly and quashed and a resurgence in the virus may require tighter restrictions. It is in that context that we ask organisations to set out best value for money plans within current guidelines, whilst accepting that the exact path may vary.

The Culture Recovery Fund was designed to focus on supporting organisations through the Covid-19 challenges to cultural business models seen in the 2020/21 Financial Year. We therefore expect applications for repayable finance to be primarily focused on seeking support to fund cost effective plans up to the end of March 2021. However, we are conscious that cultural organisations may not be able to return to financial sustainability by the end of March 2021, and so, where this is the case, organisations may bid for funding to cover costs in the 2021/22 Financial Year in order to support an organisation back to a sustainable position.

The predominant purpose of the fund is about supporting organisations through the effect of Covid-19 in the 202/21 Financial Year. However, where organisations do include funding to cover costs in 2021/22 Financial Year, we expect the Recovery Plans to assume that social distancing requirements are no longer in place in that Financial Year, and therefore that during the course 2021/22 Financial Year audiences and visitor behaviour steadily returns to pre-Covid-19 levels, with a full recovery by the end of the 2021/22 Financial Year. We know that this assumption is highly uncertain, and may be either over-optimistic, or over-pessimistic about the course of the virus, given the path of the pandemic is inevitably uncertain. As such, adaptation, flexibility and minimising risk are critical when developing Recovery Plans, and we will assess the levels of risk associated with providing organisations with the level of finance they apply for.