

## Written evidence submitted by Culturapedia

Evidence on the impact of Covid-19

18/06/2020

Culturapedia is based in Blackburn, Lancashire. We are a micro business of 3.5 staff working in the field of creative production, community cultural commissioning and cultural project management. Our model is that of a private sector limited company with two co-directors. Our business is housed in an office adjacent to our home and presently our team is dispersed across 3 towns. Our core activity is to deliver a rural and library touring service across Lancashire which we have delivered successfully over two decades. We tour professional performing artists (theatre, music, dance for example) into small scale, non-traditional venues (village halls/libraries) with the events co-curated and co-promoted by rural and library volunteers. We support social capital in isolated communities and are a vital resource to older people who cannot travel to urban venues. This service is invested in via the Arts Council National Portfolio with additional investment from county and district councils. We are part of the national rural touring forum. In usual times we would promote 50 events a year, with 80% of our income coming from ticket sales. We cancelled 14 events this March. Actual and projected ticket income losses linked to these events meant we could not pay artists their full fees. We also have no timescale as to when we will be touring performing arts events again but are planning toward Spring 2021. We have adapted some of our business model to online digital content. Offering micro commissions to those artists who have lost work and most or all of their usual sources of income. Whilst this sustains us and maintains contact with our audiences, it does not replace the live presence, nor does it replace our usual income earning capacity. We are VAT registered, and return income to the Treasury from VAT, corporation tax and PAYE.

We are submitting evidence for three reasons. Firstly we are a private sector micro business. We are entrepreneurial in style and build all our activity through public partnerships. We have not benefited from a windfall from the local government business rates scheme (not being based in a commercial property). Our work is strategic across Lancashire and is often delivered in partnership with other northern networks. We are part of the essential ecosystem of sole traders/micro businesses and freelancers which underpin the cultural offering of our county and similar to many other small scale arts organisations across the UK. Small scale touring, populated by sole traders and micro businesses is often overlooked by researchers, and therefore policy makers, as it is so hard to quantify or tie down to a statistic. It is, however, where a significant amount of innovation and development occurs that, in turn, informs the much lauded British performing arts sector. It is easy to count West-End theatres and Arts Council England NPOs. It is not easy to count individual creatives working in and out of the gig economy, micro businesses collectives and collaborations that are often project based and therefore transient. But these are vital to the sector.

Secondly, whilst we value the leverage of the louder voices of the commercial and subsidised large theatres and recognise their economic contribution, many companies within the cultural sector are not based in urban/metropolitan areas. We are in danger of having our

voices, and experiences drowned out by the bigger players who will have their call answered by a minister or make the press. Yet our story is not unusual. Whilst the large theatre venues are indeed in major financial peril- we want it to be heard that theatre is also an activity, a verb. It is a means of communication. It is so much more than a large capital asset at risk of standing empty in a town. There are other efficient ways to invest in, support and give a creative offer to isolated communities whilst also sustaining employment, generating income and being part of the UK's celebrated, outward facing cultural offer.

Thirdly, Covid-19 in itself has caused huge and immediate harm to the sector but its effects are not in isolation. We see how other governments have responded to the crisis and supported their cultural sectors. Our business, like many, has survived over 10 years of austerity cuts, been held back by the debilitating uncertainty of Brexit and now has been hit by Covid. Rural Touring in the north gets a lot less investment from Arts Council England than it does in the south. We are concerned about a possible recession. We do not want Covid 19 to be the straw that breaks our creative sector's back.

The immediate impact of Covid 19 on the sector, was the cessation of our core business, touring small scale performing companies to rural and library venues. It felt like falling off a cliff. Followed by cancellation of events, reimbursement of tickets and a blank sheet with no indication of when/or how we will be able to put a live performer into a room with 100 people. This caused an instant loss of ticket monies which would have contributed to the artists' fees. We could not honour our usual cancellation clauses for such a high number (in 25 years we've cancelled 2 events) and used force majeure to write off contracts and renegotiate compensation. Our artists have been generous in their understanding and have worked with us but we do know that many usually busy freelancers have experienced economic hardship.

We are using the furlough scheme and intend to rotate and manage staff through this until the end of October. We now have to wait out the storm until circumstances change to allow us to start touring artists again. We are working on new ideas and new offers. We have not been quiet and have developed a digital offer.

How effectively has the support provided by DCMS, other Government departments and arms-length bodies addressed the sector's needs? The Arts Council showed excellent leadership in reacting to the emergency situation. Likewise our local authority partners have been highly supportive. By writing off our outputs but not cancelling agreements, we have been provided a partial safety net whilst the industry recovers. We see that many freelancers and highly vulnerable small scale companies have been offered vital support, particularly those who had contracts in Spring/Summer and Autumn cancelled and had no time to readapt.

The implementation of the furlough scheme has brought some immediate job security for our team and given us the space and time to plan longer term beyond immediate crisis management and we are thankful for the Treasury's response. We do note that we know many freelancers/business owners who have however fallen through the government's safety net; mainly those who recently formed limited companies and became PAYE but have not built up a sufficient track record of tax with HMRC.

A property or business rates based grant scheme has been of no benefit to many arts organisations including us. The grant that automatically appeared in the bank accounts of many of our contemporaries would have made a big difference to us and others. It is unfortunate that the subsequent discretionary awards given to local authorities came with more property related conditions.

What will the likely long-term impacts of Covid-19 be on the sector, and what support is needed to deal with those? Those creative businesses who thrive on the live relationship between a breathing artist or company and an audience will be the last to re-open. We are concerned that, as other sectors return, our industries' needs will be forgotten. We think we may be able to wait this out in safe harbour and return (or change our business model); what we are concerned about is our ability to maintain sufficient cash flow to enable us to do this without job cuts.

The upcoming flexible furlough scheme needs to continue for the cultural sector until Easter 2021 at the earliest. Otherwise the sector will lose skills and experience that is the result of years of investment. We assume that other sectors will also be making redundancies. Therefore the cost to the government is a choice between investment and furlough, or universal credit and the subsequent costs of re-training.

What lessons can be learnt from how DCMS, arms-length bodies and the sector have dealt with Covid-19? Arts Council England's policy of centralisation, along with cuts to staff and infrastructure as a result of austerity has meant that it has become 'arms length' to the arts community, as well as government. Especially to organisations outside of the urban centres. Investment in Lancashire remains pitiful compared to Manchester which in turn is pitiful compared to London. The old regional model meant that officers knew what was going on, could see where gaps existed and investments were therefore far more equitable.

ACE acted quickly but, in hindsight, was this the right thing to do?. We know that there is a finite amount of resources available. We absolutely agree that freelancers and small touring companies needed support. Their core income, mostly in fees for services, literally disappeared beneath them. But should ACE have taken another month and thought more strategically about who they should bail out? Have ACE inadvertently created a level of expectation from some organisations that were not really sustainable, financially or artistically, before the crisis hit? Has ACE 'shot its load' when the real issue for many organisations will come in the Autumn? Only time can tell if this strategy had the right outcome in the long term.

How might the sector evolve after Covid-19, and how can DCMS support such innovation to deal with future challenges? Covid-19 has necessitated a host of creativity for the now. It has been like an ideas lab. Some emerging ideas will carry on into a post-Covid-19 world. Now that arts and cultural organisations have embraced online spaces, they cannot retreat back behind the doors of bricks and mortar buildings. We are finding new ways to engage audiences and these have been beneficial to artists and audiences alike (especially those who are isolated). Monetising digital content is not so straightforward and so far does not replace ticket income.

We have enjoyed much less travel which has had a positive environmental effect. To sustain this further, people in Lancashire need access to high quality arts experiences near to them. In a post-Covid-19 world they are even less likely to travel to Manchester to see professional performing arts. We have evidence that the majority of our audiences do not otherwise attend professional performing arts. Ongoing Post Covid research by Indigo indicates that a proportion of our older audiences are not currently happy to leave their homes without a vaccine or strict social distancing measures. This creates an issue in equitable access to a cultural offer and longer term issues around wellbeing and mental health. Not all audiences are digital natives, and many communities have poor access to the internet. A campaign to overcome digital poverty and ensure an affordable UK wide internet service is required.

We know that some cultural buildings are too big to fail. Many are important flagships but the impact of Covid may teach us that smaller, flexible companies can also provide an excellent offer without the huge financial burden of bricks and mortar. We are concerned that investment will veer towards buildings, not services.

DCMS should request that the Treasury maintains a flexible furlough scheme, or consider a universal income programme for the cultural sector. With regard to the inequalities of class and race which have become starkly apparent in the crisis- it is clear those freelancers/sole traders who live with parents or have recourse to savings have been able to survive more easily. An exploration of schemes such as the entrepreneurial enterprise allowance scheme from the 1980's which supported creative innovation could provide support to those talented freelance artists who lack the safety net of family or private income. Many successful well paid creative leaders /cultural policy makers today started on that scheme and have paid back their benefits in thousands of pounds.