



DCMS Call for Evidence – Impact of the COVID-19 Crisis

Summary

The severity of the impact of Covid-19 on the Creative Industries sector cannot be underestimated, unfortunately – those impacts, without significant intervention, will have a significant long-term reach. The organisations surveyed clearly identified the following as being most beneficial to their organisations recovery:

1.) Funding for Projects and Innovation

There is a clear and desperate need for further funding for the sector in order to reinvigorate it, and allow new projects to be generated. This funding will be more important than it has ever been, and must be 100% funded. Crucially – this applies to big organisations just as much as smaller ones.

2.) Specialist Creative Industries Business Support

Creative Industries organisations also require clear, accessible and free advice and specialist support for both their organisations, and with the implementation of social distancing measures.

3.) Access to skills and facilities

For many organisations the pivot to digital brings further challenges and a need for skills development, access to technology and facilities. Furthermore, many are faced with the challenge of learning what is possible, so that they can accurately plan for their organisations future.

Reason for Response

This response is from Portsmouth Creates, on behalf of the Creative Industries within Portsmouth. Representatives from all of the Creative Industries sectors within the City completed the survey.

Portsmouth is a vibrant waterfront City, which has the Creative Industries at its heart. Portsmouth also has a significant visitor economy which relies heavily on the Creative industries due to our world class attractions, festivals, live music and culture.

Portsmouth Creates was founded in 2019, with support from the Arts Council England, Portsmouth City Council, Victorious Festival and the University of Portsmouth. Portsmouth Creates was formed to help ensure everyone gets to take part and enjoy what Portsmouth's dynamic cultural scene has to offer. Portsmouth is a hotbed of vibrant cultural and creative activity. We are not just talking about art galleries and opera. When we say culture we mean everything including music, art, dance, design, events, writing, making, film, digital media, theatre and museum.



The immediate impact of Covid-19 on the sector

Overwhelmingly, the sector has suffered primarily from a loss of trade, and the uncertainty accompanying this. As a result of the pandemic, 58% of respondents identified reduction in customer demand as a significant challenge to their organization. The need to adapt to new ways of working was also highlighted by 50%. Many felt unprepared to adapt to the challenge – with the demand for specialist Creative Industries business support evidenced throughout the survey.

There are concerns regarding the restarting of business, as trade and momentum has been lost. Order books are empty, and funding is no longer available for some projects. Many feel that they have fallen between the cracks, and are ineligible for support. 50% of respondents identified cash flow as a significant challenge to their organization.

**58% of respondents identified reduction
in customer demand**

There is a great deal of concern and confusion regarding when it will be possible to reopen, particularly in the Music and performing arts sector, where concerts and performances have had to be cancelled/rescheduled - especially given the need for social distancing. 39% felt that deciding on the best response was a significant challenge for their organization – further highlighting the need for specialist support.

Where possible organisations have tried to adapt to the current situation, but this has had limited success - and has been further hampered by a lack of the skills, facilities and technology needed to do so. Some organisations have pivoted to help provide PPE, where possible. Online meetings have been widely used (despite concerns regarding quality), and are largely seen as successful.

Overall, this is a sector which is feeling the incredible impact of its livelihoods disappearing overnight, and this is palpable in the frustration, loneliness and fear identified by respondents. Many previously independent successful practitioners and artists have found themselves with no work, no income and are unable to use their skills.

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

Given the incredible financial pressures that Covid-19 has created, it is unsurprising that 66% of respondents had considered accessing the financial support from government and arms-length funding bodies. Worryingly, only 50% went on to make an application and only 25% had currently been successful at the end of May 2020. This leaves 75% - the vast majority of the sector - without financial support at this critical time.

**75% of Portsmouth Creatives left without
financial support at this time**

Applications have been made to a wide range of schemes, with government SEISS and ACE for NPO the most commonly cited. Small business grants and local schemes to provide relief for offices rented were also popular. Ten other schemes were highly specialist and as such only open to a narrow portion of the sector, accordingly these had each only been applied to by one respondent. Small organisations, of which many of our creative industries businesses and activities are, are currently disproportionately disadvantaged by the requirements of submitting applications for support - a key recommendation would be to streamline the process for micro-businesses (sole traders/ >3 staff perhaps), as the proportionate requirements of available time taken to make applications is obviously higher than for larger organisations.

The prevailing view of respondents was that the process of accessing support was confusing, and was viewed negatively overall. A positive counterpoint to this was the support provided by Portsmouth City Council which was highlighted by a number of respondents as being pro-active, helpful and supportive.

Over half of those who have not applied for funding believe that they are not eligible – and there is a prevailing belief that the support is “not for them”. Many felt that they were ineligible because they did not pay rates for a property, or were too small to meet the criteria. For many their creative industries role is a second job – making them ineligible for a number of schemes. Others had not been trading long enough, or felt they didn’t have the right “track record” to apply. A number of organisations also highlighted concerns that they didn’t know how to access funding, or were not yet ready to do so.

As a direct result nearly a third of businesses and organisations have been forced to rely on private financial support – taking out personal loans, credit cards and overdrafts in a desperate effort to keep their businesses afloat in these unprecedented circumstances.

Crucially, when asked to rate the threat to their organisation on a scale of 1-10 (with 10 being the most severe) 74% rated the threat as an 8 or higher. This shows that the vast majority of Creative Industries organisations in and around the city feel that they are at severe threat as a result of Covid-19. The loss of these organisations would be a catastrophe that Portsmouth’s burgeoning creative industries would never recover from.

74% rated the threat of Covid-19 on their organisation as severe

The Creative Industries sector in Portsmouth clearly desperately needs support, and unfortunately the support to date has not met these clearly defined needs. More flexibility will be required to support such a diverse, and crucial, industry in order to safeguard it for the future.

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

The severity of the impact of Covid-19 on the Creative Industries sector cannot be overestimated, unfortunately – those impacts, without significant intervention, will have a significant long-term reach. A significant proportion of the Creative Industries sector relies, at least in part, on people feeling safe to come together – be that at a theatre, concert, museum or gallery. Even when lockdown restrictions are eased to a point which would allow these gatherings to take place – it is likely that a significant proportion of the audiences/visitors will be put off, due to safety fears. Recovering audiences – perhaps through new routes to market, needs to become a priority.

There is a dual challenge of reassuring people regarding safety, whilst supporting Creative Industries enough to allow them to survive this period. Survival alone, however, will not allow them to be equipped to make the changes and innovation necessary for the “new normal” that we are facing as a society. We need to support our Creative Industries whilst they make this adjustment – financially and through specialist business support, thereby reducing the financial fear that will be paralyzing to many. This sense that many within the creative industries was summarized by one respondent “not sure I have the strength in me to start again”.

Through providing this much needed support we can then reinvigorate and rally the Creative Industries sector. Many of whom will be facing considerable personal and professional debt as a result of the almost total lack of work. There is also considerable concern regarding the possibility of a recession, as this would add further pressure to their customers – further reducing the availability of work.

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

The organisations surveyed clearly identified the following as being most beneficial to their organisations recovery:

Funding for Projects and Innovation.

There is a clear and desperate need for further funding for the sector in order to reinvigorate it, and allow new projects to be generated. This funding will be more important than it has ever been, and must be 100% funded – as organisations and businesses no longer have the reserves to offer matched amount of funding. Crucially – this applies to big organisations just as much as smaller ones.

Specialist Creative Industries Business Support

Creative Industries organisations also require clear, accessible and free advice and specialist support for both their organisations, and with the implementation of social distancing measures. A company looking to socially distance 10 staff in a maritime office will have very different requirements to a museum that has millions of visitors in a normal year. Creative Industries, in this time of jeopardy, need to be supported by those that understand their businesses, and the inherent challenges. This is most definitely not a “one size fits all” scenario. Those organisations which have to implement the most changes will require the most support. Wellbeing initiatives targeted at the Creative Industries and the unique challenges it brings were also frequently mentioned.

Access to skills and facilities

For many organisations the pivot to digital brings further challenges and a need for skills development, access to technology and facilities. Furthermore, many are faced with the challenge of learning what is possible, so that they can accurately plan for their organisations future. Marketing was another area where many felt that they would benefit from skills development. Specialist Creative Industries skills training and facilities will be crucial to the sectors recovery from Covid-19. Crucially, these skills and facilities will lead to increased resilience in the sector – enabling us to be better prepared for future challenges.

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

In order to benefit from any potential support, and to enable organisations to respond to Covid-19 suitably, they will need the money, time and space to do so.

The areas highlighted above – funding for projects and innovations, specialist Creative Industries Business Support and Access to skills and facilities will be key to the sectors recovery.

Specialist Creative Industries Business Support – help businesses understand what they are eligible for, and this needs to be done by people who understand creative industries. Funding needs to be designed that understands the Creative Industries, and that doesn't discount start-ups or those for whom it is a second income.

Respondents felt that the community, and the City as a whole had responded by pulling together and this collaboration needs to be further encouraged as we go in to the recovery period. Funding should be available to consortiums to enable organisations of all shapes and sizes to continue working together, enabling them to work towards innovative cross-sector solutions to the challenges that will be faced.

Fear and anxiety – amongst organisations and their audiences will take time to address, and patience. It will take time – but all of the responses indicate that with the right support the Creative Industries can respond, pivot where necessary, and survive with increased resilience.

The Creative Industries are a vital part of our local economy, and make the city vibrant and alive. This is imperative to the prosperity of the city in so many ways. Creative industries are an area of growth the UK economy, and the city's economy, is leaning on – that growth can only be enabled if we support the Creative Industries now. For many, if not all of us, the Creative Industries have got us through the lockdown period. Now it is time to ensure that they remain strong enough to survive – and – importantly - to continue to thrive.