Written evidence submitted by Buckinghamshire Local Enterprise Partnership, Buckinghamshire Business First and Visit Buckinghamshire and the Chilterns

Call for evidence on the impact of Covid-19 on sectors under the Department for Culture, Media and Sport remit.

1. Summary

Creative industries

1.1. As was the case across the UK, Buckinghamshire's creative industries experienced an immediate hit from the pandemic. Buckinghamshire's globally recognised film and high-end TV cluster was impacted by the pausing of filming at Pinewood, which had a knock-on impact for a wide range of suppliers. The advertising and performing arts sub-sectors also experienced immediate impact.

1.2. With filming returning to Pinewood, the signs are good for a strong bounce-back for the film and TV sub-sector, and focus is now turning to how those losing jobs in other sectors could re-skill to fill areas of skills shortage within the sector. DCMS support to aid such initiatives would be welcomed.

Visitor economy

1.3. Businesses operating within Buckinghamshire's visitor economy experienced their revenue tap being turned off overnight at the start of their profitable summer season. As a result, many are struggling to survive.

1.4. The Job Retention Scheme, along with grants and rates relief have been most welcome, however, some businesses have not been eligible and have slipped through the support net.

1.5. There have been some great success stories with businesses pivoting and creating new and successful revenue streams. Many have moved online. There has been a strong community spirit and collaborative approach to working, which it is hoped will continue post-Covid.

1.6. As many businesses work towards a 4 July re-opening, the challenges faced are two-fold:

- Reassuring the public of their safety
- Operating in a financially viable way with 2m social distance measures in place

1.7. The focus of Visit Buckinghamshire and the Chilterns as a DMO is to ensure businesses are supported through this next phase with on-going advice and through marketing campaigns. Consumers need to know we are a safe place to visit and be encouraged to plan ahead and pre-book before travelling.

1.8. We ask that central government extents its financial support for businesses operating within the sector; provides additional funding to DMOs to run campaigns to promote local days out and domestic tourism; and relaxes planning laws to allow business to utilise their green space, or outdoors areas such as pavements.

Digital

1.10. Whilst the digital tech sector is predicted to be able to weather the Covid-storm relatively well, and digital firms have been able to switch to home-working swiftly, some are concerned about the impact of a forthcoming recession. As a result, local companies have reported recruitment freezes.

1.11. In terms of digital infrastructure, we ask that government places greater emphasis on the flexibility that satellite connectivity can provide, and, given the presence of the Westcott Space Cluster within the county, considers Buckinghamshire as a location for pilot activity in this area.

2. About us

2.1. Buckinghamshire Local Enterprise Partnership, Buckinghamshire Business First and Visit Buckinghamshire and the Chilterns provide support to and a voice for local businesses operating within sectors under the DCMS remit.

2.2. Our response predominately focuses on the impact of Covid-19 on Buckinghamshire's creative industries (mainly film and high-end TV) and tourism sector.

3. Evidence

3.1. Evidence presented in this section is drawn from Buckinghamshire Business First (the Growth Hub for Buckinghamshire) Covid-19 related business enquiries data; an on-line survey of tourism businesses conducted by Visit Buckinghamshire and the Chilterns and Buckinghamshire Business First between 28 and 30 April (50 responses); and qualitative information gathered from local tourism and creative industries sector groups.

Immediate impact of Covid-19 on Buckinghamshire's Creative Industries

3.2. In the region of 4,700 creative industries businesses operate within Buckinghamshire, employing approximately 16,000 people. In addition, a large number of freelancers work within the sector.

3.3. Buckinghamshire's share of employment in the creative industry is more than twice the national average and is 3rd highest of all 38 Local Enterprise Partnership areas. Specific specialisms include: film and TV; music, performing and visual arts; PR and communications; and computer services.

3.4. The world-class assets of Pinewood Studios and the National Film and Television School are located within Buckinghamshire.

3.5. The pausing of film and TV productions at Pinewood (and elsewhere) had a significant immediate impact on Buckinghamshire's creative cluster. Many local firms saw all their work dry up and were not eligible for local authority grants.

3.6. More generally, where short-term contracts and freelancing are the norm, many creative industry workers struggled to access support, or were not able to access financial support for a lengthy period. There is evidence of some freelancers taking up jobs in other sectors and selling specialist equipment (such as filming equipment) to survive financially. There is a fear that it may be hard to encourage skilled individuals back if they have secured stable employment elsewhere.

3.7. Some examples of impact are provided below:

Example 1: A supplier of prosthetics, animatronics and special make-up for film, TV, and theatre experienced their revenue dry up overnight. They have furloughed all their PAYE staff (approximately 10).

Example 2: A camera operator in the film industry has a limited company and is paid via dividends which limits financial support available.

Example 3: A business that provides security for the film industry has had all their contracts cancelled putting four jobs at risk.

Example 4: A stage school has relatively low turnover but high business rates (over £51,000) due to the large space required, and therefore is not eligible for local authority grants. They are operating virtually to a degree. The agency side of their businesses has been hit by all West End and touring shows closing and film and TV production ceasing.

Immediate impact of Covid-19 on Buckinghamshire's tourism sector

3.8. In the region of 2,600 tourism-related businesses operate within Buckinghamshire, employing approximately 22,000 people.

3.9. As is the case nationally, tourism businesses in Buckinghamshire have been severely impacted by the Covid-19 pandemic.

3.10. Since mid-March, around 300 tourism and hospitality businesses have contacted Buckinghamshire Business First and Visit Buckinghamshire and the Chilterns seeking Covid-19 related support.

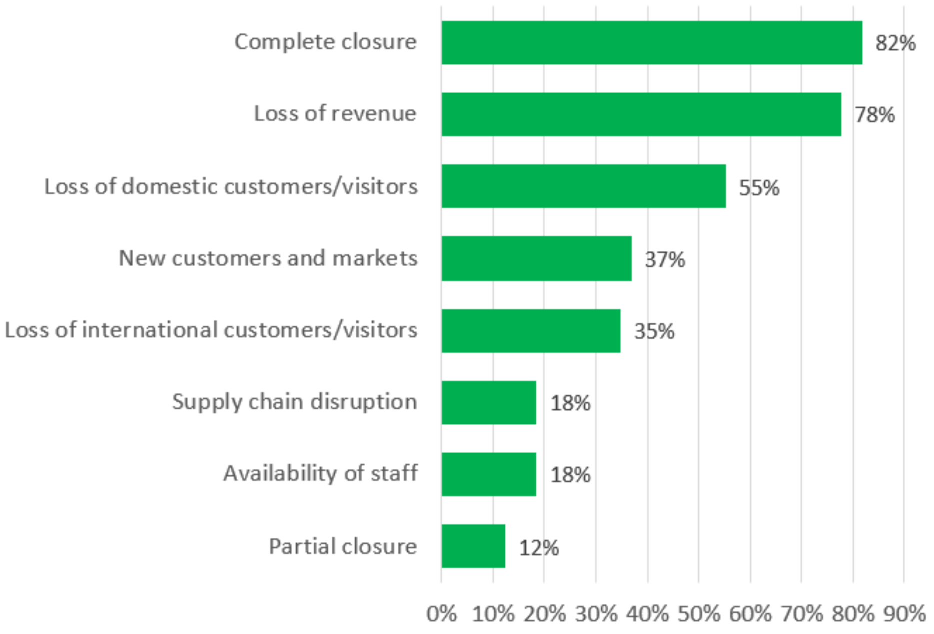
3.11. Approximately two thirds of enquiries were about the grants available to tourism, hospitality and retail businesses. Many businesses slipped through the net and have been unable to access grants for various reasons, most notably because they: don't pay business rates; have a rateable value of more than £51k; can't furlough staff (e.g. animal parks where there is duty of care); or are new start-ups and have insufficient accounting evidence. Some firms have been reluctant to take on debt in the form of government loans.

"We do not make any surplus; our museum exists thanks to generous donations that make it possible for us to break even whilst providing a quality experience. So taking out a loan, whilst trading at a far lower level than before the lockdown, is a bad option for us".
Steve Gardam, Director, Roald Dahl Museum

3.12. 50 tourism businesses responded to an online survey conducted by Visit Buckinghamshire and the Chilterns and Buckinghamshire Business First between 28 and 30 April.

3.13. The vast majority of those responding to the survey (82%) completely closed their business as a result of Covid-19, with an additional 12% reporting partial closure (chart 1). More than three quarters of respondents (78%) reported a loss in revenue. Approximately a fifth reported problems with the availability of staff, and a similar proportion had experienced supply chain disruption.

Chart 1: How tourism businesses have been affected by Covid-19



3.14. To compound matters, there was (and remains) great concern about the loss of the spring/summer season which many rely on to generate sufficient income to be profitable across the year.

"This loss of income is incredibly worrying. The real danger is that COAM may not have the opportunity to generate enough income over the 2020 season to survive through the winter 2020-21 closure. Even if the government relaxes the rules allowing COAM to open in the summer, it is likely there will be restrictions on activities and visitor numbers for a further period which will inevitably limit the museum's ability to recover the lost income".
Sam Hatfield, Museum Director, Chiltern Open Air Museum

Likely long-term impacts of Covid-19 on Buckinghamshire's Creative Industries, how can the sector evolve and what support needed

3.15. With activity at Pinewood resuming, early indications are that the film and TV sector will bounce-back relatively quickly over the next six months.

3.16. Key players within this sub-sector locally are keen to attract talented individuals who have lost jobs in sectors which are likely to recover less swiftly.

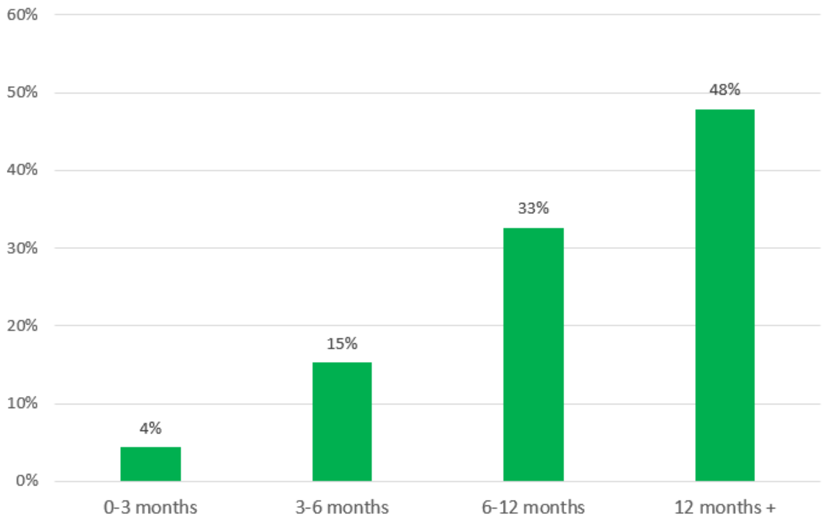
3.17. Buckinghamshire LEP is keen to support initiatives to retrain individuals to enable them to fill skills gaps within the screen sector. One example could be retraining aviation accountancy staff who have lost jobs at Heathrow to become production accountants, which is an acute skills shortage in the screen sector.

3.18. High numbers of applications for National Film and Television School courses are encouraging in terms of the future pipeline of talent.

Likely long-term impacts of Covid-19 on Buckinghamshire's tourism sector, how can the sector evolve and what support needed

3.19. Approximately half of all those responding to the survey believe that the impact of Covid-19 will be felt by their business for at least the next 12 months. Suggesting that a quick 'bounce-back' is unlikely for many. Approximately a fifth are relatively optimistic, believing that the impact will have passed within the next six months (chart 2).

Chart 2: Length of time impact will be felt



3.20. Operational difficulties respondents anticipate when looking to reopen their business are summarised and illustrated below:

- Implementing cleaning and hygiene measures

  "Cleaning a large venue fully, in a very short turnaround time"

  "Need greater change-over time between guests (currently 5 hours) to allow for additional cleaning and disinfection"

- Social distancing would reduce customer numbers and not be financially viable

  "Due to social distancing, when we re-open we will need to reduce our capacity to about 20% of what it was before, but with 100% of the bills. Doesn't really add up".

  "I need the government to understand that not all museums are publicly funded, that not all visitor attractions have diverse enough income streams to allow for 'innovation' or 'pivoting', or the space to provide a worthwhile visitor experience under any kind of social distancing measures. If the world is not yet normal, then we cannot get back to normal without help. There is a huge amount of potential, expertise, insight and energy in the independent museum sector, that is vital to the national culture and the national economy, and with help we CAN recover, and be part of a future worth having. However, it comes down to this: if not enough people buy tickets, we are in trouble".

- Inability to create an atmosphere / experience

  "[We need people] running around and touching things: that is the whole point of a visit. We may as well stay closed rather than try and operate with social distancing in place. To try and do that will kill the 'experience economy' of museums, bars, restaurants, etc"

- Unable to access staff due to volunteers over the age of 70 being classified as vulnerable

  "Many of our volunteers are retired, they may not want to volunteer any more due to their vulnerability until a vaccine is found".

3.21. Many of the Chilterns museums and visitor attractions rely on volunteers as a key resource to support their operations. Many volunteers are retired and in the shielded group category, and it is likely they will need to self-isolate for much longer. Museums and attractions will need help recruiting volunteers for when they re-open.

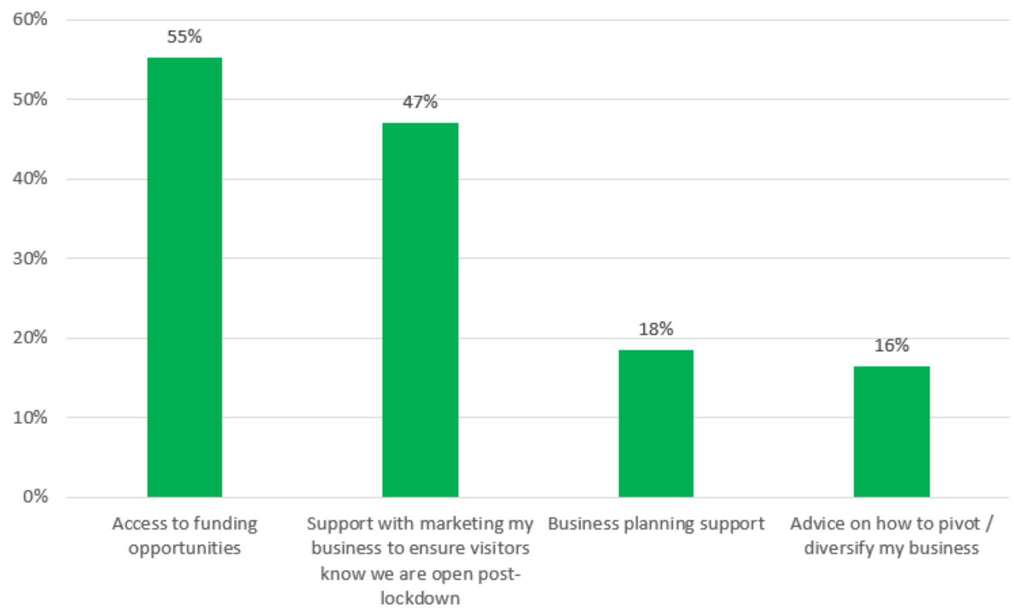
*"Traditionally the **Chiltern Open Air Museum** has relied on the support of a fantastic team of volunteers, many of whom are retired and/or in shielded groups so are no longer able to help during the Covid-19 emergency. This also means that once the lockdown is relaxed and the museum has the go ahead to open again, it may well struggle to find the numbers of people and volunteers needed to reopen and to keep the site going".* **Sam Hatfield, Museum Director, Chiltern Open Air Museum**

3.22. Survey respondents were asked what further, or continued, financial measures they envisaged needing from Government when restrictions begin to be lifted. Comments provided are summarised below:

- Further grants (some respondents stating that they were unable to, or didn't want to, take out loans). Including:
  - Grants to pay for new costs associated to keeping customers safe (to enable them to reopen with social distancing / additional cleaning)
  - Grants for businesses not paying rates
  - Grants for businesses with high rateable values
- Extensions to existed schemes (in particular the JRS)
- Help for landlords to be able to postpone rent payments
- Better access to borrowing
- Support for start ups
- Support for firms where directors are paid in dividends

3.23. In terms of other support and advice to help business resilience in the recovery period, 'access to funding opportunities' topped the wish list (chart 3). Around half of all respondents said that they would welcome marketing support. Around a fifth said that they would like business support, and support to pivot their business, respectively.

Chart 3: Non-financial support and advice that would help business resilience



3.24. Survey respondents were asked what fiscal measures the Government should take to boost business in the hospitality and tourism sectors in the immediate aftermath of Covid-19 restrictions being lifted. VAT-related measures were most frequently mentioned. Suggestions included: removing or reducing VAT for hospitality and leisure businesses; establishing a tiered VAT system; and removing VAT from ticket prices. Others mentioned further grants and extensions to existing schemes. Whilst not necessarily a fiscal measure, some respondents mentioned the need for national and local marketing campaigns to encourage people to take UK holidays and visit local attractions.

3.25. In terms of attracting overseas visitors, common suggestions for Government were:

- Ensuring Covid-19 testing, tracking and tracing is happening and working
- Covid-19 testing at airports
- Overseas marketing campaigns
- Financial incentives for overseas visitors (e.g. reducing airport taxes)
- Increasing funding to tourism bodies
- Funding for attractions to extend the visitor season
- Delaying Brexit
- Clear advice

3.26. DMOs like the Chilterns Conservation Board (Visit Chilterns) and Visit Buckinghamshire need capacity and resource to make the case to domestic visitors of the benefits and convenience of local days out. Previous crises (e.g. Foot & Mouth) have shown that domestic visitor markets recover first. The public health message needs to be clear and unambiguous to encourage widespread return to visitor venues and to give them confidence that it is safe.

3.27. Government should work with DMOs to create compelling national and regional campaigns to book UK inbound tourism when the time is right. These campaigns need to be well funded and co-ordinated. Staycations need to be encouraged and outward-bound tourism to other destinations discouraged.

3.28. There needs to continue to be support for community retail and food outlets - markets, farmers' markets, independent retailers and local producers – to encourage the narrative for people to spend and support locally. Build on the positives of Covid-19 – the community working together, supporting local initiatives and spending with small, independent businesses, not just supermarkets.

3.29. There will undoubtedly be a tension between rural tourism and hospitality businesses wishing to re-open and get back to business versus local communities (where the businesses are located) being concerned about the possible spread of the virus with the return of visitors. Key to addressing these tensions will be clear messaging from the Government about the public behaving responsibly when they visit the countryside and rural businesses. Extending/expanding the 'Coronavirus Countryside Code' campaign launched by Defra/Natural England will be essential.

4. Recommendations

Our recommendations for DCMS are listed below.

Creative industries

4.1. National support is provided to local initiatives to match people being made redundant from the aviation and other sectors to skills shortage roles within the TV and film sector.

Visitor economy

4.2. Financial support is extended to cover businesses unable to open until later in the year, and unable to operate at viable capacity straight away.

4.3. DMOs like the Chilterns Conservation Board (Visit Chilterns) and Visit Buckinghamshire are provided with additional funding to help re-build and promote local days out and domestic tourism.

4.4. Clarity is needed as to what ‘safe’ looks like to restore customer and corporate confidence. Active ‘policing’ of visitors and visible cleaning of sites will be paramount.

4.5. Options for extending the tourism season are explored, such as increasing opening times to enable businesses to open from July through to Christmas to make up for lost revenue, and to accommodate smaller numbers through the door at any one time

4.6. Planning laws are relaxed to allow business to utilise their green space, or outdoors areas such as pavements.

Digital

4.7. Government places greater emphasis on the flexibility that satellite connectivity can provide, and, given the presence of the Westcott Space Cluster within the county, considers Buckinghamshire as a location for pilot activity in this area.