

# Written evidence submitted by the Local Government Association

Digital, Culture, Media and Sport Committee  
Impact of COVID-19 on DCMS sectors  
1 May 2020

## 1. About the Local Government Association

- 1.1. The Local Government Association (LGA) is the national voice of local government. We are a politically-led, cross party membership organisation, representing councils from England and Wales.
- 1.2. Our role is to support, promote and improve local government, and raise national awareness of the work of councils. Our ultimate ambition is to support councils to deliver local solutions to national problems.

## 2. Summary

- 1.1. Councils in England run over 3000 libraries, over 350 museums, public archives, numerous theatres and galleries, and are responsible for many monuments. Councils also run tourism attractions, including castles and historic buildings, parks, piers, amusement parks, and destination management organisations. They are also responsible for much of the critical sport and leisure infrastructure which is essential to keep our nation active and mentally well. Local government is responsible for: 31 per cent of grass pitches; 13 per cent of sports halls; 33 per cent of swimming pools; 8 per cent of golf courses; and 17.5 per cent of health and fitness facilities.
- 1.2. Councils are the largest investor in cultural activity, spending over £1.1 billion on museums, theatres and libraries and invest over £1 billion a year on sport, leisure and green spaces. Our facilities are also used heavily by grassroots community groups and volunteer groups, whether through sports pitches and playing fields, or rooms for hire in libraries and historic buildings. They are major contractors, commissioners and funders for the culture, tourism, sport and voluntary sectors; and a thriving cultural and leisure supply chain, including freelancers, is important to enable our own activities and services to happen.
- 1.3. The culture, tourism and sport sectors also make a significant contribution to council budgets through earned income, business rates, fees and charges. For example, Stratford on Avon District council puts this financial contribution at £8.1m, which is two thirds of their net budget. There is therefore a significant vested interest in ensuring a vibrant visitor and leisure economy.
- 1.4. While councils' main funding department is the Ministry for Housing, Communities and Local Government (MHCLG), a range of our services fall directly under the Department for Digital, Culture, Media and Sport's (DCMS) remit, and our ambition for a thriving cultural, leisure, and visitor economy means that it is our aim to work closely with DCMS around its priorities and responsibilities.
- 1.5. The total funding made available to councils of £3.2 billion, as well as cash flow measures have been welcome and provide additional certainty over the short term. However, these funds are largely responding to social care pressures and not extending to support DCMS' sectors. It is clear from our

analysis that the Government must continue to demonstrate a commitment that the extra costs local authorities are facing due to the additional demands created by COVID-19, as well as delivering 'business as usual' services, like leisure services, with reduced income flows will be met.

- 1.6. Leisure operators are largely unsupported by measures announced to date, including the emergency response fund from Sport England. A bespoke support package, or a cast-iron guarantee from Government that it will reimburse councils explicitly for investing their own funds in providers, is needed if this sector is to survive. Without this, our critical leisure infrastructure will close, severely impacting on our communities' abilities to be active, losing all the consequent benefits of improved health, increased immune systems, and positive mental wellbeing.
- 1.7. The MHCLG guidance on business rates relief excludes many key tourism businesses, such as tour and coach operators. DCMS needs to ensure that this is changed, as many of these businesses are critical to the financial models of the businesses that are eligible for the support.
- 1.8. It is important that financial support packages are continued beyond the lifting of lockdown, to recognise that many businesses will have lost their main income generating season for 2020, and will need support to survive through until summer 2021 when they can replenish their reserves. These support packages need not be the same as the ones currently on offer. Any capital investment packages should be climate change proofed to ensure we meet environmental goals as well as support businesses and organisations to survive.
- 1.9. Central and local government need to collaborate extremely closely to use all public resources in a concerted effort to support DCMS sectors. Local government should be included in key sectoral discussions, including a place on the Tourism Industry Council.

## **2. What has been the immediate impact of Covid-19 on the sector?**

- 2.1. With the exception of libraries, cultural services such as theatres and museums are non-statutory. It is clear from their levels of investment that councils care about these services and the valuable contribution they make towards improving the physical and mental wellbeing of local communities and making vibrant places where people want to live, play and work.
- 2.2. However, local government's core funding has reduced over the past 10 years while the demand for statutory services such as adult and children's social care has increased. Councils culture and leisure facilities, in addition to playing a crucial community role, also form a part of council's income generating activities. The Covid-19 pandemic is adding further strain to council budgets and there is a real risk that councils will not be able to invest in these non-statutory services to the same extent going forward, which is why it is crucial cultural and leisure services in particular are supported now.
- 2.3. Wherever possible, councils are providing financial support to key local organisations, including waiving management fees, upfront payments, and funding key staff roles to maintain facilities during the lockdown. For example, two district councils in the South West working in partnership have invested nearly £8 million into their local leisure centres by way of loans. In order to avoid permanent closures of these vital community assets, losses of jobs and a default on those loans, they have to provide deferred payment facilities and bespoke support worth nearly £1 million over this financial year – nearly 3 per

cent of their combined net 2020/21 budget.

- 2.4. The loss of councils' own income streams means many are experiencing cashflow pressures themselves, despite some important Government steps to ease this, and are therefore not able to support valued organisations in their areas.
- 2.5. The immediate impact of Covid-19 on the culture, tourism, sport and leisure sector has been the requirement to immediately close venues, facilities and tourist attractions to support the effort to prevent the spread of the disease. This is having a significant effect on the cultural and leisure sectors, where services are primarily run out of publicly accessed buildings including theatres, art galleries, arts centres, museums, heritage sites, leisure centres, swimming pools, pitches, ice arenas, beach fronts, parks, heritage buildings and libraries.
- 2.6. The services these organisations provide have been put on hold, except where some element can be provided remotely (see Libraries Connected's 'Libraries From Home'<sup>i</sup> project and Magna Vitae Culture and Leisure Trust<sup>ii</sup> in Lincolnshire has launched a programme of accessible activities, tips and ideas to keep communities feeling connected, active and positive at home).
- 2.7. Library services have seen a 600 per cent increase in membership on average, and this has stretched their ability to provide sufficient quantities of e-book and audio books to meet demand.<sup>iii</sup> However, libraries have successfully transferred their critical community offer online, with a livestreamed story time by Kingston libraries receiving over 10,000 viewers. Where libraries have access to 3D printers, they have also been repurposed to produce PPE supplies for the NHS and other key workers, as in Manchester, Devon and Sunderland libraries.
- 2.8. The volunteer base that supported many council cultural activities, including libraries and parks, as well formed the core teams in independent museums and community-run libraries, has been badly affected. Many fall into the particularly vulnerable groups and are likely to need shielding for some time. This poses a real challenge in keeping community assets open and thriving during the immediate future and recovery phase. We will need to invest in these volunteers to ensure they return when they are able.
- 2.9. Staff working in council delivered services have been redeployed, with library staff in particular delivering elements of the Covid-19 response, from delivering support packages to shielding residents to manning advice lines. It is expected that shielding of vulnerable individuals will continue long after the general lockdown is lifted, which raises questions of whether staff will be able to be released to return to their original jobs in the immediate future. Councils are exploring these implications and planning their response.
- 2.10. Many leisure facilities have taken on a vital role in supporting the response by turning leisure centres into food distribution hubs like City of Wolverhampton, which converted its WV Active Aldersley leisure centre into a food distribution hub in just a few days. The 26000 sq. ft sports hall will be used to store and sort the food and an 8,000 sq. ft marquee has been built outside. A fleet of 40 delivery vans will also operate out of the centre.
- 2.11. Where these organisations rely on income generation for their business model, the financial impact has been particularly severe. While many libraries and museums are run directly by the local authority, a significant proportion of operators in the cultural and leisure sector are charitable trusts and their margins are very tight. In most cases they do not have significant reserves to call upon in the event of closure. While buildings can be closed and staff

furloughed, there remain significant standing costs associated with buildings, including heating and security, which is especially important in the case of museums and heritage sites, where valuable collections may be stored.

2.12. In the case of leisure facilities, the average monthly cost of utility standing charges alone is around £40,000. A recent survey by Community Leisure UK<sup>iv</sup> of its membership put the average running cost at £473,000 per month once pensions, non-furloughed staff, loans, repayments and standing charges are accounted. Councils have introduced a range of emergency measures to support their leisure partners including relaxing monitoring and outcomes requirements, advance payments, waiving management fees and in some cases offering direct financial support.

2.13. Councils, who are the biggest funder of these services, have a limited ability to provide emergency financial support since they are also facing significant financial challenges, with cost increases as a result of responding to Covid-19 and a loss of income through reduction of tax income streams and closure of chargeable services such as leisure services which is hitting all tiers of local government. They are therefore not in a position to fully underwrite their valued partners.

2.14. Councils have highlighted the importance of maintaining broadband and mobile networks, not only for residents working from home or parents home-schooling their children, but for council staff and other local partners providing vital services to communities.

2.15. The LGA has been working with broadband and mobile providers to understand how councils can continue to enable telecommunication providers to undertake essential maintenance and emergency repair in local areas in these incredibly challenging times.

2.16. There remains an ongoing debate as to what should be classed as essential works. Guidance from Department for Transport (DfT) and DCMS has included new network build as an essential work and many broadband providers are keen to work on roads when traffic flow has decreased. It is vital that guidance coming out of Government is not only applicable to the present day but also takes account of possible future conditions. Ofcom is already reporting that telecommunication workforces are depleted by up to 40 per cent. We are also hearing of increased supply chain issues on the ground such as availability of tarmac for roadworks or the ability of suppliers to connect new digital infrastructure to energy networks.

2.17. In this highly uncertain context, Government guidance must reflect that councils' local discretion takes precedence in deciding how best to manage local roadworks to help maintain networks whilst ensuring the integrity and accessibility of local roads.

### **3. How effectively has the support provided by DCMS, other Government departments and arms-length bodies addressed the sector's needs?**

3.1. The Government response has been varied. The DCMS libraries team, along with the arts, culture and museums teams have established regular conversations with the sector. The Minister for Digital and Culture, Caroline Dinenage MP, has also undertaken weekly or fortnightly calls with the sector, as well as provided visible leadership through communications such as her World Book Day blog, which has boosted morale during difficult times. This work has also allowed coordination of activity, including online and digital response,

detailed questions about safety in the pre-lockdown phase, and is now turning to discussion of re-opening and the challenges related to that.

- 3.2. The libraries team, in particular, has faced a challenging decision on whether or not to direct libraries to close, but maintained a position of it being a local decision, which allowed councils to conduct a managed closure. This was valuable. For instance, Portsmouth Council closed most libraries, but maintained socially distanced access to public access computers for as long as possible, to ensure those without digital access at home could access benefits advice, among other things. In some other areas, there was room for a more coordinated approach and we are working with Libraries Connected to develop some sector-led guidance in case further periods of lockdown are required.
- 3.3. However, we are disappointed by the lack of communication and engagement from the DCMS sports and tourism teams, at both ministerial and official level. We recognise that there are many calls on their time at this moment, but this has led to some key sector issues receiving limited visibility and organisations being left unclear about whether they will receive support. Given councils' key role as both providers of many of these activities (see section 2), and as key local funders, it is vital that all parts of the public sector are closely collaborating to address this unprecedented situation.
- 3.4. Arts Council England (ACE) has maintained close contact, allowing for discussion of shared issues that suggest systemic issues with support, rather than isolated challenges. Their emergency support fund was rapidly delivered and is notable for its cross-cutting approach, ensuring that freelancers and the supply chain were also supported – opportunities missing from many other funding packages. We are also in close discussion with ACE about rethinking future training packages, as well as the distinct roles of ACE as the national funder, and local councils as both providers and funders.<sup>v</sup> ACE have also made available small sums of money in response to specific needs arising, such as £151 000 to support libraries to purchase more e-books.<sup>vi</sup> This needs topping up to £5 million by Government, but ACE's responsiveness is welcome.
- 3.5. Sport England has also maintained constructive regular discussions over the future provision of sport and physical activity. Their emergency fund was also produced rapidly but, while we understand the reasoning behind focussing it on grassroots activity, we are disappointed that it contained no element of support for leisure providers. These providers, many of whom are charities who reinvest profits in the community, run the key leisure infrastructure that these grassroots activities, as well as residents and communities more generally, rely on.
- 3.6. These leisure services also play a key role in supporting the Government's priority to protect and reduce the burden on the NHS by providing facilities to keep people physically active which can reduce the risk of many chronic conditions, including coronary heart disease, stroke, type 2 diabetes, cancer, obesity, mental health problems and musculoskeletal conditions. Protecting the NHS will be crucial as we continue the fight against coronavirus.
- 3.7. Despite the proliferation of private gyms, public leisure centres remain essential for those on lower incomes, making this an issue of equal access and fairness. We recognise Sport England has additionally made available a consultancy support package to help councils renegotiate contracts. Whilst this is helpful the key focus needs to be on a financial package. DCMS, MHCLG and Sport England need to urgently work out a financial support offer for this part of the sector.
- 3.8. Other DCMS agencies, such as Historic England, VisitBritain, and the National

Lottery Heritage Fund (NLHF), have also made small but important positive contributions to supporting their sectors. NLHF had a particularly imaginative response that provided consultancy support to the sector while at the same time supporting many of the freelancers that the heritage sector is reliant on.

3.9. There remain significant gaps in the funding support available to many businesses and organisations. The most critical ones are:

3.9.1. Leisure providers are unable to access loan finance, including the Government-supported loans, and are ineligible for the Sport England funds. Most trusts have a rateable value above £51,000 so are not eligible for the retail, hospitality and leisure grants. Community Leisure UK estimates 50 per cent of trust providers are not viable after June. They also have significant running costs (see paragraph 2.11) that are not addressed by existing support packages.

3.9.2. The MHCLG guidance on business rates relief excludes many key tourism businesses, such as tour and coach operators. We have worked with Tourism Alliance to support councils understanding of the sector and extend eligibility to as many organisations as possible, but MHCLG have been clear that many key businesses are ineligible.<sup>vii</sup> DCMS needs to ensure that this is changed, as many of these businesses are critical to the financial models of the businesses that are eligible for the support. If these additional businesses are not included, then the money invested in the supported organisations will likely be wasted as they close due to a lack of a supply chain and key infrastructure.

3.9.3. Many cultural organisations operate from shared workspaces and offices, meaning they do not benefit from the rates relief or business grants that have been announced. This is also an issue for other sectors and is evident of a fundamental limitation with a business rates based support package.

3.9.4. Many seasonal workers are recruited within the summer period, meaning many employers are ineligible for furloughing despite returning to work in the summer period. Tourism Alliance estimates this has prevented 330,000 staff from being eligible to the furloughing scheme and fails to protect individuals and businesses.

3.10. While we welcome the £3.2 billion pledged to councils by MHCLG to support their efforts in responding to the Covid-19 crisis, the pace in which it was announced was concerningly slow. Local government is at the forefront of protecting vulnerable residents and keeping day to day services running. Councils need a firm commitment from the Government that it will meet all the extra costs local authorities are facing due to COVID-19 and to keep normal services running and compensate them for income losses and any new burdens.

3.11. Although staff working in local government culture and heritage services have been redeployed, the Jobs Retention Scheme has been an essential source of support for many cultural and leisure organisations. As the majority of independent cultural organisations are charities, they have found it difficult to access some other aspects of the Government's support package targeted at business.

3.12. The Coronavirus Business Interruption Loans are largely unsuitable for non-profit organisations or those operating with small margins. Charities are also unable to access the Small Business Grants scheme. The Government's announcement of a £750 million funding scheme for charities was extremely welcome, but it is as yet unclear whether many cultural organisations will be

eligible for support. We are also interested in how a different lending model suitable for charities and social enterprises might be developed.

#### **4. What will the likely long-term impacts of Covid-19 be on the sector, and what support is needed to deal with those?**

- 4.1. The impact of Covid-19 on the culture, sport, tourism and leisure sectors will have a knock-on effect on wider Government and council priorities. For example, these services play a significant role in supporting their local economies. They are significant local employers, offering opportunities for under 25s, along with apprenticeships, training and skills development. Sport and leisure facilities supports national and local efforts to reduce obesity, increase physical activity and mental wellbeing.
- 4.2. In terms of financial support, it is critical that local authorities receive a fair funding settlement from MHCLG to allow them to run and fund these cultural and leisure essential services. The multiplier effect of council funding on DCMS sectors also cannot be overstated. We are separately seeking support from MHCLG to cover lost income from local government services over the lockdown period, but it is important that departments like DCMS, with a key interest in councils' contribution to their sectors, also makes representations within Government about their funding. For instance, we have asked DCMS to discuss how funding can be made available to reimburse those councils required to underwrite their leisure trusts as a result of the crisis.
- 4.3. Many of the business sectors covered by DCMS responsibilities will have lost out on the entire summer 2020 income by the time social distancing measures are lifted. This seasonal boost is used to tide these businesses over the lower-income winter months. If financial support packages are terminated at the same time as the lockdown ends, these businesses will face significant cashflow issues and are unlikely to survive until the next summer season without additional support. We do not feel that these need be the same form of financial support as the packages that are currently available, with the probable exception of a tapered version of the Job Retention Scheme. The tourism sector is most likely to be affected by this, but it will affect cultural and outdoor activity businesses as well.
- 4.4. The financial position of many organisations that are predominantly reliant on earned income is also likely to remain challenging in the likely event of a partial relaxation of lockdown restrictions. For instance, theatres and other performing arts venues cannot operate on current business models while filling only a quarter of their seats to accommodate for social distancing. We also know that some theatres earn as much as 64 per cent of their income in December and January, with serious implications if they miss that period. Some parts of the sector such as museums are better adapted to reopening with social distancing measures in place than others.
- 4.5. However, we do expect a reluctance among many customers to visit places where they might expect large crowds. A clear communications and reassurance package will need to be developed to encourage costumers to resume their attendance at cultural venues at tourism destinations. One example cited is a public health equivalent of the food hygiene rating published by food businesses. However, that model would require significant staffing and financial resources, and other models should be explored first.
- 4.6. It is also important to recognise that cultural venues, such as theatres, act as anchor organisations for the night time economy. Restaurants and pubs rely on these attractions to generate footfall, and transport providers use the income

from services run during this period to subsidise less financially viable routes at other times of the day. It is therefore essential that these anchor organisations are supported to open up, even though social distancing may mean they are not financially viable for some time – we know organisations are keen to resume this role and act as multipliers for the wider economy. A support package should be designed to facilitate this.

- 4.7. In many cases, plans that had been made to invest in income-generating improvements have been diverted to ensure the survival of those organisations. While the flexibility from funders has been extremely welcome, it does mean that over the longer-term there will be a slower move to independence from grant-funding. Many of the most entrepreneurial organisations who had switched fastest to earned income rather than public subsidy are the most seriously affected financially. There is likely to be a case for reconsidering and rebalancing the role public money can or should play in subsidising the creative sector in particular, although earned income will still be very important.
- 4.8. The price paid to leisure providers will also need to be reconsidered, given the revealed weakness of the majority of the sector in the face of these setbacks. However, this will only be possible if councils receive a financial settlement that enables them to invest in quality provision.
- 4.9. In the medium-term it is expected that there will also be additional costs associated with reopening buildings that have been closed for some time, which local authorities will find it difficult to meet. Swimming pools are on such example where there are likely to be extra costs. We also know that 60% of our leisure centres are long overdue for refurbishment, and many councils were relying on the financial contributions from leisure providers to refurbish or replace these facilities.<sup>viii</sup> Many heritage and historic buildings, including those housing museums, are in a similar need for repair. Direct Government investment will now be needed; and this should be linked with climate change objectives to ensure that the new estate is significantly green and more energy efficient than existing facilities.
- 4.10. In the longer term, there is an expectation that public resources will be placed under significant pressure in the aftermath of Covid-19. Local government is currently one of the biggest funders of culture, spending over £1.1 billion in museums, theatres and libraries and over £1 billion on sport, leisure and parks. However, with the exception of libraries, these services are all discretionary and tend to be squeezed in times of financial contraction.
- 4.11. Given the way in which the sector has risen to the challenge in providing services digitally during the epidemic, it is possible there will be pressure to shift permanently towards this model of delivery while reducing the number of physical buildings. We might expect to see staff-less delivery models increasing in popularity in some parts of the cultural sector. However, this may not be as feasible for the leisure sector because of health and safety and the need for instructors and equipment.
- 4.12. Culture and leisure were also expected to be at the heart of council regeneration plans for highstreets. It is expected that the situation of high streets post Covid-19 will be in a more serious state. Much of the capital and anticipated earned income from early phases of regeneration work is likely to have become unavailable as funds were reprioritised towards immediate support.
- 4.13. However, this also offers an opportunity. Councils have begun modelling

which business sectors are likely to bounce back most rapidly. At least one council has identified the creative industries as one such example and is developing plans to purchase disused high street units and convert them into studios to respond to this new demand. Government support around highstreets and planning regulations could be adapted to support and encourage this where it is taking place. Libraries and leisure centres could also be relocated, if funding is available. For instance, when Woolworths closed, Portsmouth Council took over the unit for a new library, taking advantage of, and increasing, the footfall to the area.

- 4.14. ACE had launched an extremely positive, place-based 10-year strategy just before the pandemic took hold. Although we are aware they have rightly diverted many resources into their Covid-19 emergency fund, we strongly encourage them to return to the objectives set out in the new strategy as quickly as possible. It is ideally suited to helping areas to recover from Covid-19, and could form a blueprint for wider DCMS investment on the principles of place-based investment.
- 4.15. Councils will need flexibility in the use of a range of levers to support the economic recovery as the emergency measures are lifted. Government can support this by bringing forward: proposals for UKSPF, a devolution White Paper that devolves a core set of responsibilities to the local level, including skills; lower borrowing rates for council investment; and proposals to streamline a range of funding pots, with local flexibility on how the pot is used. Councils will want to consider how local economies can build on the recent transformation in working practices and consider the impact of accelerating trends in sectors such as retail and the creative industries.
- 4.16. DCMS' digital responsibilities have been highlighted by the change in working practices resulting from the pandemic, as well as people's personal leisure habits. We understand the Government is still focussed on working towards its gigabit-broadband for all by 2025 ambitions. Councils have played a vital role in the roll out of broadband over the last eight years and will need to be engaged on the design of the future of the programme. Any future engagement will need to be mindful of increased pressures on councils in responding to the Covid-19 pandemic.
- 4.17. Government must work with the LGA to ensure that councils can continue to input their vital local view into ongoing work. However, we would encourage Government to consider a wider pause until a time when councils will be better placed to engage. This is a position which has been adopted by a range of other Government departments undertaking similar exercises.
- 4.18. During the pandemic, council's role as leaders of place has been emphasised as never before. The next journey will be the road to recovery. The scale of the economic, environmental and community challenges that we now face should not be under-estimated.
- 4.19. Our cultural and creative sector organisations, businesses and individuals are at the heart of our communities and have the skills and ability to re-engage our population – socially, culturally and economically – into and through a recovery period. Looking at examples of how other countries have recognised the instrumental role that culture and creativity can make in the recovery of emergency situations, it would be extremely constructive if DCMS could seek specific investment in enabling us to get our communities back on their feet and reengaged.

## **5. What lessons can be learnt from how DCMS, arms-length bodies and the sector have dealt with Covid-19?**

- 5.1. It remains very early in the situation to assess the response. However, it has been apparent that issues and solutions have been most rapidly and effectively devised where there was already effective communication, networking and trusted partnerships in place. Identifying and escalating issues has been much slower in areas without that, with many issues only now gaining traction.
- 5.2. It has also been clear that after the Chancellor's extremely positive reassurances about supporting all businesses, there were gaps in the guidance and eligibility for support packages once they were published. This is entirely understandable in light of the commendable speed with which they were drafted. However, there has been a marked reluctance to acknowledge these gaps and to address them, and in some cases a reluctance from DCMS to raise these issues with other departments. A situation of this extent needs flexibility from all those involved, and a willingness to be responsive to feedback that is consistent across all stakeholders.
- 5.3. It is essential to consider the whole sector and ensuring that all critical players in the system are eligible for funding support packages, including in supply chains. Investing only in end point organisations, such as those with public access, risks undermining their ability to operate when their supply chain folds. In such situations, the public investment risks being wasted as the organisation invested in will fold without all the less public facing organisations supporting it.
- 5.4. It is also necessary to avoid the loss of critical infrastructure which in the long term will cost millions to replace or build new. It would be more cost effective to keep existing services afloat. This may mean that hard choices have to be made between investing in grassroots organisations and investing in the structures that will create the conditions for them to emerge again in the future, once the financial situation has stabilised – although possibly in a new form.
- 5.5. Earmarking funding for the intermediate and longer-term periods is essential; in this case planning for between six to nine months and nine to twelve months, when those venues, trusts and other organisations have used their cash reserves and immediate financial support packages to stay afloat during the earlier period but are at risk of insolvency later down the line. This is especially important where seasonal businesses are affected, as with the tourism industry.
- 5.6. There has been significant concern among councils about digital poverty, and people from lower incomes who are unable to access digital content. Many of these people would access computers through their local libraries, which account for the majority of public access computers. We are considering how we can safely open these facilities as soon as restrictions are lifted.
- 5.7. It has also been apparent that not all businesses and organisations have appropriate insurance or contingency plans in place. An education campaign and training support offer to educate the sector is needed. Many theatres appear to have suitable business interruption insurance, following Government clarification, but outside of London this proportion declines, and other cultural organisations appear to mostly not be covered. Further work is needed on this.
- 5.8. We suggest that DCMS, and Government more widely, convenes a taskforce to review the response and impact on their respective sectors, and would be happy to contribute to it, in addition to this select committee inquiry.

## **6. How might the sector evolve after Covid-19, and how can DCMS support such innovation to deal with future challenges?**

- 6.1. The cultural sector has risen to the challenge of continuing to provide services to the public under lockdown where staff have not been redeployed or furloughed. Libraries have moved to running many services remotely, including the provision of e-books, online book groups, story times for children and other young people's activities such as Lego and coding clubs.
- 6.2. Museums and heritage sites have taken the opportunity to extend their virtual museum experiences and some theatres have been able to live-stream performances. Other parts of the arts sector have focused on encouraging 'offline' activities for those with less access to the internet, including organising 'galleries' in the windows of people's homes and on streets and providing craft kits to older and more vulnerable people.
- 6.3. There are lessons that can be taken from the success of these activities in how we reach less typical audiences for culture and heritage in future. Funding designed to support the mainstreaming of delivery models piloted during the Covid-19 lockdown would be helpful in ensuring innovative approaches developed during this time are not lost.
- 6.4. The public are adapting to the current restrictions and are using new online resources to exercise at home, this behaviour change/change in habits needs to be fully understood and there is an opportunity to capitalise on this and the new cohort of regular exercisers. This will require extensive liaison between planning teams and physical activity experts, and to incorporate plans for active travel as well as effective and expanded use of green spaces. Learning from Sport England's local delivery pilots should inform work in this area, coupled with further joint training of strategic decision makers by the LGA and Sport England.
- 6.5. A challenge is around digital poverty with people from lower incomes unable to access digital content and a more coordinated cross-government approach is needed to address this, along with expanded plans to embed superfast broadband in every area.
- 6.6. We expect the creative sector to be one of the fastest economic sectors to recover. It is, by its nature, adaptable. Councils need to be ready to enable and support this by ensuring suitable studios and shared spaces are available. Government can support this by ensuring the new UK Shared Prosperity Fund is applicable to creative activity, and aligned with initiatives like the Towns Fund and High Streets Fund.
- 6.7. We have more concerns about the state of the visitor economy and businesses that have a focus on international visitors. While the additional marketing being done by VisitBritain is valuable, we remain concerned that these businesses may not survive if there are repeated periods of lockdown, or if additional financial support is not made available to tide them through the winter. Our visitor offer in 2021 may therefore be very different from 2019, with fewer organisations and experiences available. It is possible that smaller groups and holiday cottages become more popular than resorts or large hotels. However, this is speculative and research into people's future intentions for holidays is needed.
- 6.8. While some Government investment in capital continues to be needed, particularly for leisure centres and museums, there will also be a need for revenue funding in the short to medium term. Loans are not suitable for the

majority of DCMS businesses, charities and voluntary groups, and DCMS will need to work closely with Treasury and councils to develop suitable support packages.

6.9. If appropriately funded and resourced, councils can play a critical role in supporting DCMS sectors to stabilise, recover, and eventually resume their rapid growth and significant economic and social contributions. It is DCMS' sectors that make our communities great places to live, work, and visit.

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<sup>i</sup> <https://www.librariesconnected.org.uk/page/librariesfromhome>

<sup>ii</sup> <https://twitter.com/MagnaVitae/status/1243252670250586115?s=20>

<sup>iii</sup> <https://www.local.gov.uk/lga-600-percent-boom-online-library-memberships-some-areas-coronavirus-lockdown>

<sup>iv</sup> <https://communityleisureuk.org/work/covid-19-public-appeals/>

<sup>v</sup> <https://www.local.gov.uk/coronavirus-local-government-and-arts-council-england-launch-collaboration-support-cultural>

<sup>vi</sup> <https://www.local.gov.uk/lga-responds-arts-council-england-libraries-funding>

<sup>vii</sup> <https://www.local.gov.uk/coronavirus-business-rates-relief-hospitality-and-leisure-sector>

<sup>viii</sup> <https://www.local.gov.uk/nearly-two-thirds-leisure-centres-need-urgent-investment>