

Written evidence submitted by the Department for Digital, Culture, Media and Sport

Impact of Covid-19 on DCMS sectors

1. The Department welcomes the opportunity to provide written evidence to the Select Committee's inquiry.
2. DCMS's mission is to drive growth, enrich lives and strengthen security. Our sectors - spanning digital, cultural and creative industries - make a significant contribution to the UK economy and wider society. This includes:
 - a. In 2018, DCMS sectors contributed £224 billion to the UK economy, accounting for 12% of UK Gross Value Added¹;
 - b. In 2018, there were 5.3 million jobs in DCMS sectors, accounting for 16% of all UK jobs;²
 - c. In 2018, DCMS sectors (excluding Civil Society and Tourism³) imported £34 billion worth of services (18% of all UK service imports, 116% increase since 2010) and exported £63 billion worth of services (21% of UK service exports, 133% increase since 2010);⁴
 - d. In 2017, exports of goods by DCMS sectors amounted to £28.1 billion (8% of all UK goods exports, 4% increase since 2010). Imports of goods by DCMS Sectors amounted to £46.9 billion (9% of all UK goods imports, 8% increase since 2010);⁵
 - e. In 2018/19, over 77% of adults in England engaged with the arts over the previous 12 months, 72% of adults visited a heritage site and 50% visited a museum or gallery.⁶
3. The Covid-19 pandemic has had a significant impact upon the global economy, with indicators suggesting an immediate and sizable slowdown, coupled with uncertainty about the nature of medium to long-term recovery across countries. Initial estimates of the impacts that Covid-19 is having upon economic activity include:

¹ 'DCMS Sectors Economic Estimates 2018: Gross Value Added',

<https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2018-gva>

² 'DCMS Sectors Economic Estimates 2018: Employment', <https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2018-employment>

³ Estimates are not available for Civil Society due to there being no formally recognised imports or exports from the data sources available. Estimates for Tourism cannot be combined with those from other DCMS sectors as they are taken from a different data source, and there is currently no way to distinguish between spend on goods and spend on service for tourism.

⁴ 'DCMS Sectors Economic Estimates 2018: Trade in services', <https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2018-trade-in-services> (N.B. Changes given are based on totals in current prices, i.e., they have not been adjusted for inflation or exchange rate fluctuations)

⁵ 'DCMS Sectors Economic Estimates 2017: Trade' <https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2017-trade> (N.B. Changes given are based on totals in current prices, i.e., they have not been adjusted for inflation or exchange rate fluctuations).

⁶ 'Taking Part 2018/19: Statistical releases', <https://www.gov.uk/government/statistics/taking-part-201819-statistical-release>

- a. The Organisation for Economic Cooperation and Development's (OECD) June report, which looks at two scenarios for how the pandemic might unfold (with a second wave in Q3 / Q4 or not), stating that in the more severe scenario GDP could shrink by 7.6% this year, and 6% if the virus continues to recede.
 - b. JP Morgan / IHS Markit data indicating four consecutive months of drops in outputs across the service sector⁷, with a contraction in global business activity to its lowest level since the 2008-09 financial crisis during the early stages of the pandemic⁸;
 - c. IHS Markit data suggesting the sharpest fall in fall in global manufacturing orders since 2009, with none of the 30 countries surveyed indicating higher order book volumes⁹.
4. The pandemic presents a significant challenge to many of DCMS's sectors. The Government has announced unprecedented support for businesses to protect against the ongoing economic emergency. DCMS is working closely with our partners across Government, our Arms-Length Bodies and industry to understand the impact of Covid-19 on our sectors and support them through this. As we now progress to the next phase of recovery, our priorities will be driving growth, national renewal and preserving our cultural heritage. While the depth and extent of the economic hit from Covid-19 is still to be seen, this department is working to support a strong, sustainable, inclusive and resilient recovery.
5. As the UK prepares to move into a new phase of the transition from lockdown, involving an easing of restrictions on movement and social gatherings, it is also essential that the Department supports individuals, businesses and industries to be ready for the medium and longer-term challenges that Covid-19, and the end of the pandemic, will present. Further work is taking place to understand the longer-term impact of Covid-19 interventions on our sectors, which in turn will help inform the potential shape of recovery across our sectors and public bodies.

Question 1: What has been the immediate impact of Covid-19 on DCMS sectors?

6. DCMS recognises the very significant and immediate impacts that the initial Covid-19 interventions - taken to reduce further outbreaks of the virus - have had on a variety

⁷ IHS Markit, 'Global turndown moderates in May as Covid-19 lockdowns ease', <https://ihsmarkit.com/research-analysis/global-downturn-moderates-in-may-as-covid19-lockdowns-ease-June2020.html>

⁸ IHS Markit, 'Global PMI: Global business sees sharpest downturn since 2009 amid Covid-19 pandemic' (2020), p.2, <https://cdn.ihsmarkit.com/www/pdf/0420/PMI-overview-202004.pdf>

⁹ IHS Markit, 'Manufacturing downturn deepens outside of China', <https://ihsmarkit.com/research-analysis/manufacturing-downturn-deepens-outside-of-china-April2020.html>

of DCMS sectors, in particular our tourism, sporting, cultural and creative industries. It is not possible to provide a comprehensive assessment of all impacts across our sectors, but as we start to emerge from the initial period of lockdown, some of the initial effects and emerging concerns for our sectors include:

- a. **Arts, theatres, museums and heritage:** Closure of art galleries, theatres, museums and heritage sites owing to social distancing measures. Cancellation of live events across all areas due to bans on mass gatherings. Measures have resulted in sharp drop in income across all sectors, combined with cash flow issues due to consumer requests for refunds. 20% of arts, entertainment and recreation respondents are confident that their business has the financial resources to continue operating through the outbreak, compared to 40% for all industries¹⁰. 28% of respondents to a DCMS Business Survey from the Museums and Heritage sector report a total decrease in monthly revenue¹¹.
- b. **Civil society:** Social distancing measures have restricted the ability of the voluntary and charitable sector to provide regular volunteering support to vulnerable people. Major economic impacts as charities have closed stores and stopped in-person fundraising activities as well as fund raising through events such as the London Marathon, leading to large drops in income for the wider sector. Just like businesses, much of the voluntary sector's trading income has been impacted, undercutting vital sources of funds for example from retail or partner run shops. This also affects the majority of social enterprises. Parts of the voluntary, community and social enterprise sector have experienced a double burden of heavily increased demand on services alongside large impacts to their income streams that rely on public, social and other fundraising activities. This double impact is particularly acute for organisations that provide services to vulnerable groups and those impacted by Covid-19 (e.g. food banks, advice lines and health and social services sub-sectors including domestic and child abuse). 20% of respondents to a DCMS Business Survey from Civil Society report a total decrease in monthly revenue.
- c. **Creative industries (journalism, film and TV, video games, advertising, music, fashion and design, publishing, architecture, craft):** Substantial drops in demand for key products e.g. advertising, with subsequent impacts upon income for newspapers and commercial and community radio sectors. Medium to longer-term impacts with investment decisions being delayed, leading to reduction in production pipeline across television and film

¹⁰ 'Office for National Statistics: Business Impact of Covid-19 survey'
<https://www.ons.gov.uk/economy/economicoutputandproductivity/output/datasets/businessimpactofcovid19surveybics>

¹¹ DCMS Coronavirus Impact Business Survey Results
<https://www.gov.uk/government/publications/dcms-coronavirus-impact-business-survey>

industries. The live music industry has felt the impact particularly acutely. Due to the specific nature of this downturn we have seen some sectors perform better than others, video games and video on demand providers are experiencing a current boom in demand and usage. 19% of respondents to a DCMS Business Survey from the Creative Industries and Publishing report a total decrease in monthly revenue. For Film, TV, Video and Radio, this figure increases to 35%.

- d. **Digital / tech:** Interruption of funding streams for businesses in the sector, with both short and longer-term investment decisions being delayed due to the ongoing economic uncertainty. 13% of respondents to a DCMS Business Survey from the Digital sector Civil Society report a total decrease in monthly revenue.
- e. **Gambling:** Social distancing measures have resulted in physical gambling premises (e.g. betting shops, arcades, bingo halls, casinos) temporarily shutting, resulting in a loss of income across large parts of the sector. Cancellation of elite sport also saw reductions in income streams for online operators. 54% of respondents to a DCMS Business Survey from the Gambling sector report a total decrease in monthly revenue.
- f. **Sport:** Social distancing measures have resulted in many grassroots sports being temporarily paused, while physical activity / sporting facilities (e.g. gyms) closing in response to lockdown guidance. Postponement of numerous domestic and international elite sporting events, including the Formula One Championship, Summer Olympics / Paralympics and Euro 2020 men's football competition. Immediate impacts for the sector were from lost revenues from matchdays / fixtures etc., as well as loss of TV revenue and sponsorship income. Sport governing bodies are also impacted by the cancellation of major events (in terms of loss of revenue). Furloughing has been taken up in much of the sport sector (gym and leisure, non-playing staff, Olympic and Paralympic athletes) with 18% of sports businesses having furloughed at least three quarters of their workforce. 45% of respondents to a DCMS Business Survey from the Sport sector report a total decrease in monthly revenue.
- g. **Telecoms:** As a core part of the UK's critical national infrastructure, the sector is well placed to manage the short-term impacts of Covid-19. Robust continuity plans are in place to support significant consumer demand as a large number of people work from home and access digital entertainment services. However, medium to longer-term economic slowdown could have knock-on effects in terms of telecoms / broadband investment programmes. 2% of respondents to a DCMS Business Survey from the Telecoms sector report a total decrease in monthly revenue.
- h. **Tourism and hospitality:** Social distancing measures and advice against all but essential international travel has resulted in almost total shutdown of

sectors. Major reductions in income for businesses, exacerbated by consumer requests for refunds as travel packages / bookings are cancelled. 68% of respondents to a DCMS Business Survey from the Tourism sector report a total decrease in monthly revenue.

7. The UK economy has experienced significant demand and supply shocks as a result of the Covid-19 outbreak. These impacts have been felt acutely by many DCMS sectors. This includes:
 - a. Introduction of social distancing measures, including a ban on mass gatherings, resulting in the cancellation of live events in the short to medium-term, with major economic impacts for cultural and creative industries;
 - b. Foreign and Commonwealth Office guidance, advising against all but essential international travel for UK nationals, resulted in a significant drop off in demand for the tourism and domestic hospitality industries. The recent introduction of the 14-day quarantine measures for the vast majority of inbound individuals is also likely to have an impact upon the recovery of DCMS sectors; we continue to work with stakeholders to understand the impact and discuss further with government counterparts.
 - c. Wider economic slowdown has been reflected in DCMS sectors, with a substantial drop-off in demand for advertising services.

8. Some DCMS sectors have also experienced financial pressure due to the need to fund essential ongoing activities specific to their area. These include:
 - a. Maintaining a regular security presence at select buildings, which has placed further cost pressures upon select museums, art galleries and heritage sites;
 - b. Supporting ongoing, essential construction / renovation works, with particular impacts for the heritage sector.

9. Furthermore, DCMS businesses have seen a major spike in consumer requests for refunds, as a result of live events being cancelled or postponed in light of social distancing measures, hospitality venues shutting as part of lockdown requirements and the Government advising against all but essential international travel. This has created cash flow difficulties for a significant number of businesses across DCMS sectors, exacerbated by the ongoing uncertainty as to when lockdown measures will be amended, particularly as some of our sectors, such as theatres and museums, require longer lead in times before reopening. In addition, the large increase in refund requests has presented administrative challenges, with some businesses being required to take on additional staff to process refund requests, all at a time where businesses' income has dropped substantially.

10. The Government understands the significant disruption and very personal impact that results from the cancellation of events and travel. We recognise the extremely difficult circumstances that businesses and consumers are facing when it comes to resolving refunds. We are continuously engaging with all affected DCMS sectors and organisations to understand and address the impact of cancellations in light of the Covid-19 outbreak.
11. We thank those stakeholders who have worked with us to date and helped us highlight the often specific challenges businesses face when having to pay out refunds for cancelled events while not able to book for future events.
12. We appreciate there is a difficult balance between ensuring customers are able to access refunds for cancelled events and ensuring companies have funds to survive. The Government is not minded to alter any of the existing consumer protections, but has made support available to businesses through income support schemes and loans.
13. As with DCMS sectors, many of our Arms-Length Bodies have been significantly impacted due to the outbreak of Covid-19. Public Bodies whose operations and income are tied to maintaining a public presence, or where their work cannot be undertaken remotely, have been particularly affected by the Covid-19 outbreak. Furthermore, Public Bodies who receive industry fees and levies to support their income streams have noted lower levels of income will likely be affected due to the impact of Covid-19 upon the same industries. The Department is working with our Public Bodies to assess the impact of the pandemic upon their activities and provide the necessary assistance which in turn can help them to support their own stakeholders.

Question 2: How effectively has the support provided by DCMS, other Government departments and arms-length bodies addressed the sector's needs?

14. The Government is supporting individuals and businesses across the UK in response to the Covid-19 outbreak, and has announced an unprecedented set of support schemes to facilitate this. The DCMS Coronavirus Impact Business Survey ran from 23rd April to 22nd May, collecting just under 4,000 responses from DCMS sectors¹². 55% of respondents indicated that they are accessing government support. Initial intelligence indicates that the economic support measures we have introduced have been well received by DCMS sectors. The results also showed that 44% of responding businesses have furloughed at least one employee. This includes 65% of Creative and Cultural respondents, 62% of Sport respondents, and 60% of Tourism respondents.

¹² DCMS Coronavirus Impact Business Survey Results
<https://www.gov.uk/government/publications/dcms-coronavirus-impact-business-survey>

In addition, a number of businesses in DCMS sectors have accessed support offered by the Coronavirus Business Interruption Loan Scheme and the Self-Employed Income Support Scheme. HMRC data suggests 72,000 claims have been made for the Self-Employed Income Support Scheme from the Arts, Entertainment and Recreations sector, out of a potentially eligible 99,000 self-employed workers in this sector¹³.

15. DCMS businesses are also benefiting from the broader package of business and economic support programmes announced by the Government in response to the Covid-19 outbreak. These include:
 - a. **£330 billion worth of government backed and guaranteed loans to support businesses.** The Chancellor also extended the **Coronavirus Business Interruption Loan Scheme** so that all viable small and large businesses affected by Covid-19, and not just those unable to secure regular commercial financing, were deemed eligible should they need finance to keep operating during this difficult time.
 - b. **Expansion of the business rates holiday scheme¹⁴,** with eligible businesses receiving a 100% discount on business rates for the 2019/20 and 2020/21 financial years. Previous exclusions for the scheme were lifted in response to the Covid-19 outbreak, allowing retail, leisure and hospitality properties suffering from a fall in footfall to benefit from the measures.
 - c. **Small Business Grant Fund,** with all eligible businesses in England in receipt of Small Business Rates Relief or Rural Rates Relief being eligible for a payment of £10,000.
 - d. **Deferral of the next quarter of VAT payments for firms,** until the end of June - representing a £30 billion injection into the economy.
 - e. **The Bounce Back Loan Scheme (BBSL), which** enables smaller businesses to access finance more quickly during the Covid-19 outbreak. The scheme helps small and medium-sized businesses to borrow between £2,000 and up to 25% of their turnover (or a maximum of £50,000). The government guarantees 100% of the loan and there are no fees or interest to pay for the first 12 months.
 - f. **New measures to safeguard the UK highstreet against aggressive debt recovery** and a **moratorium on evictions** to provide extra protection for commercial tenants struggling with cash flows due to the coronavirus pandemic. These measures will last until 30 June, with the option to extend if necessary.

¹³ HMRC Coronavirus Statistics: <https://www.gov.uk/government/collections/hmrc-coronavirus-covid-19-statistics#self-employment-income-support-scheme>

¹⁴ First announced by HM Treasury in a Written Ministerial Statement on 27 January 2020 and initially expanded in the Budget Statement on 11 March 2020.

16. Workers in DCMS sectors have also benefited from a package of measures announced since the start of the Covid-19 outbreak, including:
- a. **Coronavirus Job Retention (Furlough) Scheme** where small and large employers have applied for a government grant of 80% of workers' salaries up to £2,500 a month. The Chancellor's announcement on 12 May that the scheme will be extended until the end of October was greatly welcomed by DCMS sectors.
 - b. The **Self-Employed Income Support Scheme**, which is helping eligible freelance workers receive up to £2,500 per month in grants for at least three months. Those eligible are receiving a cash grant worth 80% of their average monthly trading profit over the three years up to 2018/19. The Chancellor announced in May that this scheme will be extended, with those eligible able to claim a second and final grant, with 70% on their monthly trading profits, and capped at £6,570, in August. The self-employed make up 70% of people working in the cultural industry. The extension was welcomed by DCMS sectors.
 - c. **Up to 28 weeks of Statutory Sick Pay for workers**, including those required to stay at home where they have been advised to quarantine at home.
 - d. **Retail, Hospitality and Leisure Small Business Grant:** On 17th March, the Chancellor announced that businesses in England in receipt of the Expanded Retail Discount (which covers retail, hospitality and leisure) with a rateable value of less than £51,000 would be eligible for cash grants of £10,000 or £25,000 per property.
 - e. **Funding package for innovative firms:** DCMS has closely engaged with the tech sector to understand their needs and concerns. This evidence has enabled us to ensure that their needs are reflected in government guidance, loans and support measures where possible. In particular, on 20th April, the Chancellor announced a £1.25 billion package to protect businesses driving innovation in the UK. This includes a £500 million Future Fund, launched on 20th May, for high-growth companies impacted by the crisis, supporting UK tech and creative businesses.
17. This is an unprecedented package of support and funding to assist workers in the DCMS sectors, but we recognise that there are some outstanding issues that have meant that some individuals, self-employed, freelancers and seasonal workers are unable to benefit from these schemes. DCMS Ministers and officials, continue to work to understand these concerns, represent our sectors effectively through our various fora and channels of communication around Government.
18. DCMS Ministers and officials have also driven specific support for DCMS sectors:

a. Charities

DCMS Ministers and officials worked with HM Treasury to develop a £750 million package of support for charities to ensure they can continue their vital work. This was announced on 8th April. DCMS sought insight and guidance from across civil society while putting this package of support together, and the funding will support charities at risk of financial hardship that are providing vital frontline services to vulnerable people affected by the pandemic. DCMS estimates that up to 12,000 organisations which are at greatest risk and which are playing a role in supporting vulnerable people will benefit from this funding. Despite this, unfortunately we are not able to match every pound of funding charities would have received this year. DCMS continues to monitor the health of the sector, its contribution to the Covid-19 response and the financial impacts on Voluntary, Community and Social Enterprise organisations.

This funding includes £200 million for the Coronavirus Community Support Fund, distributed through the National Lottery Community Fund. The Coronavirus Community Support Fund opened for applications on 22nd May and aims to increase community support to vulnerable people to reduce temporary closures of essential charities and social enterprises, ensuring services for vulnerable people impacted by COVID-19 have the financial resources to operate. DCMS will review learning from the early distribution of the £200 million fund and evolving picture on the impact of the crisis, to inform decisions on the distribution of the remaining £110 million allocated to this stream, so that funding is best utilised to address emerging priorities and opportunities.

This funding also includes £360 million which DCMS Ministers have allocated to other government departments to distribute to support the work of charities and social enterprises delivering services that are central to their policy agenda and public services. We have published clear and comprehensive guidance on the financial support for the sector and how organisations can apply for it.

DCMS and HM Treasury Ministers also pledged to match pound for pound the £35.3 million raised by the BBC's Big Night In. The closing date agreed with the charities is 23rd June 2020, at which point the appeal will finish. £20 million of this match funding will support local community foundations via the National Emergencies Trust (part of the £750 million). The remaining

balance will be split equally between Comic Relief and Children in Need.

The Secretary of State approved the unlocking of £150 million from dormant bank and building society accounts to help charities, social enterprises and individuals in vulnerable financial circumstances during the coronavirus outbreak. £10 million will be brought forward for Youth Futures Foundation to help organisations who support unemployed, disadvantaged young people across the country into jobs. £45 million will be deployed by Big Society Capital to allow better access to investment including emergency loans for charities, social enterprises and some small businesses. Fair4All Finance will use £65 million to increase access to fair, affordable and appropriate financial products and services for those struggling financially, particularly in light of the coronavirus outbreak. £30 million will go to Access - The Foundation for Social Investment who will support social enterprises helping people in vulnerable circumstances.

The Secretary of State announced £5 million funding for national loneliness organisations leading the charge against loneliness during the pandemic.

19. In response to the unprecedented threat presented by the Covid-19 pandemic, on 1 May 2020, DCMS Ministers announced that loan support of up to £16 million to Rugby League clubs based in England to preserve the professional game in this country. This support package was agreed after extensive consultation between DCMS and the Rugby Football League.
20. In addition, Arms-Length Bodies which have a role in supporting their sectors have moved quickly to amend existing funding streams to offer assistance and funding to their stakeholders. Based on revised Cabinet Office guidelines on grant funding for public bodies, DCMS has enabled grant-in-aid to be paid upfront quarterly.
21. We welcome the measures that have been announced to date by our Arms-Length Bodies to support individuals and businesses within their sectors. DCMS sector teams have supported their Arms-Length Bodies to deliver a range of packages including:
 - a. **National Lottery Community Fund:** Making up to £300 million of National Lottery funding available to frontline organisations, with a focus on accelerating distribution of funding. In addition, all funding decisions in the next six months will be devoted to responding to the Covid-19 outbreak.
 - b. **Arts Council England:** Providing a £160 million emergency grant funding package to organisations and individuals in crisis.

- c. **National Lottery Heritage Fund:** £50 million emergency fund to support heritage projects in crisis.
- d. **Sport England:** Making up to £210 million of funding available for the sport and physical sector, including grassroots sports and National Governing Bodies.
- e. **British Film Institute:** £4.6 million package of funding provided to support the British film sector, including one-off grants to those facing financial difficulties due to the crisis, providing critical relief and business continuity support from production to exhibition.
- f. **VisitEngland:** £1.3 million Destination Management Resilience Scheme, providing support to Destination Management Organisations during the pandemic.
- g. **Historic England:** A £2 million fund, and subsequent £3 million fund, to support the smallest and most specialist heritage organisations and experts both to survive the immediate challenges posed by the pandemic, and to prepare for recovery.

22. In addition to economic measures, DCMS is undertaking an extensive programme of work to support wider volunteering activity taking place in response to the Covid-19 outbreak. Specifically, the Department has:

- a. **Worked with NHS England to launch a standalone application - NHS Volunteer Responders** - to coordinate volunteering support for the shielded and non-shielded vulnerable in the community. DCMS has been working closely with the Department for Health and Social Care, Cabinet Office and NHS England to support the effective and wider use of NHS Volunteer Responders. This includes encouraging charities to refer into the scheme, identifying needs raised by the voluntary sector suitable for NHS Volunteers and exploring the use of volunteers to support libraries and other community services on re-opening. As of the 2nd June, over 250,000 tasks had been completed through the GoodSam app.
- b. **Published guidance¹⁵ on how individuals can safely volunteer**, adhering to social distancing guidelines, whilst supporting the overall effort to tackle the Covid-19 pandemic;
- c. **Worked together with sector organisations to ensure experienced voluntary and charitable organisations have the capacity to continue to deploy volunteers** where they are needed during the current crisis.

23. The Government has also worked with the UK's major telecommunications providers to agree measures to support connectivity for vulnerable consumers and those who

¹⁵ 'Coronavirus: How to help safely' <https://www.gov.uk/government/publications/coronavirus-how-to-help-safely--2/coronavirus-how-to-help-safely>

may become vulnerable due to circumstances arising from Covid-19. These measures include removing all data allowance caps on all current fixed broadband services; and new, generous mobile and landline packages to ensure people are connected and the most vulnerable continue to be supported. Providers will ensure that vulnerable customers or those self-isolating receive alternative methods of communication wherever possible if priority repairs to fixed broadband and landlines cannot be carried out.

24. DCMS supported the safe return of live sport through the publication of guidance which has allowed competitive sport to return behind closed doors, and we have already seen the resumption of professional football (including the Premier League and Football League play-offs), British horse racing (including Royal Ascot) and Snooker's Championship League. Further, major sporting events are scheduled to take place behind closed doors in the coming weeks, including the Test cricket series between England and the West Indies, and Formula 1 at Silverstone.
25. The resumption of professional sports leagues and events will not only reactivate commercial income streams (e.g. broadcasting) for a sector that was significantly exposed to the impacts of Covid, but will have a positive impact on the wellbeing of the nation, with familiar and beloved sporting events returning to our screens once more. So that all fans nationwide can receive these benefits, an unprecedented amount of Premier League games will be free to view, with live Premier League football being broadcast on the BBC for the first time.
26. In order to support media organisations and news publishers to continue carrying out their vital role in society we have:
 - a. Clarified that journalists, and other ancillary staff are 'key workers' for the purposes of access to childcare and educational places;
 - b. Worked with government colleagues to issue guidance to local authorities on the importance of newspaper delivery, which has been critical to ensuring the dissemination of public interest news;
 - c. taken steps, through dialogue with the relevant technology companies, to ensure the use of 'keyword blocklisting' technology is not inadvertently damaging news publishers' online advertising revenues for Covid-19 related stories by ad-blocking coronavirus-related terms;
 - d. implemented a £35m public information campaign across the local and national press to ensure that authoritative, up-to-date information about the Government's response to Covid-19 is distributed through reliable channels, while also alleviating some of the pressures felt by the loss of commercial advertising revenues; and

- e. brought forward the commencement of zero-rating of VAT on e-newspapers in order to bring savings to readers during the coronavirus outbreak, as well as to support publishers.
27. DCMS has responsibility for a diverse range of sectors that are of huge importance to both the economy and people up and down the country. This Department is leading a major programme with support of Public Health England and other Government Departments to work with sector bodies and trade unions to produce over 20 pieces of guidance in areas such as grassroots sports, gyms & leisure facilities; the performing arts; and the visitor economy.
28. Through the Cultural Renewal Taskforce and its Working Groups we are coordinating the approach to this work, and ensuring consistency across the guidance for the range of sectors. Through guidance already published we have already supported the safe return of TV production, as well as the return of professional sports being closed doors.

Question 3: What will the likely long-term impacts of Covid-19 be on sectors, and what support is needed to deal with those?

29. DCMS Ministers' first priority is to safely reopen DCMS sectors, but they have recognised that this is very challenging in some areas. This Department is responsible for some of the sectors worst affected by COVID-19. 14% of respondents to the ONS Business Impacts of Coronavirus Survey, from the Arts, Entertainment and Recreation industry are not confident that their enterprise has the financial resources to continue trading throughout the coronavirus outbreak, compared to just 6% for all UK industries. 5% of respondents to the DCMS Business Survey on the impact of the Coronavirus outbreak report that their business is no longer trading. A further 27% report that their business can survive for less than three months under current conditions.
30. It is therefore essential for us to gather high-quality evidence to support the government in its spending policy. For example this department is:
- a. Working with businesses, trade organisations and Arms-Length Bodies to understand the ongoing impact on our sectors. This includes carrying out a business survey, working with YouGov, targeted at firms and organisations in DCMS sectors. The first wave of the business survey focused mainly on immediate impacts so far. Future waves are planned for July and September. These will focus on longer term impacts and recovery prospects.
 - b. Working with other government departments, most notably the Office for National Statistics and Department for Business, Energy and Industrial

Strategy, to ensure that their data collection and analysis reflects DCMS sectors. Using that information, such as the Office for National Statistics' faster indicators (which use a range of novel data sources to provide timely information on the UK's economic activity) to understand impacts on DCMS sectors and how they are different to the rest of the economy.

- c. Developing dashboards of indicators using a variety of sources that can be used to rapidly track how sectors have been impacted, and how they recover.
31. DCMS is looking carefully at how we can support our sectors, both in adapting to resume a form of safe, economically viable activity in line with public health guidance, and also to make a robust recovery as the UK emerges from this pandemic. Many of our sectors are likely to experience wide-ranging knock-on effects from Covid-19. DCMS is currently undertaking analysis to prioritise and direct policy responses for the recovery of our sectors post-Covid-19.
 32. There are, however, a number of uncertainties, such as consumer behaviour as lockdown is relaxed, that make it difficult to assess the long-term impacts of Covid-19 upon DCMS sectors. It is therefore important that we continue to develop our plans for long-term support as we gain clarity on what the months ahead are likely to look like.
 33. Recovery across DCMS sectors will differ, depending on the direct and indirect economic impact they have experienced, and as the Chancellor has already stated, unfortunately the government cannot save every business during this pandemic. A sector-by-sector approach will be required to ensure that individuals, businesses and industries are receiving the necessary support. For example, DCMS is working with leaders from the voluntary, community and social enterprise sectors to ensure this sector can restart activity including reopening charity shops and restarting public fundraising whilst aligning to social distancing as we ease out of lockdown restrictions.
 34. The Department is considering the implications of this carefully and will ensure that our sectors and those that work in them have the assistance they need. Both DCMS ministers and officials are in regular contact with stakeholders across our sectors including through our Secretary of State-led Cultural Renewal Taskforce, the information they are providing will feed directly into our work on ensuring that all guidance documents work for stakeholders across the UK, supporting adaptation, recovery and longer-term prosperity. What is clear is that DCMS, its sectors and Arms-Length Bodies will need to consider new and innovative ways to reopen their businesses and organisations whilst maintaining safe social distancing.

35. We set up a Cultural Renewal Taskforce as part of the Government's recovery strategy roadmap. Its principal role is to develop safe ways for the sectors it represents to open as early as possible, including by overseeing guidance published to help sectors. The Taskforce is supported by eight Working Groups, all chaired by the relevant DCMS Minister.

- i. Visitor Economy
- ii. Sport
- iii. Museums and Galleries
- iv. Heritage
- v. Youth
- vi. Library Services
- vii. Broadcasting, Film and Production
- viii. Entertainment and Events

36. The taskforce supports the renewal of DCMS sectors and helps develop new Covid-19 secure guidelines for the reopening of public places and businesses, where and when it is safe to do so. The focus of the groups' work is:

- ensuring that COVID-19 secure guidelines are developed in line with the phasing ambitions and public health directions, building on the existing (work settings) guidance and providing intelligence and sector-specific expert input
- develop creative solutions, including digital solutions, to drive the return of sectors whilst maintaining consistency with the medical advice
- agreeing and ensuring alignment of all relevant sectoral guidance
- providing key sector stakeholders direct access to ministers

37. Over the last month (until 18th June) the Cultural Renewal Taskforce has met five times and the Working Groups over 30 times, involving over 200 attendees from across our sectors. Thus far the Taskforce has considered:

- a. Regulatory easements and creative options to support a return to activity within DCMS sectors;
- b. Ensuring that all guidance documents work for stakeholders across the UK;
- c. Innovative digital and tech solutions to help DCMS sectors reopen safely

38. As mentioned above, an important focus of the Taskforce in recent weeks has been to ensure that COVID-19 secure guidelines are developed to help sectors to reopen when safe. With the support of the Taskforce and Working Groups over 20 pieces of guidance are being developed, and to date (18th June) 10 of these have been published with Government endorsement.

39. Additionally, to support the reopening, recovery and renewal of DCMS sectors, the Secretary of State has appointed Neil Mendoza as a new Commissioner for Cultural Recovery and Renewal to give an expert and independent voice on the cultural sectors, and to advise on how they can begin the road to recovery from the COVID-19 pandemic. Furthermore, as the Secretary of State announced on Wednesday 17th June at the national Covid-19 press conference, over the next week we will be convening experts- including some of the UK's top performers in theatre, choirs and orchestras with medical experts and advisers to develop the roadmap required for talent to perform safely, with a particular focus on piloting innovative ideas that may permit live performances.

Question 4: What lessons can be learnt from how DCMS, Arms-Length bodies and the sector have dealt with Covid-19?

40. It is essential that the whole of Government takes the opportunity to reflect on the impact of Covid-19, how measures introduced in response to the outbreak supported our sectors, and what could have been done differently. It will also be important to consider the global response and share insights with our international partners, as part of a shared effort to be collectively well prepared for future emergencies.
41. The Department will undertake a full lessons learnt process once the impact of measures designed to mitigate the impacts of Covid-19 are better understood.
42. Collaboration with a wide variety of diverse stakeholders businesses across our sectors has been crucial in understanding the varying short-term impacts of Covid-19. This has helped to inform changes to Government policy to better support businesses, such as the introduction of the Coronavirus Large Business Interruption Loan Scheme.
43. The Department will continue to work closely with our stakeholders throughout the response to Covid-19, both to understand how best we can work together, and what lessons can be learned that will benefit our future civil contingencies approach.

Question 5: How might the sector evolve after Covid-19, and how can DCMS support such innovation to deal with future challenges?

44. DCMS covers a broad range of the UK's economic activity, ranging across digital, cultural and creative industries, as well as the voluntary and community sector. As already noted, some of our sectors carry specific risks as a result of the Covid-19

outbreak; this also presents some opportunities for innovation to effectively adapt in meeting these challenges.

45. Over the past few months, rightly, the Government's focus has been on the health implications of this virus. But now as we emerge from the initial phase of lockdown, we have started reintroducing activities that provide so much health and wellbeing benefits to so many, such as tourism, sports, art, music and theatre. We have already supported the safe return of TV production, helped to reopen certain outdoor sports courts, published guidance on the safe return to training for elite athletes as well as the return of professional sports being closed doors. The Cultural Renewal Taskforce and its Working Groups will continue to work with sector bodies and public health officials to address the challenges and opportunities for our sectors as they prepare for wider reopening once all return to work guidance is published.
46. The crisis has demonstrated the importance of telecoms networks to the economy and wider society. In particular, it has highlighted the need to ensure that everyone across the UK has access to good broadband. The Government is committed to continue with delivery of world class infrastructure, including gigabit capable broadband networks and 5G, and will work with industry to accelerate deployment, in particular focusing on areas that do not currently have good coverage to ensure that no one is left behind. We have committed £5 billion to support deployment of gigabit capable broadband to the hardest to reach areas. Further details of this programme will be announced at the upcoming Spending Review. DCMS has also worked closely with industry and other Government departments, including the Home Office, to stop attacks on mobile infrastructure and the abuse of telecoms staff, and has sought to tackle disinformation about 5G and COVID-19 and will continue to do so.
47. It is clear that there has been a digital underpinning to the domestic and international response in tackling the Covid-19 outbreak. This includes the use of artificial intelligence to support efforts at identifying a vaccine, a significant increase in the number of people accessing digital content and services while they stay at home, with this supported by the digitisation of products in order to open access for communities and support vulnerable people. DCMS sectors have a long and successful track record of adapting to effectively address challenges, including best practice in leveraging the benefits of digital technologies. The Department is committed to facilitating the right environment that will maintain the UK's place as a global leader across these key industries through innovation and digital solutions.
48. DCMS welcomes the increased focus on physical health, mental wellbeing and community relations that has resulted from the Covid-19 outbreak. In the aftermath

of the pandemic there will be longer-term benefits in maintaining focus on supporting people to be physically active and opening up volunteering opportunities for a wide range of individuals, while also ensuring greater awareness amongst vulnerable people and communities of the support available to them. DCMS will work closely with our partners in the sporting and voluntary sectors to consider how to harness the enhanced focus on these issues during the pandemic and convert them into longer-term benefits to support wider society.

49. The Comprehensive Spending Review has been delayed to later this year to ensure that HM Treasury and wider Government can remain focused on responding to the immediate public health and economic emergency. Further details about the Spending Review will be set out in due course, and will take into account the Government's response to Covid-19. DCMS's contribution to the Spending Review will take into account the new economic conditions the UK finds itself in as a result of Covid-19.

50. We would urge individuals, businesses and sectors to continue working with the Department by providing intelligence on the impacts of Covid-19 and how Government, the wider public sector and industry can work collectively to shape an effective response that ensures short-term recovery and longer-term growth. The Cultural Renewal Taskforce and associated Working Groups will be the fora for this dialogue, with all insight feeding into the return to work guidance for our sectors.

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