

TEC Scrutiny Meeting, 14 April 2014

APPENDIX 7(a): REPORT ON THE IMPACT OF COVID-19 ON THE CULTURAL SECTOR IN BLACKPOOL

1. National Context

The Digital, Culture, Media and Sport Committee set up an enquiry and asked for evidence to be submitted in early summer 2020 into the impact of Covid-19 on culture, media and sporting life in this country and published their report in July 2020.

A link to the full report is here: [Impact of Covid-19 on DCMS sectors \(parliament.uk\)](https://www.parliament.uk/business/committees/committees-a-z/culture-digital-media-sport-committee/committees-reports-and-evidence/2020-21/impact-of-covid-19-on-dcms-sectors/)

The report stated that the Covid-19 crisis presents the biggest threat to the UK's cultural infrastructure, institutions and workforce in a generation.

In July 2020 the Government announced a £1.57 billion support package for the arts but for many in the sector it has been too little too late.

The following facts and observations come from this report:

- Each year, more people in the UK attend the theatre than go to a league football match. There are just under 1,100 theatres in the UK. In the first 12 weeks of lockdown, more than 15,000 theatrical performances were cancelled with a loss of more than £303 million in box office revenue.
- The Music Venue Trust estimate that 93% of the grassroots venue network faces permanent closure, with 86% of venues reporting that their core threat stems from an inability to meet commercial rent demands.
- The Association of Independent Festivals says that 92% of its members face permanent collapse and 98.5% are not covered by cancellation insurance, despite having already incurred an average sunk cost of £375,000 per event.
- The crisis has also impacted the important work that arts organisations do in communities. In 2018/19, 77% of adults and 96% of children engaged with the arts, and cultural activity has proven benefits for health and wellbeing.
- Orchestras Live estimates that more than 5,000 public engagement opportunities have been lost, and there is a risk that cuts that arts organisations make due to Covid-19 will hit talent development and/or education and participation programmes in the long run.
- Many arts organisation have responded to this period of enforced closure by making productions available for streaming online or through partnerships with broadcasters. This requires access to digital infrastructure, and the National Theatre said the current period has "laid bare the disparity in digital capability between larger and smaller organisations".
- The Coronavirus Job Retention Scheme and the Self-Employment Income Support Scheme have been a lifeline for all those in the creative industries who have been eligible for them.
- Lessons must be learnt from Arts Council England's emergency funding when it comes to distributing the additional Government support. Support cannot be limited to organisations with a track record of public funding. Although recipients must be able to demonstrate they will use public monies appropriately, such a restrictive criterion risks excluding vital parts of

the cultural ecology, including whole sectors that have historically had less engagement with funding bodies such as contemporary music, circus and amateur theatre.

- Throughout the Covid-19 crisis, vulnerable people across the country have suffered as a result of being excluded from digital services and communication. Yet initiatives to tackle the issue, such as the DevicesDotNow campaign, have been limited by a lack of both direct and charitable funding.

2. Funding support accessed by Blackpool Cultural Organisations

This is an indicative table demonstrating the range of cultural and creative businesses that have accessed national and locally administered funding support. This is not a comprehensive table but demonstrates a snap shot of the situation.

Both the Arts Council and National Heritage Lottery set up Emergency Funding grant schemes before the DCMS Cultural Recovery Fund package was put in place.

The Arts Council made £20 million available to artists, creative practitioners and freelancers who could apply for up to £2,500. We know some artists across Blackpool benefitted from these grants and artists and organisations when support was requested were helped by LeftCoast and the Arts Service i.e. writing letters of support.

The Arts Council also made £50 million available to organisations outside their National Portfolio. Organisations could bid for up to £35k. Some organisations such as Abingdon Studios were successful with their application. ACE also made £90 million available for National Portfolio Organisations and Creative People and Places lead organisations.

The Cultural Recovery Fund has had 2 rounds so far with decisions on bids for round 2 due at the beginning of April 2021 and it has been intimated by the DCMS that there will be a third Cultural Recovery fund round in the summer. Local authorities have not been consulted on any decisions made.

VENUE /ASSET	WHO IS LEAD APPLICANT	HERITAGE CULTURAL RECOVERY FUND ROUND 1	ARTS CRF FUND ROUND 1 (£3M is max bid)	ARTS CRF LOANS	GOVERNMENT AND BLACKPOOL COUNCIL FINANCIAL SUPPORT
Winter Gardens	BECL	£700K Awarded end of Sept 2020 for Round 1 Round 2 bid also made.	No	No	100% business rates relief or 2020-21 for Retail Hospitality Leisure Sectors. Covid discretionary grant: £40k. LRSg grants: ongoing.
Grand Theatre	Arts and Entertainment Co	Not applied to this fund	A grant of £483,666k awarded for Round 1.	No	100% business rates relief for 2020-21. Covid Discretionary Grants - £35k.

			Bid submitted for Round 2.		Released 90% of BC's SLA funding for 2020/21 immediately (£57,600) ACE Emergency Fund grant of £193k LRSg grants: ongoing.
Tower	Tom and Laci Productions Ltd/Tower Circus	Not applied to this fund	A grant of £362,980 awarded for Round 1.	No	100% business rates relief for 2020-21.
Pleasure Beach	Blackpool Leisure and Amusement Consultancy Ltd/StageWorks Worldwide	Not applied to this fund	A grant of £187k awarded in Round 1	No	100% business rates relief for 2020-21.
Bootleg Social	Eat & Sleep Entertainment Ltd	Not applied to this fund	A grant of £81,309 awarded in Round 1	No	100% business rates relief. LRSg grants: ongoing.
Funny Girls	Ellis Noble	Not eligible	Applied in Round 1 – not successful.	No	100% business rates relief for 2020-21 for Retail Hospitality Leisure Sectors. LRSg grants: ongoing.
Art B&B	Art B&B CIC	Not eligible	£73,000k awarded in Round 1	No	100% business rates relief for 2020-21. Covid RHL Grant - £25k. ACE Emergency Fund grant of approx. £30k LRSg grants: ongoing.
Abingdon Studios	Abingdon Studios Limited Co.	Not eligible	No	No	COVID grant £10k. Successfully applied for ACE Emergency Fund grant for arts organisations - £15k

3. Case Studies

The following case studies are to give members an understanding of the range of impacts Covid-19 has had on our communities and the operation and delivery of various cultural organisations in Blackpool.

3.1 Blackpool Libraries

Aside from the initial lockdown period in Spring 2020, the majority of the library network (6 out of 8 libraries) has been open and operating throughout the last year. Defined by the government as an essential, statutory frontline service, sites were allowed to remain open for ICT access and either open browsing provision or a 'click and collect' option (i.e. during subsequent lockdown periods). The At Home Library Service has continued to deliver to vulnerable housebound residents; and the digital offer, both in terms of content (including eBooks, eAudiobooks, eMagazines and newspapers) and activities (including online book clubs, author talks, Facebook live story times for adults and children, and Early Years rhyme time sessions) saw a massive uplift in usage in the last year, as the following headline statistics illustrate:

April 2020 to February 2021 - Digital Resources and Engagement Performance Headlines

Digital resources:

- eBook /eAudio: 22,042 loans (69% increase)
- eMagazines/comics: 18,334 loans (102% increase)
- e Newspapers: 15,847 loans (new service)
- Total digital borrowing: 56,223 loans (154% increase)
- Total new 'digital' registrations (i.e. new customers signing up to e-resources) 953 new users (531% increase)

Digital engagement activity

- No. of Adult Facebook events: 62; number of participants: 847; number of views: 14,884
- No. of Children's Facebook events: 101; number of participants: 1,540; number of views: 29,868
- Total no. of digital events: 204
- Total no. of participants: 51,176

3.2 Grand Theatre www.blackpoolgrand.co.uk

Prior to the pandemic, the Grand Theatre regularly turned over £3m, earned 91% through ticket sales, had healthy reserves and numerous commissions to provide creative learning services both locally and nationally. The organisation is not sustainable in the medium to long term if it cannot trade without additional support to transition to business viability and sustainability from 1st July 2021. They were successful in securing Cultural Recovery round one funding and are awaiting a decision on their round 2 bid.

Covid-19 has triggered a year of intense learning, creativity and innovation, coupled with devastating cuts to protect the theatre and prepare it to return to viable trading as soon as possible. The board has supported the management team to take both artistic and financial risks: finding new and different ways of fulfilling their mission to 'inspire a life-long love of theatre' by moving into production; online and blended education; creative engagement; and streaming services, reaching

far beyond their normal regional catchment. The organisation has benefitted from JRS, LA grants and Rate reduction. They have not borrowed money because there are no tangible assets for security. They received ACE emergency funding and raised £65,419 additional income through donations, secured £177k in future project funding and £44,135 commercial sales of online streaming. Despite the imagination and energy invested to achieve this, it comes nowhere near to replacing the millions they normally earn and has forced them to fundamentally re-think their business: diversifying income streams; building new collaborations; and researching new business partners.

As the pandemic progressed, their vulnerability to the whims of commercial producers has become clear. They have now moved shows 4 times, a huge administrative task, the cost of which has fallen on the Grand. They have drastically cut the things within their control: jobs, artistic spend, capital investment, marketing and running costs.

As the health context has changed, they have adapted the venue and prepared for socially distanced, covid-secure re-opening for Xmas but then were not allowed. They negotiated new, flexible working contracts and pay cuts for the remaining team, and invested in cross-skilling to create a one-team approach, where we all turn their hands to anything the business requires. Initially, they imagined they would be able to earn income by hiring out the building as an event venue, for conferences and celebrations. They are licenced to hold weddings, but as gatherings became more restricted, it was clear this would not earn them the income they had anticipated. It can still provide fall-back income when things return to 'normal'. In partnership with Edge Hill University and the ClearThinking Consultancy they have been researching and developing their Story-led Resilience™ with a view to monetising the product to new sectors. They are working with a consultant to reshape their governing structure to fit the new business model and believe it is vital to continue to invest in the ongoing welfare of their remaining employees.

Normally, they would recoup approx 80% of their marketing spend through contra charges, paying the up-front costs and then reclaiming them at settlement. With all the programme moves and no contra income, their marketing budget is ravaged. Going forward, they cannot take the financial burden of bankrolling producers who may or may not fulfil their part of the bargain. They are aware that contracts from producers have been changing to protect their interests. To meet this challenge, they need investment to review and refresh their own contracts to match the new business context.

Covid-19 has exposed a key weakness for the Grand as a presenting theatre and this will be the same issue for theatres across the country. They have no control over the product available to programme and, because they rely almost exclusively on its profits to deliver their cultural education programmes, some of their most impactful and valuable work is now under threat. Almost all programme has now moved into 2022. They plan to use CRF2 (if approved) to address these issues and ensure that they can return as a viable, value for money, fit-for-purpose business providing cultural opportunity both locally and nationally.

3.3 TramShed Theatre www.tramshed.org.uk

TramShed Theatre is an inclusive theatre company and registered charity, offering inclusive performing arts to children, young people and adults across Blackpool, Fylde and Wyre. It delivers

inclusive music, dance and drama on a weekly basis and reach out to local and wider communities through a variety of outreach and theatre in education programmes.

TramShed postponed all projects and public facing activities with immediate effect as a direct result of COVID-19, including all workshops, training and performances. Work delivered to members was funded by a restricted, ring fenced grant, which was frozen until a time when we were able to recommence face to face workshops and engage with our membership base. TramShed members accessing their work are all extremely vulnerable and were already isolated through no fault of their own. Many of them only accessing TramShed as their weekly social activity and, as a result found themselves alone and without direction or support. It was essential for TramShed to continue accessing their members who were extremely vulnerable, to support them at a time where isolation was all consuming.

A large proportion of TramShed's income comes from a programme of fundraising activities managed by a dedicated team and held on a regular basis, ensuring our sustainability and to inject funds to continue our important work. All planned fundraising activities were postponed until further notice, meaning a huge loss financially, to what had been their predicted income within the most recent business plan.

Artistic staff delivering programmes at TramShed are all freelance, self-employed artists, who have built their careers over many years within the arts sector. Due to the COVID-19 pandemic, all staff found themselves without work as a result, unable to access employment opportunities or deliver any pre-commissioned work throughout 2020.

TramShed delivered an online project entitled 'Somewhere Over the Rainbow' in direct response to COVID-19 with Arts Council Emergency Covid-19 funding. This truly innovative approach to their work has enabled them to develop the organisation, reduce isolation within their membership base and give full access to the arts as a direct result. At a time when they had to close their doors to their community, the project has given TramShed new skills, new methods of delivery, new inclusive approaches and created a pilot in which research and development for digital inclusive theatre has been at the heart.

4.0 SUPPORT PROVIDED THROUGH BLACKPOOL COUNCIL FOR THE CULTURAL SECTOR

- 4.1 Support and advice has been provided to cultural businesses preparing applications to the Cultural Recovery Fund Rounds 1 and 2.
- 4.2 A detailed survey has recently been promoted to creative businesses across the Fylde Coast as part of the Heritage Action Zone delivery plan and the data from this will provide information on the impact Covid-19 is having on people's creative practice and what they are looking for in terms of support and facilities to develop their businesses.
- 4.3 Discretionary Grants (Blackpool Business Recovery Fund) - Creative industries have been included as an eligible sector within the recently launched second round of Blackpool Business Recovery Fund. At the present time over 110 applications have been received from businesses that categorise themselves within this sector. Some organisations may have previously received property-based grants in 2020 and 2021 (Small Business Grant Fund, Retail Hospitality and Leisure Grant, Local Restrictions Support Grant etc), subject to status.