

Written evidence – Dr Sarah Price & Professor Vanessa Toulmin (PTC0020)

1 Who we are and why we are responding

- 1.1 This evidence has been written by researchers at the University of Sheffield who are engaged in a UKRI-funded 12-month project focussed on the **recovery of the South Yorkshire arts and cultural sector following the devastating impact of Covid-19**. The research team is led by Professor Vanessa Toulmin, with academics specialising in arts engagement from Music and English Departments, and experts in local planning and governance from within the Department of Urban Studies and Planning.
<https://www.sheffield.ac.uk/city-region/enhancing-cultural-vibrancy/covid-research-0>
- 1.2 The evidence presented is drawn from two of our four studies: (Study 1) quarterly survey of the financial impact of Covid-19 on **arts venues** and organisations and plans for reopening; and (Study 3) longitudinal survey and interview study with **arts freelancers** in the region documenting changes in work availability, income, wellbeing and skill development.
- 1.3 This evidence summarises interim **key findings** from these studies as well as analysis of the distribution of Cultural Recovery Funding in the region, and **recommendations** for policies to support the recovery of the arts and cultural sector. Taken together it provides real time data of the immediate impact of the pandemic on the cultural sector in the Sheffield City Region. Further information on the project can be found here: <https://www.sheffield.ac.uk/city-region/enhancing-cultural-vibrancy/covid-research-0>

Q6 How will the pandemic change the nature of employment? And what will be the long-term impact of this change on towns and cities?

- 6.1 The pandemic has had a **catastrophic impact on employment in the arts and cultural sector** in Sheffield City Region and beyond. Restrictions on in-person arts events have led to a reduction in employment opportunities across all cultural sectors and job types, which have been only partially alleviated by government finance support schemes.
- 6.2 **Arts organisations, businesses and venues employed far fewer people over the course of the pandemic compared to previous years**. According to our survey, the total number of staff employed by 37 participating arts organisations fell significantly during the period March-December 2020, with organisations employing just 41% of the staff employed in the previous year. This masked significant variation, with some venues retaining the same number of staff, whilst one larger venue recorded a very significant fall from 120 staff to 13 in the period March to August.

- 6.3 Furlough was used by around one third of venues/organisations, with figures varying widely in terms of total of staff furloughed per organisation (ranging from 1 to 301 staff). **Most organisations sought to avoid redundancies**, though one larger organisation lost a significant number of staff. Aside from this one organisation, more redundancies were recorded in the period March to August (26 people), against 8 in the period October to December.
- 6.4 In addition, these **organisations hired 1,124 fewer freelancers over this period**, a reduction of 68% from 2019. Most organisations sought to retain the services of some freelancers to support these precarious workers, but the number of people they were able to employ was limited while events were prohibited from taking place.
- 6.5 **For arts and cultural freelancers, there has been little work available throughout the pandemic**, with some out of work since the start of lockdown. Work had “decreased dramatically” for most of our 98 survey respondents (71.7%) and only one respondent had seen any increase. The decrease in work primarily came about through projects and events being cancelled or indefinitely postponed as a result of the pandemic, and a lack of new work being booked in the future.
- 6.6 **Reduction in work was not felt uniformly throughout the sector, with certain art forms and roles being hit harder.** Work reduced “dramatically” for large proportions of respondents working in music (84.4%) and dance (81.8%) in particular.
- 6.7 **Event crew, lighting and sound engineers have been particularly badly affected by the pandemic.** 100% of responding event crew, lighting or sound engineers experiencing a “dramatic” decrease in work. They also saw the greatest reduction in income, going from on average £34,973 turnover in 2019 to just £8,100 in 2020, a 76.8% drop. 69.2% were using savings and 15.4% were taking out loans to survive this period, the highest rates amongst our survey respondents.
- 6.8 Not only had events and contracts been cancelled during lockdown - respondents also described having an **empty diary** with no work booked in for the future. The uncertainty of the future of Covid restrictions meant that bookings had been **indefinitely postponed** and there was no confidence in booking in-person events in the future. This was not simply a pause in their career as some **opportunities were lost forever**.
- 6.9 **Our survey respondents reported a turnover for 2020 which was less than half what they had made in 2019** and what they had expected to make in 2020. Freelancers in our study had on average £10,850 turnover for 2020, compared to £24,247 in 2019. Freelancers without a second job and therefore solely reliant on their income from creative work were even harder hit, losing over 60% of their anticipated income. This included a 56.9% reduction in earnings from cultural institutions, a 69.4% drop in income from local authorities, and a 50.0% reduction in income from schools.

- 6.10 The only slight increase in revenue was seen in royalties, which is understandable given increases in people viewing online content during the pandemic. It should however that **online work rarely generated much income and in no way compensated for the losses incurred in other income streams.**
- 6.11 Respondents were concerned that the pandemic would cause the sector to shrink and 50.5% of respondents were considering or already applying for other work outside the arts sector. Respondents questioned whether they would be able to be financially sufficient in their arts work, particularly young and early career artists. **Without significant intervention, there is likely to be an exodus of arts workers from the cultural sector,** leading to a reduction in arts and cultural activities in towns and cities.

Q7 How might this increase, or decrease, inequalities within towns and cities?

- 7.1 There have been significant inequalities in the impact the pandemic has had on arts workers, which are likely to exacerbate existing inequalities in the sector and mean that underrepresented groups are even less likely to be able to forge sustainable careers in the industry.
- 7.2 **Under-30s faced greater reductions in work availability.** Being at an early stage in their career was leaving them more vulnerable to the effects of the pandemic, as they were losing vital opportunities to make a name for themselves.
- 7.3 Our data shows that, prior to the pandemic, **Black, Asian and ethnically diverse respondents earned £6,889 less than their white counterparts in 2019** showing existing inequalities in income generation. Black, Asian and ethnically diverse respondents **then saw greater reductions in work availability as a result of Covid-19.** In 2019, respondents of colour took home 72.6% of the turnover of white respondents, but in 2020 this dropped to just 53.1%.
- 7.4 **New inequalities have also emerged between those who received financial support during Covid and those who did not.** While many freelancers received financial relief through the Self-Employment Income Support Scheme, our dataset also contains **respondents who have been ineligible for relief.** This was as a result of: being a new freelancer and not having 3 years of returns, processing income through PAYE rather than Self-Assessment, having had short periods of employment, and not having the right type of bank account to be able to receive a Bounce Back Loan. Universal Credit was a lifeline for some, but rarely covered expenses and was a challenge to navigate.
- 7.5 **Even those who had received SEISS grants often faced financial difficulties.** SEISS grants were designed to replace net income to allow

freelancers to survive this period, but did not cover overheads which were often fixed costs that respondents could not avoid paying (such as insurance, membership subscriptions, and payments on work vehicles. Furthermore, the fact that SEISS grants were calculated on 3 years' previous income meant that freelancers who had recently increased the proportion of freelance work had much smaller grants than they needed to be able to survive.

- 7.6 **Underrepresented groups also received far smaller Arts Council England grants and Bounce Back Loans.** This included: under-30s, respondents with children at home, black, Asian and ethnically diverse participants, male freelancers, respondents with diagnosed mental health conditions, respondents with disabilities or long-term health conditions, and respondents from disadvantaged backgrounds.
- 7.7 As a result, **freelancers were having to deplete their savings and get into debt to survive.** Over half (54.1%) have had to use savings to get through this period, with savings running low for some and others having used up the money they were saving for a house deposit. 38.4% have been reliant on a partner's income, 22.2% have borrowed money from friends and family and 16.2% have relied on family for support. This implies that **freelancers without strong support networks may be struggling far more severely;** care leavers and single people may be particularly hard-hit.
- 7.8 Most worryingly of all, 24.2% of respondents had been living on money set aside for tax, 20.2% had used overdrafts and 18.2% had used credit card finance, **getting themselves into debt to survive this period.** If work is not forthcoming as restrictions ease, these respondents may find themselves in a perilous financial situation. Some respondents have also had to give up studio space to reduce outgoings or sell equipment to raise money during this time.
- 7.9 Without personal networks to be able to rely on for financial support, **respondents from disadvantaged backgrounds were getting themselves into greater levels of debt.** 45.0% of disadvantaged participants had used money set aside for tax, with 65.0% using their savings, 35.0% using an overdraft, and 30.0% using credit cards and were far less likely to be relying on their friends and family for support.
- 7.10 Age was also a strong determining factor in the ways in which respondents coped financially. Over 50s appear to be fairly self-reliant and under 30s appear to be supported mostly by their family. It is **those in their 30s and 40s who were getting into greatest debt,** using overdrafts and credit cards at the highest rates, as well as defaulting on bills and taking mortgage holidays.
- 7.11 There is the potential for a mental illness epidemic amongst arts freelancers. **Worry over unemployment was much higher amongst these respondents than among the general population,** when compared with Covid-19 Social Study (April 2021). 70.4% of respondents were experiencing major stress that was keeping them up at night. Their sense of wellbeing and happiness was also far lower than the general population, according to the "Coronavirus and the social impacts on Great Britain" government study.

- 7.12 **There were also inequalities in the barriers freelancers faced in returning to work.** Respondents who had children under 18, women and black, Asian and ethnically diverse respondents faced barriers around caring responsibilities. A lack of adequate internet and appropriate equipment was a particular problem for performers, musicians, actors, dancers, composers, choreographers, directors and producers. Insufficient digital access affected women more than men, black, Asian and ethnically diverse respondents more than white respondents, and older respondents more than younger freelancers.
- 7.13 Across all participating freelancers, **the most concerning barriers to future work were a loss of momentum and a loss of visibility.** This was particularly pronounced for respondents under 30, those with a diagnosed mental health condition, and those with disabilities or long-term health conditions were more concerned about loss of visibility.
- 7.14 **Respondents from disadvantaged backgrounds experienced all barriers to returning to work at a higher rate,** with insufficient digital equipment, needing to shield, loss of visibility, and being unable to travel presenting much greater barriers to returning to work compared to respondents who were not from disadvantaged backgrounds.

Q8 How might this increase, or decrease, inequalities between towns and cities?

- 8.1 We have commissioned a report from Chamberlain Walker analysing the impact of the pandemic on the arts and cultural sector in South Yorkshire. **This report will provide comparisons between Sheffield City Region and other core cities with regards to employment, government support and GVA by the arts and cultural industry.** This report is due to be published by September 2021 and will give insight into inequalities in the impact on employment between towns and cities.
- 8.2 Our analysis of the Cultural Recovery Funding however already points to **inequalities in receipt of Cultural Recovery Funding between cities.** Compared to similar cities/city regions in the north of England and elsewhere, Sheffield City Region has not fared well. Our initial analysis suggests that SCR received just £14.19 per head, compared to £38.16 in West of England Combined Authority, £26.63 in Greater Manchester Combined Authority, and £21.45 in Leeds City Region.
- 8.3 While SCR's large cultural organisations have received awards comparable to similar organisations elsewhere, **small and medium sized arts organisations in South Yorkshire have missed out,** with potentially significant consequences for the sector in the region. Economic consequences identified by our wider project and benchmarking research include business closures, job losses, impacts on a large network of freelancers and on SCR's ability to attract funding and investment in the future. There are parallel social

justice implications related to access to culture and the benefits it brings, particularly around wellbeing and mental health.

Q9 What action is needed from the UK Government, town and cities leaders, and others to mitigate the risk of any change in the nature of employment?

- 9.1 Freelancers need additional financial support to ensure they are able to survive the pandemic. Many arts freelancers have been excluded from SEISS; **the criteria for SEISS need to be revisited to provide support to many of those excluded** as a result of setting up their work through PAYE contracts, and to provide support for early career freelancers who do not yet have 3 years of tax returns.
- 9.2 **Campaigns around arts and cultural workers “reskilling” or “retraining” into new fields must be stopped in their entirety**, as they are having a devastating impact on freelancers’ mental health and are likely to put off future workers from this sector.
- 9.3 **Sector-specific extensions of the Job Retention Scheme and SEISS must be made available to industries worst affected by the pandemic, including arts and culture.** Even after restrictions are fully lifted, it will take time for the sector to rebuild, for there to be pre-pandemic levels of work available, and for audiences to have the confidence to return in large numbers. The arts and culture sector and its workers will need subsidising until pre-pandemic levels of activity have been restored in order to avoid redundancies and unemployment.
- 9.4 **The Cultural Recovery Fund should be expanded to provide funding schemes directly aimed at freelancers and arts professionals.** This additional CRF funding should be designed to help freelancers make arts and cultural work again, in order to help them restart their careers after such a long break and many lost opportunities. Our data shows that event crew, lighting and sound engineers have been particularly badly affected and should be a priority in future financial support schemes.
- 9.5 Those working to support businesses in towns and cities must be more aware of the arts and cultural sector, recognise the economic contribution arts activity makes to their region, and recognise arts and cultural freelancers as entrepreneurs and small business owners. **Business support schemes, whether financial, networking, or skill sharing, must be inclusive to arts and cultural workers** and designed to be accessible to their ways of working.

Q10 How could the UK Government, town and cities leaders, and others use their response to the pandemic to reduce inequalities in employment?

- 10.1 The biggest obstacle faced by arts freelancers and grassroots organisations was not having the know-how to write a successful funding application. In order to achieve a more equitable distribution of government funding for the arts, **cities need dedicated arts and culture funding officers to support first-time applicants to access Arts Council England funding** as well as signposting to other financial opportunities.
- 10.2 While the acceleration of digital arts and culture has provided a wealth of new opportunities for creating and engaging with cultural work, it has also **deepened inequalities as part of the digital divide**. Those with insufficient internet speed, a lack of space to do work at home (especially for dance professionals), and inadequate equipment have suffered particularly badly in not being able to produce work online during the pandemic. The rollout of superfast broadband must be a priority in an increasingly digital workplace.
- 10.3 Furthermore, while local councils and the Arts Council England should consider grants and loan schemes which enable arts workers to purchase the equipment they need for their business to be successful, a potentially more efficient approach would be to **establish cultural digital hubs in every core city. These should provide equipment, software and internet access for the use of arts and cultural professionals**. Not only would this reduce inequalities in the arts by providing access to digital equipment to those who cannot afford it, it would also create a space for networking and mutual aid.

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