

1. Introduction

- 1.1. Culture East Sussex (CES) supports the delivery of the East Sussex Cultural Strategy 2013-23, plus Mission 3 of the Team East Sussex Economy Recovery Plan. This report provides an update on the current state of the cultural sector and the visitor economy, and describes the positive ways the sector is rising to the challenge presented by Covid-19, and in doing so supporting the recovery of East Sussex.

2. Strategic context

- East Sussex Cultural Strategy 2013-23
- TES Economy Recovery Plan
- East Sussex Growth Strategy 2014-20
- SELEP Economic Strategy Statement 2019
- SELEP's emerging draft Recovery and Renewal Strategy in 2021
- South East Creative Economy Network (SECEN) Prospectus (currently being revised)
- Arts Council England's 10 Year Strategy: Let's Create 2020-30

3. The impact of Covid-19 on the cultural sector

Overall impact on the cultural sector

- 3.1. In Jan 2021 we reported the Jun 2020 Creative Industries Federation: *The Projected Economic Impact of Covid-19 on the UK Creative Industries* from Oxford Economics. Revised data is now available. In what has been termed a 'culture shock' (OECD, 2020), the cultural and creative sectors have been close to the hardest hit sectors in the international economy after aviation, hospitality and bricks-and-mortar retail. Venue-based sectors (museums, performing arts, live music, festivals, cinema) have been the hardest hit by social distancing measures, with abrupt drops in revenues, redundancies, the highest usage of versions of 'furlough' schemes across the world and substantial and immediate repercussions for the value chain of their suppliers. Some cultural and creative sectors, such as online content platforms, have profited from the increased demand for cultural content streaming during lockdown, but the benefits from this extra demand have largely accrued to the largest firms in the industry. As a sector hugely reliant on specialist freelancers, the impact on this part of the sector is pronounced.

Impact on the self-employed

- 3.2. In 2019 a record number of just over 5 million workers in the UK were self-employed, more than 15% of the employment total. Similarly, of 6 million businesses in the UK, 4.6 million (76%) did not employ anyone but their owner/s, and between 2000 and 2020 the number of non-employer businesses had almost doubled from 2.4m to 4.6m.
- 3.3. Such sustained growth is now understood as part of a wider structural trend within UK employment and business population demographics towards, variously, self-employment, sole trading, freelancing and micro- and small-firm entrepreneurship. However, the merits of such growth remain the subject of debate – between those seeing a positive feature of a dynamic, entrepreneurial and flexible economy allowing the inclusive possibilities of fractional working (including, for example, highly skilled freelancers) and those highlighting a growing 'precariat' undertaking low paid, precarious and unstable employment in the 'gig economy'.
- 3.4. Such employment trends are central to understanding the substantial growth of the cultural and creative industries. In 2017 the Creative Industries Federation estimated that 47% of all creative jobs in the UK were freelance, roughly triple the rate for the economy as a whole. The industry is recognised as having for a long time employed a mix of project-based production systems, outsourcing, temporary organisational forms and configuring events, (collaborative) networks of freelancers and volunteers and portfolio working as part of the ecologies and economies of the cultural and creative economy.

- 3.5. The pandemic has driven home the precarious nature of a freelance career, with many freelancers including those working in the creative sector being excluded from the government's financial support packages.
- 3.6. The excluded 3 million comprise: newly self-employed; those earning less than 50% income from self-employment; self-employed with £50k+ trading profits; PAYE freelancers; new starters; those made redundant before 19 Mar 2020; those denied furlough; Directors paid PAYE annually; Directors paid in dividends; Directors of companies not in profit; new businesses; businesses ineligible for Business Grants; those in maternity/parental/adoption leave; those whose personal circumstances have affected entitlement to support e.g. pensions, bereavement allowance, carer's allowance, students.

Impact on Cultural Destinations

- 3.7. Although visitors returned to some creative and cultural venues in the period between the two national lockdowns, venues could only operate at significantly reduced capacity compared to the same period last year, with destinations operating at between 25% and 35% of 'normal' visitor numbers in 2019 to comply with social distancing measures. Although there were reports of increased secondary spend per head among some organisations, set against reduced visitor numbers these figures do not compensate for loss of visitors. Organisations are reprogramming and rescheduling, tasks which do not earn income and which have to be done on reduced staffing numbers. The working assumption currently is that the majority of venues will not be opening until May 2021 at the earliest.
- 3.8. Key challenges ahead continue to be:
 - Reduction in consumer confidence.
 - Organisations have fundraising targets to meet in an arena which is untested and already considerably stretched.
 - Uncertainty presented by efficacy of the vaccine, potential future restrictions and discussion of vaccine passport.
 - There is significant reduction in available volunteers who are often in the age ranges most vulnerable to Covid-19.
 - The supply chain of self-employed specialists and suppliers (e.g. film makers, performers, artists, food and drink, shop stock and technicians) are all severely impacted. Many are considering or already have left the industry, obliged to seek alternative employment, raising concerns about future recovery.
 - Cultural organisations have strong engagement programmes either as central to their programmes or as part of education and learning. Organisations often target vulnerable communities in East Sussex and provide vital resources. Their funding streams have been impacted by Covid-19 and they have not been able to access government recovery schemes because they have had to maintain connection with their communities and therefore could not furlough staff or close. These organisations do not fit the visitor economy model but are central to cultural production and employment of creative freelancers.
 - The sector's ethnic diversity in employment has deteriorated as many BAME employees are in more junior roles which have been made redundant.
 - Covid-19 restrictions risk overlooking disability legislation. Cultural organisations must strive to maintain the quality of experience which ensures their customer base whilst remaining financially accessible.

4. The impact of Covid-19 on domestic and inbound tourism

- 4.1. There are significant interdependencies for the cultural sector and visitor economy in East Sussex. Many of our leading cultural organisations are visitor destinations. Throughout the pandemic, 1066 Country, Visit Eastbourne and Sussex Modern have worked to support the visitor economy and promote the national 'Protect, Respect, Enjoy' campaign to increase consumer confidence and are now engaged in recovery programmes.
- 4.2. As an illustration of the rapidly shifting planning environment, on 12 Dec 2020 **VisitBritain's inbound tourism forecast for 2021 was predicting the first signs of a slow recovery for overseas visits to the UK.** These forecasts were made before the new variants were reported. The revised 2021 central

scenario for inbound tourism in 2021 is for 11.7 million visits, up 21% on 2020 but only 29% of the 2019 level; and £6.6 billion to be spent by inbound tourists, up 16% on 2020 but only 23% of the 2019 level. This is a significant downgrade from the original forecast for 2021, which was run in early Dec 2020.

- 4.3. The 2021 domestic tourism forecast is for a recovery to £61.7bn in domestic tourism spending in 2021; this is up 79% compared to 2020 but still only 67% of the level of spending seen in 2019. Visit Britain is forecasting £18.0bn in domestic overnight tourism spending (82% growth on 2020 but 73% of the 2019 level) and £44.6bn in leisure daytrip spending (82% growth on 2020 and 67% of the 2019 level). A number of other factors are likely to prevent inbound tourism recovery to pre-Covid-19 levels even beyond 2021. These include the economic situation in each market, with demand hit by unemployment and possible fiscal tightening; new behavioural habits affecting leisure and business travel, both short and long term; potential loss of supply.
- 4.4. The Tourism Alliance (a lobbying group for the sector) reports the following: Over 80% of tourism businesses closed compared to just 24% of all businesses, around 75% of tourism employees have been furloughed compared to 27% of all employees, revenue for accommodation businesses down by 73% during 2020. Tourism will reopen later than any other industry and will operate under restricted capacity for many more months.

5. Culture East Sussex response to the impact of the pandemic

- 5.1. The following highlights some of the programmes in place to support recovery.

Do We Really Want to Bounce Back?

- 5.2. This programme is aimed to reach creative freelancers and is open to anyone working in the creative industries. It was designed by the East Sussex Arts Partnership and South Downs National Park in association with Cultural Baggage. The first event provided a platform to bring together creative freelancers who are often isolated and unaware of the networks available to them or the significant campaigning taking place at a national level on their behalf. The feedback was extremely positive. The second event is themed to address diversity and inclusion.

The Friday Email

- 5.3. Since the beginning of the Pandemic the ESCC Cultural Strategy Manager distributes B2B information by email every Friday which gathers together opportunities and information for the sector. This has recently proved to be a useful follow-up to Do We Really Want to Bounce Back?, with new subscribers saying that the email gives them hope and makes them feel less isolated.

Everyday Creativity

- 5.4. Whatworkswellbeing has published a [briefing](#) that looks at the behaviours and activities people have used to cope with lockdowns and the wellbeing impact of different coping strategies. Gardening, exercising or reading for 30 minutes or more was most effective at lowering anxiety. 22% of people increased their engagement with the arts. People with an emotion-focused coping style were more likely to increase their arts engagement, along with young adults, non-key workers, and those with greater social support.
- 5.5. Everyday Creativity (a collaboration between Public Health and cultural practitioners led by Culture Shift) is a programme designed to explore how participation in creative activities can improve the mental health and wellbeing of the population in East Sussex during the pandemic. The programme builds on the creative activities that the local population has used to manage their mental health and wellbeing during lockdown, and implement creative activity-based interventions aiming to improve mental health and wellbeing for five discrete populations (selected by the Public Health team based on risk of adverse outcomes during the pandemic), and then produce a bank of resources based on the interventions to enable a wider population to benefit in the future.
- 5.6. Creative practitioners and companies have now been recruited:
 - Young People – Eggtooth/Ed Peasgood (consultant)
 - PAs – Community 21/University of Brighton
 - Care Homes – Lucy Groenewoud/Painted Ladies/Raise Your Voice In Care
 - Furlough/Unemployed – Creative Future

- Rough sleepers – Eastbourne Pottery/ Resonate

Cultural Programming

5.7. Despite financial and logistical challenges, the East Sussex cultural sector has continued to deliver its dual purpose as both community assets and economic drivers for the county. Their cultural programmes, delivered throughout the pandemic, have reassured communities, enticed visitors when it was acceptable to do so and supported the vulnerable. An indicative list of activities was provided in the previous CES report (Dec 2020); the list below provides an update so should not be regarded as comprehensive:

- Depot cinema moved its content online from 1 Apr 2020, delivering around 50 recommendations each week for a wide audience, including children and adolescents, as well taking in mainstream, arthouse and theatre audiences. At the same time, they developed free online courses related to cinema appreciation. The educational courses have continued online and have grown broader, encompassing themes like film history, film appreciation, film making and genre studies. During lockdown 3, Depot is supporting independent distributors getting their films to a wider public audience via its social platforms as well as newsletters and website.
- Battle Abbey has introduced online education workshops. Onsite engagement has been adapted to be delivered virtually with dedicated time for students to ask questions to the ‘experts’. These cover Primary School (key stage 2) and GCSE students. The Abbey is currently undertaking research around schools’ willingness to return to sites once lockdown has lifted, what form that will take, what restrictions they will face and how we can make sites more accessible for them when they do return. The Abbey will be taking on a Community Engagement Assistant as part of the Kickstart programme in Jun 2021.

South East Creative Economy Network (SECEN)

5.8. SECEN is the sector-led Creative, Cultural and Digital subgroup of SELEP. This network is delivering a number of high-profile work packages which inform, complement and require the engagement of CES membership:

- England’s Creative Coast was due to be launched in Jun 2020, and will now be launched in May 2021.
- South East Creatives (SEC) extended to May 2021, continuing to offer a grants programme. To date £183.7k of grants have been approved and 687.5 hours of business support delivered, in total engaging 133 companies in the programme.
- ‘We Made That’ has been commissioned to undertake the SECEN Creative Open Workspace programme. The project will deliver a cultural infrastructure toolkit that will help expedite development of creative workspace, provide specialist support for the realisation of at least three creative workspace sites, and produce a Creative Workspace Masterplan for the SELEP region alongside scoping and testing the opportunities and challenges of introducing ‘Creative Opportunity Zones’ in the region. To underpin these projects, the team will explore the value of creating a Cultural Infrastructure Map for the SELEP region. SECEN is an open network which invites creative businesses, freelancers, education and local authority representatives to work together to address barriers to the growth of the Creative Industries in the SELEP region. This project is funded by the [South East Local Enterprise Partnership](#), [Arts Council England](#), [Creative Estuary](#), East Sussex County Council, Kent County Council and Essex County Council.

Culture East Sussex (CES)

5.9. CES is commissioning a review of its governance framework and membership, with a view to developing a Cultural Investment Framework to provide a framework for recovery. Procurement of an external consultancy is in progress.

6. Visitor Economy Recovery

Department for Digital, Culture, Media and Sport (DCMS) Recovery Plan

6.1. A DCMS five-year recovery plan is due to be published at the end of Mar 2021. The plan has been developed by DCMS and VisitBritain with input from the Tourism Industry Council and includes a separate consultation on Sub-National Tourism Delivery. A Destination Management Organisation (DMO) review was launched on 1 Mar 2021, aiming to examine and assess how DMOs across England

are funded and structured, and how they perform their roles, in order to establish whether there may be a more efficient and effective model for supporting English tourism at a regional level, and if so what that model may be. The review will take place over spring 2021, with a written report, including recommendations, delivered to the Secretary of State by summer 2021.

Tourism Alliance

6.2. The Tourism Alliance lobbies on behalf of the tourism sector. The budget asks recommended by the Tourism Alliance are:

- Extend and reform the Business Rates Relief scheme;
- Extend furlough for businesses impacted by social distancing or travel restrictions;
- Extend 5% VAT rate.

Immediate Opportunities

6.3. Some of the more immediate opportunities include:

- Self-catering is in demand;
- Rural and seaside destinations in demand;
- Temporary Structures allowed for up to 56 days;
- Automatic freedoms to provide takeaway services for restaurants, pubs and cafes;
- Influencing perceptions.

6.4. Prior to Covid-19, the Sussex Modern partners alone had an annual turnover of £87.8 million. They are a voice for the county, generating positive media attention which supports our visitor economy, inward investment and recruitment retention. The pandemic has seen an increase in social media following, with the East Sussex Cultural Leaders Network alone reporting:

- Twitter: 5,962,036 (Glyndebourne's Twitter reach nearly doubling from 3.2m in 2019 to 5.9m in 2020);
- Instagram: 128,135 (Hastings Contemporary reporting 100 new followers per week);
- Facebook: 3,046,599 (organisations report that both the numbers and the depth of engagement is increasing).

6.5. Allowing for duplication, a conservative estimate would suggest that this group of cultural organisations influence 8 million people's perceptions of East Sussex. As these businesses reopen they will be generating a positive voice and an 'open for business' message to their 8 million social media followers.

Pan-Sussex Tourism and Culture Subgroup

6.6. The Sussex Resilience Forum has established a pan-Sussex Tourism and Culture Subgroup. The group has procured an external agency to undertake a data stocktake of existing national and local research to assess the current visitor economy and provide a series of recommendations to support recovery. Following endorsement, this will provide the foundation for attracting investment and prioritising effort, cognisant of a possible Visit England Tourism Zone opportunity in the future and preparing the groundwork to position Sussex to bid.

SELEP recovery programmes

6.7. £200k SELEP Sector Support Funding was secured to support Sussex Modern, Visit Kent and Visit Essex to develop winter campaigns and a spring relaunch. Visit Kent will also deliver a business support programme. The same partnership along with Southend has also bid for the SELEP £1.05m recovery package for the visitor economy (outcome TBC early-Mar 2021).

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