

The National Lottery Heritage Fund

Good afternoon

The National Lottery Heritage Fund is pleased to have the opportunity to share evidence of the economic impact of the Corona Virus on the sectors we support UK wide.

Since 1994, The National Lottery has raised more than £40 billion for good causes in the areas of heritage, arts, sport, and community. This means the National Lottery Heritage Fund is the largest dedicated grant funder of the UK's heritage. £8 billion has funded more than 44,000 projects across the UK.

We support the full breadth of heritage, from historic sites, industrial and maritime heritage, museums, libraries and archives and parks and gardens, landscapes and nature.

Heritage-based tourism is worth £20.2 billion to the UK economy and overseas visitors to UK cultural, historic and natural heritage attractions spend more than double per visit (an average of £560) compared with their domestic overnight counterparts (an average of £210 per trip) (our research, 2016).

On Friday we issued a short questionnaire to understand the impact of the Covid-19 crisis on the organisations we support. This went by targeted email to a sample of our grant recipients in receipt of a grant over £250K within the past 10 years (this would include some of the most significant visitor attractions in the UK such as V&A Dundee, Beamish Museum, Stonehenge, as well as many smaller independent heritage sites, museums and archives, parks and gardens and community organisations). We also promoted an open link on our website to encourage other heritage bodies to respond. By mid-afternoon today the survey had received 461 responses, 240 from the targeted sample and the remainder via the website.

We will continue to promote the survey and analyse the data for the remainder of this week – some early interim findings are presented in the attached slide deck. Some key points are:

- The impact of the Covid-19 epidemic is expected to be universal: 98% of organisations have been impacted within the first two weeks and the remaining 2% expecting some impact in the future
- The financial impact will be high: loss of revenue is the second most frequently reported impact, after postponement of planned events.
- Organisational impacts are also high: more than half of respondents report they expect to close to the public, suffer a lack of available volunteers, staff absence, and reduced visitor numbers.
- More than one in four organisations reports that their organisation is at high risk – without significant intervention their organisation will not survive
- Well over half of respondents (58% targeted email, 56% open response) say they are at moderate risk – they will continue to operate but will need to mitigate the impact
- Respondents are geographically evenly spread across England, Scotland, Northern Ireland Wales, with the majority in England
- Based on current financial reserves and levels of income/overheads, almost one-third of organisations can survive for no more than 3-4 months, with 11% expecting to keep going for no more than 2 months
- Almost half of organisations (49%) expect a financial shortfall of up to £100,000 in the next 6 months with more than one in ten expecting a shortfall over £500,000 and 6% an impact of over

£1m (although it is also clear that for some organisations it is too early to fully understand the potential financial impact).

- More than half of respondents answered 'don't know' when asked which of the Government's recent support measures would benefit them. However, the survey was issued before the announcement of support for wages on Friday evening.

We are using these findings to inform our response to support organisations across the sector and across the UK, to engage partners considering their own responses so that we are aligned (for example, with Arts Council England for museums in England) and to support Government's need for evidence. We are also working with Devolved Governments to ensure we align with local responses.

We are urgently putting together our proposals for emergency financial support to other organisations we have funded and are aware of some significant independent visitor attractions in the highest risk category. Our Board will decide on these immediate actions tomorrow. We have already been contacted by almost 400 current grantees concerned about deliverability of their projects and potential financial impacts; many will need grant increases and uplifts to keep going in the longer term.

However, our support will not address all the needs identified. We believe additional funding from Government will be needed to help us avert permanent closure of some significant heritage sites and attractions that are a critical part of the UK's tourism offer.

The Government's support for employee wages announced on Friday is very welcome and will be a lifeline for some organisations, in particular for independent heritage sites forced to close. However, the sector is highly depended on a large, highly skilled freelance and self-employed workforce. They have been contacting us to raise their critical concerns. We believe additional measures from Government will be needed to support these individuals through the crisis and ensure that the heritage sector UK-wide can continue to thrive.

We will be pleased to contribute to future evidence gathering and provide more detail on this within the next few days.

Best wishes

Anne Young

Director of Strategy and Innovation

The National Lottery Heritage Fund



The National Lottery Heritage Fund
Coronavirus Impact Survey
Interim Findings
23rd March 2020

Background and Method

- On Friday afternoon we launched a short survey to help gauge the impact of the coronavirus (COVID-19) pandemic on the people and heritage organisations we work with.
- The survey will help us gather information about the immediate and longer-term impact of the pandemic on the heritage sector and help us determine how we, our partners and Governments can support the sector swiftly and in the best ways we can.
- The survey link was sent via email to a 1,424 grantees (targeted organisations who have projects in delivery or completion, who received £250,000 or more since 2009/10 financial year).
- A link to the survey was also published on our website and shared via social media, to allow other heritage sector organisations to fill it in, too.
- By mid-afternoon on the 23rd March 2020, the survey has received 461 responses. 240 of these are from the targeted email to grantees who had received £250,000 or more since the 2009/10 financial year.

Interim Findings



98%

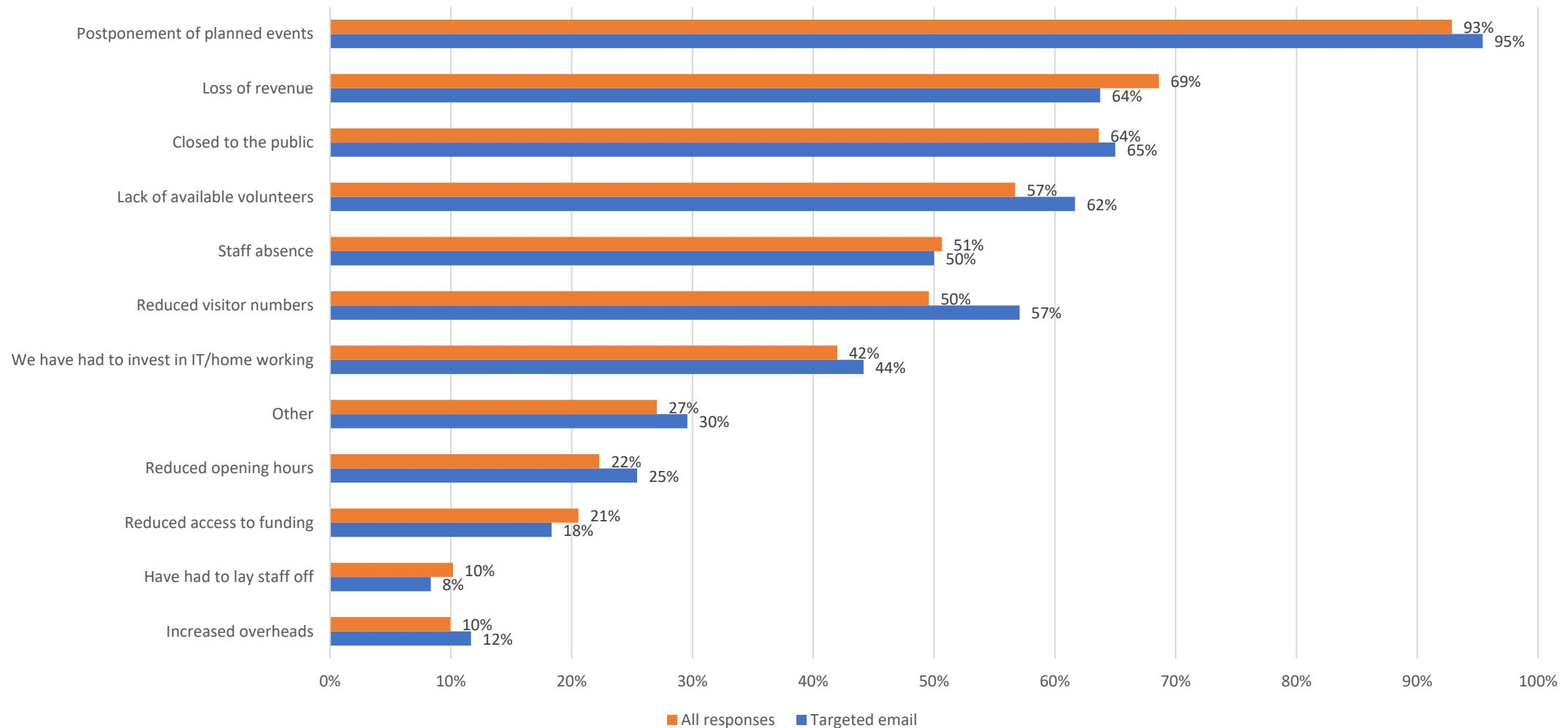
of organisations have been affected by the recent coronavirus (COVID-19) outbreak and the associated social distancing measures



2%

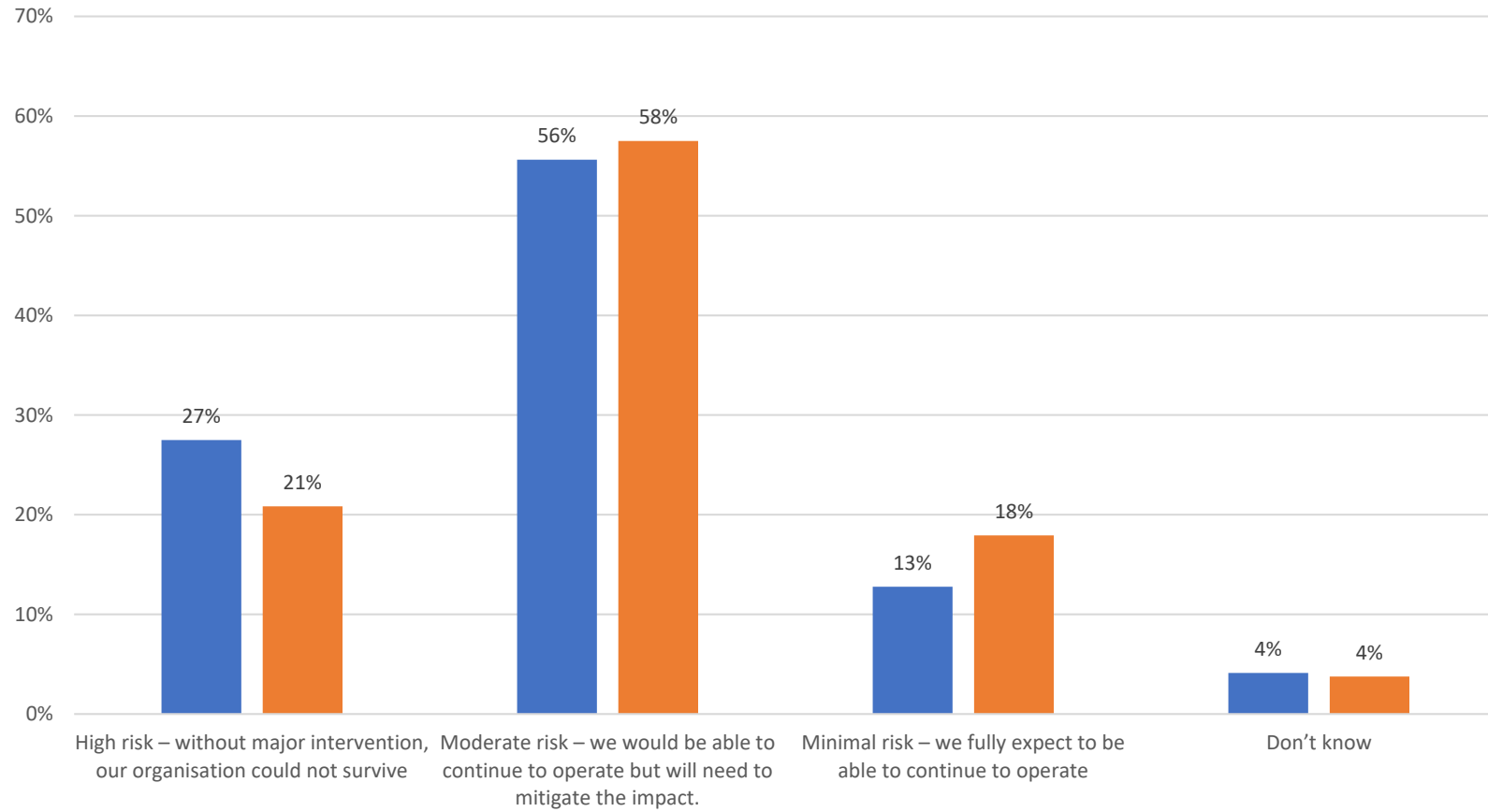
the remaining two per cent are expecting an impact in the future.

In what way has your organisation been affected by the coronavirus (COVID-19) outbreak and the associated social distancing measures?



Sample: All responses = 461 Targeted email = 240

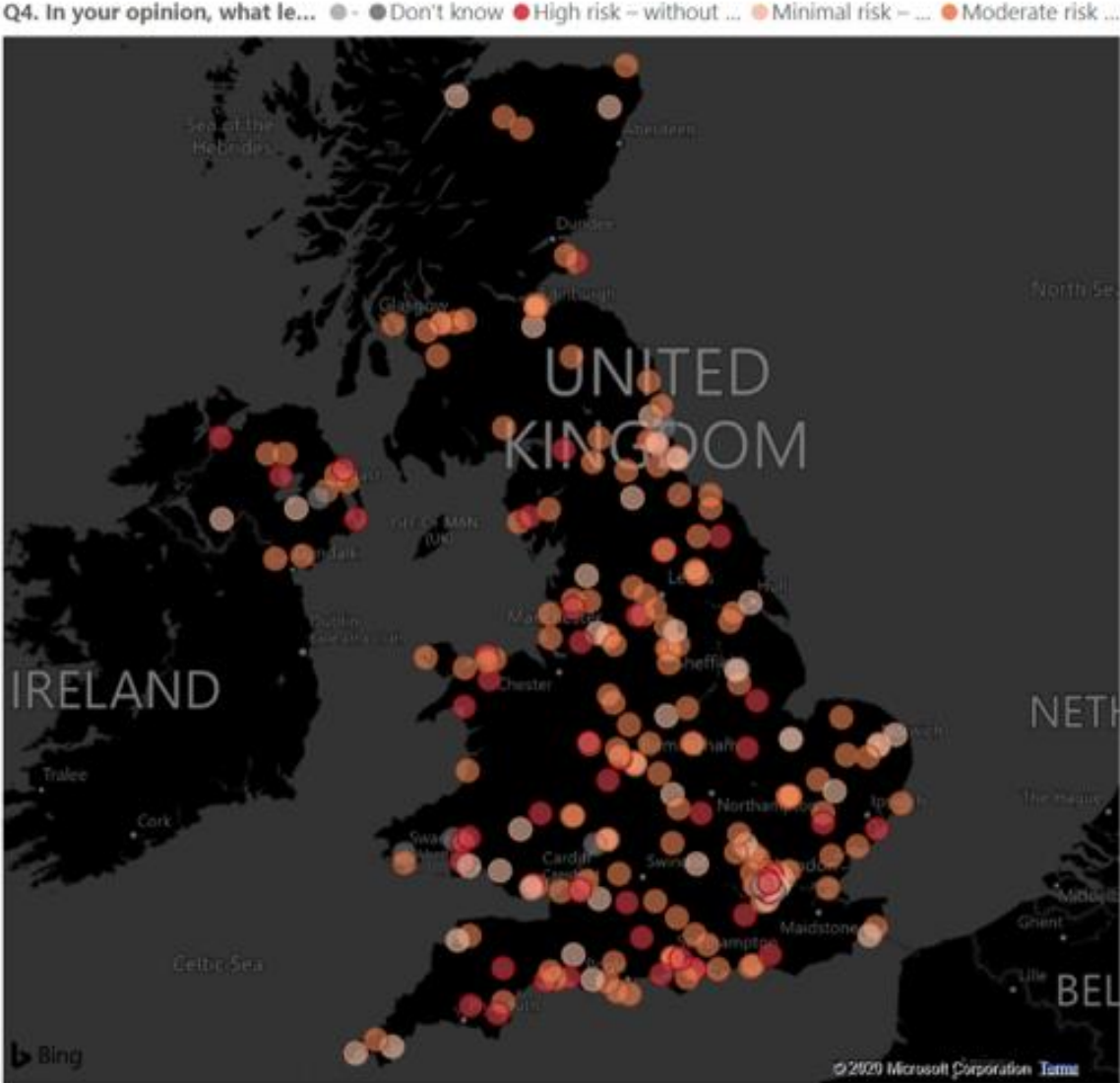
In your opinion, what level of risk does the Coronavirus (COVID-19) pose to the long-term viability of your organisation?



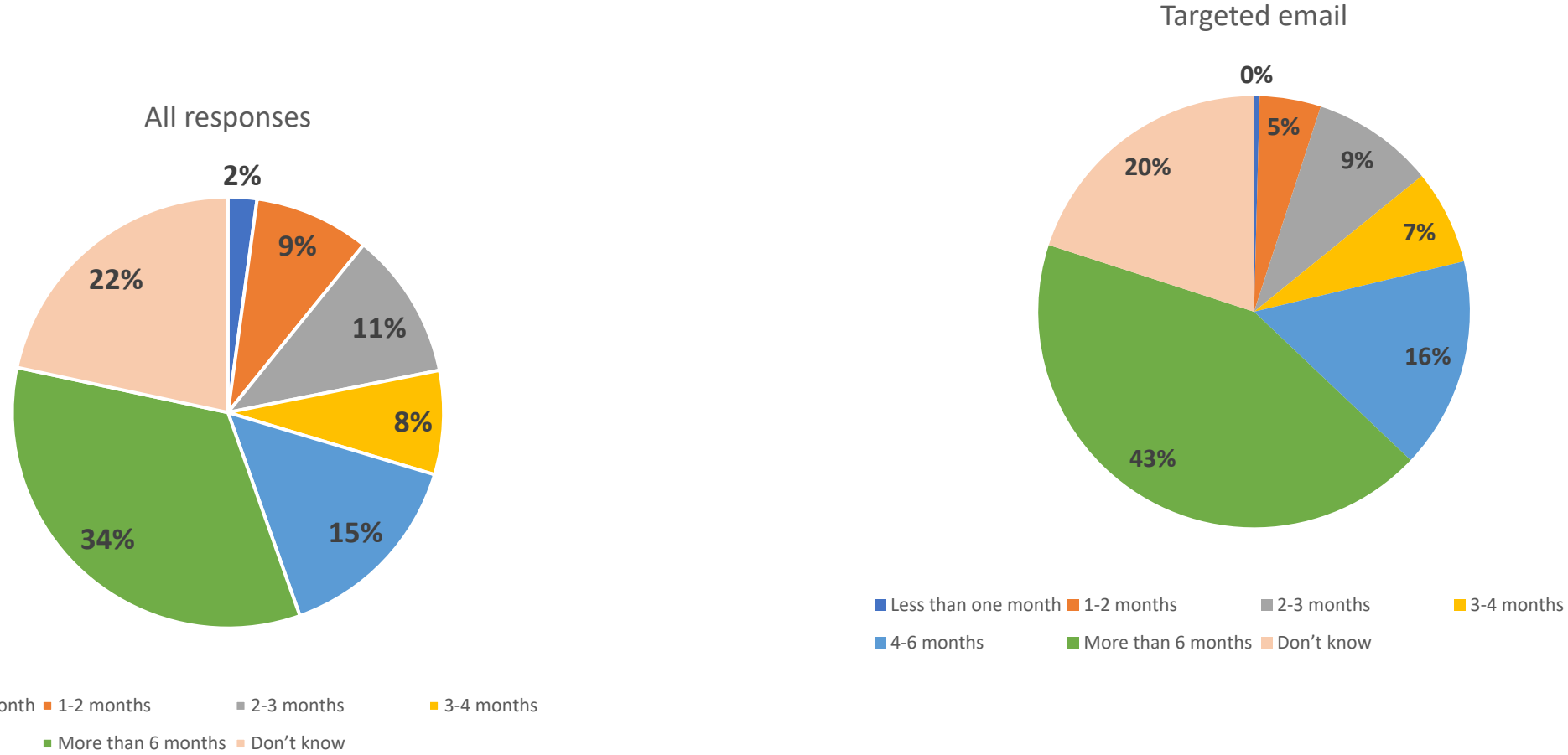
Sample: All responses = 461 Targeted email = 240

■ All responses ■ Targeted email

In your opinion, what level of risk does the Coronavirus (COVID-19) pose to the long-term viability of your organisation? Responses by risk level and geography.

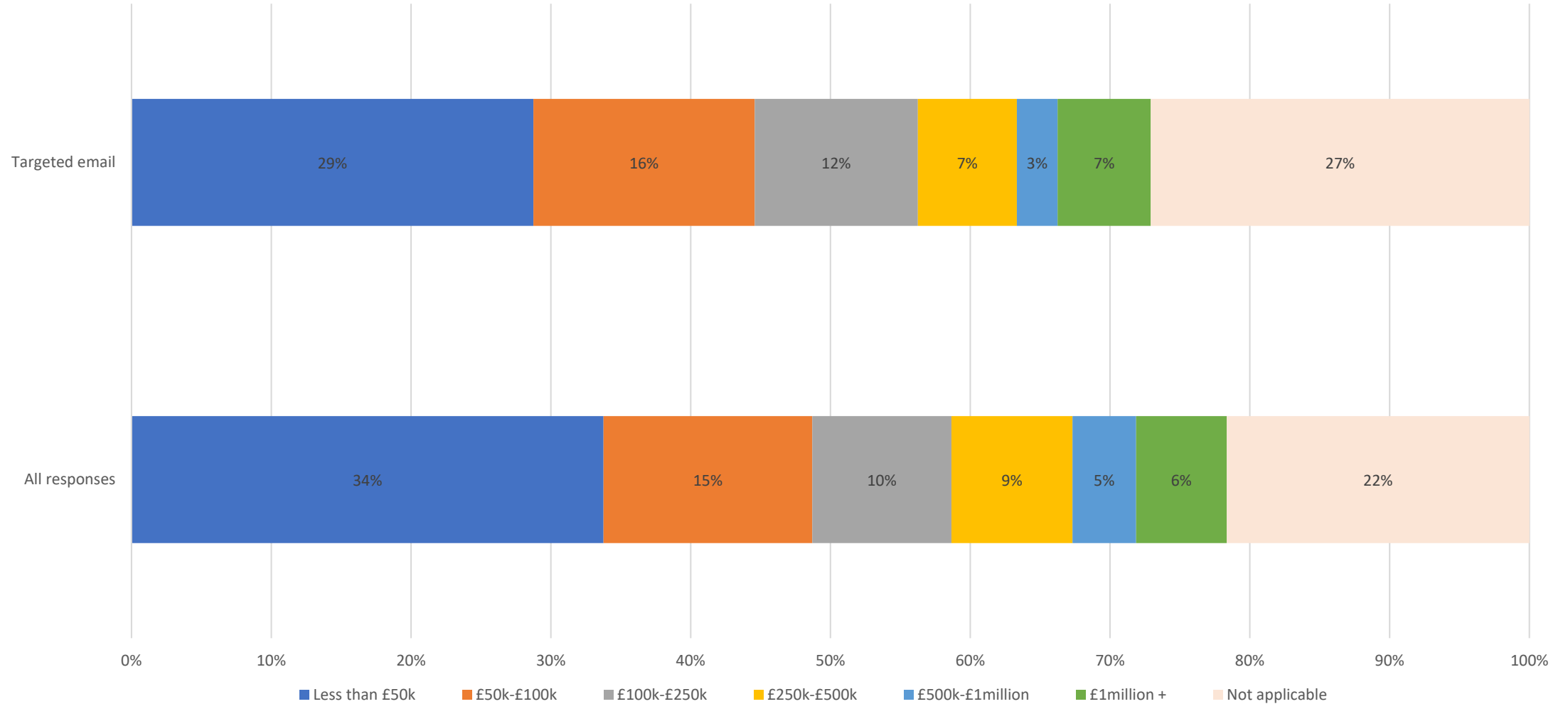


Based on your financial reserves and current level of income/overhead, please tell us how long you would be able to continue to operate if the current restrictions continue?



Sample: All responses = 461 Targeted email = 240

If your organisation is going to face a financial shortfall, please give an estimate



Sample: All responses = 461 Targeted email = 240