

– Culture – Central –

A collective response to the Governments Financial package due to Covid-19 from Cultural Sector organisations and individuals

1) Introduction

Culture Central is a sector support organisation for the Arts, Culture and Heritage Sector, with over 40 members, predominantly in the Greater Birmingham region, however this response has included input from non-member organisations and individuals across England.

We have been buoyed by the Arts Council of England and National Heritage Lottery Funds messaging and approach to their funded organisations and overall support for the sector and we wish to acknowledge the positive principles and approaches from the Government in their response to Covid-19 and understand that the measures laid out will provide support for jobs and organisations across the country to a large extent, however feel that it does not protect our freelance and self-employed or sector organisations.

It also worth noting that many of our members were unable to respond to our request for information, both in terms of timescale for responding, but also due to a lack of clarity on the measures outlined. Once we receive clarity on eligibility and the processes are outlined, we would be able to provide a more detailed response.

2) Executive Summary

The Arts, Culture and Heritage Sector has a complex and varied funding and resourcing model, including the way in which we employ and recruit staff and we feel that the treasury package does not fully take into account the challenges of this sector and its workforce, in two main ways:

A large proportion of the Cultural Sector workforce are self-employed, freelance or contractor, who, within the current provision, they are only eligible to defer their tax payment or claim Universal Credit (which many are still not eligible for) . We have seen a majority of freelance contracts cancelled for nearly 12 months or postponed indefinitely leading to drastically reduced income for our workforce, in some cases by 100%.

The sector has already been subject to considerable public funding cuts, specifically through Local Authority over the last 10 years, having to manage smaller and smaller core and revenue budgets year on year. Many of our amazing organisations have managed to continue to operate by implementing a mixed model of funding and are now reliant on that earned income to break even. These measures do not support those organisations to reduce their fixed costs or make up for the loss of income, with it being unlikely for them to recoup those losses once back up and running due to venue and staffing capacity.

Our request would be to implement support for our Freelance and Self-employed colleagues and access to funds to fill income deficit as well as other support with regards to venue utilities and liabilities.

3) Evidence

In order to generate a collective and cohesive response, organisations and individuals were asked specific questions about the Treasury package and its suitability for their organisation, as well as quantifying lost income, viability of the organisation and staff/contractor retention.

These have been split into 2 categories, responses from organisations and individuals.

We received responses from 15 organisations and 14 freelance individuals between 9am and 3pm today, with many unable to respond in time.

Impact on organisations:

Firstly organisations were asked if the job retention scheme would be helpful. Half of the organisations felt that this was useful and that they were eligible and that it would support the retaining of a core team and casual staff/musicians in some cases. Half were unclear on the criteria and if it would be applicable and some would be trying to maintain their workforce working from home, however their ability to maintain this would depend on length of time and support with regards to lost income.

Only 3 of the organisations were eligible for the small business grants. Rate relief often does not apply to the sector as they usually receive 80-100% rate relief.

Organisations were asked how long they were able to 'stay in business' currently with reserves and grants. This did vary depending on the scale of organisation, but with only 3 feeling able to continue for 8-12 months, the majority were between 1-3 months maximum and that was dependant on Arts Council England confirming and maintaining grant income.

Across the 15 organisations, there are predicted losses of £3.6million and that is just a small proportion of organisations, and does not include some of our larger members such as Birmingham Royal Ballet, Birmingham Hippodrome, The Rep, Birmingham Museums Trust, The Alexandra and Midland Arts Centre. The income losses from ticket sales, touring, commissions and delayed programmes will run into the tens of millions over just a short period. This does not also include the predicted income gap and impact highlighted by the Association of Independent Museums.

Those organisations have had to cancel over £1million in contracts for freelancers and self employed contractors over the next 3 months.

Many of these organisations are also not covered by Pandemic Insurance cover, however clarity, advocacy and legal advice on insurance would be welcomed

Economic Impact on Freelancers:

All of those who have responded have been most concerned about the Government's support for freelance and self-employed workers. They are the life-blood of our industry and organisations are supporting as many as they can, however, the income losses and cancellation of work means that it is impossible to continue all freelance contracts and more importantly, due to the situation issue ones for future work.

The results from the request for evidence highlights that on average **70%** of their current/future work has been cancelled, with losses of **£53,000** for just 14 individuals over the next 3-5 months.

Their average earnings are £1600 per month – which equates to £370 per week. This is considerably more than Universal Credit, if they are eligible (as if a partner is working, they are unable to claim) leaving them unable to pay their bills or pay for food.

Individual comments include:

- I will need support to cover living costs as a result of the lost work.
- I have only one work giving me an income at the mo. All other works has been cancelled or impossible to predict to have for at least another 6 months.
- I've had to loan money from my parents, the cost of self-isolating and paying rent means I have less than £100 in my account right now.

4) Recommendations

Clear and universal approach to income from Freelance and Self-employed individuals, that is equal to the offer for the Job Retention Scheme of 80% however, does not penalise them if they take on work.

Clear and simple systems for claiming support and a reassurance of timescales

'Loss of income' support for Arts, Culture and Heritage organisations, that does not require a loan or repayment and is in addition to Arts Council England and Lottery Funding and is not reallocated from other planned Cultural programme. The sector needs additional funds, not 'take from Peter to pay Paul'

Support and advocacy for reduced rent and utility payments

Free legal support and advice on insurance and renegotiation of contract with some suppliers.

Security of future funding or opportunities with additional funding to compensate for delays in project delivery.

The Cultural sector is banding together to help each other as much as possible, with crowdfunders, petitions and campaigns.

We are working nationally to see how our skilled workforce can support the infrastructure delivery required during the pandemic, we are offering business resilience and support workshops and CPD and training for the sector.

We want to help and make a difference in a time of crisis and we are also moving quickly to support our Nation in bringing Art, Collections, Performance, Music and Creativity online and into people's homes – because that is what we do.

Often seen as a less important 'subsidised' sector, facing the brunt of funding cuts, we are now creating work for those who have to stay home, supporting wellbeing and enabling and supporting people to be isolated and still find joy. They are, as always delivering ways to access the breadth and depth of our creativity when we need it most. It is well evidenced that our Arts, Culture and Heritage Sector improve our quality of life and they do it because they believe passionately in what they do. Now more than ever they will be a saviour to many people, sitting at home, feeling disconnected and scared..... but to be able to do their job, they need to be able to pay their bills and feed their families and the sector needs the confidence that they will get the support they need from their Government, while they support you and our communities.

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

Erica Love
Director
Culture Central
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On behalf of over 40 members and 30 respondents.
(List available if required)