

Arts and Culture Streamlined Route Guidance

Foreword

A key characteristic of the United Kingdom's subsidy control regime is that public authorities are empowered to design their own subsidies and subsidy schemes. This enables them to tailor both the form and value of subsidies to best achieve their intended policy outcomes.

When developing subsidies, public authorities should evaluate their proposed subsidy or scheme against the subsidy control principles. This assessment should be proportionate to the potential risk of the subsidy distorting competition or investment within the UK, or affecting trade or investment with international partners.

A proportionate approach should not be onerous. It should draw on the same types of analysis and evidence that a public authority would typically use to justify the use of public funds. However, in certain cases, it is appropriate to simplify the process further and reduce the compliance burden.

To support this, the government has developed Streamlined Routes (referred to as streamlined subsidy schemes in the Act, and as Schemes in the route documentation). These allow public authorities to award specific types of subsidies without conducting their own assessment against the principles. The government has established clear terms for using this route, which must be followed. Provided that subsidies are awarded in accordance with these terms, they are deemed compliant with the regime and cannot be challenged on subsidy control grounds.

Where public authorities want to give subsidies that are not accommodated by Streamlined Routes, they should design their own subsidies and schemes. Public authorities looking to design their own subsidies can refer to the extensive statutory guidance and other [supporting documents](#). They can also seek support and guidance on specific cases from the DBT subsidy control team or the relevant teams in each of the devolved governments.

The current Streamlined Routes have been developed through detailed and iterative engagement with a range of public authorities around the United Kingdom that are active in these areas, including the devolved administrations. The government will keep the operation of Streamlined Routes under review, and will consider, as appropriate, potential changes to existing Streamlined Routes or the creation of new Streamlined Routes.

Part 1 of this guidance provides information relevant for all Streamlined Routes. Part 2 deals exclusively with information relevant for the Arts and Culture Streamlined Route.

Contents

Arts and Culture Streamlined Route Guidance	1
Foreword.....	1
Part 1: General guidance	4
1. How to use this guidance	4
2. Overview of Streamlined Routes.....	4
3. Legal background	5
Power.....	5
Parliamentary scrutiny.....	5
Challenges against Streamlined Routes	5
Challenges against subsidies given under Streamlined Routes.....	6
4. Process for awarding subsidies under a Streamlined Route	7
5. Eligibility and scope	7
Is it a subsidy?.....	7
Is the subsidy within scope?	8
Prohibitions.....	8
Northern Ireland Protocol/ Windsor Framework.....	8
Enterprise size.....	9
Relevant Companies Act 2006 references	10
6. General Streamlined Route requirements	10
Information-gathering requirements.....	10
Start dates	10
Availability.....	11
Eligible costs.....	11
Valuing the subsidy	12
Calculating subsidy ratios and the maximum permissible award	12
Cumulation rules for Streamlined Routes.....	13
Transparency requirements	15
Retention of documents	16
Part 2: Arts and Culture Streamlined Route	17
1. Overview	17

2. Objectives	17
3. Context	17
4. Scope of subsidies within the Route	19
5. Eligible enterprises	19
6. Eligible activities.....	19
7. Eligible costs	19
8. Limitations on eligible costs.....	21
9. Subsidy ratios and maximum award amounts	21

Part 1: General guidance

1. How to use this guidance

- 1.1. This guidance has been published to support the use of the Arts and Culture Streamlined Route (also known as the Arts and Culture Streamlined Subsidy Scheme). It explains the legal obligations of the Arts and Culture Streamlined Route and will be most useful to public authorities who are planning, or in the process of designing, subsidies to give under this Route. It should be read alongside the Route itself.
- 1.2. All subsidies given under the Route must meet the conditions set out in the Route, otherwise the subsidy may be challenged in the courts. This guidance will help public authorities to give subsidies that meet those conditions. Proper consideration of and adherence to this guidance is therefore strongly recommended.
- 1.3. The guidance does not supersede or replace the statutory guidance for the UK subsidy control regime. Public authorities must have regard to the statutory guidance when giving a subsidy, including a subsidy given under a Streamlined Route. The most relevant parts of the Subsidy Control Act 2022 (the Act) are also summarised in this guidance.
- 1.4. Public authorities can request support and guidance on the subsidy control requirements from the DBT subsidy control team at:
subsidycontrol@businessandtrade.gov.uk

2. Overview of Streamlined Routes

- 2.1. Streamlined Routes are a type of subsidy scheme made by a minister of the Crown (the government) for use by any UK public authority. They are a voluntary tool that public authorities can use to award subsidies without the need to assess them against the subsidy control principles.
- 2.2. Streamlined Routes have been assessed by the government to be compliant with the requirements of the subsidy control regime. This allows public authorities to give subsidies under routes quickly and easily. Streamlined Routes are intended to promote confidence and legal certainty for beneficiaries and for public authorities that are giving subsidies that are routine, low risk and aligned to UK strategic priorities. Subsidies given under Streamlined Routes do not need to be referred to the Subsidy Advice Unit.
- 2.3. The government will review feedback from users of Streamlined Routes once they are made and intends to undertake a monitoring and evaluation process to complement this. The government will use this information to inform future decisions about Streamlined Routes.

2.4. The government is of the view that this Streamlined Route is compliant with the Act. Any subsidies given under it correctly are therefore compliant with the Act.

3. Legal background

Power

- 3.1. Streamlined Routes (known as streamlined subsidy schemes under section 10 of the Act and as Schemes in the Route documents) are a type of subsidy scheme made by the UK government for use by any public authority in the UK.
- 3.2. When the government makes a Streamlined Route, it will publish it and the accompanying guidance on GOV.UK. It will also publish information about the Route on the subsidy database, in line with the transparency requirements of the Act.

Parliamentary scrutiny

- 3.3. Under the Act, a Streamlined Route must be laid before Parliament for 40 days after it is made. Within this 40-day period either House of Parliament may pass a resolution not to approve the Streamlined Route, in which case a Streamlined Route will be treated as 'not having been made' from the day after the resolution is made. Any subsidies given under a Streamlined Route prior to Parliament making this decision would not be affected. However, no further subsidies could be given under a Streamlined Route if Parliament had decided not to approve it, and the Streamlined Route would be withdrawn.

Challenges against Streamlined Routes

- 3.4. As a type of subsidy scheme, a Streamlined Route can be subject to a review before the Competition Appeal Tribunal (the Tribunal). Interested parties may apply to the Tribunal for a review of the UK government's decision to make a Streamlined Route. If the Tribunal finds that the Streamlined Route has not been made in compliance with the requirements of the Act it could award the same remedies as are available to the High Court in a judicial review or to the Court of Session in an application to the supervisory jurisdiction of that court. The Tribunal can also order the recovery of some, or all subsidies given under a scheme.
- 3.5. Interested parties generally have one month to apply to the Tribunal for a review of the subsidy or scheme, from the point the Route has been uploaded to the database. If this limitation period lapses without a challenge being brought or a pre-action information request being made, a Streamlined Route and all subsidies given under it will be safe from challenge on subsidy control grounds.
- 3.6. Streamlined Routes, like all decisions of a public nature, can be challenged on general public law grounds.

Challenges against subsidies given under Streamlined Routes

- 3.7. Subsidies given under the Streamlined Route are not subject to review by the Tribunal, because the review must take place at the level of the Route itself (as with all subsidy schemes).
- 3.8. This protection only applies where a subsidy genuinely falls within the terms of the Streamlined Route. If a subsidy does not comply with the terms and conditions of the Route, then the public authority should have treated it as an individual subsidy and therefore conducted an assessment against the relevant principles and prohibitions. The subsidy could be challenged on this basis. Public authorities must therefore meet all the conditions of the Streamlined Route or any subsidies they give under it incorrectly will be vulnerable to challenge.
- 3.9. As with all decisions of a public nature, a person who is aggrieved by the giving of a subsidy under a Streamlined Route may also be able to request a review of the subsidy decision on general public law grounds. That is, on the basis that the subsidy decision was, for example, illegal, irrational or otherwise unlawful on any other general public law ground. Such a challenge would need to be considered by the High Court or Court of Session, as it is not possible to challenge a subsidy under a scheme on public law grounds in the Tribunal.

4. Process for awarding subsidies under a Streamlined Route

4.1. The below process map shows the Streamlined Route process for public authorities.

Step 1: Once you have decided on the subsidy you would like to give, you may consider whether it will fall within scope of a category within a Streamlined Route.

Check the cash limits and maximum subsidy ratios set for the category. If you expect to give a subsidy over this level, then you can create your own subsidy or scheme. If you want to award a subsidy below that level, you may proceed.

Step 2:

A – Review the Route and accompanying guidance to see which enterprises can receive a subsidy through the category. For example, the category may be limited to SMEs.

B – Work out what costs you intend the subsidy to cover, and check these against the 'eligible costs' section of the category you wish to award through.

C – Consider any limitations on eligible costs as set out in the Route and guidance. Amend your project plan accordingly if you still wish to award through a Route.

Step 3: Calculate the subsidy ratios that are permitted under the category you are using. More information on this can be found from paragraph 6.20 of this guidance.

Step 4: Check with the intended subsidy recipient if they have received any other form of subsidy from another public authority for the same project to achieve substantially the same policy objectives.

If they have, then you will need to follow the cumulation steps as set out from paragraph 6.25 of this guidance.

Step 5: You are now ready to confirm the subsidy award total and give the subsidy.

Having given the subsidy, you must follow the transparency requirements. In particular, if your subsidy is over £100,000 then it must be uploaded onto the UK subsidy database.

5. Eligibility and scope

Is it a subsidy?

5.1. The subsidy control regime does not apply to all types of financial assistance given by public authorities. Before using the Streamlined Route, public

authorities should determine if the financial assistance, they intend to give is a subsidy that falls within scope of the regime.

5.2. Public authorities should refer to the statutory guidance when making this determination.

Is the subsidy within scope?

5.3. Once public authorities have established that the definition of a subsidy has been met, they should consider whether the subsidy they are planning to award may be compatible with any of the Streamlined Routes. A subsidy given under a Streamlined Route must comply with all the conditions of the Route.

5.4. If public authorities conclude that a subsidy they wish to give is not in scope of the Streamlined Route, they are encouraged to design their own subsidy or scheme, using the process explained in the statutory guidance.

Prohibitions

5.5. The subsidy control regime prohibits subsidies that provide unlimited guarantees, subsidies that are contingent on export performance, and subsidies that are contingent on the use of domestically produced goods or services. These prohibitions apply to subsidies given under the Streamlined Route. If in doubt, see the statutory guidance for more details.

5.6. The subsidy control regime provides for extra conditions or special arrangements for the award of certain other types of subsidy. The following cannot be given under Streamlined Routes (see the statutory guidance for more details):

- subsidies for rescuing or restructuring ailing or insolvent enterprises
- subsidies conditional on the relocation of activities
- subsidies to insurers that provide export credit insurance
- subsidies to air carriers for the operation of routes
- subsidies for services of public economic interest

Northern Ireland Protocol/ Windsor Framework

5.7. Article 10 of the Northern Ireland Protocol to the Withdrawal Agreement (as amended by the Windsor Framework Agreement) provides that EU State Aid rules apply to the UK in respect of subsidies that affect trade in goods and wholesale electricity between Northern Ireland and the EU. Article 10 does not apply to services and this means that EU State Aid rules do not apply to subsidies in the Arts and Culture sectors, which instead fall under the Act. Where subsidies are captured under the Northern Ireland Protocol/Windsor Framework Agreement, they are not in scope of the domestic subsidy control regime and therefore cannot be given under the Streamlined Route.

5.8. Public authorities should refer to the ‘Guidance on the scope and application of Article 10 of the Windsor Framework’, to reach a view on whether the

Protocol may apply to a subsidy they intend to give under the Streamlined Route.

Enterprise size

5.9. Streamlined Routes may permit varying levels of support depending on the size of an enterprise. For example, Streamlined Route categories may be limited to small and medium enterprises (SMEs) only, or provide for more generous subsidy ratios, to reflect the increased difficulty SMEs generally face raising capital, compared with larger enterprises.

Where subsidies are conditional on enterprise size public authorities must first establish whether the recipient constitutes an enterprise and then determine its size.

5.10. Public authorities should use the Subsidy Control Act 2022 and the statutory guidance to assess the enterprise for the purposes of the subsidy. An enterprise is any entity (that is, any person, or group of persons under common control) that is engaged in an economic activity, which means offering goods and services on a market.

5.11. Public authorities must then determine the size of an enterprise using the conditions set out in the table below. The conditions (see the table below) relate to turnover, balance sheet total and number of employees. An enterprise must satisfy two or more of the relevant conditions to qualify.

Qualifying criteria	Small and medium-sized enterprises ¹
Turnover	Not more than £54 million net (or £64 million gross)
Balance Sheet Total	Not more than £27 million net (or £32 million gross)
Number of Employees	Not more than 250 employees

5.12. The conditions must be applied to the enterprise benefiting from the subsidy, regardless of whether that enterprise is subject to the Companies Act itself (in terms of requirements for the preparation of accounts). For example, an enterprise may not have consolidated UK accounts because it is a sole trader or otherwise not a UK-registered company, or it is part of a group under common control.

5.13. In such instances where the Companies Act processes or methodologies are inappropriate for determining an enterprise's size, public

¹ Based on Sections 382 and 465 of the [Companies Act 2006](#). The conditions are intended to be non-ambulatory vis-à-vis the Companies Act.

authorities can adopt a different approach to assessing the Companies Act qualifying conditions, providing it is reasonable and appropriate.

Relevant Companies Act 2006 references

- 5.14. ‘Small enterprise’ means an enterprise that meets two or more of the qualifying criteria for a small enterprise, as set out in section 382 of the Companies Act 2006.
- 5.15. ‘Medium-sized enterprise’ means an enterprise that meets two or more of the qualifying criteria for a medium-sized enterprise as set out in section 465 of the Companies Act 2006.
- 5.16. ‘Large enterprise’ means an enterprise that is larger than a medium-sized enterprise, as assessed by reference to the qualifying criteria in section 465 of the Companies Act.

6. General Streamlined Route requirements

Information-gathering requirements

- 6.1. Public authorities must obtain certain information from potential beneficiaries before giving a subsidy under the Streamlined Route. This will typically be part of any application for a subsidy before work on the subsidised project or activity has started. A written application before work starts is necessary to show that the subsidy will incentivise a behaviour that would not have occurred in the absence of the subsidy.

A public authority must, at a minimum, obtain from an enterprise the following information when giving a subsidy under this Route:

- name and size of the enterprise,
- description of the proposed project including its location, start and end date, and expected outcomes,
- the anticipated project costs, before any deductions, which must be supported by relevant and contemporary documentation.

Start dates

- 6.2. To help ensure subsidies given under a Streamlined Route have an incentive effect, public authorities may not give subsidies for projects or activities that have started. If an enterprise starts a project or activity without a subsidy, or without a firm commitment of receiving a subsidy, it raises the likelihood they may have undertaken the project or activity in the absence of the subsidy.
- 6.3. However, there may be instances where starting a project or activity before receiving a subsidy or a commitment of a subsidy is justified. For example, where a project or activity would not be viable otherwise. In this instance public authorities may give a subsidy for a project that has started providing:

- the public authority has provided written authorisation to the enterprise that the project can be started before the subsidy is given, and
- the public authority is of the view that the project would not be viable unless it starts before the subsidy is given.

6.4. Public authorities may consider limiting the total percentage of total project costs that can be spent by the enterprise before a subsidy is given.

6.5. In addition, public authorities may give a subsidy for a project or activity that has started if they are of the view that the scope of the project is being widened or the project is being accelerated.

Availability

6.6. A public authority must make subsidies available using transparent and objective selection criteria. This means that public authorities should explain to potential beneficiaries how any applications for a subsidy will be assessed and that the assessments will be conducted using conditions that can be objectively met, such as the enterprises operating in a particular sector or range of sectors, or that any jobs created as part of the project will be based in a pre-defined area.

6.7. An open competition is only a requirement if this is explicitly set out as part of a category within a Streamlined Route.

Eligible costs

6.8. A subsidy under a Streamlined Route can only be given for certain costs that are defined in the Route or categories in the Route (eligible costs). For example, a category may only permit subsidies for the capital expenditure or personnel costs directly related to a specific type of project or activity.

6.9. A public authority must obtain a list of anticipated eligible costs from the potential beneficiary before it decides to give a subsidy under a Route. The list of eligible costs must be supported by documentary evidence. This is an essential step to determining the subsidy ratio for the project or activity.

6.10. There are common limitations on eligible costs across all Routes and categories, which are that eligible costs must be:

- incurred directly as a result of the project or activity,
- limited to those strictly necessary for the project or activity, and
- for projects, limited to the time period of the project.

6.11. Subsidies that are 'strictly necessary' means those that are essential for the project's success and meeting the stated policy objectives through the intervention. For example, a potential beneficiary might want to engage external consultants that are not essential for project completion, but instead as an additional layer of assurance. Those consultancy fees would not be strictly necessary.

Valuing the subsidy

- 6.12. Subsidies may be given under a Streamlined Route in the form of non-repayable grants, repayable grants and loans or a complex financial instrument that uses more than one of these forms. Maximum award amounts, expressed as a cash value, are used for each category within the Streamlined Route.
- 6.13. Where public authorities are giving subsidies in the form of complex financial instruments, including equity or quasi-equity investments, we strongly recommend that they should have the appropriate expertise to select and manage investments.
- 6.14. If a subsidy is provided in cash, the gross cash amount given is to be used in determining the amount of the subsidy. That is, deductions should not be made for tax or for any other costs.
- 6.15. If a subsidy is provided in a form other than a grant, the amount of the subsidy given is to be determined by reference to the benefit received by the beneficiary beyond what they would have received had they obtained the financial assistance on commercial terms. For example, if a public authority provides a £1 million loan for one year with an interest rate of 4% and total repayments of £1.04 million, while the commercial interest rate would be 5% with total repayments of £1.05 million, the Gross Cash Equivalent value of the subsidy would be £10,000.
- 6.16. The value of a non-cash subsidy should be calculated using the methodology in the Subsidy Control (Gross Cash Amount and Gross Cash Equivalent) Regulations 2022 made under section 82 of the Act. Further information can be found in the statutory guidance.

Calculating subsidy ratios and the maximum permissible award

- 6.17. A subsidy ratio – also known as an ‘intensity’, ‘intervention rate’ or ‘leverage amount’ – is the proportion of a project or activity’s costs that are funded by a subsidy, as opposed to funding by the beneficiary itself or through other private or market-based sources of funding.
- 6.18. The Streamlined Route or different categories under a Streamlined Route will set out maximum subsidy ratios that a public authority must respect when giving a subsidy under a Streamlined Route. Like the maximum award amounts, maximum subsidy ratios are limits that cannot be breached under the Streamlined Route.
- 6.19. For the purposes of calculating subsidy ratios and eligible costs, all figures used shall be gross amounts, taken before any deduction of tax or other charge.
- 6.20. The subsidy ratio must be applied to all eligible costs that make up a project that the enterprise will be carrying out. This will determine the total subsidy that can be given to the enterprise, for the determined project, through the Streamlined Route.

6.21. The subsidy must be capped at either the maximum award amount or the limit indicated by the subsidy ratio, whichever is lower. Public authorities do not need to give subsidies at those maximum levels. In fact, they should always give the lowest subsidy amount for achieving their objective.

Example

A category within a Streamlined Route has a range of subsidy ratios that apply to different enterprise sizes: 70% for large enterprises, 80% for small and medium enterprises.

The public authority is giving a subsidy to a medium-sized enterprise so can give a subsidy up to 80% of the total costs of the project.

The maximum award amount for revenue costs awarded under this category is £6,000,000

The public authority determines that the revenue costs are eligible costs that fall under the definition of the category for the Streamlined Route they are using.

In this situation there are no additional conditions to consider that could limit the amount of eligible costs to make up the project.

Taking into account the costs of the project, the total eligible costs are £1,000,000.

By applying the subsidy ratio of 80%, the public authority determines that the project can receive £800,000 as this is below the maximum award amount for the category.

Cumulation rules for Streamlined Routes

6.22. Streamlined Routes facilitate subsidies that present a low risk of distorting competition. To help ensure subsidies remain low risk, cumulation rules apply.

6.23. Public authorities should cumulate a proposed subsidy with previous similar subsidies to awarded to the same enterprise to ensure the proposed subsidy does not go over the relevant maximum award amount.

6.24. An existing subsidy must be cumulated with the proposed subsidy if it meets all the following conditions and was given:

- to the same enterprise by any public authority
- for the same project or activities as defined under the relevant categories of the Streamlined Route Schedule
- for the same or substantially the purposes as set out in the Route

- within the last 3 financial years (that is, the last 2 complete financial years, running from 1 April to 31 March, and the lapsed part of the current financial year)
- 6.25. The public authority will need to add together the value of similar subsidies with the value of the proposed subsidy and only proceed with the proposed subsidy if it is below the limit for that category.
- 6.26. A public authority should therefore collect information from enterprises to determine if the subsidy they are intending to give needs to cumulate with any previous subsidies.
- 6.27. There are no exemptions for which types of subsidies can cumulate. Public authorities should therefore consider standalone subsidies, subsidies previously given under this Route, subsidies as part of another scheme or another Streamlined Route and subsidies given as Minimal Financial Assistance.
- 6.28. If a public authority determines that the Route or category maximum award amount has already been reached with previous similar subsidies that meet the criteria in paragraph 6.25, then they may not award any further subsidy through that Route or category. Cumulation rules only apply to the maximum award amounts, for example, a maximum subsidy ratio of 50% applies regardless of cumulation and the number of subsidies.
- 6.29. Public Authorities should be careful to ensure that the subsidy ratios or maximum award amounts are not exceeded by dividing a single project into multiple projects with similar characteristics or objectives.

Example

A public authority intends to grant a £7 million subsidy to an enterprise under the Arts and Culture streamlined route. This project has not yet started.

The enterprise informs the public authority that it has received £9 million from another public authority for the same project and the same activities (Capital expenditure) as defined under the relevant categories of the Streamlined Route Schedule.

Additionally, because this £9 million was awarded under the Arts and Culture Streamlined Route the policy objective is the same. This £9 million subsidy was received four months ago.

The £7 million subsidy accordingly cumulates with the £9 million subsidy above the £15 million maximum award amount for Capital expenditure costs and so, the maximum amount the public authority can award £6 million to the enterprise.

Transparency requirements

- 6.30. Streamlined Routes and any subsidies given under them that exceed £100,000 must be uploaded to the subsidy database, as required by the Subsidy Control Act.
- 6.31. DBT is responsible for uploading the Streamlined Routes (as subsidy schemes) to the subsidy database and will do this shortly after the date that they are made.
- 6.32. Where a public authority gives subsidies under Streamlined Routes that exceed £100,000, that public authority is responsible for uploading information about those subsidies to the database. This must be done within three months of the decision to give the subsidy award. The date of the subsidy decision is the date on which a binding commitment is made by the subsidy giver, when the beneficiary has an enforceable right to the subsidy.
- 6.33. Public authorities should follow the statutory guidance on transparency to determine what transparency obligations apply to the subsidy award.
- 6.34. The [statutory guidance](#) explains how public authorities can group subsidies given under a Streamlined Route.
- 6.35. To upload a subsidy given under a streamlined route public authorities must do the following:
 - Ensure a database user account is registered under the PA name on the Manage UK subsidies portal. If you do not have an account for access for your organisation, please contact subsidydatabase@businessandtrade.gov.uk
 - Identify the Streamlined Route you want to use from the list under subsidy schemes. Use the Arts and Culture Route's unique SC number.
 - Click on 'subsidy awards' on the subsidy awards tab and select 'add multiple subsidy awards'.
 - Download the excel template when prompted and then follow the instructions to add the subsidy award (the instructions are included in the template).
 - Save a local copy of the template once completed.
 - Select the 'upload file' button on the subsidy awards tab under 'add multiple subsidy awards' and upload the completed excel file with the subsidy awards.
 - The database will then automatically run through the file and highlight any errors, if they exist. When the file is uploaded the subsidy awards will appear on the list of subsidy awards.
 - Check the '[view UK subsidies](#)' page to ensure that the awards are displayed correctly.

6.36. We recommend Public Authorities keep the Excel file for their own record keeping as a public authority must ensure the subsidy award information is correct for a minimum of six years.

Retention of documents

6.37. Public authorities will collect certain information from beneficiaries to comply with the Streamlined Route, as well as for tax and managing public money purposes. Public authorities must meet the transparency requirements in the Act, including the need to keep database entries up to date for 6 years. In addition, subsidies given under routes can be challenged on general public law grounds. Retaining relevant information will be necessary for both. Public authorities are therefore advised to retain relevant documents for as long as they consider necessary to meet the transparency requirements, respond to challenges and satisfy any other obligations.

Part 2: Arts and Culture Streamlined Route

1. Overview

- 1.1. The Arts and Culture Streamlined Route (also known as the Arts and Culture Streamlined Subsidy Scheme) has been made by the Secretary of State for Business and Trade to sustain the cultural ecosystem and support the development and delivery of arts and culture activity in the short, medium and long term, as well as making such events, activities and spaces affordable and accessible to more people across the United Kingdom.

2. Objectives

- 2.1. The Arts and Culture Streamlined Route has been created to help public authorities achieve specific strategic policy objectives, as well as to address known market failures. The objectives are to maintain the following positive externalities that arise from a sustainable and active arts and culture sector:

2.1.1. Positive externalities from production of arts and culture:

Investment in culture, heritage can provide spillover benefits to human capital, creativity and innovation beyond the arts and culture sector. Creative ideas, artistic knowledge, and skills from artists and cultural practitioners often spillover into commercial industry by providing talented and productive workers to these industries. The arts and culture sector in the UK is set up in such a way that there's continuous movement and interplay between the subsidised and commercial sectors and they benefit each other, with investment in the subsidised sector playing a key role in talent development, risk taking, innovation etc. Space to create can lead to new ideas and cultural products that inspire other sectors, driving broader creativity and innovation across the economy.

2.1.2. Localised positive externalities related to provision of arts and culture:

Cultural provision through investment in culture, heritage, and visitor economy initiatives can benefit local economies in places across the country. Cultural development, creative regeneration and investment in the arts can play a role in spaces across the UK, for example urban or rural areas. Arts facilities and cultural events can revitalise neighbourhoods, making them more attractive for residents and businesses, and contributing to the overall improvement of environments for the public across the UK. Arts, culture and heritage also have positive benefits for communities in places through promoting social inclusion, cohesion and community engagement.

2.1.3. Positive externalities from consumption of arts and culture:

There are spillover effects from the consumption of arts and culture that result in social benefits that exceed the relevant private benefits. In particular, there is evidence that engagement with arts and culture can significantly improve health and well-being in adults. Furthermore, there are social benefits from provision of public spaces and amenities and the non-use value that arises from these.

- 2.2. These objectives are in line with the government's wider strategic objectives and priorities within the Arts and Culture landscape.
- 2.3. This guidance should be read alongside the Arts and Culture Streamlined Route scheme document.

3. Context

- 3.1. The positive impact of Arts and Culture on society is profound and far-reaching, and investment in Arts, Culture and Heritage generates a wide range of spillover effects that benefit society beyond individual participants. Benefits to human capital, creativity and innovation extend beyond the arts and culture sector into commercial industries, through the cultivation of talented and productive workers and creation of space for the development of new ideas and cultural products that inspire other sectors.
- 3.2. Neighbourhoods can be revitalised through the provision of arts and culture facilities and events, contributing to the overall improvement of environments for the public across the UK. These cultural and heritage spaces benefit communities by providing opportunities for consumption of arts and culture and promoting social inclusion and cohesion. Additionally, there is evidence that engagement with arts and culture can significantly improve health and well-being in adults.
- 3.3. These benefits exceed the relevant private benefits, leading to underproduction and underconsumption and therefore an established market failure in the Arts and Culture sector. This has resulted in Arts and Culture becoming an established subsidised sector. Social benefits reduce the attractiveness of private investment into Arts and Culture and are unlikely to incentivise enterprises to undertake investment to the same extent as grants and so, public subsidy is needed for the maintenance of positive externalities that arise from a sustainable and active arts and culture sector
- 3.4. In response to these challenges, and following consultation, the government has committed to establishing a new Streamlined Route for Arts and Culture. This Streamlined Route can be used by all UK public authorities to give Arts and Culture subsidies to sustain the cultural ecosystem and support the development and delivery of arts and culture activity in the short, medium and long term, as well as making such events, activities and spaces affordable and accessible to more people across the United Kingdom. These can be in the form of non-repayable and repayable grants or loans, as appropriate. The use of this route will allow these subsidies to be awarded quickly, easily and

with maximum certainty. It will therefore provide a mechanism to support investment in Arts and Culture and drive economic growth and productivity.

4. Scope of subsidies within the Route

- 4.1. Only subsidies within scope of the Streamlined Route may be given under it. This section of the guidance explains what subsidies are in scope.
- 4.2. The Arts and Culture Streamlined Route consists of three categories, with their own definitions, maximum amounts, subsidy ratios, eligibility criteria and limitation conditions. The 3 categories are:
 - 4.2.1. Arts, Creativity and Culture (category 1): traditional and contemporary disciplines including visual arts, music, theatre, dance, literature, linguistic culture and combined arts.
 - 4.2.2. Screen (category 2): film, TV, digital media and video sharing, extended reality (XR) and video game (additional conditions apply for subsidies awarded to enterprises delivering or producing Screen work)
 - 4.2.3. Cultural Heritage (category 3): museums, archives, historic sites (including buildings, gardens, landscapes, monuments and archaeological sites), libraries, collections and artefacts, and intangible heritage (living, traditional and folkloric heritage and linguistic culture).

5. Eligible enterprises

- 5.1. Any enterprise of any size (including organisations which engage in economic and non-economic activity) planning an Arts, Creativity and Culture, Screen or Cultural Heritage project.

6. Eligible activities

- 6.1. Under this scheme a subsidy can be awarded to eligible enterprises to support the delivery of an Arts, Creativity and Culture, Screen or Cultural Heritage project anywhere in England, Scotland, Wales, or Northern Ireland may receive a subsidy under the Arts and Culture Streamlined Route.

7. Eligible costs

- 7.1. Subsidies under this scheme can be used to fund any combination of the costs specified below (up to the maximum amount or maximum subsidy ratio, whichever is lower) where they will be incurred directly in connection with an eligible project ('eligible costs'). Any costs that are not listed below may not be funded using a subsidy given under this streamlined route.

7.2. The eligible costs are:

7.3. Revenue costs

- Funding towards an identified viability gap to ensure continued and/or sustained levels and operations of cultural provision (For example, funding the development and delivery of a core recurrent arts, cultural or creative programme or activity).
- Funding towards ancillary economic activity necessary to ongoing delivery of creative and cultural activity.
- Subsidising tickets to increase access.
- Funding towards ongoing overheads and wider business-related costs – for example staffing, digital, advertising/marketing, corporate services and estates management essential to achieving the Purpose.

7.4. Capital expenditure costs

- Conservation, preservation and refurbishment of existing sites, venues and spaces including addressing a conservation deficit.
- Conservation, preservation and purchase of assets such as culturally significant objects and collections.
- Improving access and facilities.
- Purchase of, and construction of, new buildings and premises.
- Asset purchase to improve quality of creative and cultural activity, including digital assets.
- Cultural regeneration including but not limited to:
 - improving economic and employment opportunities
 - core expenditure investment to address a lack of cultural and creative opportunities
 - incentivising enterprises to expand activities to new areas, redistributing creative and cultural provision

7.5. Project costs

- Ringfenced, time-limited creative or cultural activity (including the development, delivery and/or creation of work, and festivals or events).
- Touring or distributing work locally, nationally, across the UK and/or internationally (including touring new work, utilising ready-made product[s] on the shelf, maximising future commercial opportunities, and international exchange and cross-collaboration opportunities).
- Organisational development or business change projects.
- Digital skills and improvements.

- Research and Development (including cultural innovation and the development of culturally significant products, content or assets).
- Cultural Regeneration and Placemaking (including supporting new enterprises or incentivising existing enterprises to develop and deliver activities to new areas).

8. Limitations on eligible costs

- 8.1. Subsidies under the Scheme may be given in the form of non-repayable grants, repayable grants and loans or a complex financial instrument that uses more than one of these forms.
- 8.2. Where public authorities are giving subsidies in the form of complex financial instruments, including equity or quasi-equity investments, it is strongly recommended that they have appropriate expertise to select and manage investments.

9. Subsidy ratios and maximum award amounts

- 9.1. The tables below sets out the limits for each category: the maximum amount that can be given and the maximum percentage of eligible costs that can be financed by subsidy (the subsidy ratio), with the beneficiary financing the remaining costs.
- 9.2. The subsidy must be capped at either the maximum amount or the limit indicated by the subsidy ratio, whichever is lower. There is no minimum amount of any subsidy that can be awarded. Public authorities do not need to give subsidies at those maximum levels and should always give the lowest subsidy amount for achieving their objective.
- 9.3. Where these subsidy ratios and maximum award amounts are not adequate for a specific project, a public authority should consider giving a standalone subsidy outside this scheme, using the [Subsidy Control assessment template](#).

9.4. Arts, Creativity and Culture (category 1)

- 9.5. The maximum amount of subsidy that can be awarded under this category is:
 - 9.5.1. £6 million for Revenue costs per 3 Financial Years
 - 9.5.2. £15 million for Capital Expenditure costs per 3 Financial Years
 - 9.5.3. £12 million for Project costs per 3 Financial Years
- 9.6. The maximum subsidy ratio under this category for Revenue costs will be up to:
 - 9.6.1. 80% of the eligible costs of a project for small and medium enterprises.
 - 9.6.2. 70% of the eligible costs of a project for large enterprises.

9.7. The maximum subsidy ratio under this category for Capital and Project costs will be up to 100% of eligible costs.

Category 1 (Arts, Creativity and Culture)			
Type of Support	Type of enterprise	Subsidy ratio	Maximum award amount
Revenue	Small and Medium enterprises	Up to 80 % of eligible costs	Up to £6,000,000
	Large enterprises	Up to 70% of eligible costs	
Capital	Small and Medium enterprises	Up to 100% of eligible costs	Up to £15,000,000
	Large enterprises		
Project	Small and Medium enterprises	Up to 100% of eligible costs	Up to £12,000,000
	Large enterprises		

9.8. Screen (category 2)

9.9. The maximum amount of subsidy that can be awarded under this category is:

9.9.1. £6 million for Revenue costs per 3 Financial Years

9.9.2. £15 million for Capital Expenditure costs per 3 Financial Years

9.9.3. £12 million for Project costs per 3 Financial Years

9.10. The maximum subsidy ratio under this category for Revenue and Capital costs will be up to:

9.10.1. 70% of the eligible costs of a project for small and medium enterprises.

9.10.2. 50% of the eligible costs of a project for large enterprises

9.11. The maximum subsidy ratio under this category for Project costs where the total project budget is equal to or higher than £5 million, will be up to:

9.11.1. 70% of the eligible costs of a project for small and medium enterprises.

9.11.2. 50% of the eligible costs of a project for large enterprises.

9.12. The maximum subsidy ratio for under this category for project costs where the total project budget is below £5 million, will be up to: 100% of eligible costs.

Screen (Category 2)			
Type of project	Type of enterprise	Subsidy ratio	Maximum award amount
Revenue	Small and Medium enterprise	Up to 70% of eligible costs	Up to £6,000,000
	Large enterprise	Up to 50% of eligible costs	
Capital	Small and Medium enterprise	Up to 70% of eligible costs	Up to £15,000,000
	Large enterprise	Up to 50% of eligible costs	
Project (Total project budget below £5,000,000)	Small and Medium enterprise	Up to 100% of eligible costs	Up to £12,000,000
	Large enterprise		
Project (Total project budget equal to or higher than £5,000,000)	Small and Medium enterprise	Up to 70% of eligible costs	
	Large enterprise	Up to 50% of eligible costs	

9.13. **Cultural Heritage (category 3)**

9.14. The maximum amount of subsidy that can be awarded under this Category is:

- 9.14.1. £6 million for Revenue costs per 3 Financial Years
- 9.14.2. £15 million for Capital Expenditure costs per 3 Financial Years
- 9.14.3. £12 million for Project costs per 3 Financial Years

9.15. The maximum subsidy ratio under this category for Revenue costs will be up to:

- 9.15.1. 80% of the eligible costs of a project for small and medium enterprises.
- 9.15.2. 70% of the eligible costs of a project for large enterprises.

9.16. The maximum subsidy ratio under this category for Capital and Project costs will be up to 100% of eligible costs.

Cultural Heritage (Category 3)			
Type of project	Type of enterprise	Subsidy ratio	Maximum award amount
Revenue	Small and Medium enterprise	Up to 80 % of eligible costs	Up to £6,000,000
	Large enterprise	Up to 70% of eligible costs	
Capital	Small and Medium enterprise	Up to 100% of eligible costs	Up to £15,000,000
	Large enterprise		
Project	Small and Medium enterprise	Up to 100% of eligible costs	Up to £12,000,000
	Large enterprise		