

Written evidence submitted by Creative Kernow

Submission to the Digital, Culture, Media and Sport Committee's inquiry, Impact of Covid-19 on DCMS sectors.

June 2020

Creative Kernow is Cornwall's creative industries charity founded in 1983 which supports the production, promotion and distribution of work by creative practitioners in Cornwall. The organisation delivers six core programmes:

Krowji - is Cornwall's largest creative hub. Based in Redruth, we provide affordable workspace for over 200 creative practitioners and businesses.

Cultivator - a business and skills development programme that supports the creative industries sector in Cornwall and the Isles of Scilly. It is funded through ERDF, ESF, Arts Council England and Cornwall Council and works in partnership with the University of Plymouth, Real Ideas Organisation, Cornwall College and Cornwall Development Company.

Carn to Cove - a performing arts scheme for rural communities filling community halls with poetry, laughter, music, drama, stories and dancing. Through a partnership with the BFI, Carn to Cove also runs CFylm, a network of community film clubs

Cornwall 365 - is an events listing platform and support network for the experience and visitor economy which promotes Cornwall as a year-round creative destination.

FEAST - supports Cornwall's artists through regular funding rounds to create inspiring opportunities for communities to come together and enjoy high quality arts as participants and audiences

Screen Cornwall - a sector development agency for the screen industries, set up in 2019 to attract high quality productions to the region and stimulate career pathways and high value jobs for screen & digital creatives.

Our submission

This evidence has been compiled in consultation with our directors, staff and trustees and incorporates the views of our many beneficiaries, sector networks and partners who have contributed to our ongoing Baseline survey and to additional informal research and group discussions.

What has been the immediate impact of Covid-19 on the sector?

There has been a dramatic effect on Cornwall's creative sector. With all cultural and community venues closed, and creative experiences and projects cancelled or postponed, a high proportion of practitioners and businesses saw their work dry up entirely overnight.

Within the Creative Kernow Group these impacts were experienced as follows:

Carn to Cove's programme of 50 touring theatre and music shows to small village venues across Cornwall and Devon was cancelled. Earned income for the year is projected to be reduced by at least 75% compared with 2019/20.

Cornwall 365 anticipate a 50% reduction in advertising income from the events listing platform www.cornwall365.com. The reduced team have supported event organisers through free promotion of cancellations and postponements and curating weekly newsletters of digital events.

Open Studios Cornwall, held annually in May and a key retail and showcasing opportunity involving 337 artists was cancelled.

Screen Cornwall location and crew enquiries plummeted to zero between mid March and mid June as film and TV production was immediately halted.

In the first week of lockdown FEAST repurposed its funding pot and launched a new fund called Re –Ignition. Artists could apply for grants of up to £1,000 with no match funding to deliver creative projects in their communities (either geographical or communities of interest) which addressed the worst social impacts and isolation of lockdown.

Creative Kernow staff commenced working from home and communal areas of Krowji were closed to prevent virus transmission.

Construction works for Krowji Phase 2 capital project to add an additional 21 studios was closed down until safe working conditions could be established. This has added a delay to the opening of these spaces.

The Cultivator creative business development programme successfully moved all client sign up and services online. There are now 288 clients on this second programme.

Cultivator have led on the development of the Baseline survey in partnership with Cornwall Council and the Cornwall and Isles of Scilly Local Enterprise Partnership. Over 200 responses have been received to date. The survey will remain open until 6th July with a full report planned for publication at the end of July. Interim results are summarised in the following section.

Wider Sector impact

The Baseline survey results present a sobering picture of the economic impact of the pandemic. The full report will aim to explore the social and creative/artistic impact in greater depth.

From the responses (62% of which were from freelancers and sole traders):

- 80% of businesses have suffered financial losses as a direct result of Covid19. This figure is increasing as the survey progresses.
- Total Direct Financial Loss: in excess of £3.8 million
- Average loss: £26,500 making up 28% of annual income
- 29% of all respondents still do not think they are eligible for any government support
- 67% of all respondents will not survive for more than 6 months without additional support, and 44% believe they will not survive for more than 3 months.
- 98% of all respondents expect Moderate to High impact on the operation of their businesses and organisations
- 54% believe it will have a High Impact on their business / organisations even beyond the lockdown

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

Feedback from the sector suggests that businesses who are eligible for support have found the schemes reasonably easy to navigate and the turnaround on payments has been efficient. Our concern is for the high proportion of businesses who appear to fall through the net. This is often because the business has not been trading for sufficient time to qualify.

Many freelance artists have been angry about the way emergency funding has been distributed, seeing it as a confirmation of the elitism of art and a concentration of resources in big NPO's, particularly in London. Some artists in Cornwall have received emergency funding from the Arts Council but more have not, and that exacerbates feelings of isolation and disenchantment. The government's blanket emergency grants to support businesses, being non discriminatory, have had a better psychological impact than the Arts Council's.

The Baseline survey recorded the following take up rates for different support schemes:

Self employment Income Support Scheme	39%
Not eligible for support	29%
Small Business grants	23%
Coronavirus Job Retention Scheme	19%
Deferring VAT/Income Tax	17%
12 month business rate holiday	8%
Statutory Sick Pay Scheme	7%
HMRC Time 2 Pay	6%
Business interruption loan	2%
Retail Hospitality Leisure grants	1%
Bounce Back loan	0.5%

Creative Kernow has utilised the job retention scheme to furlough 7 members of staff whose posts were funded through affected income streams. Covid related RHL grants (Retail, Hospitality & Leisure), which compensate for the loss of income, have been approved for the four meeting rooms at Krowji. Nearly all of the studio tenants at Krowji were eligible to apply for the Small Business Grant Fund, of the approx 97 registered spaces we have confirmation that 80 have applied for and received the £10,000 grant, which has enabled many of them to continue their tenancies at Krowji.

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

The Baseline survey identifies the greatest long term impacts on creative businesses as further loss of income as the anticipated economic recession impacts on consumer and supply chain spending. Business growth and innovation are also under threat with many reporting that the pandemic will reverse or significantly stall planned projects. After financial support, the most cited request for assistance from the sector was for advise, guidance and training in adapting business practice to our 'new normal' through

We anticipate a long term effect on the confidence of new creative businesses and emerging creative practitioners, particularly graduates. If these individuals are unable to access financial support and tailored sector specific advice, we anticipate falling numbers of new business registrations. Many will continue to work in precarious freelance situations or abandon creative practice altogether.

Cornwall's ambition to be a leading rural creative economy will be significantly harmed by COVID-19 and its longer-term effects, both in terms of external investment and audiences, which will coincide with the end of European funded programmes. Therefore information about the proposed Shared Prosperity Fund is needed urgently to rebuild confidence and energy, to provide additional support for the sector. With much loved and exported series such as Doc Martin and homegrown hits such as BAFTA-winning BAIT, which had been due to have its US premiere at the SXSW festival in March, Cornwall's role in the UK's international profile is vital.

A reduction in arts project funding drying up for any length of time combined with social distancing will see the decimation of the sector and the contribution it can make to the well being of society. At a time when it is that clear people are crying out for creative and collective activities, opening up the route for individual artists to apply for funding and resources to adapt will be essential.

Community spaces and cultural venues will need to adapt to allow audiences to attend performances whilst adhering to social distancing measures. They will require support to address the cost implications involved with altering seating arrangements, providing extra cleaning, changing ticketing methods (to allow cashless transactions), adapting catering processes to maintain some income from bars/refreshments. Artists and companies will need to consider how their work can be safely presented in a landscape that is likely to include reduced audience numbers and higher touring costs. Support will be needed to help with additional costs in travel and accommodation (hospitality with promoters in homestay accommodation may not be possible) and in considering quarantine arrangements for actors to rehearse, perform and tour together if they are not from the same household. Advice and funding support will be crucial here.

Cornwall's visitor economy is vulnerable and we anticipate a return to the high volume, low value tourism model that will see a large and unmanageable influx of visitors in July and August and low numbers during the rest of the year as the weather deteriorates and activity moves indoors. As an organisation we have worked hard to promote Cornwall as a year-round cultural and creative destination. We repeat our plea to Visit England/Britain to make use of and build on the resources invested in through the ACE funded Cultural Destinations programme such as audience data sharing, digital content and business networks so that locally developed solutions can join together to create greater national impact.

Communities remain anxious about the re-opening of Cornwall to visitors. Lockdown has produced isolated but nevertheless worrying examples of unfamiliar faces being refused custom or asked to leave. People who look different are particularly vulnerable and with current tensions simmering around the BlackLivesMatter protests we are concerned that our predominantly white communities will be branded as unwelcoming. The creative sector is well-placed to promote inclusion, shared learning and debate using creativity to overcome difference. Cornwall needs to be able to access investment and resources to address its rural diversity issues.

Diversity and sustainability are at the forefront of how Creative Kernow operates, and our programmes to widen accessibility to careers in the sector and to grow

participation in an environmentally responsible way could suffer from the long-term financial effects of the pandemic.

“ We will need a really focused and well-funded marketing campaign to get people back into arts venues as soon as restrictions are lifted.

- Small Arts Venue

“ Stress and anxiety is a major impact we can see for ourselves and those we work with. On the one hand, creative thinkers are extremely adaptable, but on the other hand, stress and uncertainty hampers creative thinking. Personally, unless we can secure some financial help, I will have to look elsewhere for employment, halting planning and setting us back 6-12 months.

- Visual Art Organisation

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

The slow response to the needs of the freelance community upon which the creative sector is built was disappointing. We are concerned that this reveals a gap in understanding between DCMS and Treasury about the make-up of our sector and we question what can be done centrally to ensure that this evidence also reaches other government departments.

DCMS needs to recognise the role of regional organisations like Creative Kernow which have developed the right infrastructure and networks to connect to the unseen creative practitioners and businesses who are not on the radar of national distributing agencies such as ACE or BFI. A proportion of national grant funding should be ring-fenced for this tailored and context specific regional approach to ensure the continued growth of the creative sector particularly in vulnerable rural areas.

The erratic spacing between the issuing of guidance and actual changes to restrictions have caused widespread confusion and anxiety. Visitor facing businesses for example have still not been issued with guidance when it is widely anticipated that overnight stays will be allowed from the beginning of July. The gradual re-opening time schedule issued in the Republic of Ireland was a good example of how businesses could plan around different stages of re-opening if public health conditions were met.

On a more positive note, our experiences and evidence make an emphatic case that the creative sector is quick to adapt and rise to the challenge of new environments and situations. This is not surprising but should be noted and celebrated as we are a sector at the forefront of developing and evolving ways of working. Audiences also have the appetite to access cultural content in new ways and have done so with surprising ease.

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

We advocate for the continued investment and support for rural creative hubs where creatives are collaborating with each other, developing cross-sector supply chains, networking and connecting more than ever with digital audiences. Additionally the creative hub provides the infrastructure for vulnerable freelancers and micro businesses, connecting them to valuable business and welfare support and helping to document and advocate for their huge, but often overlooked, contribution to the UK economy and international brand. There is dynamic and exciting practice outside urban centres that is driving innovation in culture, heritage and tourism for which funding should be ring-fenced.

The end of European funding in Cornwall in 2022 means that Cultivator, the only creative industries specific business and skills support programme, will cease. Prior to the Covid 19 emergency, in their manifesto, the Creative Industries Federation highlighted the importance of sector specific business support programmes for the successful development of the creative industries sector. The continuation of such a programme in Cornwall will be even more essential in light of the impact of Covid across the sector.

Research and data to underpin the development of context specific creative industry strategy and practice continue to be under-resourced and over reliant on metrics which attempt to define diverse creative practice in rigid categories. We would welcome a greater emphasis on mixed research methods that make use of technological innovations to capture the complexity of the cultural and creative ecology of Cornwall.

We feel strongly that Covid-19 should be viewed as a test for how the sector will deal with climate emergency and we are committed to pushing the creative sector regionally and nationally to focus on environmental sustainability. There is a real opportunity to capitalise on the reduction in carbon emissions during lockdown to drive the uptake of carbon footprint tracking in the sector and bring forward the target date for net zero emissions. The publication of sector statistics on sustainability by region will reflect the huge disparities across the UK and we call for greater support to join up thinking across government and eliminate contradictions in policy between, for example, tourism and the arts.

We call for a renewed focus on diversity and inclusion in the sector. As the creative sector rebuilds, re-entry and recruitment schemes should be developed with diversity as their founding principle - there should be no special diversity initiatives.

The Covid crisis has highlighted how transferable creative skills can be harnessed to overcome challenges - fashion/costume designers making PPE, unit managers and drivers supporting pop-up hospital sites for example. There are opportunities to connect with other sectors that might need creative skills to help their own recovery. Design based processes and creative engagement should be employed to design the post COVID world with challenges presented and accessible to businesses of all scales.

Finally, we urge the UK government to adopt a broader definition of growth to underpin recovery. Success in the creative industries and our nation as a whole should not just be economic but also environmental and social. Cornwall is building strong expertise and practice in alternative models including Doughnut economics where wellbeing is a key measure for success. Here the small scale of our industry serves us well in engaging audiences and networks to experiment in doing things differently and which will create inspirational blueprints for communities around the UK.