Written evidence submitted by the Creative Industries Policy and Evidence Centre (PEC) as part of the "Covid-19: the impacts on the cultural sector and implications for policy" research project

1. Overview

About the project

The "Covid-19: the impacts on the cultural sector and implications for policy" project is part of a 15 month-long national research programme. It is funded by UK Research and Innovation (UKRI) Covid-19 rolling call through the Arts and Humanities Research Council (AHRC) and it brings together the Centre of Cultural Value (CCV), the Creative Industries Policy and Evidence Centre (PEC), The Audience Agency and a consortium of the UK's leading academic researchers in cultural management, engagement and policy to look into the impacts of Covid-19 on the UK's cultural sector.

The project's main purpose is to deepen understanding on the impact of the pandemic in the cultural sector by building a robust, in-depth and comprehensive picture of the short, medium and longer-term impacts of Covid-19 on the sector. Additionally, the project will also identify the implications for how and what policy decisions are made in response to the crisis. The research is organised into distinct workstreams, which look at the impacts on audiences, on the general public, on cultural organisations, on city regions and local authorities, on the cultural sector workforce and on cultural policy.

About this submission

This submission is made by the Creative Industries Policy and Evidence Centre (PEC) as part of the "Covid-19: the impacts on the cultural sector and implications for policy" research project, which is led by the Centre for Cultural Value in partnership with the PEC and the Audience Agency.

It is based on the evidence and preliminary findings of the area of the project's research dedicated to analysing the impact of Covid-19 on the cultural sector's workforce. Under the leadership of Dr. Dave O'Brien, Chancellor's Fellow, Cultural and Creative Industries, University of Edinburgh, this workstream looks at the impacts of the pandemic on employment in the cultural sector by analysing Labour Force Survey (LFS) data from the Office for National Statistics (ONS).

In particular, this submission will focus on the impact of Covid-19 on the cultural sector workforce, which relates to two key topics of the inquiry: access to the Coronavirus Job Retention Scheme (CJRS) and Self-Employment Income Support Scheme (SEISS), and further Government interventions to protect jobs and reduce the risk of long-term unemployment.

2. Introduction

The UK's creative and cultural sector has been hit particularly hard by the Covid-19 pandemic. Public health measures taken to contain the spread of the virus, such as successive lockdowns, increasingly strict restrictions on social gatherings and the need to adapt environments to comply with social distancing measures — unsustainable for many from an economic point of view — have resulted in the closure of venues, the cancellation of festivals and the suspension of gigs, plays, exhibitions and performances across the four nations.

This, combined with the nature of the workforce in the cultural sector, about half of which is self-employed (DCMS, 2021) has resulted in a challenging situation for a considerable amount of the workforce within the creative sector in general, and the cultural one in particular. It is to be noted that many within the sector fit within one or more of the groups of people unable to apply to either the CJRS or the SEISS, as described in the Treasury Committee report on the gaps in support in the Government's response to coronavirus, published in June 2020 (House of Commons Treasury Select Committee, 2020).

However, given the pace of change, limited data availability and variable research methodologies, it has been difficult for policymakers, academics and the cultural sector to understand the exact scale of the pandemic's impacts on the sector's workforce.

It is for this reason that the research team's analysis is particularly relevant: published in December 2020, the preliminary findings of the research reveal the scale of the crisis, with a loss of 55,000 jobs in music, performing and visual arts and a collapse in working hours across the sector between Q1 (January-March) and Q3 (July-September) 2020 (CCV, PEC and TAA, 2020).

3. Research findings

The initial findings of the research show that workers in the creative industries have been hit hard by the Covid-19 pandemic and lockdown. In particular, the data has revealed the following:

- **Impact on the cultural sector:** Within creative occupations - which include both those working in the creative sector and those doing creative roles in other industries- data suggests that the most affected sub-sectors have been the ones more affected by the impossibility of gathering a live audience; in particular the music, performing and visual arts ones, with a 30% decline in jobs (equivalent to 55.000 jobs) between January and September 2020. Specifically, the number of people employed in those sectors went from 200.000 in January-March 2020 to 160.000 in April-June and then further down to 145.000 in July-September.

- **Working hours**: The analysis shows that between Q1 and Q3 of 2020 there was a significant collapse in working hours across the creative industries - which includes those employed in 'non-creative occupations' within the sector, such as museum's hospitality staff, but not those working in creative roles in other sectors. In particular, the evidence shows that this decline has affected freelancers and the self-employed much more significantly than those in full employment, and that for people under 25s; those with a disability and women the average decline in hours and increase in zero working hours is higher than the national average. The latter also points to an exacerbation of previously existing issues of inequality within the sector (PEC, 2020).

- **People leaving creative occupations**: Year-on-Year quarterly analysis shows that the number of people leaving creative occupations was significantly higher in 2020 than in previous years: analysis of the ONS dataset shows a 15% drop in people working in creative occupations between Q1 (January-March) and Q2 (April-June) of 2020; compared to 10.5% in the same period of 2019. Additionally, of those who left creative occupations between January and June 2020, 10% were unemployed, while 69% were employed in other occupations.

- **Talent drain**: The findings from the analysis of LFS data are supported by the case study interviews being undertaken by another team of researchers on the project. These interviews, undertaken with senior leaders from a representative range of theatres in England, museums and galleries in the north of England, festivals in Scotland, TV, media and screen industries in Wales and emerging leaders in Northern Ireland are highlighting how the impacts of Covid-19 on freelancers and self-employed workers in the sector are being felt on the ground. Cultural leaders are fearful of a long-term loss of talent as core technical and design skills are redeployed in other sectors. As one leader articulated it: "“We're a business that's all about people”.

4. Conclusions

While the inquiry's report recognising the importance of providing support for freelancers and the self-employed has been welcomed, the data shows that there is an urgent need for additional and specific measures targeted at the cultural sector and for better mapping, professional identification and social security measures targeted at freelancers.

Moreover, it is to be noted that the data presented in this submission does not include the impact of the third and current lockdown, the consequences of which are yet to be seen and taken into consideration, and that the current uncertainty surrounding the possibility of live audiences returning and subsequent announcements such as the cancellation of Glastonbury 2021 will further affect employment in the sector. Further research, looking deeper into the impact of the pandemic on freelancers and the self-employed, as well as into how Covid-19 has affected different groups of people within the sector in different ways, will be published within the first quarter of 2021.

References (in order referenced)

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About the research partners

- About the Centre for Cultural Value (CCV): Based at the University of Leeds, the CCV is a national research centre aimed at making relevant research more accessible; supporting the cultural sector to develop skills in research and evaluation and shaping policy development. Funded by the UKRI Arts and Humanities Research Council, Arts Council England and Paul Hamlyn Foundation, it works in partnership with The Audience Agency, The University of Liverpool, The University of Sheffield, The University of York and Queen Margaret University, Edinburgh.

- About the Creative Industries Policy and Evidence Centre (PEC): Led by Nesta, the innovation foundation, the PEC provides independent research and policy recommendations for the UK's creative industries. It involves a UK-wide consortium of universities, which are: Birmingham, Cardiff, Edinburgh, Glasgow, Work Foundation at Lancaster University, London School of Economics, Manchester, Newcastle, Sussex, and Ulster.

- About The Audience Agency: Funded by the Arts Council England as a Sector Support Organisation, The Audience Agency leads on supporting cultural organisations to gain a deeper understanding of current and potential audiences by enabling them access to national data they can use to increase their relevance, reach and resilience.

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