



House of Commons

Digital, Culture, Media and
Sport Committee

**Impact of Covid-19 on
DCMS sectors: First
Report: Government
Response to
Committee's Third
Report of
Session 2019–21**

**Third Special Report of
Session 2019–21**

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The Digital, Culture, Media and Sport Committee

The Digital, Culture, Media and Sport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Digital, Culture, Media and Sport and its associated public bodies.

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Third Special Report

The Digital, Culture, Media and Sport Committee published its Third Report of Session 2019–21, *Impact of COVID-19 on DCMS sectors: First Report* (HC 291) on 23 July 2020. The Government's response was received on 7 October 2020 and is appended to this Report.

Appendix: Government Response to Impact of COVID-19 on DCMS sectors: First Report

The Committee's introduction to its conclusions and recommendations

1. The many and varied sectors under the remit of the Department for Digital, Culture, Media and Sport are integral to the UK's national life and identity, as well as being vital drivers of economic growth and employment. Yet many parts of these sectors face an existential threat due to Covid-19 and the continued uncertainty that accompanies it. (Paragraph 4)

Sport - Conclusions and recommendations 2–9

2. We are concerned that a lack of confidence, and a fear of being in close proximity with people from outside their own household, will affect people's return to group sports, particularly those that take place indoors (such as indoor exercise classes), those that require physical contact (such as rugby), and those that require participants to be in close proximity for extended periods of time (such as rowing). We support requests from the sport sector for clear and effective public messaging from the Government to ensure people feel safe returning to group physical activity. *To help to get the UK moving again, the Department for Digital, Culture, Media and Sport should fund advertisements, based on the 'This Girl Can' model, using realistic content about how to get back to exercise without fear. In the medium-to-long term, we recommend that DCMS establishes a fund to invest specifically in helping those people whose activity levels have been adversely affected by the lockdown restrictions—including older people, BAME people, disabled people, women, people from lower socio-economic backgrounds and those unable to access physical activity content online—to ensure that the progress that was being made in physical activity levels within these groups is not set back by Covid-19.* (Paragraph 11)

Sport England launched the Join the Movement campaign on 26 March, which provides tips, advice and guidance on how people can keep or get active in and around the home. Join the Movement has involved the health and fitness industry, including partners like ukactive, in the development of the campaign. Its online hub offers free exercise content and advice from organisations such as the NHS. Workouts from fitness brands and influencers such as Les Mills on Demand, The Body Coach (Joe Wicks) and FiiT are also available via the hub.

Sport England have also been consulting with the sport and physical activity sector since September 2019 on the broad principles that should inform its new strategy. Sport England published a framework document in May reflecting back to the sport and physical activity sector, the feedback that Sport England have been receiving from stakeholders and to test emerging ideas. Tackling inequalities and focusing on the people who need the most help to live active lives will be a key focus of Sport England's new strategy.

3. The cessation of community sport countrywide during lockdown has hit underrepresented groups the hardest. While we welcome the announcement that some recreational sports teams can now resume play, we are concerned about gyms and leisure centres. These facilities act as community hubs, often providing subsidised facilities to those who most need them, but have been the last sport sector to reopen. Following huge levels of uncertainty, it is essential that leisure facilities are protected and have the funds to ensure that the necessary hygiene and social distancing measures can be put in place to re-open fully. The worst outcome would be for local authority funding shortfalls to translate into leisure centre closures; if this were to happen, the Government would risk abrogating its own 2015 Sport Strategy commitment to increase participation in sport by under-represented groups. DCMS's Sport Working Group must work with local councils to ensure necessary funding is in place to preserve leisure centre facilities. This must be done with urgency so that leisure centres are fully operational in August to provide crucial fitness opportunities for children during the school holidays. (Paragraph 15). DCMS's Sport Working Group must work with local councils to ensure necessary funding is in place to preserve leisure centre facilities. This must be done with urgency so that leisure centres are fully operational in August to provide crucial fitness opportunities for children during the school holidays. (Paragraph 15)

Sports and physical activity facilities play a crucial role in supporting adults and children to be active. It is important that leisure centres remain accessible for people from all backgrounds as we make efforts to return to normality after the Covid-19 lockdown period.

Outdoor swimming pools have been able to open from 11 July and indoor gyms, leisure centres (including sports halls) and swimming pools in England have been able to reopen since 25 July. These facilities will be able to offer on-site services to customers, provided they are COVID-secure and follow government guidance.

On Thursday 2 July, specific support for local authorities was announced by the Secretary of State for Housing, Communities and Local Government through the income guarantee scheme, which aims to support local authorities who have incurred irrecoverable loss of income from sales, fees and charges which they had reasonably budgeted for. The scheme will reimburse local councils for 75 pence in the pound for lost income, including for the leisure centres that they own and operate themselves.

Cross-government conversations are ongoing with regards to support for local authorities that outsource the provision of leisure services.

4. We recognise the importance of 'horizon-scanning' work to ensure people maintain and increase their activity levels, which in turn will boost their resilience to the virus. However, smaller organisations are unlikely to have the resources available

to collect data, analyse it and then act on that insight. We believe that Sport England is in the best position to continue this work. We call on DCMS to provide Sport England with the necessary resources for it to prioritise data collection, so that long-term indicators can be developed to help the sports sector better understand the needs of its audiences. (Paragraph 17)

Sporting Future identified the huge opportunity that the digital agenda presents for sport and physical activity. Using data to make people more aware of activity opportunities available to them has continued to be a key focus.

The volume of physical activity opportunity sessions made available through open data has been steadily increasing. This has been encouraged by the OpenActive programme, which has been run by Sport England and the Open Data Institute since 2016, to support providers in releasing their 'opportunity data' describing when and where physical activity opportunities take place. Over 230,000 opportunities are now being openly published each month from 48 different data providers. The programme has continued to focus on increased data literacy, creating a new set of data standards and tools, and supporting activity providers to release their 'opportunity data' describing when and where physical activity opportunities take place. The objective is to make it easier for people to find these activities online and to book and pay, making it as simple to take part in physical activity as it is to order a takeaway.

We are seeing steady progress and expect to see greater involvement from all across the sector, as people increasingly expect to be able to discover and select opportunities to be active in a user-friendly way. While there remains strong support and engagement for the initiative, Covid-19 and the challenges it brings operationally for many activity providers means that technical resources to support the work have been furloughed, therefore, progress has slowed since lockdown. As an OpenActive initiative, we adapted by creating a data standard to allow virtual classes to be opened up which has since powered the Join the Movement activity finder and will soon underpin the Great British Week of Sport campaign being led by ukactive.

5. With no clear messaging from the Government about when spectators can expect to return to sporting events, we support calls from elite sports organisations for the Government to extend its financial assistance for those organisations that are unable to generate revenue until mass gatherings are permitted. We recommend that DCMS works with HM Treasury to identify organisations within the professional sport sector that remain unable to generate revenue until mass gatherings are permitted again, and to ensure that the systems that have helped them survive the crisis thus far, such as the Coronavirus Job Retention Scheme and the VAT and PAYE deferral period, are extended beyond the current cut-off dates, and backdated where they have already come to an end (such as the VAT payments deferral scheme). (Paragraph 22).

The Covid-19 pandemic has presented a significant challenge to many of DCMS' sectors including sport and we understand that pausing the planned 1 October changes for a return of socially distanced crowds at sporting events will be disappointing for fans and sports alike. This decision has been taken due to the sharp upward trajectory of Covid-19 cases and as set out in the roadmap, the reopening of sports stadiums can only happen if it is safe.

We know that the decision not to reopen stadiums to spectators on 1 October will have major consequences for sports and clubs across the country who relied on those fans for income. Specifically, we know the largest and most urgent concerns are around the major winter spectator sports: football, rugby union and horse racing.

On football, the Government recognised the immediate pressure National League clubs were under, so provided assurance of financial support so they could start their season this weekend. We are in the process of finalising a grant package given the impact of essential revenue lost from having to play games behind closed doors due to the Coronavirus. The Government recognises that these clubs are at the very heart of their communities and a source of local history, identity and pride so we are committed to play resuming in these historic leagues in a viable way. Constructive discussions are happening between the PL and EFL on support for clubs within the pyramid.

We are also in intense negotiations with rugby union to provide them with the necessary loan support to protect both the Rugby Football Union and professional clubs, and are continuing to work with the British Horseracing Authority on how best to support horse racing. The Government requested data on the financial position of major sports, and we are now working through the initial returns from all the remaining sports and are engaging with them at pace to fully assess how much they need to survive this period with no spectators.

We also continue to work closely with a whole range of sports to understand the latest thinking that might allow spectators to return. This includes the creation of a new Sports Technology Innovation Working Group of sporting bodies and health experts to analyse new technologies which might support this.

In addition to the £210 million Emergency Sport Funding Package made available via Sport England (7,569 awards to date), many sporting organisations have benefited from the unprecedented support for business and workers to protect them against the economic emergency including:

- The Coronavirus Job Retention Scheme.¹ 68% of sport businesses able to apply have received this support.
- £330 billion worth of government backed and guaranteed loans to support businesses. 18% of sports businesses have received a bounce back loan and 6% have received a loan through the Coronavirus Business Interruption Loan Scheme.
- The Self-Employed Income Support Scheme—72% of self employed individuals in sport have received support.

Delivering his Summer Economic Update in Parliament, the Chancellor announced a package of measures to support jobs in every part of the country, give businesses the confidence to retain and hire, and provide people with the tools they need to get better jobs. This will include:

- A job retention bonus (one off bonus of £1,000 for each furloughed employee who is still employed as of 31 January 2021)

¹ All data taken from the 2nd Wave of the DCMS Business Survey which ran from 17 August to 8 September.

- A new £2 billion Kickstart Scheme to create hundreds of thousands of new, fully subsidised jobs for young people across the country

6. **The current football business model is not sustainable. The Covid-19 crisis has shone a stark light on the financial issues within football, specifically in the leagues below the Premier League. The Premier League is the main income generator of English football. If it does not step up to help the English Football League, many more clubs will follow in Bury FC's footsteps. The EFL needs also to ensure it develops a more sustainable financial model.** (Paragraph 27)

7. **We firmly believe that football must use its response to the Covid-19 crisis to 'reset'. The crisis has shone a light on the culture of unfair pay in football. The decision by some Premier League clubs to furlough non-playing staff was deplorable, and we welcomed its reversal. Parachute payments must become a thing of the past, and considerable work must be done to advance work on salary caps. DCMS should engage with the Premier League and the EFL to learn lessons from abroad on policies such as salary caps, which may seem radical to those inside UK football, but seem to work well elsewhere.** (Paragraph 32)

Football clubs are the heart of local communities, they have unique social value and there are many with a great history. It is vital they are protected. The Government has been in regular contact with the football authorities to understand their financial position throughout the pandemic. However, the Government has been absolutely clear that it expects football to look first at how it can support itself through these difficult times, and has reinforced this with the Premier League in recent weeks.

Salary caps were introduced in August for English Football Leagues One and Two after clubs voted for their immediate introduction. The new 'Squad Salary Cap' will be £2.5 million and £1.5 million respectively and replace the existing Salary Cost Management Protocols. Discussions between the English Football League Championship clubs are still ongoing in respect of amendments to their own financial controls.

While the financial stability of clubs is for the Premier League and English Football League to consider, the Government has committed to undertaking a fan led review of football governance, which will include consideration of the Owners' and Directors' Test. Work is underway and we consider this a priority commitment of our manifesto.

8. **Football must also become more representative. The fact that no Premier League club and virtually no English Football League club has a black owner, Chair or chief executive, is a fundamental inequality at the heart of the game. We do not believe that the voluntary initiative proposed by the FA will motivate clubs to act with sufficient speed. *Instead, we recommend that DCMS revise the Code for Sport Governance, adding targets for BAME representation on boards. We also wish to record our dismay at the slow progress in kicking out homophobia from football. It is crucial that everyone involved in the game is clear about the remaining barriers to players coming out. The Covid-19 crisis is an opportunity to improve a number of areas within football, and to this end we will continue to pursue opportunities in this Parliament to introduce legislation outlawing homophobic chanting at matches.*** (Paragraph 33)

Sport England and UK Sport announced a joint review of the Code for Sports Governance on 23 July 2020. The review will look at areas where the Code would benefit from further

development, including around equality, diversity and inclusion, and particularly those that focus on the boards of sporting organisations.

The requirements of the Code for Sports Governance apply to organisations seeking public funding from Sport England or UK Sport. Sports themselves also have a responsibility to proactively address issues of diversity, inclusion and equality internally at all levels within their organisations.

9. The lack of visibility of women’s sport this summer risks undoing work to improve funding for women’s elite sport. Cancellation of women’s events is likely to reduce the number of women being inspired to take part in sporting activities. In its response to this report, the Government should outline how it intends to support women’s sport post-crisis and ensure that, going forward, men’s elite sports are not further prioritised at the expense of the women’s game. (Paragraph 36)

We recognise that women’s sport has already been heavily impacted by the pandemic with a lack of media coverage and visibility and a loss of sponsorship deals which women’s sport has historically found difficult to attract in the first place. We want to continue to raise the profile of and encourage more commercial investment into women’s sport. Sponsorship and media coverage go hand in hand. If women’s sport does not have the media coverage, then sponsors often do not see it as commercially attractive.

Some women’s sport has been able to return more quickly post-lockdown, such as tennis, including the Progress Tour of Women’s Championships in July, golf’s Rose Ladies Series and Women’s Open in August and Women’s Cricket and the Women’s Super League in September. A test event has also been held for women’s football including Lewes FC vs London Bees (women’s pre-season friendly). The return of other sports is to be confirmed. However, it is for individual sports to decide how their women’s teams should return to play safely, in line with the Government issued elite sport return to training and domestic competition guidance.

The Minister for Sport met with sport bodies and Women in Sport earlier in June to explore further the new challenges Covid-19 has brought and discuss what more can be done to address these. There was a real shared commitment among sports to protect investment in women’s sport and promote its growth. We are committed to helping women’s sport come out of the current crisis stronger than ever and will be working closely with the sector to ensure that happens.

Culture and the creative industries - Conclusions and recommendations 10–19

10. The Department should investigate how the market for recorded music is operating in the era of streaming to ensure that music creators are receiving a fair reward. (Paragraph 44)

The Government fully recognises the importance of understanding how creators receive remuneration and attribution in a global streaming environment. To that end, the Intellectual Property Office is supporting an independent research project, led by a coalition of industry bodies, including the Ivors Academy, the Musicians Union, the Featured Artists Coalition and PRS for Music, to investigate how music creators earn

money from streaming. This research is due to report in the Summer of 2021.

11. The Covid-19 crisis presents the biggest threat to the UK’s cultural infrastructure, institutions and workforce in a generation. The loss of performing arts institutions, and the vital work they do in communities by spreading the health and education benefits of cultural engagement, would undermine the aims of the Government’s ‘levelling up’ agenda and Arts Council England’s next 10-year strategy, and reverse decades of progress in cultural provision and diversity and inclusion that we cannot afford to lose. *In addition to the emergency funding already announced, the performing arts need a sector-specific recovery deal that includes continued workforce support measures, including enhanced measures for freelancers and small companies; clear, if conditional, timelines for reopening, and technological solutions to enable audiences to return without social distancing; and long-term structural support to rebuild audience figures and investment in time of economic uncertainty.* (Paragraph 51)

On 5 July the Government announced a £1.57 billion support package to protect Britain’s world class cultural, arts and heritage institutions. This money represents the biggest ever one-off investment in UK culture and will provide a lifeline to our vital arts and cultural organisations across the country hit hard by the pandemic. It will help them stay afloat while their doors are closed and help to ensure a vibrant sector after the crisis.

The Government also recognises the crucial role that individuals play in making our arts and creative industries world-leading, and is working hard to ensure that we help to provide financial support to freelancers during this period. As a result of the grants and loans available through this package, organisations will be more able to resume cultural activity, albeit in a socially distanced way, which will increase employment opportunities for freelancers. Each organisation that receives money will know how best they can support their workforce, including freelancers.

Alongside this funding, Arts Council England have announced £95 million of additional support for individuals, which can include freelancers, including £75 million in project grants. These will be focused on applications that maximise employment opportunities and those from under-represented groups and freelancers are eligible to apply to this directly. National Portfolio Organisations can also apply to create new work, with bids that create employment opportunities being prioritised. A further round of the Arts Council England programme ‘Discover Your Creative Practice’ will also open in the autumn, which will make approximately £18 million available for individuals looking to develop new creative skills that will help them to further develop their career. Arts Council England will also be adding £2 million into relevant benevolent funds for those less well supported by the programmes outlined above, including stage managers and technicians.

In addition to this unprecedented financial package, we have set out a five-stage roadmap outlining how we will get audiences back into performing arts venues. We are now at Stage Four of the roadmap, meaning that venues and organisations can now put on live indoor performances in front of a socially distanced audience. This is in addition to the earlier announcement that from 11 July we can all enjoy performances outdoors with social distancing. 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. We will continue to work with the sector on how to enable the safe return of fuller audiences, including technological solutions and we are working closely with the

Department for Health and Social Care on the Moonshot programme. To this end we have launched a Sport Technology Innovation Group which will make proposals to the Government on approaches that could support a wider return of spectators to stadia. The Secretary of State for Digital, Culture, Media and Sport will meet with the Chair regularly to discuss their findings.

12. The Coronavirus Job Retention Scheme and the Self-Employment Income Support Scheme have been a lifeline for all those in the creative industries who have been eligible for them. However, the closure of the schemes in October and the fact too many self-employed people have missed out on support to date, means the future of our creative workforce remains at significant risk. From October 2020 at the latest, the Government should introduce flexible, sector specific versions of the CJRS and SEISS guaranteed for the creative industries until their work and income returns to sustainable levels. Any such measures should account for the differences in timeframes for the easing of Covid-19 restrictions across the four nations. Support for the self employed, in particular, should be urgently reviewed and amended so that it covers people who have been excluded to date. The Treasury Committee's report, 'Economic impact of coronavirus: Gaps in support', proposed practical solutions for how this might be achieved, which we endorse. (Paragraph 56)

It is the case that some organisations will be affected by Covid-19 for longer than others, and the Government will seek to support them appropriately. In the Plan for Jobs, the Chancellor announced measures to support businesses in particular sectors, including targeted action to support jobs in the hospitality and tourism sectors, such as the Eat Out to Help Out Scheme and temporary VAT reductions.

The Chancellor has said there will be no further extensions or changes to the Coronavirus Job Retention Scheme and after eight months, the scheme will close at the end of October. The introduction of flexible furloughing further ensures that businesses can adjust how they furlough to match their speed of reopening. Thereby, businesses will be able to flexibly claim under the Coronavirus Job Retention Scheme until October.

Further to this, on 24 September, the Chancellor announced the Winter Economy Plan to protect jobs and support businesses over the coming months which includes:

- a new Job Support Scheme, beginning on 1 November and running for 6 months
- an extension to the Self-Employment Income Support Scheme (SEISS) Grant which

The Government will continue to engage with businesses and sectors with the aim of ensuring that the support provided is right for those sectors and for the economy as a whole.

13. We welcome the Government's commitment to provide £1.57 billion in funding for our cultural and heritage sectors; however, whether it is enough to safeguard the cultural sector will ultimately depend on how long institutions remain closed or subject to social distancing, and we are concerned that freelancers and small companies will continue to fall through the gaps of Government support. It is also regrettable that it took so long for the package to be announced, as the uncertainty inevitably led

to closures and redundancies in the cultural sector that might otherwise have been avoided. (Paragraph 59)

14. *The Government must learn from the shortcomings of previous support schemes, including those for charities and self-employed people, to ensure this package is tailored to the unique characteristics of the cultural sector and its workers, and reaches them promptly. The Government must recognise the interconnected nature of the cultural sector and should not restrict support to well-established, high-profile, institutions: it is essential that cultural freelancers and small companies in the creative industries supply chain are also eligible for direct support. To reduce uncertainty, the Government must publish eligibility criteria and application guidance as soon as possible, and ensure that the funding reaches recipients no later than October 2020.* (Paragraph 60)

The funding criteria and application process for the Culture Recovery Fund went live in early August. Money has already begun to be allocated, with £3.36 million in emergency funding for grassroots music venues allocated on 22 August. Additionally, as part of the Fund, the British Film Institute is allocating £30 million in grants on behalf of DCMS to support independent cinemas as they reopen. In the first wave of grant allocations (announced on October 2nd), 42 independent cinemas across England received a share of £654,883 in grant funding to preserve the local cultural offer and rescue organisations that are at risk of insolvency this financial year.

Currently DCMS, in partnerships with its Arms Length Bodies, is processing over 4,000 applications for more than £880 million of grant funding, and announcements about allocations will be made in the coming weeks.

This funding will provide targeted support to organisations and jobs across a wide range of sub-sectors within the cultural and creative eco-systems including theatres, performing arts, galleries, museums, heritage sites, music venues and independent cinemas. Priority will be given to organisations with a national and international reputation, and to organisations which are central to the cultural fabric of our towns and regions. We will ensure that funding is distributed fairly, and that smaller organisations and cultural venues at the centre of their communities are protected.

15. *To further combat the negative effects of closure, and to stimulate long-term recovery, the Government should introduce other fiscal measures. We recommend the cut in VAT on ticket sales for theatre and live music be extended beyond January 2021, for the next three years. The Government should increase Theatre Tax Relief to 50% for the next three years and broaden the definition of ‘core expenditure’ in line with the industry’s proposals. It should introduce a Music Tax Relief, modelled on existing reliefs such as the Orchestra Tax Relief. The Government should also develop a system to save ‘Assets of Cultural Value’ along the lines of the regime for ‘Assets of Community Value’. This would allow a moratorium on the sale of a building while stakeholders seek an alternative bidder to maintain the asset as a cultural business. The Government should also build on recent ‘Agent of Change’ planning reform to protect cultural assets by tightening planning regulations around change of use from venues or music studios to residential and other developments.* (Paragraph 64)

As part of the Winter Economy Plan announced on 24 September, the government extended the temporary 15 percent VAT cut (from 20 percent to five percent) for the

tourism and hospitality sectors to the end of March 2021. This will give businesses in the sector the confidence to maintain staff as they adapt to a new trading environment.

The Government keeps all tax reliefs under review. HM Treasury would need to assess any new tax relief for its effectiveness at meeting its objectives, cost to the Exchequer, wider economic impacts and ability to stand up to abuse.

It is a priority for us to continue to work closely with the sector to ensure we do all we can to protect it. Following the announcement on 5 July of the £1.57 billion Culture Recovery Fund for our sectors, DCMS continues to engage with HM Treasury to feed into their assessment of the potential impacts. We are working to ensure the needs of our sectors are factored into the developing economic response, and that they are supported throughout this time.

We updated our National Planning Policy Framework in 2018 to introduce the ‘agent of change’ principle, to ensure that where the operation of an existing business could have a significant adverse effect on a proposed new residential or other development, the applicant (or ‘agent of change’) should be required to provide suitable mitigation before the development has been completed.

We have also reformed the Use Classes Order to include venues for live music performance as a land use that will always require a local planning application before a change of use to residential or other development. Local applications will be determined by the Local Planning Authority in accordance with the development plan, unless material considerations indicate otherwise.

Further to this, changes to the planning system announced by the Secretary of State for Housing, Communities and Local Government will save theatres, concert halls and live music performance venues for future generations.

16. Lessons must be learnt from Arts Council England’s emergency funding when it comes to distributing the additional Government support. Support cannot be limited to organisations with a track record of public funding. Although recipients must be able to demonstrate they will use public monies appropriately, such a restrictive criterion risks excluding vital parts of the cultural ecology, including whole sectors that have historically had less engagement with funding bodies such as contemporary music, circus and amateur theatre. *In allocating additional sector funding, the Government must ensure support reaches cultural sectors and institutions that are in need, irrespective of whether they have previously received subsidy. It must also ensure an equitable distribution of cultural resources across all parts of the UK—north and south, rural and urban—and support for BAME and disabled artists and audiences.*
(Paragraph 68)

The Arts Council England has recently delivered emergency funding to both National Portfolio Organisations and £50 million dedicated to organisations that are not in its National Portfolio. In government, and at the Arts Council England, we understand that organisations not in receipt of regular government funding are even more vulnerable than those which do, given their reliance on earned income and philanthropic giving. That is why we are setting criteria to assist the Arts Council England in allocating funds to the most worthy organisations, which will be sure to creatively address the challenges they will continue to face, and to ensure the progress we have seen over recent years towards a

more diverse and engaging sector is not lost.

Funding will be allocated to protect the core of the cultural ecosystem. This will include large, internationally renowned organisations, but also smaller, local organisations, that play a key role in levelling up their local area, or which display expertise in a niche area, and those that prioritise educational outreach, for example.

Arms Length Bodies making funding decisions will be looking for a track record of delivering social benefit and welcoming diverse audiences. Organisations in receipt of funding will be expected to demonstrate progress in diversity and outreach over the coming years in return for this investment into their futures. For example, the Arts Council England 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 will be required to detail:

- Steps they will take to broaden the diversity of their workforce and governance and the impact of those changes
- Steps they will take to broaden the diversity of their audiences, visitor base and participants, and the impact of those changes

17. Since lockdown began, we and many others in the cultural sector have been warning DCMS about the challenges of resuming live performance. The £1.57 billion of support from the Government will only tide the cultural sector over for so long and will not be sufficient to compensate for a loss of the Christmas season. The Cultural Renewal Taskforce has been slow to demonstrate meaningful progress. The fact it was only established two months after lockdown means valuable planning time for the return of live performance has been lost. Moreover, telling venues they can reopen with just a few days’ or weeks’ notice does not address the lead times for performance, the challenges of social distancing or the concerns about audience behaviours. To provide more certainty and allow for forward planning the Government should, no later than 1 August, publish ‘no earlier than’ dates for stage 5 of its plan to reopen performing arts venues. (Paragraph 76)

Theatres are now able to open for socially distanced performances. We understand the challenges social distancing creates for organisations, which is why we have provided £1.57 billion of support to the cultural sector. This funding will be focused on those organisations which can demonstrate they are the most culturally significant. For those organisations, the funding will ensure that organisations that are facing financial challenges as a result of not being able to reopen fully, or in some cases, not being able to reopen at all, can access sufficient funding to ensure they remain viable for the rest of this Financial Year.

We also recognise the importance of giving the sector clarity on when Stage 5 activity can resume. However, we have always said that further reopening would be dependent on the public health context at the time. We are increasing the pace of our work to see how we can use technology and look to get larger audiences into theatres as soon as possible. We have convened a venues steering group which includes representatives from leading sector

organisations as well as Public Health England and other experts, to develop an action plan for how we can proceed to the final stage of the roadmap to enable fuller audiences within venues as soon as possible. We are continuing to work with industry on proposals to maximise activity under Stage 4 and on increasing capacity within venues, while ensuring they remain Covid secure and continue to implement all the safety mitigations recommended within guidance.

18. We are concerned that innovative technology-based solutions are being explored across the theatre, sports and festivals sectors without full collaboration between them. This is exactly the issue the Cultural Renewal Taskforce was set up to address. *The Cultural Renewal Taskforce must coordinate cross-sector work on technological solutions for mass gatherings, ensuring the sports and entertainment sectors work together, alongside NHS Test and Trace, to develop a universal, technological solution to enable the safe return of ticket holders to events.* (Paragraph 77)

We are working with the performing arts sector, including through the venues steering group, to consider how the use of technology can support the return of larger audiences into performing arts venues as soon as possible. We are also working with a range of sports through the Sport Technology Innovation Group to develop further pilots of events to test innovations, including possible technological options such as rapid testing and movement tracking. Through DCMS coordination of this work, we will ensure that learning continues to be shared between those sectors working with us in considering proposed solutions to allow larger numbers of people to safely return to these audience settings, such as sports, performing arts, and business events.

19. Government must address the urgent need for the UK's cultural industries to be covered by adequate insurance. Without it, efforts to resume filming, touring and live performance are doomed to failure. *Alongside working with the insurance industry to introduce a long-term pandemic reinsurance scheme, the Department for Digital, Culture, Media and Sport should establish an emergency fund to guarantee coverage for TV and film productions, stage productions, concerts and tours interrupted or abandoned due to Covid-19.* (Paragraph 79)

On 28 July, the Government announced the £500 million Film and TV Production Restart Scheme. This £500 million compensation scheme will assist the film and TV production sectors who are ready to return to work, but are precluded from doing so by the difficulties they face obtaining insurance cover for Covid-19.

The scheme will be available to compensate Film and TV productions after they have restarted, and where costs are then incurred due to delays or abandonment as a result of specific Covid-related risks, when the production has been unable to secure insurance for Covid-related losses. This is a temporary measure supporting eligible productions for Covid-related losses between 28 July 2020 and 30 June 2021. The scheme's application form was made available on Friday 2 October.

We are working with the theatre sector to better understand the nature and scale of the challenges facing it in terms of reopening, including in securing insurance cover. Additionally, a new temporary reduced rate of VAT of five percent was announced on 8 July 2020 for admission to certain attractions including concert tickets. This temporary rate applies from 15 July 2020 to 12 January 2021.

Tourism - Conclusions and recommendations 20–24

20. The issue of quarantine periods is beyond our remit, so we will limit our comments to saying that the timing and guidance about quarantining have been far from clear. Whilst we understand that there was considerable uncertainty around how the pandemic developed internationally, the tourism sector was in limbo for over two months with no certainty as to whether an international visitor market would exist for the rest of 2020. As of July 2020, the Government has announced a list of ‘low risk’, exempt countries from quarantining on arrival in England. *We wholeheartedly support calls for the Department for Culture Media and Sport to work with the Foreign and Commonwealth Office and the Department for Transport to clearly communicate information about international travel agreements to the tourism sector, including the science behind the decisions and the plans for reviewing the effectiveness of the agreements.* (Paragraph 83)

The Government has kept quarantine and travel corridor arrangements under regular review, and has added or removed countries from the list on several occasions since the implementation of quarantine policy. Risk assessments are conducted by the Joint Biosecurity Centre, in close consultation with Public Health England and the Chief Medical Officer. The assessment draws on a range of factors including the prevalence of Covid-19, the number of new cases and the potential trajectory of the disease in the country in question.

We agree on the importance of communicating to the tourism sector information about international travel agreements, including the science behind the decisions. Officials from the Department for Transport and the Home Office have attended the Visitor Economy Working Group and the Tourism Industry Events Response forum (chaired by VisitBritain) on various occasions to discuss this policy with the tourism industry. Key tourism stakeholders are also included on a pre-announcement notification list.

21. **International tourism to the UK had halved by April 2020 and has continued to decline. Visitor attractions, including museums and galleries, are being hit hard as a result. Not only are these organisations facing an end to the Coronavirus Job Retention Scheme in October, they have also largely depleted their financial reserves and are looking at the prospect of only being able to open at a reduced capacity with social distancing measures in place. Losing these important spaces, and the valuable collections they hold, would be a significant loss to our cultural identity. *To secure collections at risk from museum insolvencies, the Department for Digital, Culture, Media and Sport should introduce a temporary change to legislation to ensure that if an accredited museum becomes insolvent as a result of the Covid-19 crisis, the institution’s collections cannot be liquidated for financial assets for the first 12 months.*** (Paragraph 88)

The Government understands the risk that insolvency poses to museums and their collections and we are looking at legislative, and non-legislative, options to prevent the dispersal, and therefore potential loss, of these collections. Since the beginning of the Covid-19 crisis, officials and ministers have been in even more regular contact with museums and sector organisations to understand the impact of the pandemic and the measures the Government has taken to fight it, and to understand what support museums and heritage organisations need and how best to get it to them.

22. Seasonal workers in the tourism industry are falling between the cracks in the Coronavirus Job Retention Scheme. We recommend that DCMS works with the tourism sector and HM Treasury to review the measures in place to support tourism businesses and seasonal workers to ensure they fully meet the needs of the sector. We repeat the recommendation first made in our report on ‘The Covid-19 crisis and charities’ that the Government revisit the terms of the furlough scheme in its final few months to allow for greater flexibility for staff to volunteer their time back to their organisations. (Paragraph 95)

Since 1 July, employers have been able to bring back employees for any amount of time and any shift pattern, while still being able to claim grants under the Coronavirus Job Retention Scheme for normal hours not worked. The Chancellor has said there will be no further extensions or changes to the Coronavirus Job Retention Scheme and after eight months the scheme will close at the end of October. The introduction of flexible furloughing further ensures that businesses can adjust how they furlough to match their speed of reopening. Thereby, businesses will be able to claim flexibly under the Coronavirus Job Retention Scheme until October.

Further, the Job Support Scheme will help protect viable jobs in businesses facing lower demand over the winter months due to Covid-19. Employers using this scheme will also be able to claim the Job Retention Bonus if they meet the eligibility criteria.

23. The capacity constraints that arise from the requirements of social distancing make yield management and smoothing out demand more important than ever. The Eat Out to Help Out programme will help shift some demand to trough days. Doubtless attractions, transport providers and lodgings will re-examine their own promotional programmes to maximise yield in these circumstances, and where relevant, attractions will look at their opening hours/days. DCMS needs to go further in supporting work to reduce the seasonality of the UK tourism industry. This will matter next year, as well as in 2020, due to the problem of booking deferrals and concomitant loss of income for a second year in a row. In its response to this report, DCMS should set out its plans for supporting an extension of the holiday season. As a matter of urgency, DCMS should introduce a Tourism Data Hub to assess visitor intention for 2021 so that the industry can plan ahead for next year. (Paragraph 96)

The Government has implemented a series of measures to support the extension of the holiday season. For example, businesses will benefit from the cut in VAT for most tourism activities until the end of March 2021, and eligible businesses won't have to pay business rates until the end of March 2021. This will assist with cash flow throughout the off-season. VisitEngland and VisitBritain launched a domestic campaign in mid-September to build consumer confidence and stimulate demand throughout the Autumn and Winter season. We have encouraged local planning authorities to exercise discretion in relation to planning conditions for caravan campsites and holiday parks, in order to help these businesses extend their open season. The Government continues to engage regularly with businesses and representatives from across the tourism sector and is also closely monitoring how the sector is performing following reopening.

On the Tourism Data Hub, the Government is committed to implementing this policy, first announced in last year's Tourism Sector Deal. The Government is actively looking at how to fund and support the Data Hub for the coming years.

24. Tourism is an incredibly important force within the UK economy; however, it is more than just the sum of its parts, and it demonstrates vital links to culture, heritage and environmental work. Moreover, tourism is an essential part of many peoples' lives, and the prospect of some time away from home has, we are sure, been a beacon of hope for many people during the lockdown period. *We urge DCMS to launch a national campaign to restore consumer confidence in the domestic UK holiday market. If done quickly, there is still time to boost the end of the summer—plus the autumn and 2021—market. Such a campaign will be hugely beneficial in assisting the tourism industry in clawing back some of the business it has lost during the lockdown period and will help to fill the hole left by the sharp decrease in international visitors to the UK.* (Paragraph 98)

The Government agrees with this recommendation. In July, we launched a £10 million domestic campaign encouraging UK residents to Enjoy Summer Safely. This campaign was supported by £4 million for local activity delivered by Destination Management Organisations, among others. In mid-September, VisitEngland launched a domestic 'Escape the Everyday' campaign to encourage tourism activity in the autumn and winter periods.

The role of DCMS - Conclusions and recommendations 25–30

25. Throughout the Covid-19 crisis, vulnerable people across the country have suffered as a result of being excluded from digital services and communication. Yet initiatives to tackle the issue, such as the DevicesDotNow campaign, have been limited by a lack of both direct and charitable funding. The Department for Digital, Culture, Media and Sport's commitment to tackling digital exclusion and co-ordinating work on it across Government urgently needs to be supported by adequate resource from HM Treasury. (Paragraph 105)

26. We commend the work done by cultural and fitness organisations, both before and during the Covid-19 crisis, to move access to content and facilities online. *In the immediate future, DCMS should work with HM Treasury to develop a data voucher scheme, to give those with limited access to the internet due to financial constraints the ability to access online cultural and physical activity content.* (Paragraph 107)

27. While we welcome Ofcom's focus on affordability of broadband services, and the measures introduced across the telecoms industry to make websites and mobile data available to those who need it during the Covid-19 outbreak, more needs to be done to support all those experiencing data poverty, and particularly pay-as-you-go users. *The Government and Ofcom should work with telecommunications companies to facilitate data gifting and wi-fi sharing. Ofcom's work on affordability of internet connectivity should also tackle the poverty premium associated with pay-as-you-go mobile services.* (Paragraph 109)

Response to 26 and 27

Government recognises the importance of connectivity both to the economy and to people's lives. In order to ensure that those in financial difficulty have access to the connectivity they need, there are currently social tariffs in place that provide low cost landline and broadband services for those on means-tested state benefits, including BT

Basic and KCOM's Flex packages. On 26 August 2020, Virgin Media announced that in Autumn 2020 it too would be launching a new low-cost broadband service for its customers in receipt of Universal Credit.

In response to Covid-19, as the Committee has recognised, government and Ofcom agreed a package of measures with the telecoms industry to support vulnerable consumers, including those who needed additional data. Industry commitments included removing data caps on fixed broadband packages, and free or low cost data boosts on mobile services. To further improve support for vulnerable consumers, in July 2020, Ofcom published its guidance for providers on treating vulnerable consumers fairly,² suggesting measures telecoms providers can adopt to make sure those who are vulnerable get the help, support and services they need. This included measures on treating fairly customers who faced problem debt, emphasising that disconnection was a serious step and should only be used as a last resort.

As set out in the response to its consultation on implementing the European Electronic Communications Code,³ the Government has committed to requiring Ofcom to monitor the evolution and level of retail prices for fixed broadband and telephony, and, if considered necessary by government, to provide advice on the affordability of Universal Service Obligation services for consumers with low incomes and special social needs and potentially take action in relation to such services.

A key aspect of affordability relates to consumer engagement levels, because it is by switching that consumers can benefit from cheaper and better deals. For this reason, the Government and Ofcom have taken steps to improve consumer engagement in the telecoms market. This includes a new requirement on telecoms providers to send out notifications to their customers when they are close to the end of their contract.

In addition, the Government's Smart Data Review looks to increase data portability across markets, including in telecoms, which would encourage the development of new third party services, and in turn allow consumers to easily find and act upon deals better suited to their needs. Ofcom is taking forward implementation for telecoms via their Open Communications initiative, and in July 2020 published a consultation with their proposals.

Going forward, Ofcom is undertaking research on affordability issues in the communications market, and intends to publish their review later this year. This will improve the evidence base of where households face difficulty, and inform any future interventions. Government will continue to monitor the situation.

28. The Government has been too slow to respond to the needs of the sectors under the Department for Digital, Culture, Media and Sport's remit during the Covid-19 outbreak. In its response, DCMS has been hampered by its overall spending power, a lack of robust data on ineligibility for support and a fundamental misunderstanding across Government of the needs, structures and vital social contribution of sectors such as the creative industries. (Paragraph 114)

2 This can be found [here](#)

3 Government response to the public consultation on implementing the European Electronic Communications Code, July 2020, available here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/902879/Government_response_EECC.pdf

Throughout the pandemic the Government has provided an unprecedented level of support for businesses and workers including the Job Retention Scheme, business loans and grants, VAT and business rates holidays and the Kick Start programme. Many of DCMS's sectors have benefitted from these and other targeted support measures including the Culture Recovery Fund, the Kick-starting Tourism Package and the Emergency Sport Funding Package.

DCMS has enhanced its data collection during the pandemic to ensure it has sufficient evidence and information to inform decisions. This has included launching a Coronavirus Impact Business Survey to understand business issues and impacts, undertaking a Taking Part Survey Covid web panel to understand the impact on individual participation, and working with other government departments and our Arms Length Bodies to collect and analyse administrative data on support packages.

DCMS will continue to engage across all its sectors aiming to provide them with the best possible support.

29. The Cultural Renewal Taskforce and working groups demonstrate a worrying lack of diversity of representation. To ensure that sectors remain accessible to all as they reopen, it is essential that all decisions and proposals by the Cultural Renewal Taskforce and its working groups are accompanied by full equality impact assessments and monitoring. (Paragraph 115)

The working groups consist of organisations which are drawn from a broad range of DCMS sectors and have a diverse makeup. For example one of the largest working groups, the Entertainment and Events working group, contains representatives from across a broad range of entertainment venues and settings such as concert halls, festivals and cinemas.⁴ It also includes unions to reflect the views of those working within the sectors and representatives from production services to reflect the concerns of the entire supply chain.

The Youth working group consists of direct delivery groups, national youth organisations, other government departments at a national and local level, as well as young people, including young people from a black and minority ethnic background. Working group members continue to represent the views of their membership base, such as UK Youth, Scouts, Youth United Foundation, which are composed of thousands of organisations across the sector.

Additionally, Government departments, including DCMS, undertake analysis of the impacts of regulatory changes and easements to enable Ministers to fulfil the requirements placed on them by the Public Sector Equality Duty as set out in section 149 of the Equality Act 2010, and consider the equality impact when making decisions.

30. Forming a 'Creators Council' could boost confidence across the sector and ensure its views are represented at a time when many of the creative industries workforce are struggling to stay in the sector. We recommend that DCMS forms a Creators Council as a mechanism for better dialogue with the creative workforce to understand its needs and viewpoints as we emerge from this crisis. (Paragraph 116)

We recognise that the committee has heard evidence from industry partners who have

4 www.gov.uk/government/groups/cultural-renewal-taskforce-and-supporting-working-groups

felt that DCMS has not properly heard their concerns with regard to creative freelancers. However, DCMS has listened to as many of the views across the creative industries as possible and represented them across government to help inform our response to the Covid-19 pandemic. Ministers have met with industry bodies repeatedly, and we continue to put forward the concerns and opportunities brought to us by members of the creative industries in order to provide the best support possible for the sector.

Industry and Government already engage regularly with a wide range of leading experts in the creative industries through the Creative Industries Council. We would need a clear steer from the sector as to what they require from a UK Creator's Council and how it is differentiated from the existing mechanisms we have for working with the sector. If the sector would like us to consider this additional group, we would need robust evidence to demonstrate the gap in what the Creative Industries Council is currently delivering and what they would like this new group to deliver.