

Written evidence submitted by GuildHE & ukadia

GuildHE & ukadia response to the DCMS Committee on the impact of Covid-19 June 2020

About GuildHE

GuildHE is an officially recognised representative body for UK Higher Education. Our members include universities, university colleges, further education colleges and specialist institutions from both the traditional and private sectors. Member institutions include some major providers in professional subject areas including art, design and media, music and the performing arts; agriculture and food; education; law, business and finance; health and sports.

About ukadia

The United Kingdom Arts and Design Institutions Association (ukadia) is a group of specialist arts and design institutions from across the UK's higher and further education sectors. We work together to promote, nationally and internationally, the key contributions of specialist colleges to the UK's world-renowned reputation in visual arts, performance and the creative and cultural industries.

Summary

We respond to this consultation on behalf of our member universities, university colleges and higher education providers so that their role in the socioeconomic recovery of all parts of the UK can be realised.

1. We strongly argue that smaller and specialist universities have a major role to play in the recovery of the UK's creative economy by providing business innovation and support.
2. We suggest that regional investment funds, especially those with a research and development focus, could stimulate the diverse mix of small SMEs, microbusinesses and freelancers.
3. We suggest that placements and internships for graduates will help the economic recovery of the UK and that all universities and higher education providers, regardless of size, should be enabled to support such schemes for their regions and professions.

Smaller and specialist universities and colleges

4. Our members are resilient, agile and entrepreneurial by their nature. They are dedicated to the professions that they serve and well-positioned to stimulate the growth of key priority economies, such as the creative economy.
5. We are the part of the higher education sector particularly dedicated to and good at placemaking. Many of our members have supported their communities for over 100 years. They are often located in smaller towns, on the edge of cities, or in rural or coastal locations. They are locally significant as employers and community anchors and active partners in Local Enterprise Partnerships.
6. Regional specialist universities, in particular, are agile, industry experts that carry out high impact, practical research and knowledge exchange to grow the UK's world-leading creative industries. They have both import and export strength potential.

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

7. We refer to evidence submitted by the Creative Industries Federation on the scale of impacts felt by all parts of the creative economy and its sub sectors.
8. We also draw attention to the Arts Fund (eg <https://www.artfund.org/blog/2020/05/15/results-from-our-covid-19-survey-of-museum-professionals>)
9. The observation of our members has been that the most immediate and sudden impacts have been on organisations such as regional theatres, museums, heritage assets, which have had to immediately close and furlough staff
10. A large percentage of the sectors we serve are made up of small, microbusinesses and freelancers. The delay in government realising and making available grant support for freelancers has caused economic and emotional stress for many thousands of individuals
11. Many businesses are surviving and planning on a day-to-day basis which is reducing their capacity to think towards recovery and growth. For example, our members have reported that it is increasingly difficult to find organisations in a position where they can take on student placements, which will impact the supply of talent to the creative economy and its ability to recover.
12. There have also, of course, been innovations. In the absence of live entertainment, the broadcasting and audiovisual industries have obviously played a growing role in satisfying the population's appetite for culture. This is evidenced in the take up in subscriptions to broadcasting platforms like Netflix and Apple TV but also in the ways that theatrical and music fare recorded prior to the lockdown has been streamed through different fora. Much of this has been streamed for free – as with the National Theatre Home initiative – and it has shown how a national theatre can serve as a nationwide, rather than a capital-based, public service.
13. Many who have never set foot into the National Theatre have engaged with its online streaming and the comments on the YouTube streaming platform make clear what it has represented for them in terms of enjoyment, delight, pleasure and emotional wellbeing.
14. However, there is a challenge. Artistic labour needs to be paid for. This is not a hobby. Sharing productions through streaming for free has been a remarkable gesture of civic duty. Once the cultural offering has been released for free, however, it proves difficult to move to pay on demand or subscription models to help ensure the short- and mid-term sustainability of the UK's cultural bodies.
15. The way in which the public have needed and embraced the arts during this time cements the importance of arts and culture to the welfare of this nation, but without continued support and investment, the industry is in danger of collapse.

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

16. n/a

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

Impacts

17. Many parts of the industry are interconnected - for example, the hospitality and tourism sub-sectors are reliant on arts, heritage and cultural institutions reopening so as to attract business. Without careful planning that reflects this interrelated nature, there is a strong risk that the wider economy will fail to restart (bearing in mind that services make up about 80% of UK GDP¹) resulting in a spiral of decline.
18. For example, work has paused for other parts of the creative economy. Regions that were in the process of establishing creative clusters in rapidly growing sub-sectors such as screen and VR.
19. Creative focussed, specialist universities have been playing a central role in driving the development of such clusters through both business support and the supply of talented graduates, encouraging them to remain in their regions of study.
20. There is a real risk that a contracting economy will lead to market failures as these clusters fail to develop and graduates and recent employees move away to more prosperous areas because there is not as much socioeconomic resilience built into poorer regions of the UK. This would entrench existing inequalities between regions. This would miss an opportunity to support the rebalancing of the economy and to mitigate the social and economic impact of Covid-19 outside London.
21. The creative sector is more a complex supply chain rather than just a standalone sector. Micro-business tend to be overlooked who need creative skills too. So we also need to consider the full supply chain as well as those based in the specific creative industry. There are also regional variations on the skills needs which we need to address and a gap in the creative skills being built up in schools due to the various school's reforms.
22. There also needs to be a recognition that it is not simply the larger buildings-based institutions that need support. For example, the fluid nature of the UK's performing arts ecology means that small- and mid-scale touring companies and short films provide an important terrain for actors and designers, often cast or employed in their first jobs. To protect the large-scale at the expense of the small-scale will threaten a cultural landscape in which artists and actors work in a highly fluid manner across theatre, film and broadcasting sectors.

Support and solutions

23. Support locally-led efforts as everywhere is different. Local conversations, involving the full diversity of society, should be convened, as sustainable solutions may arise from unexpected places.

¹ <https://commonslibrary.parliament.uk/research-briefings/sn02786/>

Creative investment

24. There needs to be greater support for freelancers and entrepreneurs. This could involve looking again at how the Future Jobs Fund and Enterprise Fund could work together and be tied in with apprenticeships to help start ups.
25. Government could encourage regional angel investment in sectors such as the creative economy in order to help companies, businesses and others with potential to grow. This could involve liaising with specialist universities who are experts in entrepreneurship and already nurture creative talent. The institutions could act as coordinators for other actors in the local area.

Business innovation and support

26. Support for university business incubators which can help provide advice, office space etc co-location in universities can ensure both space to work with other entrepreneurs and have a supply of graduates. Indeed a number of institutions provide integrated enterprise opportunities with qualifications such as Masters.
27. Resilience and bite-size support (eg MOOCs). Many creative specialist institutions are already engaged in supporting students to set up their own businesses. This work should not stop and could include additional online elements such as online MOOC style activities for graduates. These would be to help support their career goals and ongoing wellbeing - for example in starting your own business, goal setting, skills development (CPD lite) dealing with having to take a non-grad job whilst waiting it out and how to keep motivated.
28. These programmes could be expanded to include existing businesses (perhaps through an innovation voucher scheme) that allows people to access relevant, practical support and training on how to build resilience and take advantage of new opportunities in the Covid-19 recovery world.

Placements & internships for graduates

29. Larger universities in cities have been able to repurpose HEIF to support placements for graduates at local businesses - graduates receive a bursary and the business receives some extra capacity. This is not possible for smaller universities that do not receive HEIF. Introducing a form of KE capacity enabling funding would allow similar schemes to be developed for key economic sectors, such as the creative and cultural, who will need talented employees as they start to recover in poorer parts of cities, rural and coastal locations. It will help improve the stickiness of regions and would be particularly valuable in places reliant on SMEs to drive the economy.
30. Follow on placement support through schemes such as Santander Universities. Currently very few specialist universities are involved in the scheme. A joined-up, facilitated national approach could be developed for the regions - ie by acting together, smaller institutions could access the scheme to support their graduates at local levels in order to restart the local economy
31. The apprenticeship levy is a good start for larger companies to encourage them to invest in the skills of their employees but consideration should be given for how small and micro businesses are able to access apprenticeship levy funding even if they are not contributing to it at the moment, it will act as an investment in future contributors to the levy.

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

32. N/a - it may be too early to answer this question.

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

33. DCMS should seek cross departmental coordination, especially with BEIS, DfE, MHCLG and Treasury to make a strong case for the creative sector.
34. DCMS should reassess its relationship with the higher education sector. DCMS must consider the role of smaller and specialist universities and colleges as vital to supporting the future talent needs of the sector and in driving innovation in their locality so that they can deliver wider economic growth and prosperity. They are at the centre of providing the pipeline of talent into the creative industry, and improving the cultural engagement of the communities they are situated in.