

Written evidence submitted by Leeds City Council

DCMS Inquiry – Impact of Covid-19 on DCMS sectors – Leeds City Council

Best Council Plan 2020 to 2025

Tackling poverty and reducing inequalities

Our ambition is for Leeds to be the best city in the UK: compassionate and caring with a strong economy; which tackles poverty and reduces inequalities; working towards being a net zero carbon city by 2030. We want Leeds to be a city that is distinctive, sustainable, ambitious, fun and creative for all, with a council that its residents can be proud of as the best council in the country.

About Leeds

Leeds is a growing city with a population estimated at 789,000 (est.), an increase of nearly 40,000 since the last Census in 2011. The shift in the make-up of our population at local levels is striking with rapid changes particularly in some of our inner-city communities, many of which are the fastest growing and have the youngest age profile.

Leeds is the main driver of economic growth for the city-region, and has key strengths in financial and business services, advanced manufacturing, health and creative and digital industries, with a strong knowledge-rich employment base. These strengths, linked to the city's universities and teaching hospitals, are major innovation assets for Leeds. Leeds also performs well in terms of business start-ups, with strong growth in digital and medical technologies, telecoms and creative industries.

Almost 470,000 people work in the city with three quarters in the private sector, putting Leeds in the top five nationally for private sector employment. Pre-Covid, Leeds was experiencing record levels of development and was popular with Foreign Direct Investment. Strong private sector growth since 2010 had maintained the city's employment rate above average for the region.

The 2019 Indices of Multiple Deprivation tell us that around 186,000 people in the city live in areas that are ranked in the most deprived 10% nationally, many of whom are aged under 15 or over 65, an increase of more than 20,000 people since 2015. This level of disadvantage and inequality has seen the worsening of some social challenges too, with a 21% rise in the number of people accessing foodbanks supporting almost 34,000 people in Leeds. Covid-19 will have inadvertently served to have deepened inequalities, heightening the UK challenge to 'level up'.

About Leeds City Council

Leeds City Council provides a wide range of vital public services, working with partners across all sectors to strengthen our economy and communities, and have an increasingly important responsibility to represent the city nationally and on the world stage.

Culture and creativity are significant drivers for growth and well-being in the city, led by the Council's cultural services including: Leeds Museums & Galleries (operating across 9 sites); The Town Hall delivering a wide programme of performing arts and hosting major cultural events such as The Leeds International Piano Concert; Breeze – a creative development programme for young people in the city enriching the talent pipeline and developing creative skills required for future employment.

Our funding programmes – ranging between £100 & £600,000 create opportunities for residents from across the city to engage in cultural activity as a participant, an attendee or a creator. They support a range of organisations including the larger ones such as Northern Ballet, Leeds Playhouse and Opera North, who in turn support the city to achieve a range of ambitions and objectives, creating a greater quality of life for residents, raising our international profile and changing perceptions and attitudes towards culture and the arts.

As well as having our own Cultural Strategy, Culture and creativity are integrated as deliverables into other key council strategies e.g.: Best Council Plan, Inclusive Growth, Health and Wellbeing, Climate Emergency and Our Spaces Strategy (creating new and improved public spaces across the city).

It is a well-established and now basic principle that every person, household and community is entitled to access the wealth of culture and creative opportunities the UK has to offer. Leeds City Council acknowledges and responds to the critical role local authorities must play in ensuring equal access to high quality creative experiences.

About Leeds' creative sector

Leeds is home to a vibrant creative sector and Leeds City Council highly values the diversity of the sector and its contribution to our city. This is an indication of its scale and breadth:

Sculpture – Leeds Art Gallery and the Henry Moore Institute have built one of the strongest public collections of British sculpture in the UK and are part of the Yorkshire Sculpture Triangle, along with our neighbours Yorkshire Sculpture Park and The Hepworth Wakefield.

Dance – Leeds is an international centre for dance. Dancers train and perform with RJC, Balbir Singh, South Asian Arts UK, Phoenix Dance Theatre and Northern Ballet. Yorkshire Dance, the regional dance agency, is head-quartered in Leeds, while community dance groups like DAZL offer opportunities for our young people.

Music – Leeds International Piano Competition is long established in the city. Leeds International Concert Season promotes 200 concerts per year, including an international orchestral season at Leeds' Victorian Town Hall. Brass bands are a key part of our musical heritage and continue to train the musicians of the future through their youth music programmes in local communities.

Museums – With 17 museums, Leeds has more than any other UK city outside of London. These include: The Royal Armouries and Thackray Medical Museum, and two of Britain’s greatest country houses at Temple Newsam and Harewood House. Leeds City Council runs the largest local authority museums and galleries service in the UK operating across nine sites.

Festivals – Leeds’ ‘city of villages’ becomes evident every summer, when over 50 different local galas, festivals, and food/produce shows take to the parks and streets celebrating the rich diversity of the city. Leeds West Indian Carnival, the oldest Caribbean carnival in Europe, attracts over 100,000 people and as an extension of this, we support the delivery of the Black Music Festival which presents music of black origin to over 50,000 people in Potternewton Park. Leeds Pride draws in over 30,000. The Leeds International Film Festival is European BAFTA and Academy Awards accredited. Light Night Leeds attracts over 100,000 visitors.

The Independent Scene – Artist-led East Street Arts provides managed workspaces to visual artists. The Brudenell Social Club, Old Chapel Music Studios, East Leeds FM and Wharf Chambers all play an active role in supporting the independent music sector. There are many independent venues like Belgrave Music Hall, Duke Studios, Left Bank, Live Art Bistro, Seven Arts Centre, and Basement Arts.

Literature & Libraries – As a city we are responsible for running 34 public libraries integrated in community hubs across Leeds. The British Library’s archives are based in Boston Spa and plans are developing to open a new British Library North in Leeds City Centre.

Creative Industries – Leeds is Yorkshire’s creative and digital hub with clusters of TV and radio in the west of the city and advertising, design and web agencies in the south. True North is one of the largest independent TV producers outside London and Screen Yorkshire is at the forefront of championing the film, TV, games and digital industries in the region. In late 2019 Channel 4 began the process of relocating its national headquarters to Leeds.

A national centre for creative and cultural education – Leeds is strong in art and cultural education and many artists, dancers, designers and cultural producers launch their careers in our city. 18,000 students study creative and cultural industries subjects at the city’s universities and colleges each year. Leeds has two Conservatoires: the Northern School of Contemporary Dance and Leeds College of Music, which established Europe’s first ever jazz qualification.

Leeds 2023 – Starting life as Leeds City Council’s bid to become European Capital of Culture 2023, the Leeds Culture Trust was established in 2019 to develop and deliver the city’s ambition for a year-round international cultural festival in 2023. Leeds City Council’s committed investment promises to position Leeds2023 as a publically inspiring symbol of recovery.

In May 2020, Leeds City Council collaborated with other West Yorkshire local authorities and the West Yorkshire Combined Authority | LEP to undertake a Leeds City Region creative sector survey to assess the impacts of Covid-19 on the region’s creative sector.

Some headline results (representing the Leeds City Council data set) are incorporated in this paper.

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

Creative sector survey - Economic impacts on the creative sector

156 survey respondents represent a total turnover of **£82,131,031**

- 137 | 87% - have suffered financially because of the Covid-19 crisis
- 15 | 10% - it remains to be seen
- 6 | 4% - have not suffered financially

£76,868,823 | 94% is the total turnover for those businesses that report to have suffered financially

Private sector income

- 47 | 45% of businesses report a loss of private sector income
- This equate to **£5,808,270 or 39%** of total turnover for those businesses that report to have suffered financially
- 25 | 24% of businesses report that the impacts on private sector income 'remains to be seen'.

Charitable income

- 27 | (18%) of businesses receive regular charitable contributions/donations
- This equates to an average **£4,604,580** per year | 6% of respondents' total turnover

The ongoing status of/impact on charitable donations is currently unknown but should be monitored to ensure that we don't lose the gains achieved in the more equitable national distribution of charitable contributions. 6% of respondents total turnover reported appears relatively low .

Earned/generated income

Note: The survey did not capture information about generated/earned income impacts through this period

Impact on operations

Based on financial reserves and current income levels, we asked survey participants, how long they could continue to operate due to current restrictions:

- 81 | 52% - could continue to operate between 1-6 months
- 57 | 37% - over 6 months
- 18 | 12% - reported that their business had closed or would close within 1 month

It would be wholly unrealistic for us to try to re-establish 'business as usual' – the fact is, business has changed and is changing (and we hope for the better). All businesses have felt the impact of Covid-19 but as we move toward a 'new normal', it will be to our detriment if we do not or cannot account for the critical role councils must play in supporting the stabilisation and recovery of the creative sector – for the benefit of our communities, health and well-being, economic recovery and our current and future creative workforce.

While attention appears to have often focussed on the economic impact on West End theatres and national orchestras, it should not be forgotten that many people in towns and cities up and down the country enjoy a huge range of cultural activity by visiting Local Authority cultural venues and cultural activity funded by local government. In 2018/19 the Arts Council of England's budget, through all its various schemes to fund independent organisations and venues was £600m. That same year the total spend on cultural activity by Local Authorities was £2.2bn, significantly more than Arts Council England's support. However, Local Authority spend on culture is discretionary and is currently at great risk. In many ways local cultural organisations supported by local government such as Slung Low have been the unsung heroes of this crisis. They have set up community hubs to deliver food and medicine to vulnerable adult shielding these past 12 weeks, sourced PPE and made thousands of calls to the elderly to offer assistance. Without this support the grim statistics would be even worse.

If National Government is unable to provide financial support, enormous cuts will be required within local authorities to balance the books and the axe will fall on those non-statutory services that, alongside the creative sector, deliver cultural activity. The result being that Local Authority run cultural venues, organisations and theatres in towns and cities up and down the country will simply vanish and the impact of their loss on the cultural fabric of our nation would indeed be truly catastrophic.

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

The sector survey results tell us that many creative businesses were able to take advantage of the range of govt. support packages available to them. Responses were broken down as – of the 156 responses (*a 'tick all that apply' question*):

Business relief packages:

- 46 | 29% - Coronavirus Job Retention Scheme
- 35 | 22% - Deferring VAT and Income Tax payments
- 18 | 12% - 12-month business rates relief
- 9 | 6% - HMRC Time To Pay Scheme
- 9 | 6% - Statutory Sick Pay relief package for small and medium SME's

Business support grant funds:

- 41 | 26% - Self-employment Income Support Scheme
- 21 | 13% - The Small Business Grant Fund (SBGF)
- 6 | 4% - The Retail, Hospitality and Leisure Grant Fund (RHLGF)

Business loan programmes:

- 16 | 10% - Coronavirus Business Interruption Loan Scheme
- 5 | 3% - Covid Corporate Financing Facility (CCFF)

However, it was notable that a significant number indicated they were not able to benefit from the

range of support schemes available.

- 66 | 42% were either 'not eligible to apply' (56 | 36%) or 'were not aware of the govt. support schemes' (10 | 6%)

A more detailed assessment of the barriers to access local and govt. support packages is warranted and can be undertaken locally (by Leeds City Council) to best effect.

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

The long-term impacts of Covid-19 will be broad and varied.

As above, the majority of Leeds' culture service is non-discretionary and is at risk of closure as part of critical cost saving measures to manage debt incurred by Covid-19. This includes: creative programmes for young people – tackling inequalities and developing the creative skills required for future employment; provision for local and communities, cultural education programmes for and with schools; local authority venues – that, due to their scale and logistics might have a key role to play in supporting the creative sector to 're-open' to the public whilst managing the challenges around social distancing.

Leeds City Council is a key part in the circularity of the local creative economy providing employment opportunities for our large and (pre-Covid-19) growing cultural and creative industries. The impacts of reduction or loss of LCC cultural services would be most keenly felt by culture service staff, freelancers/self-employed, SMEs and the creative services industry.

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

We also asked survey respondents to tell us about their access to Arts Council England's Emergency Response Package.

- 45 | 29% - applied or was preparing to apply
- 66 | 42% - had not applied for funding
- 45 | 29% - 'were not aware of the funding programmes' or reported that they 'were not eligible to apply'¹

On the whole, the Arts Council's response was swift and decisive and the outcomes from their support programmes for individuals and Leeds' creative sector organisations, although much appreciated, won't

¹ When the survey launched (11 May 2020), only the first two tiers of ACE's Emergency Response Package had opened and closed. The 30 | 19% not eligible to apply could have included National Portfolio Organisations (NPOs). Leeds has 25 NPOs currently based in the city alongside recipients of other ongoing funding programmes. ACE launched its third tier of Emergency Response Funding on 12 May 2020 – support for current funding recipients.

deliver security beyond the end of the Summer and new programmes of support will be necessary if we are not to lose this immensely valuable but precarious resource.

Creative Industries Federation are playing a much needed leadership role helping us to understand the impacts Covid-19 across the creative sector and convening national dialogue. This provides an invaluable resource for local authorities (LAs) to understand sector needs, whilst engaging us in a process of identifying solutions. These opportunities for local authorities, such as Leeds have been sparse. The very limited local government representation on the DCMS taskforce risks not integrating LAs as part of long-term recovery.

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

It is inevitable that some creative businesses will close as a result of Covid-19 and we cannot look forward responsibly without seizing this opportunity to review sector business models – helping to ensure that they are more resilient and adaptive to change.

When we launched the sector survey on 11 May (6 weeks into lockdown), we wanted to hear about the creative sector's thinking around adapting their business models and their support needs.

Adapting business/operating models

At that time:

- 95 | 61% of organisations had started to consider changes to their business/operating model
- 50 | 32% said it was too soon to know
- 11 | 7% was either considering no change or had not thought about it.

The areas of change respondents were considering have been clustered under four key themes:

- Digital capacity
- Financial support
- Logistics and planning
- Business development/re-modelling advice and support

Digital capacity

The creative sector has played a phenomenal role in bringing creative activity into people's homes (*where people and households had the capacity*), in connecting people locally, nationally and internationally and in contributing to the mental wellbeing of the nation through this period.

The crisis has allowed us to gain a snapshot of the extent to which creative businesses were able to quickly establish and/or increase an online presence. Whilst the majority of survey respondents were able to achieve this, a significant number weren't.

- 87 | 56% - moved activity online or increased online presence
- 69 | 44% - didn't

There were a range of reasons given for businesses deciding not to or being unable to deliver or develop programmes online, including:

- 36 | 23% - having either no or limited online content, product or activity
- 15 | 13% - considered that there was already too much online activity
- 12 | 10% - limited staffing capacity
- 10 | 6% - lacked digital capacity – suitable digital resources, broadband access or know how

42 | 37% cited 'other' reasons for not moving activity online which highlighted business development needs. The majority of responses are grouped into the following areas

- Skills – skills development for their staff
- Funding – financial support/grants to develop the digital capacity of their business and to pay artists
- Access – support in tackling the barriers to online access for their stakeholders, e.g. economically disadvantaged people/communities
- Demand – concerns were raised about sufficient demand for their practice online.

More broadly, concerns were raised about the need ensure the quality of online creative provision.

Whilst we acknowledge support provided by the Arts Council to increase digital knowledge, this has limited reach in the sector. Additional DCMS support is needed to respond to this challenge as a critical sector development need to help develop their cultural programmes, increase public access locally and to enhance the sector's global reach and international dialogue.

DCMS might also broker a more effective interface between the cultural industries and the creative industries so that knowledge exchange might be better improved, creative innovation further enabled and the grass roots experience embodied by our cultural sector better positioned to influence and help to address the need for greater diversity of our creative industries sector.