

Written evidence submitted by the West of England Combined Authority

Impact of Covid-19 - Submission to Department of Digital, Culture, Media and Sport

This submission from the West of England Combined Authority has been prepared in discussion with the constituent councils and presents a regional response to the DCMS inquiry. Detailed submissions have been provided separately by our four unitary authorities, Bristol, Bath & North East Somerset, North Somerset and South Gloucestershire.

BACKGROUND

The West of England Combined Authority (WECA) is the devolved regional government body responsible for economic growth in the West of England. It is chaired by an elected Mayor and composed of three of the region's Unitary Authorities – Bath & North East Somerset, Bristol and South Gloucestershire. WECA also supports the Local Enterprise Partnership, which is business-led, and includes North Somerset Council. Our aim is to deliver sustainable and inclusive economic growth for the 1.1 million people that live in the region by improving our productivity, skills, housing and transport.

The coronavirus pandemic has had a significant impact on business and workers across the cultural ecology in the West of England, as it has across the country. Although limited quantitative data is available on a regional level, evidence from local surveys and our contacts indicates that temporary closures and furloughing are high, in line with national conditions. Businesses in culture, tourism and hospitality are clearly particularly affected and will be one of the last sectors to recover income streams while being at the forefront of demand to rebuild community, society and cohesion.

This submission outlines the high-level impacts of coronavirus on cultural organisations of varying sizes, freelancers and the creative workforce across the West of England. We identify the challenges we have seen through the short-term response phase, through medium-term adaptation and into longer-term recovery. We outline how national recovery should be led by regional priorities, set within a national framework and how support will be needed to ensure that recovery is inclusive and low carbon, and catalyzes the Government's 'levelling-up' agenda.

WHAT IS THE IMMEDIATE IMPACT OF COVID-19 ON THE SECTOR?

The West of England is a vibrant, diverse and creative region. It includes the two thriving cities of Bristol and Bath along with diverse towns and communities. As a whole it is well-recognised as a national and international cultural and tourist hot spot, with a vibrant mix of urban, rural and coastal areas providing an exceptionally diverse cultural ecology.

The cultural offer and assets within a region not only make a significant contribution to the local economy but are also pivotal in contributing to a sense of place around which people build a sense of community.

They act as a draw for residents, businesses and visitors alike; covering a broad range of facilities and activities such as cinemas, theatres, restaurants, festivals, museums, historical sites, and public open spaces.

Prior to Covid-19 several cultural organisations in the region had significant growth plans, including Channel 4 and BBC in Bristol, with a focus on boosting production talent and encouraging people from diverse backgrounds into film and TV.

ONS Business Impact Survey (18 to 31 May 2020) has revealed that nationally 78% of the arts, entertainment and recreation workforce have been furloughed and discussions with sector representatives confirm that we have a similar situation in the West of England. Regional data has indicated the following impacts:

- Oxford Economics, commissioned by Creative Industries Federation, have produced a report of the projected economic impact of Covid-19 on the UK Creative Industries, regional data indicates that the South West is projected to see a 29% (£1.3bn) drop in creative industries GVA in 2020 and is predicted to lose 28% of its creative jobs (43,000 jobs).
- Locally the Bristol Culture Survey (April 2020) reported that 42% of cultural organisations had cancelled events, and a further 26% had postponed, at a combined cost of £3m and with 65% of respondents not covered by insurance. Staff in this sector are at risk – there are over 3,500 freelancers reported, in addition to core staff of 300. Many organisations anticipate they will have to end all freelance contracts.
- Destination Bristol's Business Barometer for February 2020 reports an estimated 245,053 visits to attractions in Bristol during February 2020, a decrease of 8.4% compared to 2019. This is partly attributed to the very wet weather, but the report highlights the beginnings of the effects of the pandemic, with school trips from Europe and China cancelled and early disruption in the school market
- We are already seeing significant impact to the labour market in the region. As of May 2020 there were 100 creative and digital jobs being advertised in the West of England, down from 134 (25%) in April 2020 and 231 (57%) in May 2019. Similarly there were 63 tourism jobs being advertised in May 2020, down from 96 (34%) in April 2020 and 624 (90%) in May 2019.

HOW EFFECTIVE HAS THE SUPPORT PROVIDED BY DCMS, OTHER GOVERNMENT DEPARTMENTS AND ARMS-LENGTH BODIES ADDRESSED THE SECTORS NEEDS?

Regional support. In addition to the support and signposting offered through the West of England Growth Hub, WECA agreed with DCMS to refocus our Creative Scale-Up Programme (£1.2m DCMS funded project) to help creative industries respond to the crisis. The programme is being run as three cohorts, with cohort two (applications due in May) oversubscribed.

Arts Council Support. Of the financial support provided by Arts Council England grants to a total of £2.4M have been awarded to applicants from the West of England. This includes £1.7M organisations and £776k to individuals.

National Support. There are concerns that a number of freelancers and organisations do not qualify for national support:

- Bristol City Council ran a survey of cultural organisations which revealed only 42% were entitled to Small Business Rate Relief, and therefore eligible for cash grants and business rates holidays due to the cap of £51k on rateable value.
- Freelancers have found difficulty in accessing government support where employment is part PAYE and part self-employed.
- Council owned and run cultural attractions cannot access business rates relief, because primary legislation is required in order for local authorities to benefit. For example for Bath & North East Somerset Council this would be £900k. Local authorities rely on earned income in order to fund essential services in their communities. Being unable to access this key relief is putting additional pressure on their finances, which are already stretched by Covid-19.

WHAT WILL THE LIKELY LONG-TERM IMPACTS OF COVID-19 BE IN THE SECTOR?

Rebuilding the workforce is a significant concern. Culture will be one of the last sectors to recover income streams due to social distancing requirements, whilst being at the forefront of demand to rebuild community, society and cohesion. There are significant concerns that as furlough schemes end there will be large scale redundancies as organisations will not be able to cover costs.

Diversity in the sector is an increasing challenge both at entry level through need for targeted skills development and through supporting network of older volunteers who form an essential part of the workforce for some organisations and may be reluctant to return.

Reopening with cultural distancing There are significant concerns about the impact of social distancing onto reopening of cultural venues, both how to manage this safely and also to provide an enjoyable visitor experience. There is also a challenge to rebuild public confidence in returning to indoor activities, in particular for older and more vulnerable audience members.

Close relationship to tourism. It is also worth reflecting that cultural attractions are partly dependent upon the outlook for tourism growth which is dependent upon household disposable income and travel restrictions.

WHAT SUPPORT IS NEEDED TO DEAL WITH THOSE?

Reopening Costs. The costs of existing lockdown and reopening safely could be significant and support will be required to put in place adaptations to buildings and spaces so that staff and public feel safe.

Addressing inequality and increasing diversity. The difficulty encountered by young people from marginalized communities in entering the workforce is likely to be amplified with fewer roles available and an approach to skills development will be needed that includes work experience, apprenticeships and training.

Investment to support longer term reopening. Feedback from the sector across the West of England highlights the need for a package of measures to support more extended closures through business rates holidays, lowering the business rate threshold and project grants, focused on inclusion, freelance and grassroots delivery.

WHAT LESSONS CAN BE LEARNT FROM HOW DCMS, ARMS-LENGTH BODIES AND THE SECTOR HAVE DEALT WITH COVID-19?

Local community activity has been key to supporting community cohesion and health and wellbeing during lockdown. There are a number of examples of a local / grassroots approach to supporting communities across the region:

- [Room 13 Hartcliffe](#) has provided creativity/art kits for children most at need
- [Culture Weston](#) moved their arts programme online, with a series of short videos including singing, film and dance
- [Creativity Works](#) in B&NES provided free online creative sessions to support those in difficulty
- [Bristol Arts Channel](#) provided a programme of online culture including films, talks and workshops.

Digital divide. The divide between those with and without digital access is significant and has been highlighted by the pandemic. On a practical level many have been left out of the loop in what support is available to them, for example access to digital/online content from libraries.

Engagement with communities who lack digital access, both in terms of reliable broadband and equipment will be an ongoing challenge in the face of a slow exit from lockdown and recognising the emerging shift to digital delivery and blended real/virtual offers.

Opportunities to support safe use of public spaces There is opportunity for the sector to support a safe return to public spaces, for example through working locally with communities to design public art that builds a sense of communal public spaces.

HOW MIGHT THE SECTOR EVOLVE AFTER COVID-19, AND HOW CAN DCMS SUPPORT SUCH INNOVATION TO DEAL WITH THE FUTURE?

Supporting Networks Key to the sector are the networks that connect and support smaller organisations (DIY Arts Network, Bristol Festivals, Weston Culture artist network, Diverse Artist Network) and bring together larger institutions and the freelancers who are a vital part of this sector. Attention needs to be given to supporting these networks and ensuring that there is active participation from across the sector.

Outcome based funding approaches to foster innovation Recognising the breadth of the sector, with significant numbers of freelancers and grassroots organisations, future funding needs to align with the Arts Council Strategy 2020-2030, and to encourage collaborative working to find innovative solutions to the challenges of recovery. The 5G Create Testbeds and Trials Programme is one example of this type of approach from DCMS and WECA successfully leading a consortium to deliver a 5G Smart Tourism project.

Sector deal funding The Creative Industries Sector Deal earmarked funding to support the sector, including the Cultural Development Fund, and we urge that remaining funding is released quickly to Combined Authorities so we can use this to deliver at pace in our region as part of our Regional Recovery Plans.

CENTRALISED RESPONSE, LOCALISED RECOVERY

The Mayor of the West of England has established a regional recovery taskforce, made up of a cross-section of our region's economy, to drive our planning. The taskforce will consider how we can use the region's strengths in innovation and collaboration, and our highly-skilled workforce, to accelerate our region's economic renewal. It brings together employers, innovators, educators, trade unions and community champions to identify the challenges and opportunities that businesses and workers across the region are facing.

By building this understanding of the complexities of the local situation through local contacts, we will be able to better design and target the support that is needed. There is a real opportunity through the recovery phase to embed the role of devolved economic decision making in England.

We would like to see a public sector response which works in partnership across multiple levels of government; with central government action on those areas only it can influence (e.g. tax), and setting a broad framework, aligned to regional recovery plans designed and led by Combined Authorities. These regional plans will be developed with public and private sector partners in the Combined Authority regions to stimulate the economy in a way that best responds to locally identified challenges and opportunities, and should draw on devolved, flexible, locally-controlled funding streams (e.g. a Covid-19 Recovery Fund). This action will need support from central Government, and close partnership between Combined Authorities and all government departments, recognising the insight, levers, capacity and capability that exists in devolved Combined Authorities. This approach presents the opportunity to deliver an economic recovery which also fulfils the Government's policy objective of levelling-up regional economies.

The economic stimulus provided by improving infrastructure should be a considerable part of economic recovery, using the opportunity to accelerate the timescale for existing plans already underway. The Mayor of the West of England has already stated a preference for using the funding provided by the Department for Transport to improve cycling and walking in the wake of the pandemic to expedite existing plans to improve cycling and walking infrastructure in the region. Likewise, we continue to press forward with our plans for the new MetroWest rail network, including re-opening the line to Portishead, and Government's help to accelerate this work would not only bring additional capacity to the public transport network but will also provide a short-term economic boost through the construction phase.

As well as action to stimulate the economy, the need for close partnership also applies to the government's approach to easing (and any potential re-introduction) of the lockdown. Meaningful engagement with local areas will ensure essential preparatory actions can be taken to support safe and efficient reopening (e.g. ensuring sufficient transport capacity is available). Advance notice of government's future intentions to ease lockdown and stimulate the economy are welcomed, and indeed essential to support planning. Through enhanced partnership working between central, regional and local tiers of government, we can best support our places, our people and our businesses to emerge from the crisis in ways that are safe, sustainable and resilient.