

Rt Hon Oliver Dowden MP,
Secretary of State for Digital, Culture, Media and Sport,
DCMS,
100 Parliament St,
Westminster,
London, SW1A 2BQ.

1st June 2020

Dear Secretary of State,

Recovery plan for the culture and tourism sectors

I am writing to you as the Chair of the Local Government Association's Culture Tourism and Sport Board, and on behalf of our member councils across the country.

Our members work closely in partnership with the cultural sector and creative industries to support their growth at a local level. Anchor institutions like theatres, music venues, museums, galleries, arts centres and heritage sites are central to the economic wellbeing and health of our communities, as are public events including festivals. We are concerned that the future of this sector is now in doubt as a result of Covid-19.

As we have seen during lockdown, creativity can provide solace and connection in difficult times and online cultural activity including streamed theatre, digital gallery museum collections and virtual music festivals have played a central part in maintaining the mental health of the nation. The cultural and creative sector is also crucial to our economy:

- The creative industries contribute £11.7bn gross value added (GVA) to the UK economy.
- Prior to the Covid-19 pandemic, they were growing at five times the rate of the UK economy as a whole.
- The most recent figures from Visit England show that tourism in England, which relies to a large extent on our cultural offer, contributes £106bn to the British economy when direct and indirect impacts are taken into account, supporting 2.6 million jobs.

It is essential we do not forget this in planning our national approach to recovery: indeed, we have never had a greater need for creativity and innovation.

It is increasingly clear that the impact of the current lockdown will be felt long after the current restrictions are lifted. This is for several reasons.

- 1) Public confidence in attending cultural events will take some time to recover. Research from the Association of Leading Visitor Attractions (ALVA) shows that only 16 percent of previous visitors would visit museums and art galleries "as soon as the opportunity arises". More than half (54 percent) said they would wait and see what happened "for a short while", and almost a third (29 percent) were "unlikely to want to visit for a long time".
- 2) Should social distancing need to be maintained, it will have a profoundly negative impact on the ability of cultural organisations to generate income. Theatres in particular work on narrow margins and will be unable to reopen on existing business models while maintaining the recommended distancing. Other organisations like large museums and galleries may find social distancing easier to deliver, but their business models also rely on income generation

including ticket sales, events and hospitality and provision of food and beverages, all of which will be affected.

- 3) Many organisations require a significant lead-in time to establish their programme. This is particularly true of theatres and festivals, but equally applies to exhibitions and other cultural programmes. It has been impossible to undertake much of this planning during lockdown and many organisations will need time to re-establish much of their programme before reopening, even when restrictions are lifted. Theatres are especially dependent on income from the Christmas season to subsidise their activities over the rest of the year.
- 4) Cultural organisations are unusually reliant on volunteers to remain open, including community managed libraries. Many of these volunteers fall into the vulnerable category and there are serious concerns about the ability of organisations to allow them to return to their roles safely. According to a recent survey by Arts Council England, nearly 75 percent of community managed libraries have a volunteer base that is majority classed as vulnerable according to government guidelines. As a result they may take longer to reopen than other organisations.

We must act now to ensure these organisations have the support they need to plan their recovery. If we do not respond, there is a real danger that we will come out of the other side of this crisis with a vastly depleted national cultural infrastructure. Already, some areas are seeing key organisations close, including the Nuffield Theatre in Southampton, the Southport Theatre and Convention Centre and the Haymarket Theatre in Leicester. Many other organisations may follow.

We would like to work together with Government to establish a plan for recovery for the cultural and creative sectors. We would ask that consideration be given by Government to the following actions:

Adopt a place-based approach to recovery. Each area faces different conditions, has lost different elements of its local ecosystem and will be in a different starting point for recovery. Councils are the local leaders of place and best placed to coordinate recovery. By ensuring councils are at the top table for discussions – including the new Cultural Renewal taskforce and the Tourism Industry Council – you will harness their resources and expertise and maximise impact. Arts Council England's (ACE) new strategy recognises the approach, and DCMS should support ACE to return to its delivery plans as soon as is feasible.

Extend the furlough scheme for specific sectors until most organisations are able to return to financial viability. The furlough scheme has provided a lifeline to jobs and businesses. As cultural organisations are expected to be among the slowest to recover and their ability to generate income will take time to return to normal levels, a formal extension to the scheme during the period when social distancing measures are still in place would provide security to the sector and protect jobs. The provision to allow some workers to return part time announced last week is also a valuable support and will accelerate their return to viability.

Fund locally led support to theatres and other venues that will not be commercially viable under conditions of social distancing but that want to reopen to improve community wellbeing and begin to use their multiplier effect on local economies. Building on existing work to develop social prescribing models, DCMS should work with the National Academy for Social Prescribing and DWP to ensure that cultural organisations are funded to deliver wellbeing and economic outcomes, including skills training.

Develop an innovation fund. Working with organisations like NESTA to identify and support the mainstreaming of innovative practice and business models developed in response to Covid-19. While NESTA has established some success from crowdfunding and philanthropy, we believe this fund will predominantly need to be grant-based revenue funding as opposed to loan-based

finance. This could draw down an element of the funding for the Festival 2022, with the innovations supported forming part of the showpieces of that event.

Rapid rollout of the announced next tranche of business and intellectual property centres.

These centres have proven their ability to reach and support a broader and more diverse range of entrepreneurs and will be critical to re-establishing a thriving ecosystem of small businesses and freelancers. Alongside this, a specific cultural and creative support offer should be developed, similar to Arts Council England's digital champions.

Refocus existing funding to support place-based recovery. Working with other departments and expanding criteria and objectives for the Cultural Development Fund, High Streets funding, and Stronger Towns funding, this could support councils to convert and adapt buildings, including high street premises, into studios to facilitate the creative industries contribution to recovery. A wider **roll out of creative zones** would also support councils in this and enable them to curate high streets. Over the longer-term, the UK Shared Prosperity Fund should explicitly acknowledge cultural, creative, heritage and visitor economy objectives.

Visit Britain to lead campaigns for consumer and business confidence: repurposing their overseas allocation to focus on domestic tourism; targeted at rebuilding consumer confidence in the safety of visiting attractions, as well as seeking to disperse visitors across the country and avoid over-crowding of key areas.

Financially resilient councils will be an important part of this picture and the LGA is speaking separately to MHCLG about the Government's commitment to covering the full cost to councils of meeting COVID-19 pressures and compensation for all lost income.

The LGA is developing a support offer for councils looking to grow their local creative, leisure and visitor economies, and guidance on how councils can use their existing powers and resources to support the sector. This work will be significantly enhanced by Government's adoption of the measures above, and we are keen to work together to ensure local and national government are complementing each other and maximising our support for these critical sectors.

We look forward to working with you to ensure the future of the culture and tourism sector. Thomas French (Thomas.French@local.gov.uk) would be happy to work with your officials to find a suitable date for a call to discuss these issues further.

Yours sincerely,



Cllr Gerald Vernon-Jackson,

Chair of the LGA Culture, Tourism and Sport Board

CC:

Rt Hon Rishi Sunak MP, Chancellor of the Exchequer

Rt Hon Robert Jenrick MP, Secretary of State for Housing, Communities and Local Government

Caroline Dinenage MP, Minister of State for Digital and Culture

Nigel Huddleston MP, Minister of State for Sport, Tourism and Heritage