
The Economic Impact of Covid-19 on the Culture, Arts and Heritage (CAH) Sector in South Yorkshire and comparator regions

**A report
commissioned
by The
University
of Sheffield
September
2021**

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With thanks also to Dr. Geraint Coles (Director of the Cultural Heritage Institute at Royal Agricultural University and associate consultant at ChamberlainWalker) for helpful comments and suggestions.

Foreword

This report has been commissioned by a UKRI/AHRC-funded project 'Responding to and modelling the impact of Covid-19 for Sheffield's cultural ecology: A case study of impact and recovery' which took place between July 2020 and October 2021. During this period, the UK's cultural industry experienced a rapidly changing context of closure and restricted opening in parallel with the development of pandemic across the country. The research project has captured the experiences of venues, freelance workers and audiences within the South Yorkshire region. For example, our research has demonstrated the profound impact on the economic circumstances and wellbeing of freelance workers.

This report, drawing on a range of recent data, investigates the economic impact of Covid-19 on the culture, arts and heritage (CAH) sector in South Yorkshire and compares it to other city regions. It contributes to, and also draws in part from, wider research undertaken by the research team and funded by the Arts and Humanities Research Council into the wider impact of Covid-19 on this sector in South Yorkshire.

We are grateful to the participants for their honesty and providing details of the impact of the pandemic on their businesses and to audiences who have demonstrated how the lack of opportunity to access arts and culture has affected their wellbeing. The report has been written by ChamberlainWalker with support from South Yorkshire Mayoral Combined Authority. The findings of the research have already been used to lobby for support to the sector in South Yorkshire and across the UK. We shall endeavour to work together so we can provide evidence, make the case and give voice to the sector as its recovery continues. Our findings have already leveraged additional support for freelancers within Sheffield and funding from the combined authority for culture regionally. However, we must ensure that culture is embedded in the national levelling up agenda and the regional deliveries of this and we hope that the evidence gathered through our research will enable the case to be continued to be made within South Yorkshire and beyond.

Ambitious plans. Made together.

Professor Vanessa Toulmin and Professor Malcolm Tait,
University of Sheffield

Kate Brindley,
South Yorkshire Mayoral Combined Authority

Executive Summary

This report investigates the economic impact of Covid-19 on the Culture, Arts and Heritage (CAH) sector in South Yorkshire and compares it to other comparable regions. It contributes to, and draws in part from, wider research undertaken by the University of Sheffield and funded by the Arts and Humanities Research Council into the wider impact of Covid-19 on this sector in South Yorkshire.

Covid-19 social distancing rules and lockdowns over the last 18 months have been unprecedented and the impact on the economy is only beginning to become clearer. Overall UK GDP contracted by around 10 per cent in 2020 – the largest fall in over 300 years, and the worst in the G7.

A few sectors have been particularly badly impacted because of the nature of their business. The broad sector of Arts, Entertainment and Recreation (which includes culture, but also sport and gambling) saw a 60% decline in output (Gross Value Added) and 450k jobs furloughed. This represents 55% of the total jobs in the sector (second highest behind Accommodation and Food at 56% and way above the national average of 16%). 80,000 claims were made under the Self-Employment Income Support Scheme (SEISS) in the same sector, 68% of the eligible population.

Nationally output in the sector fell dramatically as Covid-19 hit in March 2020 with a decline of around one third from Q2 2019 to Q2 2020 in real terms. The sectors “creative, arts and entertainment activities” and “libraries, archives, museums and other cultural activities” were worst hit (declines of 63% and 45% respectively).

The annual data is less pronounced in terms of impact because it includes some pre-lockdown activity and varying degrees of re-opening through 2021. However, sector GVA fell by around 20 per cent (real change, constant prices), compared to around 10 per cent for the economy overall.

These dramatic falls in output mask some significant variations between sub-sectors ranging from an estimated +17% to -70% in nominal rather than real terms. Activities that grew or were only subject to modest declines (+17% to -5% range) in output included computer games, software, book publishing, TV broadcasting and libraries. Activities very badly affected (-30% to -70% range) included cinema, performing arts, museums and historical sites.

South Yorkshire

Attempting to assess the economic impact of the pandemic in South Yorkshire at this stage is very challenging because regional level data has not yet been published so we have had to extrapolate from national data. In addition, it is still very early to assess what (if any) long term effects the pandemic will have on the sector. However, we have applied these national impacts to South Yorkshire using what we know about the make-up of the sector in the region relative to 7 comparator regions. We have also drawn from surveys on the impact of Covid-19 on freelancers and venues in the region, undertaken as part of the wider AHRC-funded project led by the University of Sheffield.

In our 2020 report for South Yorkshire Combined Authority and partners we estimated the CAH sector contributes around £100m to South Yorkshire’s economy (Gross Value Added) and up to 3,000 jobs. However, this used a very focused definition of the sector which excluded a lot of commercial activity (such as film, TV and publishing).

For this report we are using a revised wider definition of the sector, where GVA for South Yorkshire is around £260m, with jobs approaching 6,500. Using this wider definition, South Yorkshire is now closer to the lower end of comparators for GVA as a proportion of the economy. This is because South Yorkshire has less activity / jobs in those more commercial sub sectors.

We weighted the national impacts of Covid-19 to reflect the economies of South Yorkshire (SY) and 7 comparator regions and found that the average impact of Covid-19 for the group is a decline of around 20 per cent – so slightly more than the UK average (-17%, nominal change, current prices). South Yorkshire appears to be one of the regions most affected by Covid-19, with an estimated total CAH sector output loss of 22 per cent (5-percentage points more than the UK average). This reflects the fact that South Yorkshire has the highest share of CAH sector jobs in the hardest hit sub sectors.

This analysis is indicative, given the paucity of data at the current time. It also does not include the impact of central government funding which has significantly mitigated the impacts of Covid-19 in the sector and more widely.

Impact on regional organisations and freelancers

Individual organisations were affected differently depending on their particular circumstances. However, in general the impacts were very significant, reflecting the national-level economic data. The University of Sheffield's survey of arts organisations in 2020 captured some of this, for example:

- reductions in income averaging 49% with organisations cutting costs by an average of 38%;
- massive reductions in income from tickets, auxiliary spend, and venue hire alongside significant increase in state funding;
- 60% reduction in Full Time Equivalent (FTE) staffing and an 80% reduction in the use of freelancers.

Since that survey there has been continued government support and gradual re-opening. A key message is that nearly all the bodies who took part in the survey appear to be still active in August 2021. A further survey of arts institutions, once they have a few months of reopening under their belts, would provide a very useful update for this work.

On a more anecdotal level some institutions have been able to use the pandemic as an opportunity, especially those whose day-to-day activities were paused, while receiving relatively stable funding from owners (e.g. local government) or grants (e.g. Cultural Recovery Fund). Examples include Experience Barnsley's innovation in digital activity and outreach during the pandemic leading to being shortlisted for the museum of the year; and institutions bringing forward developments such

as Clifton Park Gallery, Rotherham Civic Theatre and Woodhouse Wentworth.

We know from the University of Sheffield's survey that Covid-19 had a massive impact on freelancers and their income. The survey, with 98 responding in 2020, set out the big impact of Covid-19 on both work availability and income with 92% citing projects cancelled, 67% citing new work reduced or stopped and reporting a more than 50% reduction in earnings. Over half of those surveyed received money from the Government's Self-Employment Income Support Scheme.

Data from the Register of Charities suggests a range of impacts with 37% of charities in South Yorkshire appearing resilient with the remainder moderately (-10 to 20%) or severely (-50% or more) impacted.

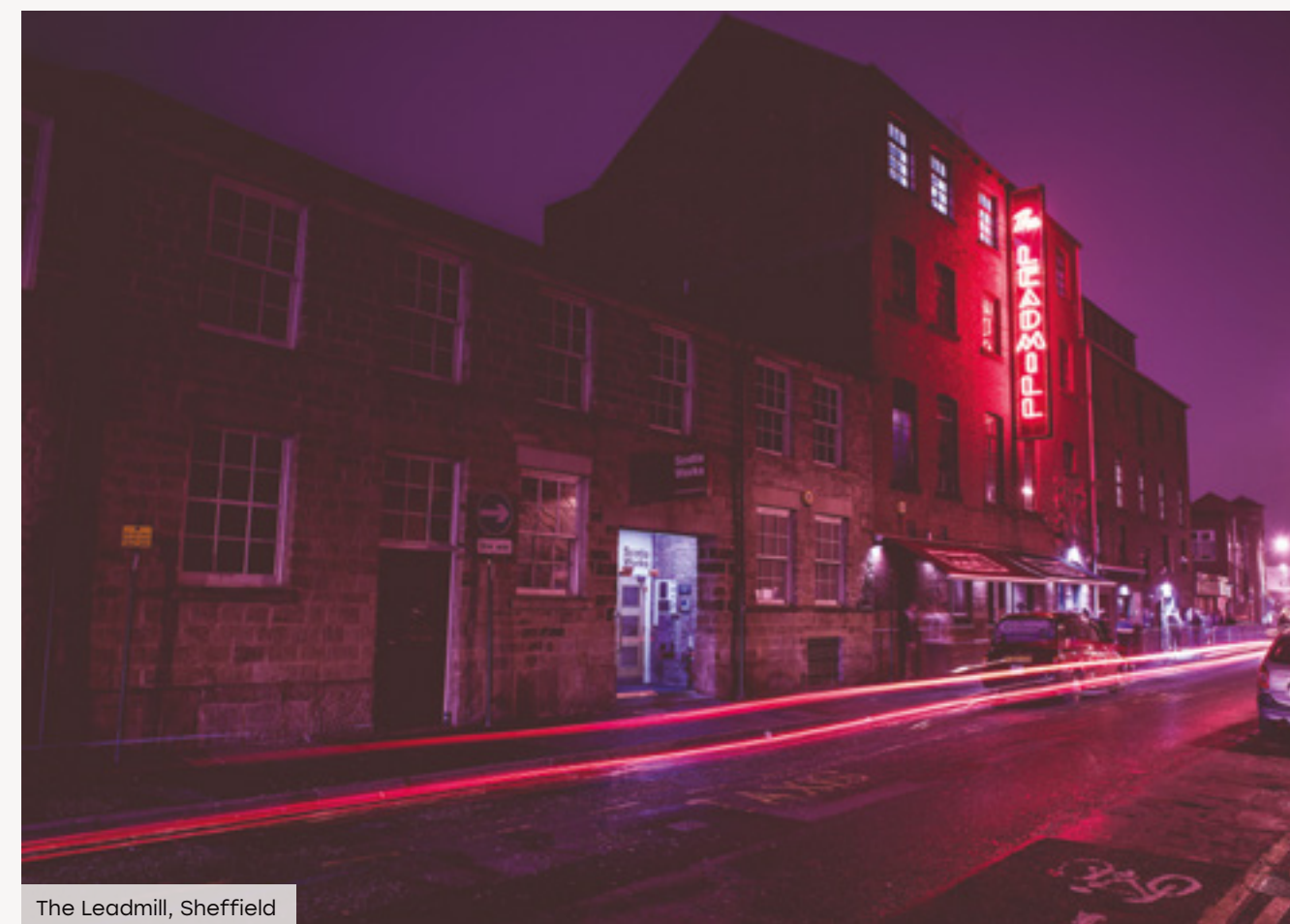
Support for the sector

The £1.5bn Cultural Recovery Fund (CRF) was by far the largest dedicated support package for the sector. South Yorkshire received over £19m (£13.5 per head) which is a significant sum. For example, National Portfolio Organisations (NPO) in South Yorkshire received more than double the amount received in previous years – which is a higher increase than NPOs in other regions.

However, even when distorting outlier bids are removed, South Yorkshire is still at the bottom end of comparator regions for CRF receipts on a per capita basis (£13.5 compared to the average of £16.7 per head). This probably reflects the longer-term issue of underperformance in accessing national arts and heritage funding.

The Covid-19 Job Retention Scheme supported a peak of 450,000 employees in the 'arts, entertainment, recreation and other services' sector in May 2020, falling back to 150,000 by the end of May 2021. This represents a decline from 58% of eligible employees to 29%. We do not have data for South Yorkshire, but this represents a significant level of support for the sector.

62% of freelancers in the 'arts, entertainment and recreation' sector claimed the Self-Employment Income Support Scheme (SEISS). Given what we know about the impact on the sector, this appears lower than expected. It is likely that the eligibility criteria of the scheme may have deterred applicants because many of them move between employment and self-employment or do it alongside a part-time job or through their own company – a reflection of the dynamism of the sector – meaning a significant proportion did not qualify for either SEISS or Furlough, or have only been able to claim small amounts of support, or were just put off by the complexity of eligibility criteria relative to individual circumstances.



The Leadmill, Sheffield



Grace Jandrell, artist. Image by Heather Bull.



Democracy of Words, Ted Hughes Project, Rotherham



Crucible Theatre, Sheffield

Recommendations

Nationally the sector was very badly hit by Covid-19, but the Culture Recovery Fund (CRF), on top of the wider national programmes (Furlough, SEISS) did a lot to mitigate the impact, but with the proviso that this was often not the case for freelancers.

In South Yorkshire the impact was slightly bigger, because the sector is stronger on arts and heritage than places where commercial activities (film, TV etc which recovered more quickly) play a bigger role. There was also slightly less funding (per head) from CRF than other places – reflecting the longer-term funding gap for the sector.

The implications and actions that flow from this are:

For the recovery

- Any extra support available (such as the £1m made available from the South Yorkshire Combined Authority) should focus on freelancers, who have had to deal with government schemes that were not really designed for their circumstances; and particularly those in the music business where live performance and touring abroad is often so critical and many have had to face the double whammy of Covid-19 and Brexit.

That sector innovation, and any positives coming out of lockdown should be captured and propagated – whether that is the on-line presentation of art and heritage or more intense networking by sector participants.

That the positive role the sector can play in recovery should be highlighted including that:

- the CAH sector can be deployed relatively quickly (no need for large capital investments or complex supply chains);
- CAH is a very flexible, adaptable (and creative);
- lockdown highlighted the importance of open public space and public events that can help places come alive;
- CAH can bring people and communities together after the crisis, and also has an impact on mental health and wellbeing;
- CAH investment can help support sectors also badly hit by the lockdown (tourism and the night-time economy).

For the longer term

- The general arguments about the benefits of investment in the sector remain valid post Covid-19 - if not more so. This includes the benefits of the sector in its own right (jobs / GVA) and the wider spill-over impacts on health, education, wellbeing, community cohesion, place shaping and creative industries.
- While recovery support might focus on direct payments (to freelancers) or commissions (for community events); longer term support needs to focus on the underpinning structures (coordination, business support, networking, skills/educations and marketing) that helps the sector to thrive on its own.

- The funding gap for South Yorkshire in Covid-19 Recovery Fund payments (per head) was less pronounced than previous ACE funding in recent years – but was still there. A plan to close that gap remains important – by having a strategy and an effective regional narrative, by coordinating proposals and supporting local institutions.
- Our 2020 report identified potential priority sub-sectors for investment. In this report we have used a slightly wider definition of the sector which has highlighted some further potential strengths (e.g. music staging companies in Barnsley) and weaknesses (TV/film) of the region in the more commercial end of the sector. Further work is required to identify clusters where interventions to promote the recovery and growth of the commercial end of the sector (creative industries) that would help both recovery and the longer-term strength of the South Yorkshire economy.

Context

Covid-19 has had a significant impact on the UK economy and way of life in 2020 and 2021. This impact has been very significant for the Culture, Arts and Heritage sector (CAH), and one that needs to be understood in depth.

Introduction

This report evaluates the economic impact of Covid-19 on the CAH sector in South Yorkshire, comparing it to other similar English city regions. It forms part of wider work, coordinated by the University of Sheffield and funded by the Arts and Humanities Research Council focussed on the recovery of the South Yorkshire arts and cultural sector following the devastating impact of Covid-19. The wider project team is led by Professor Vanessa Toulmin, with academics specialising in arts engagement from Music and English Departments and specialising in local planning and governance from within the Department of Urban Studies and Planning. This report draws on some of the research undertaken as part of this wider project and the wider links between partners in the city region, including with the South Yorkshire Mayoral Combined Authority. It also provides an update to Chamberlain Walker's 2020 report for South Yorkshire City Region on the economic contribution of the Culture Arts and Heritage sector in South Yorkshire. Further details on the wider University of Sheffield project can be found here:

www.sheffield.ac.uk/city-region/enhancing-cultural-vibrancy/covid-research-0

Covid-19

The enforcement of Covid-19 social distancing rules and lockdowns over the last 18 months have been unprecedented and the impact on the economy is only beginning to become clearer. Some sectors have visibly benefitted (such as home delivery businesses, IT solutions etc), many have adapted, but a few have been badly impacted because of the nature of their business. This particularly includes the following broad sectors:

- Hospitality
- Accommodation
- Travel
- Culture / entertainment

South Yorkshire Culture, Arts and Heritage Sector

Last year ChamberlainWalker produced a report for South Yorkshire on 'Unlocking the Potential of Culture, Arts and Heritage in South Yorkshire'.¹ The analysis showed that the size of the sector made it significant in its own terms (with GVA at over £100m). However, when the wider economic and social impacts of culture were taken into account, there was a strong case for developing a region-wide strategy with targeted interventions to strengthen the sector to better reach its potential.

The first Covid-19 lockdown was imposed as that report was being written, so while it included a chapter about the likely impacts and the opportunities that culture could bring to recovery plans this was largely speculative at the time.

One year on from that report there have been three lockdowns not one. However, the UK vaccination programme has now reached most of the population at risk, arts and hospitality venues are starting to reopen for business and there is the opportunity to assess what the immediate impact of Covid-19 has been on the sector. This will help inform decisions about current recovery plans and immediate interventions but also hopefully provide clues to any longer-term impacts and whether there needs to be a transition to new business models or structures in the future.

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¹ "Unlocking the Potential of Culture, Arts and Heritage in South Yorkshire", A report to the four South Yorkshire local authorities and Sheffield City Region, ChamberlainWalker Economics, July 2020

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Methodology / challenges

Because we are at an early stage of recovery from the pandemic, there is very little hard economic data available at local level. This means our study is about the art of the possible – looking at what is available and what it might tell us. We have, for example, drawn on survey results of venues and freelance workers undertaken as part of the wider University of Sheffield research to inform our analysis.

The box below provides a summary of the main data sources used in the study.

Box 1: Main data sources

Jobs

Business Register and Employment Survey (BRES), ONS. Annual estimates up to 2019 (published 2020). Obtained via www.nomisweb.co.uk

Gross Value Added

Regional GVA by industry, ONS. Annual estimates up to 2019 (published May 2021). Obtained via www.ons.gov.uk [Regional gross value added (balanced) by industry]

UK GVA by industry, ONS. Annual estimates up to 2020 (published June 2021). Obtained via <https://www.ons.gov.uk> [GDP output approach – low level aggregates]

Charities

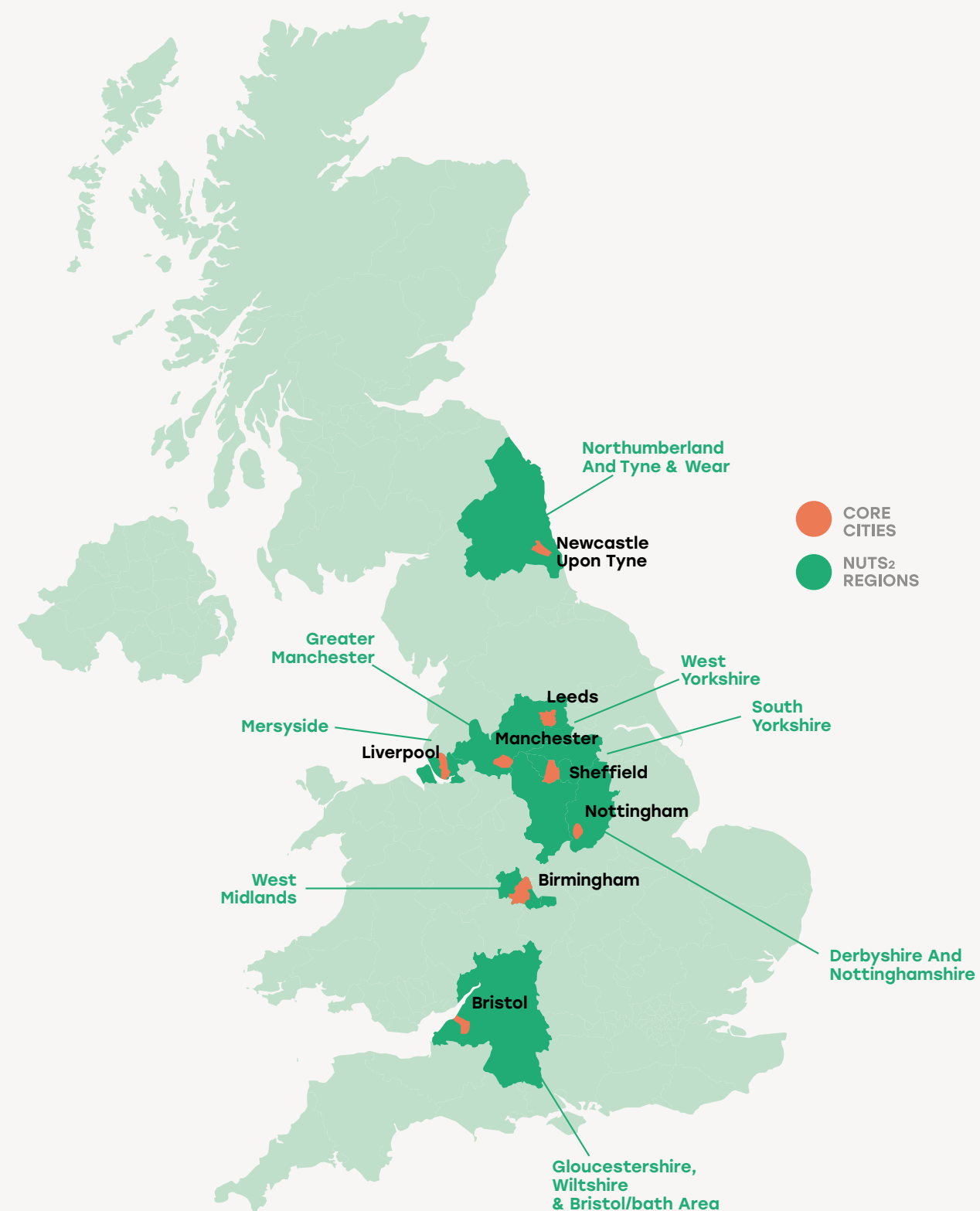
Data downloaded in August 2021. Obtained via <https://register-of-charities.charitycommission.gov.uk/register/full-register-download>

Funding

Freedom of Information request by University of Sheffield and data published and obtained from the websites of National Lottery Heritage Fund, Historic England etc.

Coronavirus Job Retention Scheme (Furlough) and Self-Employment Income Support Scheme (SEISS)

HMRC Covid-19 statistics www.gov.uk/government/collections/hmrc-coronavirus-covid-19-statistics



Map 1

A key part of the study involves comparing South Yorkshire's CAH sector performance/experience with other parts of the country. For this purpose we selected 7 comparator regions, shown in the map below. All the regions, 8 including South Yorkshire, are statistical areas made up of groups of local authority districts/unitary districts – so-called NUTS2 regions (see box 2 for further explanation).

Box 2: NUTS Geography

The Nomenclature of Territorial Units for Statistics (NUTS) is a hierarchical classification of administrative areas, used across the UK and European Union (EU) for statistical purposes.²

There are three main levels:

- NUTS1. Areas containing population of 3m to 7m. There are 9 English NUTS1 regions (formerly Government Office Regions), namely: Northeast, Northwest, Yorkshire and the Humber, East Midlands, West Midlands, East of England, London, Southeast, Southwest.
- NUTS2. Areas containing population of 0.8m to 3m. There are 4 NUTS2 regions within Yorkshire and the Humber: (1) South Yorkshire; (2) West Yorkshire; (3) North Yorkshire; (4) East Riding and North Lincolnshire.
- NUTS3. Areas containing population of 150K to 0.8m. There are 2 NUTS3 regions within South Yorkshire comprising the following local authorities: (1) Sheffield; and (2) Barnsley, Doncaster, Rotherham

NUTS2 regions provide a good balance between the need for geographic granularity and data availability and/or quality. The focus of the study, namely the South Yorkshire Mayoral Combined Authority, corresponds to the South Yorkshire NUTS2 region, so it makes sense to compare it with other NUTS2 regions (but accepting some of these do not similarly correspond to a single administrative area).

The 7 comparator regions were selected, in consultation with the University of Sheffield, on the basis they include the English Core Cities, namely, Birmingham (West Midlands), Bristol (Gloucestershire, Bristol and Bath), Leeds (West Yorkshire), Liverpool (Merseyside), Manchester (Greater Manchester), Newcastle (Newcastle and Tyne), Nottingham (Derbyshire and Nottinghamshire) – in addition to Sheffield (South Yorkshire).

Specific challenges

While national data on economic activity by sector is available through to 2020/21 the regional / NUTS2 level data has not yet been published. This means we have had to extrapolate from the national picture. Given that Covid-19 rules have largely been national this is likely to be a reasonably robust assessment of the local impact.

While reopening is underway it is still in the early stages, and it is certainly too early to assess what (if any) long term impacts will result. For example, international travel remains seriously disrupted, working from home is still the norm and many are still avoiding large gatherings, both inside and outside. Longer term changes to the economy could be linked to wider behaviour or attitudinal change, technological change or institutional / structural change. For the culture sector this raises some big questions.

- With home working and internet shopping more embedded, what will be the long-term future of city centres where so many art and culture institutions are clustered?
- How will the speeding up of remote digital communications including streaming, remote digital performance etc, impact on the sector?

- How will the interaction between Covid-19 and Brexit play out, for example musicians might find it harder to return to touring in Europe even after venues reopen? If the current labour shortfalls in hospitality and the night-time economy (caused by the combination of Covid-19 and Brexit) persists, this might impact the economics of the sector.
- How will the wider economy recover, over what period – especially if Covid-19 variants mean that nervousness and/or some restrictions remain for some time?

Generic challenges

Alongside the specific challenges of data and timing there are generic issues with official ONS (Office of National Statistics) data. For example it presents a partial picture of the sector because it does not capture:

- culture/arts/heritage activities taking place within bigger organisations where the economic activity and employment are classified by the parent organisation be they universities, local government etc;
- individuals or organisations that are too small to show up in official data as not registered for VAT or not paying tax;
- non-market cultural or creative activities by clubs, festivals, amateurs, hobbyists, volunteers etc. We note that of 14 South Yorkshire festivals 5 are led by organisations classified outside the definition of the CAH sector used in this project.³

In addition, national data is very high level and does not allow drilling down to see what people are actually doing and what their circumstances are. However, this data is sufficient for comparing cities and regions given that any shortfalls will apply to all places similarly.

² Following Brexit in 2021, the Office for National Statistics moved to replace NUTS by 'International Territorial Levels' (ITL), initially with the same three level hierarchy and boundaries as NUTS.

³ Information provided by the University of Sheffield on South Yorkshire festivals and the SIC codes of lead companies

National picture

Wider impact of Covid-19 on the UK economy.⁴

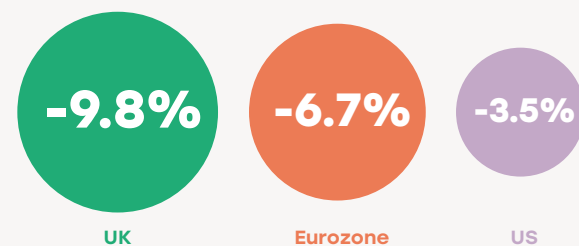
Overall UK GDP contracted by **9.8%** in 2020 – the largest fall in over 300 years. This is the worst in the G7 and compares with **-6.7%** across the Eurozone and **-3.5%** in the US.⁵

The level of unemployment has been masked / managed to a significant extent by the government’s Furlough scheme. The unemployment rate has risen from 4% pre pandemic to **4.8%** in Q1 of 2021.⁶

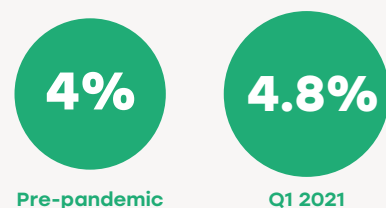
If the UK’s contraction was largest, then the IMF and OECD are predicting a strong recovery of GDP. OECD projects GDP growth of **7.2%** in 2021 and **5.5%** in 2022. This compares to **4.3%** and **4.4%** in the Eurozone and **6.9%** and **3.6%** in the US.⁷

OBR are predicting a return to pre-pandemic levels of economic activity (GDP) by mid-2022 with unemployment peaking at **6.5%** in Q4 of 2021.⁸

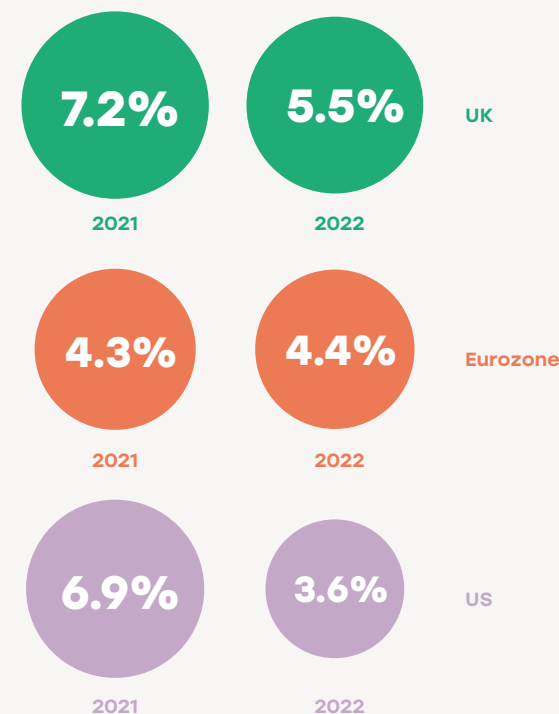
GDP in 2020



UK unemployment rate



Predicted GDP Growth

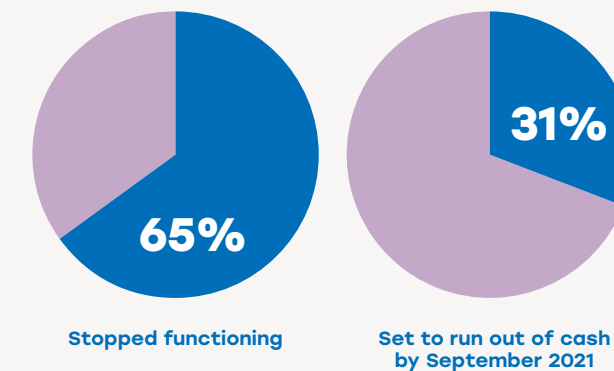


Covid-19 has hit arts and culture particularly badly.⁹

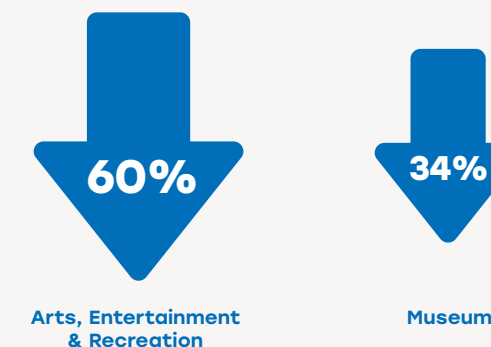
The rationale for the Culture Recovery Fund was data in May 2020 that **65%** of organisations in the sector had stopped functioning and that **31%** would run out of cash by September 2020.¹⁰

Arts, Entertainment and Recreation (which includes gambling and sport) saw a **60%** decline in output (GVA). Museums saw a **34%** decline in output.¹¹

Organisations in the Arts & Culture sector (according to data in May 2020)



Decline in output (GVA)



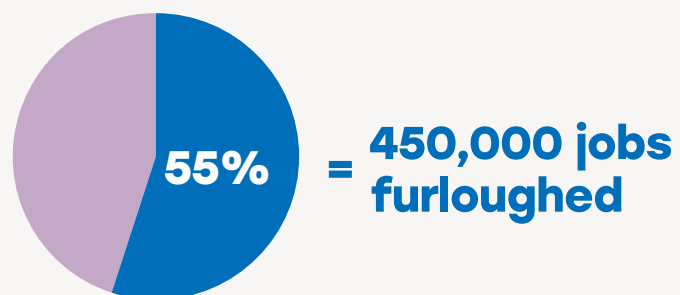
4 “Coronavirus: Economic impact”, House of Commons Library, September 2021 and “Economic Indicators”, House of Commons Library, September 2021
 5 ibid
 6 ibid
 7 ibid
 8 ibid

9 “Covid-19 and the arts and culture sectors” House of Commons Library, February 2021
 10 “Investigation into the Culture Recovery Fund”, National Audit Office, March 2021
 11 “Coronavirus: Economic impact”, House of Commons Library, September 2021 and “Economic Indicators”, House of Commons Library, September 2021

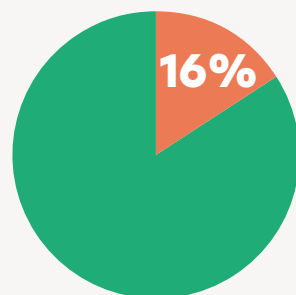
Nationally, Arts, Entertainment and Recreation saw up to **450k** jobs furloughed – **55%** of the total jobs in the sector (second highest behind Accommodation and Food at **56%**). These compare to the national average of **16%**.

80,000 claims were made under the Self-Employment Income Support Scheme (SEISS) in the same sector, **68%** of the eligible population.

Jobs furloughed (% of total sector)

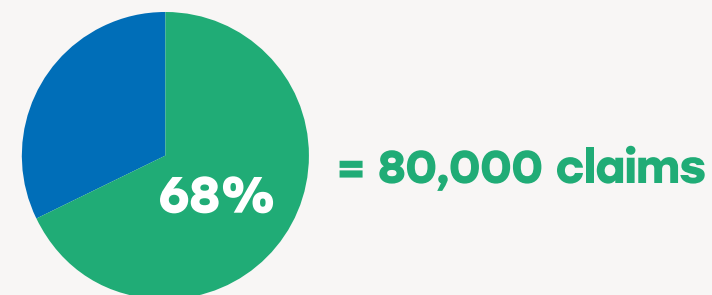


Arts, Entertainment & Recreation



National Average

Claims made under SEISS Scheme (% of eligible population)



Made a claim

There have been a number of reports on the impact of Covid-19 on culture, arts and heritage. The detail needs to be treated with caution because they all use different definitions of the sector. They were also produced at different times during the pandemic, so some have not covered the partial re-openings and adaptations after first lockdown. However, the broad story across Europe is the same.

- Significant declines in output – but with some sub-sectors impacted more than others.
- Significant use of Furlough and other schemes – but noting that these schemes were often not well adapted to the sector.
- Significant sector-specific investment through national schemes such as the Culture Recovery Fund.

Oxford Economics (July 2020). Broad focus on Creative Industries not just culture. Based on an extensive survey of 2,000 companies they projected a **31 per cent** loss of turnover, a **26 per cent** loss of GVA, and a **120,000** drop in employment. They concluded that: “leaving behind the more fragile sector could cause irreparable socio-economic damage”.¹²

OECD (September 2020). Also take a wide definition of ‘Cultural and Creative Sector’. They highlighted the vulnerability of the sector dominated by freelancers and micro businesses and that furlough schemes were not adapted to the sector. They highlighted the importance of the sector in the recovery.¹³

CEBR (October 2020). Narrow definition of Arts and Culture and the impact of the £825m Arts Council England (ACE) administered Culture Recovery Fund. They estimated that sector GVA shrank by **23 per cent** and predicted the CRF would speed up recovery enabling output to reach pre-pandemic levels by Q1 2022 as opposed to Q4 2022.¹⁴

House of Commons Library (February 2021). Sector definition very close to the 2020 ChamberlainWalker report for Sheffield City Region. Reported a **60 per cent** decline in output in the Arts and Entertainment sector and **31 per cent** decline for museums and galleries (Q4 2020 compared to Q4 2019).¹⁵

Historic England: Survey of Covid-19 Effects on the Heritage Sector (March 2020). Focussed on the heritage sector, especially heritage sites, museums and heritage consultancy organisations. Again reports reductions of **40 to 60%** in volumes and income. Some reported recent bounce back for consultancies undertaking work on behalf of infrastructure projects but no significant improvement for the visitor sub-sector as of yet.¹⁶

National Heritage Lottery Fund: Economic Insight into the impact of the Coronavirus (Covid-19) across the Heritage Sector in the UK (March 2020). Broader definition including a wider arts sector – similar reductions in activity and turnover.¹⁷

¹² “The Projected Economic Impact of Covid-19 on the UK Creative Industries” Oxford Economics, July 2020
¹³ “Culture shock: COvid-19 and the cultural and creative sectors” OECD, September 2020
¹⁴ “The impact of the Cultural Recovery Fund on the Arts and Culture sector” CEBR report for Arts Council England, October 2020
¹⁵ “Covid-19 and the arts and culture sectors” House of Commons Library, February 2021
¹⁶ “Survey of COvid-19 Effects on the Heritage Sector”, Historic England
¹⁷ “Economic Insight into the impact of the Coronavirus (Covid-19) across the Heritage Sector in the UK”, National Lottery Heritage Fund

Pre-Covid 19 Baseline Position

Updated baseline figures from the 2020 report

In our 2020 report we estimated the CAH sector contributes around £100m to South Yorkshire's economy (Gross Value Added) and up to 3,000 jobs.¹⁸

These estimates were based on a relatively focused definition of the sector – with around 75% of GVA being the two-digit SIC (Standard Industrial Classification) codes 90 (Creative, arts and entertainment activities) and 91 (Libraries, archives, museums and other cultural activities).

We have now updated the CAH sector estimates based on the original definition – using data up to 2019 (previously 2018) and for a larger number of comparator areas (NUTS2 regions). The figures for South Yorkshire are similar to the ones presented in our 2020 report (as expected given they are three-year averages).

Chart 1. & 2. Key:

- D&N** Derbyshire and Nottinghamshire
- G&B** Gloucestershire, Wiltshire, Bristol/Bath
- GM** Greater Manchester
- MER** Merseyside
- N&T** Northumberland and Tyne & Wear
- SY** South Yorkshire
- WM** West Midlands
- WY** West Yorkshire

- CAH Sector GVA
- CAH Sector Jobs
- % of all industries

Chart 1.
GVA contribution of the narrow (2020) CAH sector as a total (£m) and as a % of the local economy

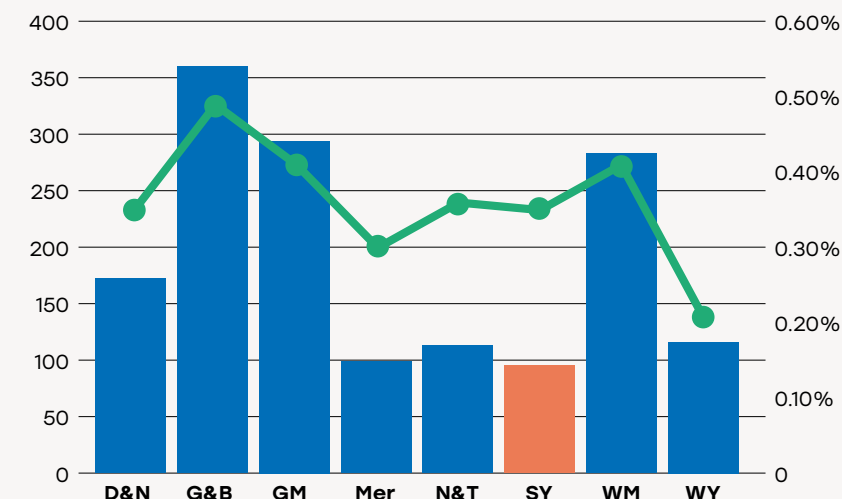
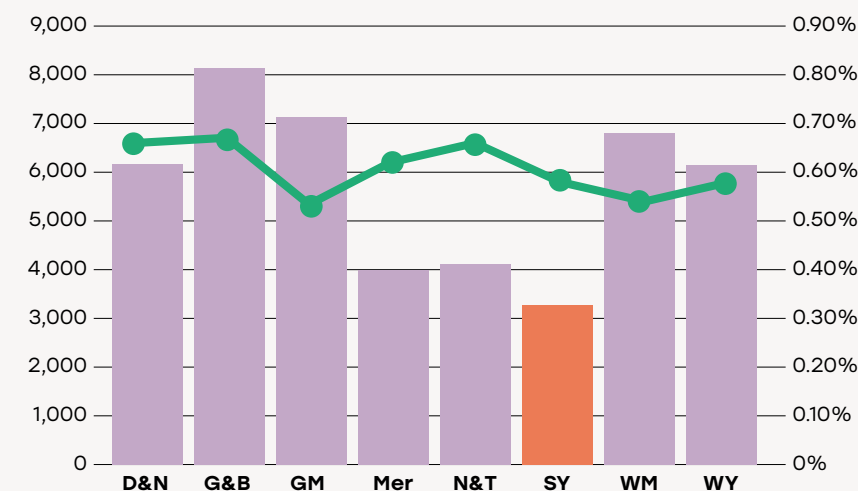


Chart 2.
Jobs contribution of the narrow (2020) CAH sector as a total and as a % of the local economy



³ Information provided by the University of Sheffield on South Yorkshire festivals and the SIC codes of lead companies
 Chart 1 Source: ChamberlainWalker calculations based on ONS data (jobs data from the BRES via NOMIS and GVA from ONS)
 Chart 2 Source: ChamberlainWalker calculations based on ONS data (jobs data from the BRES via NOMIS and GVA from 0.540.620.58ONS)

Revised sector definition

It was agreed with partners for this report that the very focused definition of Culture, Arts and Heritage used in the 2020 report would not capture the full extent of the impact of Covid-19 on the sector as it excluded a lot of commercial activity.

A revised definition has been adopted for this study, as per the table to the left.

The key changes are the:

A. inclusion of all printing and reproduction of recorded material; all publishing (not just books); all film, TV and music production and broadcasting; and

B. exclusion of four very small sub-sectors including photographic activities, cultural education and manufacture of jewellery and musical instruments.

Table 1.
New (2021) and old (2020) CAH sector definitions

2-digit SIC	4-digit SIC	Report	
		2020	2021
18 Printing and reproduction of recorded media	1811 Printing of newspapers	N	Y
	1812 Other printing	N	Y
	1813 Pre-press and pre-media services	N	Y
	1814 Binding and related services	N	Y
	1820 Reproduction of recorded media	N	Y
58 Publishing	5811 Book publishing	Y	Y
	5812 Publishing of directories and mailing lists	N	Y
	5813 Publishing of newspapers	N	Y
	5814 Publishing of journals and periodicals	N	Y
	5819 Other publishing activities	N	Y
	5821 Publishing of computer games	N	Y
	5829 Other software publishing	N	Y
59 Film, video and TV production, sound recording and music publishing	5911 Film, video and TV production	N	Y
	5912 Film, video and TV post-production	N	Y
	5913 Film, video and TV distribution	N	Y
	5914 Film projection	N	Y
	5920 Sound recording and music publishing	Y	Y
60 Programming and broadcasting	6010 Radio broadcasting	N	Y
	6020 TV programming and broadcasting	N	Y
90 Creative, arts and entertainment	9001 Performing arts	Y	Y
	9002 Support activities to performing arts	Y	Y
	9003 Artistic creation	Y	Y
	9004 Operation of arts facilities	Y	Y
32 Other manufacturing	3220 Manufacture of musical instruments	Y	N

The old definition resulted in significant differences in the make-up of the sector in different regions. For example, “creative arts and entertainment” (SIC 90) made up over 70 per cent of the sector in Greater Manchester but only 27 per cent in South Yorkshire. The new broader definition means that the variations, while still there, are much smaller.

2-digit SIC	4-digit SIC	Report	
		2020	2021
91 Libraries, archives, museums and other cultural activities	9101 Library and archive activities	Y	Y
	9102 Museum activities	Y	Y
	9103 Operation of historical sites and buildings and similar visitor attractions	Y	Y
	9104 Botanical and zoological gardens and nature reserve activities	Y	Y
74 Other professional, scientific and technical activities	7420 Photographic activities	Y	N
85 Education	8552 Cultural education	Y	N
32 Other manufacturing	3212 Manufacture of jewellery and related articles	Y	N
32 Other manufacturing	3220 Manufacture of musical instruments	Y	N

Table 2.
2-digit sector shares of CAH GVA based on the new (2021) definition

	D&N	G&B	GM	Mer	N&T	SY	WM	WY
18 Printing and reproduction of recorded media	34%	21%	22%	31%	47%	33%	26%	35%
58 Publishing activities	18%	30%	11%	23%	19%	23%	18%	32%
59 Motion picture, video and television programme production, sound recording and music publishing activities	19%	26%	47%	25%	16%	19%	25%	23%
60 Programming and broadcasting activities								
90 Creative, arts and entertainment activities	18%	15%	18%	13%	11%	10%	21%	3%
91 Libraries, archives, museums and other cultural activities	11%	8%	2%	8%	6%	14%	10%	6%
Total	100%							

Pre-Covid-19 baseline estimates for the size of the CAH sector

Using the revised definition of the CAH sector, GVA for South Yorkshire is around £260m, with jobs approaching 6,500 (both figures average 2017-19). As the new definition includes additional commercial areas like film, TV, publishing and printing, the baseline size of the sector is much larger than the previous report – more than double in terms of direct economic impacts.

South Yorkshire is now closer to the to the lower end of comparators for the GVA of this wider definition of the sector as a proportion of the economy with a similar story on the jobs side. This reflects slightly lower levels of activity / jobs in those more commercial sub-sectors.

Chart 3. & 4. Key:

- D&N** Derbyshire and Nottinghamshire
- G&B** Gloucestershire, Wiltshire, Bristol/Bath
- GM** Greater Manchester
- MER** Merseyside
- N&T** Northumberland and Tyne & Wear
- SY** South Yorkshire
- WM** West Midlands
- WY** West Yorkshire

- CAH Sector GVA
- CAH Sector Jobs
- % of all industries

Chart 3.
GVA contribution of the broad (2021) CAH sector as a total (£m) and as a % of the local economy

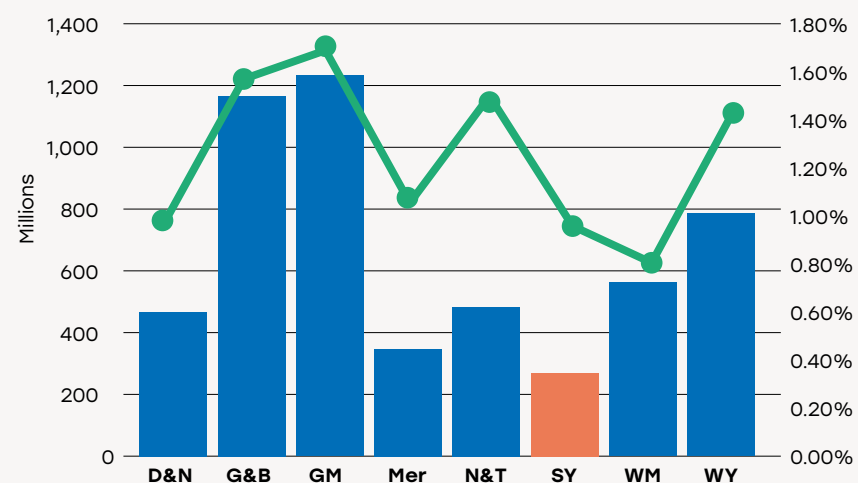


Chart 4.
Jobs contribution of the broad (2021) CAH sector as a total and as a % of the local economy

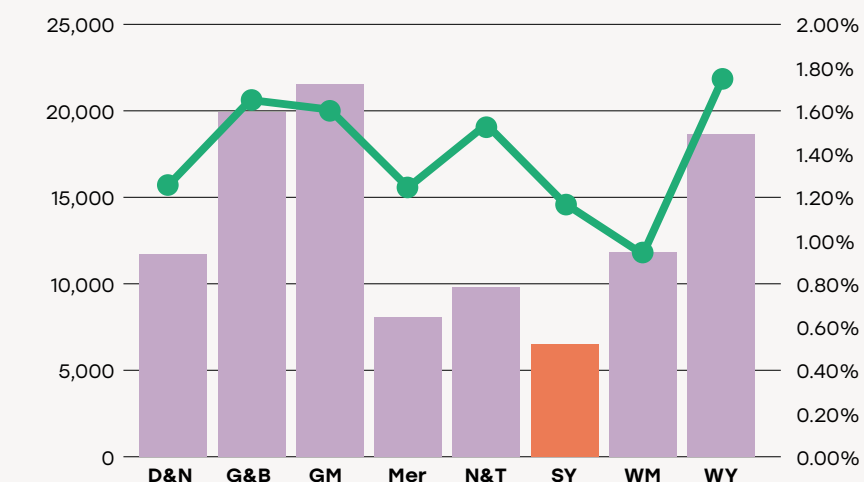


Chart 3 Source: ChamberlainWalker calculations based on ONS data (jobs data from the BRES via NOMIS and GVA from ONS)
 Chart 4 Source: ChamberlainWalker calculations based on ONS data (jobs data from the BRES via NOMIS and GVA from ONS)



Graves Art Gallery, Sheffield



August Charles, musician. Image by Ian Spooner

Direct economic impact of COVID-19 (GVA & Jobs)

Looking at the broader definition of the sector as a whole, national (UK) output fell by around one third from Q2 2019 to Q2 2020 in real terms.

The impact on different sub-sectors varies, with “creative, arts and entertainment activities” (SIC 90) and “libraries, archives, museums and other cultural activities” (SIC 91) worst hit (-63% and -45% respectively, Q2 2019 to Q2 2020).

Based on annual data the impact of Covid-19 on the CAH sector appears less pronounced – as it includes pre-lockdown activity in Q1 2020 (the first lockdown was 23 March) and varying degrees of recovery in most (2-digit SIC) subsectors during the course of 2021 – but still very large. CAH sector GVA fell by around 20 per cent in real terms, compared to around 10 per cent for the economy overall, i.e. double the impact.

Chart 5. Key:
 ● CAH Sector (broad)
 ● Creative, arts & entertainment activities
 ● Libraries, archives, museums & other cultural activities
 ● Motion picture, video & television programme production, sound recording & music publishing activities

Chart 5. Index of quarterly GVA output (constant prices), seasonally adjusted, UK, 2018=100

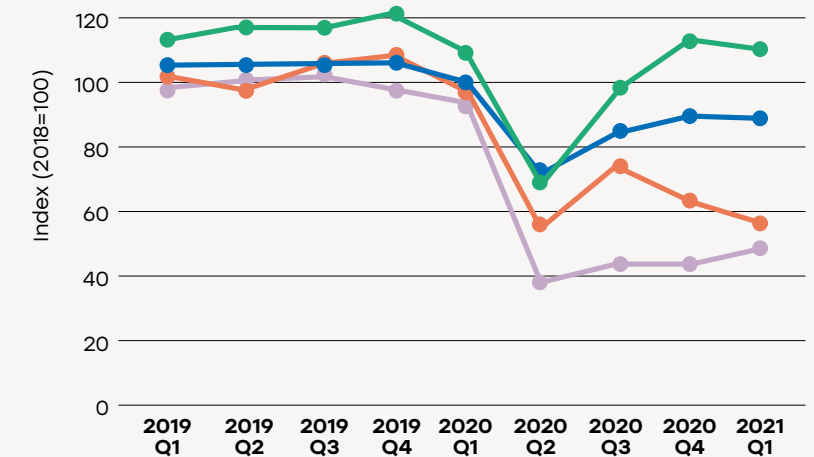


Table 3. % Change in annual GVA output in 2020, by 2-digit sector, UK

2-digit SIC	% Change in annual output in 2020	
	Real change (constant prices)	Nominal change (current prices)
18 Printing and reproduction of recorded media	-17.7%	-17.3%
58 Publishing activities	-11.7%	-8.2%
59 Motion picture, video and television programme production, sound recording and music publishing activities	-17.1%	-17.2%
60 Programming and broadcasting activities	-4.6%	-3.2%
90 Creative, arts and entertainment activities	-45.0%	-42.2%
91 Libraries, archives, museums and other cultural activities	-30.6%	-31.4%
Sector total	-18.8%	-17.3%

Chart 5 Source: ChamberlainWalker calculations based on ONS data (GVA “low level aggregates” from ONS)
 Table 3 Source: ChamberlainWalker calculations based on ONS data (GVA “low level aggregates” from ONS)

Variation within 2-digit sectors

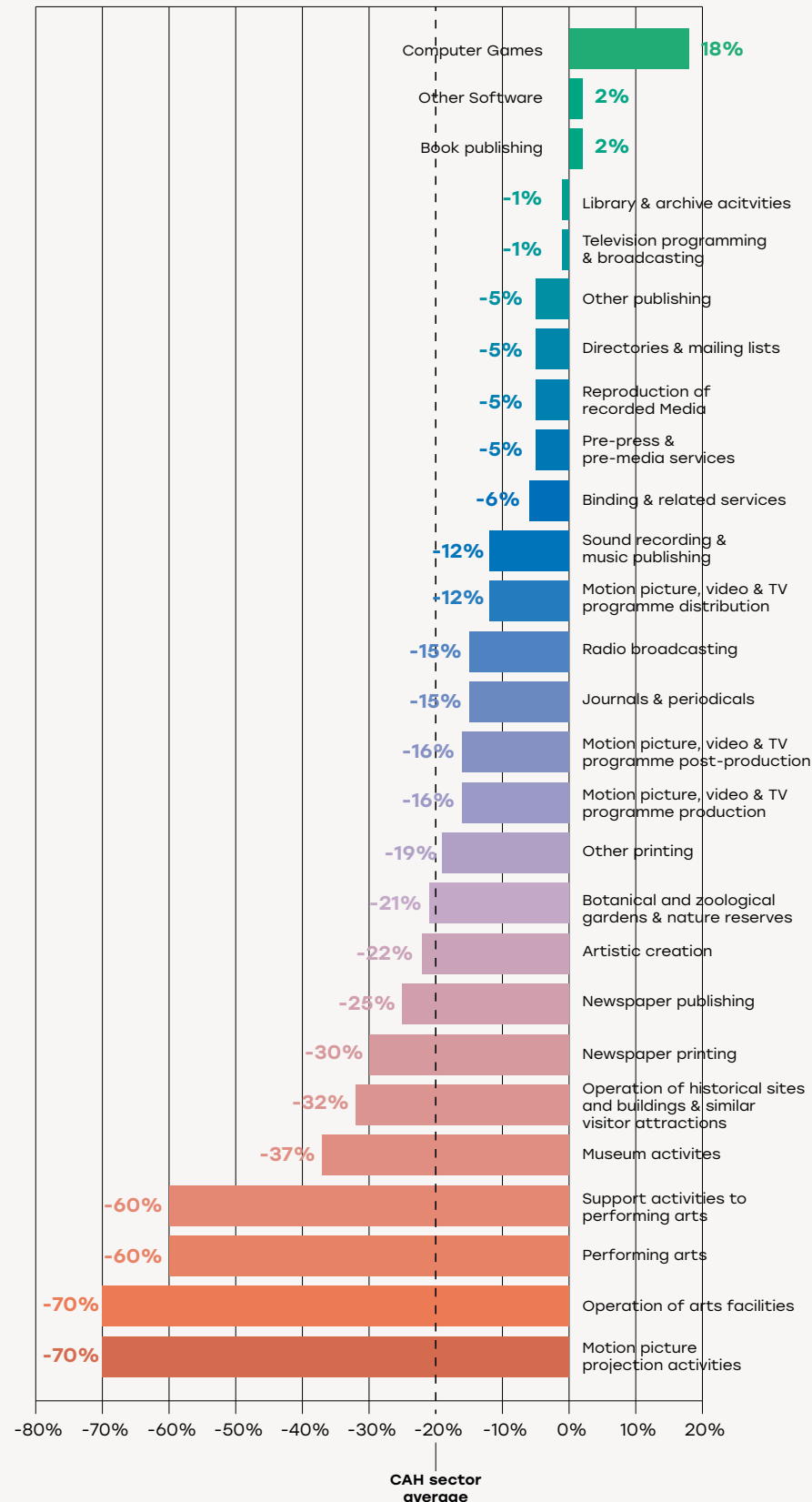
There's currently no GVA or jobs data for 2020 below the 2-digit level. Therefore, to provide a more granular picture, we've reviewed a range of other evidence giving an indication of the impact of Covid-19 at the 4-digit level. This provides a starting point for understanding the relative scale of impact on local CAH sectors, i.e. South Yorkshire and comparator regions, based on the mix of 4-digit SIC activities within them.

A detailed summary of the evidence of the economic impact of Covid-19 on 4-digit sectors is outlined at annex 1. Based on this evidence, we estimate the size of economic impacts (% change in annual GVA output in 2020) as follows:

The impacts are presented in nominal rather than real terms (i.e. current prices rather than constant prices) given insufficient evidence and the complications of estimating purchasing power. Nominal changes however are sufficient to provide a sense of the relative magnitude of effects.

The estimated range of impacts is huge – from minus 70 per cent (motion picture projection activities; and operation of arts facilities) to plus 18 per cent (computer games). In 11 of 27 4-digit sectors the percentage fall in GVA in 2020 is estimated to be greater than, or much greater than, UK CAH sector average of around 17 per cent.

Chart 6.
% change in annual GVA output in 2020 (current prices), by 4-digit sector, UK



The 4-digit estimates involve an element of judgement, though 4-digit evidence-based assumptions are constrained so that, within 2-digit groups, the weighted average of 4-digit changes equals published 2-digit figures (ONS low level aggregates data) of the change in GVA output in 2020.

The table below summarises some of the evidence from annex 1 for the ten worst-affected 4-digit sectors (estimated change in GVA output of 20 per cent or more).

Table 4.
Selected evidence on the impact of Covid-19 in 2020 for the ten worst-affected 4-digit sectors

4-digit sector	Estimated Impact	Selected evidence on the impact of Covid-19 in 2020
9104 Botanical and zoological gardens and nature reserve activities	-21%	<ul style="list-style-type: none"> Visitor numbers down by 40+ per cent in 2020 Impact less than e.g. museums, partly explained by a higher proportion of outdoor activity Zoos particularly badly affected given relatively high fixed costs and reliance on visitor income In July 2020 the Government announced a £100m support package for zoos but this was subsequently criticised by many in the sector for being hard to access
9003 Artistic creation	-22%	<ul style="list-style-type: none"> Wide-ranging activities including music composition, painting, etc. Not directly affected by lockdowns – though income related to directly affected activities such as performing arts The scale of impact is implied by the output share of, and estimated GVA impacts on other activities within, SIC 90 (creative, arts and entertainment activities)
5813 Newspaper publishing	-25%	<ul style="list-style-type: none"> Newspaper circulation fell by around one third from Jan 2020 to Jan 2021 (most of the impact being Covid-19 related, but against a backdrop of secular decline) National news brand advertising fell by 24 per cent in 2020; and regional news brand advertising by 35 per cent
1811 Newspaper printing	-30%	<ul style="list-style-type: none"> Impact on newspaper printing is likely to be higher than newspaper publishing, where some firms benefited from increased digital sales
9103 Operation of historical sites and buildings and similar visitor attractions	-32%	<ul style="list-style-type: none"> The Heritage Fund surveyed heritage organisations early in the pandemic and found 98% were impacted within the first three weeks Visitor numbers to historical sites down by almost 70 per cent in 2020 The decline in visitor numbers is huge but overstates the financial impact on historical sites (in contrast say to cinema audience figures) as many organisations derive income from a wide range of sources including grant funding and, in some cases, opening up outdoor spaces.

4-digit sector	Estimated Impact	Selected evidence on the impact of Covid-19 in 2020
9102 Museum activities	-37%	<ul style="list-style-type: none"> Museums were required to close, or at other times operate under significant restrictions during 2020 and into 2021 An Art Fund report in May 2020 found 98 per cent of surveyed organisations had cancelled/postponed exhibitions, with most exhibitions postponed until 2021 The survey also found large deficits and cash-flow issues were widely expected; museums with large reserves more protected; independents likely to be the hardest hit; Local Authority services safer in the short-run Visitor numbers down by around two thirds in 2020
9002 Support activities to performing arts	-60%	<ul style="list-style-type: none"> Includes directors, stage set design, lighting engineers, etc. No direct evidence of impact but linked to the above (9001) Many support activities produced by freelancers and University of Sheffield survey noted the biggest income reductions amongst event crew, lighting and sound engineers reporting a 78% drop in income.
9001 Performing arts	-60%	<p>Live music:</p> <ul style="list-style-type: none"> A UK Music Report in early 2020 anticipated an 85 per cent loss of live music revenues In evidence to the House of Commons DCMS Select Committee in December 2020, UK Music said: "The 2020 festival season was effectively decimated as a result of the pandemic [with] huge uncertainty about the prospects of the 2021 season taking place." <p>Theatre:</p> <ul style="list-style-type: none"> Theatres shut without warning in March and remained largely closed through to early 2021 Theatres receive about 85 per cent of their income from ticket sales, and the economics of theatre production meant many productions remained unviable through 2020 with 30-40 per cent audiences under social distancing rules In a survey in early 2021 95 per cent of respondent theatre organisations reported being worse off because of Covid-19 53 of 186 theatre organisations answering a question about financial loss due to Covid-19 reported a loss of over £1m each
9004 Operation of arts facilities	-70%	<ul style="list-style-type: none"> Includes concert halls and theatres – both forced to close and at other times operate under significant restrictions during 2020 and into 2021 The sector is highly reliant on grant funding but operates on tight margins meaning the loss of ticket sales and associated revenue has had a devastating impact on many individuals and organisations in the sector, of all sizes See 9001 above regarding the impact on theatre
5914 Motion picture projection activities	-70%	<ul style="list-style-type: none"> Largely cinema Cinemas were required to close, or at other times operate under significant restrictions during 2020 and into 2021 UK cinema admissions fell by around 75 per cent in 2020, with sales down by a similar amount Cinema admissions accounts for almost 70 per cent of total income (and little grant / other income support compared to other badly affected sectors)

*Estimated change in GVA output in 2020 (current prices) at national (UK) level

Exposure to the worst affected 4-digit sectors

The chart below shows CAH sector 4-digit jobs shares (average jobs 2017-2019) by estimated output loss (banded) in 2020 for South Yorkshire and the comparator regions.

South Yorkshire has a high share of CAH sector jobs in the hardest-hit 4-digit sectors i.e. GVA output loss of 20 per cent plus – at 47 per cent. This is the same as WM, but notably higher than the group average of 40 per cent.

WM has the highest share of jobs within the very hardest-hit 4-digit sectors, with output loss of 50 per cent or worse (motion picture projection activities; operation of arts facilities; performing arts; support activities to performing arts). By comparison South Yorkshire is about average.

In the next category, with output loss of 30-40 per cent (museum activities; operation of historical sites; newspaper printing), all regions are close to the group average with the exception of GM, which is considerably below average.

Chart 7. Key:

- -10% or better
- -20% to -10%
- -30% to -20%
- -40% to -30%
- -50% to -40%
- -50% or worse

Chart 7.

CAH sector job shares by estimated output loss (banded) in 2020, South Yorkshire and comparator regions

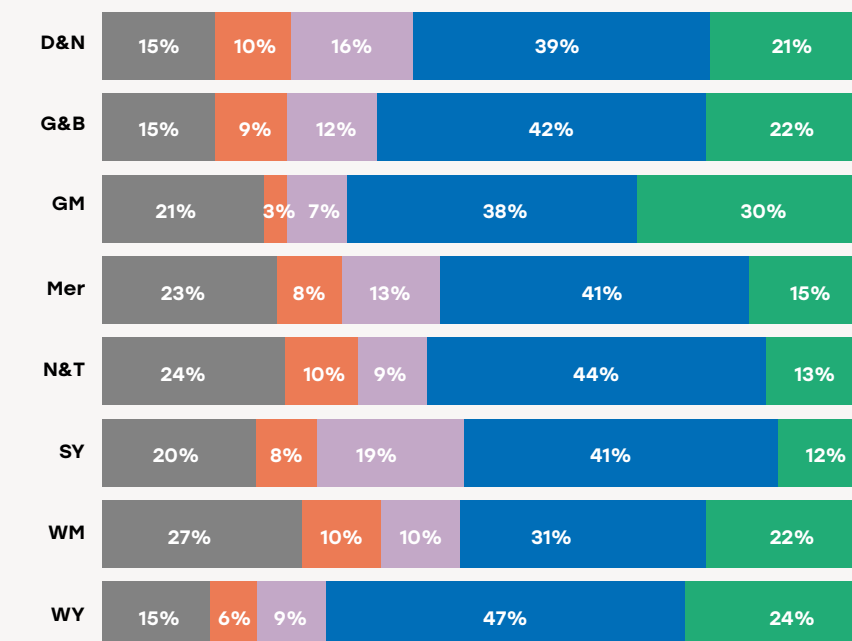


Chart 7 Source: ChamberlainWalker calculations based on ONS data (jobs data from the BRES via NOMIS) in combination with sector estimates presented in annex 1

In terms of 4-digit sectors with an output loss of 20-30 per cent (newspaper publishing; artistic creation; botanical and zoological gardens and nature reserve activities), South Yorkshire has the highest share of CAH sector jobs at 18 per cent (group average 11%). This largely reflects high levels of employment in botanical and zoological gardens and nature reserve activities (SIC 9104), at 10 per cent compared to the group average of just 2 per cent.

The table to the right provides more detail on the number of jobs by 4-digit sector for South Yorkshire.

Assuming the estimated output losses translate to job losses, this would mean 1,300 jobs at risk in the CAH sector in South Yorkshire. The impacts are likely to go beyond employment, affecting volunteering opportunities and the wellbeing benefits associated with participation in the sector (discussed further below).

Aggregate impact on CAH sector GVA by region

The CAH sector makes a significant contribution to South Yorkshire's economy. It is therefore of interest to examine the potential overall loss to the sector as a result of Covid-19.

The charts opposite show estimates for the change in CAH sector GVA in 2020, at current prices, for South Yorkshire and comparator regions, based on the 4-digit changes summarised previously (chart 6). In the first chart national 4-digit changes in GVA output are simply weighted by jobs (employment average 2017-2020); in the second chart there's a further adjustment for productivity differences between 4-digit sectors.

Table 5.
CAH sector job shares by estimated output loss in 2020, output loss of 20 per cent plus, South Yorkshire only

4-digit sector	Estimated Impact	Band	SY Jobs (employment)	
	Point estimate		Number	% CAH sector total
9104 Botanical and zoological gardens and nature reserve activities	-21%	-20 to -30%	600	9%
9003 Artistic creation	-22%	-20 to -30%	193	3%
5813 Newspaper publishing	-25%	-20 to -30%	367	6%
1811 Newspaper printing	-30%	-30% to -40%	67	1%
9103 Operation of historical sites and buildings and similar visitor attractions	-32%	-30% to -40%	267	4%
9102 Museum activities	-37%	-30% to -40%	258	4%
9001 Performing arts	-60%	-50% or worse	383	6%
9002 Support activities to performing arts	-60%	-50% or worse	228	4%
5914 Motion picture projection activities	-70%	-50% or worse	383	6%
9004 Operation of arts facilities	-70%	-50% or worse	300	5%
Sum			3,046	47%

*Estimated change in GVA output in 2020 (current prices) at national (UK) level

Including the adjustment for productivity (informed by national data), the average GVA impact for the group is around 20 per cent – so slightly higher than the UK average (-17%). South Yorkshire appears to be one of the NUT2 regions more affected by Covid-19, with a total CAH sector output loss of more than 20 per cent, particularly compared to G&B, GM and WY (output losses all less than 20%)

All the analysis presented in this section is only indicative given the paucity of data at the current time, so should be viewed accordingly. The analysis provides a likely ranking of the impact of Covid-19 on CAH sector activities in 2020 – but of course local variations in the make-up of 4-digit sectors (e.g. firm size and ability to access/secure Government/other support) have not been accounted for. These factors are noted in further detail in annex 1.

A further caveat is that the estimated impacts on GVA do not include the role of public funding. The allocation of funding, as we shall see, may provide an indication of the relative stress different regions' CAH sectors have faced during 2020.

Chart 8.
% change in annual CAH sector GVA output in 2020 (current prices), South Yorkshire and comparator regions (national 4-digit changes weighted by regional CAH sector job shares)

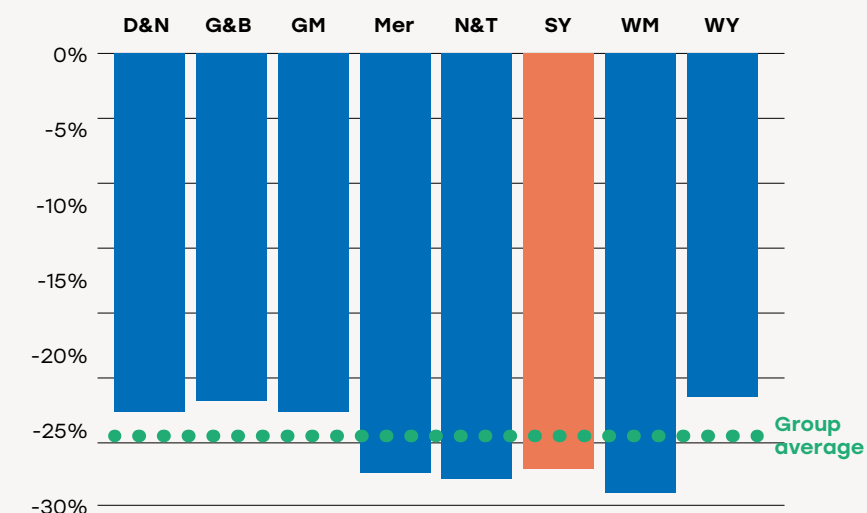


Chart 9.
% change in annual CAH sector GVA output in 2020 (current prices), South Yorkshire and comparator regions (national 4-digit changes weighted by regional CAH sector job shares plus adjustment for productivity differences)

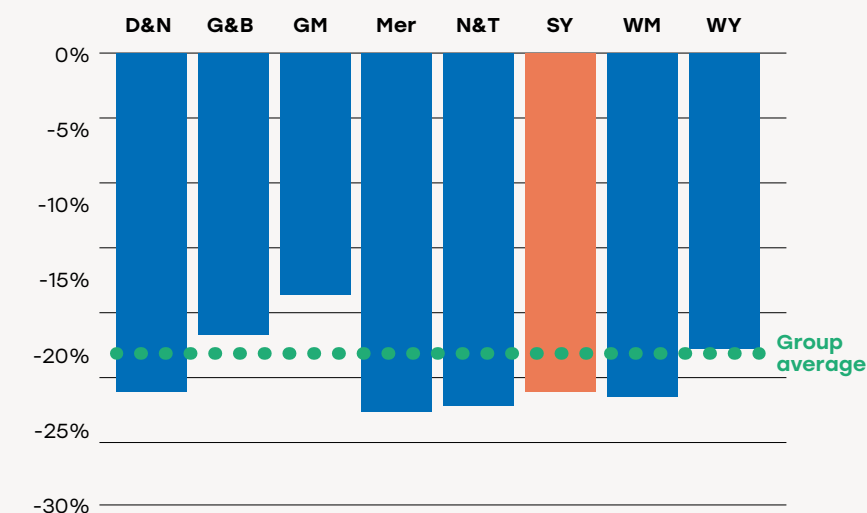


Chart 8 Source: ChamberlainWalker calculations based on ONS data (jobs data from the BRES via NOMIS) in combination with sector estimates presented in annex 1

Impact on Organisations

We explored the use of two datasets:

- Companies House data
- Charity Commission data

Following investigation, we concluded Companies' House data provides limited insight at the current time. It does not include any income data, so the best indicators of sector stress would be (a) company dissolutions; (b) company registrations. However, there are lags in the data restricting sample sizes.

Chart 10.

Distribution of charities by change in income, by quarter in 2020

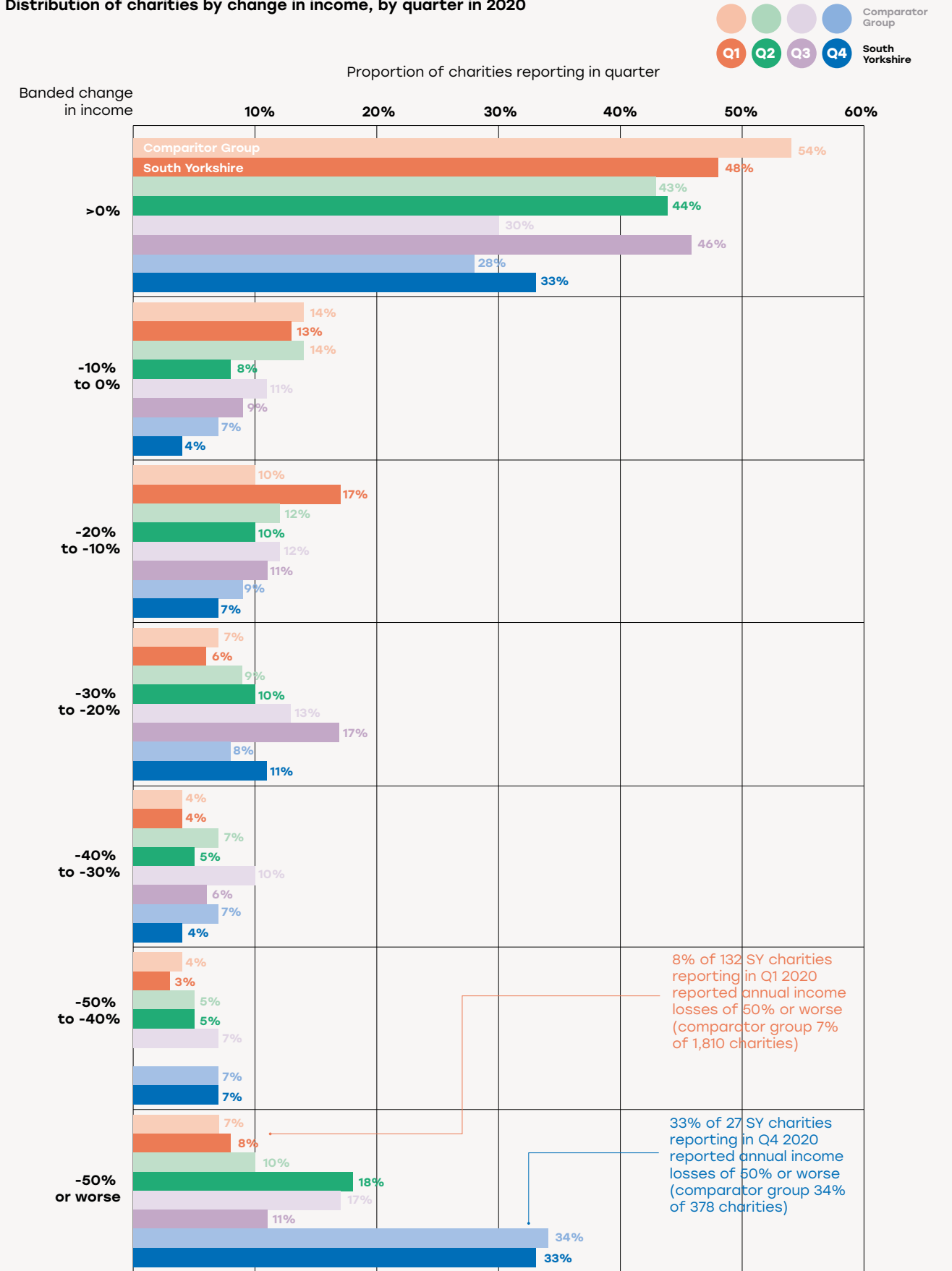


Chart 10 Source: ChamberlainWalker calculations-based data from the Charity Commission

Charities data

The Register of Charities provides detailed information on charities registered in England and Wales. Charities registered in England or Wales must send an annual return to the Charity Commission or report their income and spending every year.

We extracted data (on 20 August 2021) for relevant charities operating in South Yorkshire and the comparator regions.¹⁹ Charities are not classified by SIC codes, so the CAH sector definition is somewhat different to the one used in the economic analysis above (moreover charities are generally not engaged in some of the commercial activities encompassed by the broad CAH sector definition).

The Charities Commission uses its own classification system, with the most relevant category being “Arts/culture/heritage/science”. This is a fairly broad definition and captures some scout groups, religious groups and school PTAs etc. We therefore applied a number of word filters on charity names (e.g. “scout”) to remove extraneous activities. Further information on the data is outlined in annex 2.

Chart 10 (overleaf) shows the filtered dataset by income change (banded) during 2020, for South Yorkshire and comparator regions grouped. Charities report their income at different times, so later quarters reflect more of the impact of Covid-19. E.g. the income of a charity reporting in Q1 2020 captures little of the impact of Covid-19 (with the first lockdown in late March 2020); whilst the income of a charity reporting in Q4 includes up to c. 9 months’ activity since the start or the first lockdown.

The general pattern is a declining proportion of charities reporting income growth in successive quarters.

Notably, a significant proportion of charities have reported income growth (>0%) during the pandemic (Q2 onwards) – a combination of pre-pandemic income, resilience to the effects of the pandemic, and financial support provided by the Government and others.

The evidence suggests South Yorkshire is overall largely comparable to the other regions as a group.

Quarter 4 reflects most of the impact of Covid-19 on charities’ annual income, though sample sizes are relatively small (see annex 2). The chart above shows South Yorkshire alongside each of the comparator regions.

A key message from the data is that charities within the CAH sector have fared very differently. In South Yorkshire 37 per cent seemingly resilient (more than D&N, G&B, Mer, WM, but less than N&T and WY), with the remainder moderately (-20% to -10%) to severely impacted (-50% or worse).

An important caveat is that, given small sample sizes, the regional comparisons in Q4 may not be representative. A related point is that charities’ income is often lumpy which could mean, for example, a decline in income in 2020 reflects unusually high income in the previous year e.g. as a result of a grant received for a one-off building project. In other words not all of the change in income is the effect of Covid-19.

Chart 11.

Distribution of charities reporting in Q4, by (banded) change in income in 2020, for SY and the comparator regions regional CAH sector job shares)

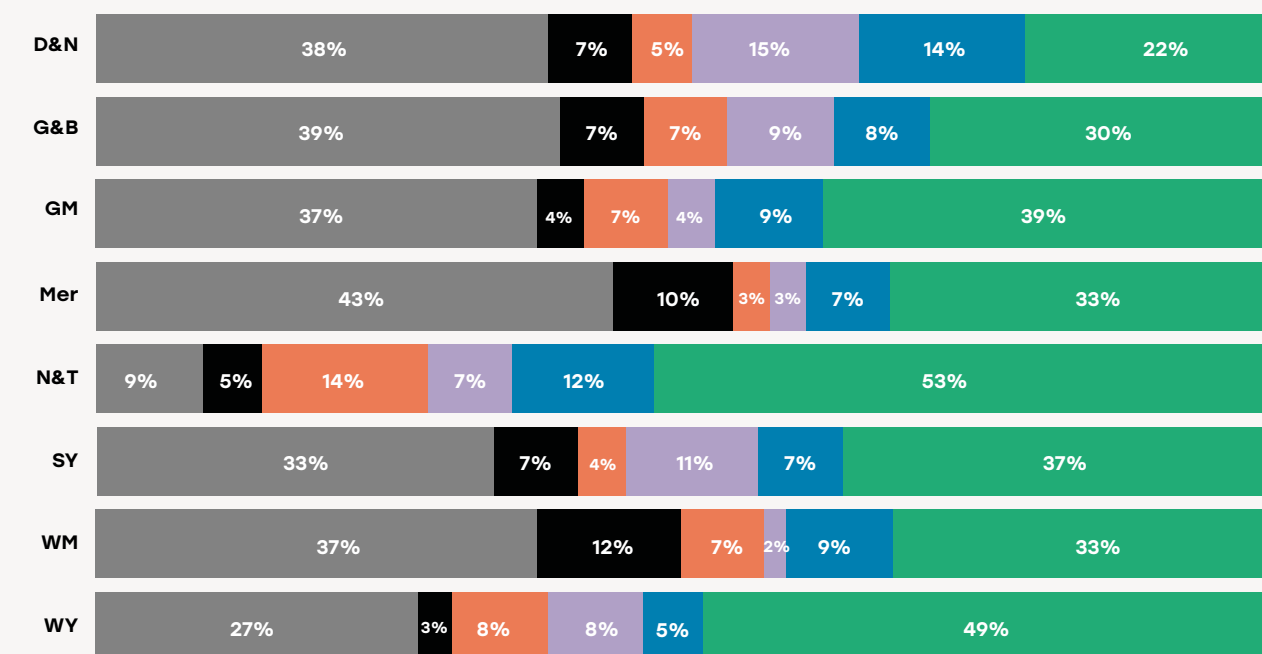


Chart 11. Key:

- -10% or better
- -20% to -10%
- -30% to -20%
- -40% to -30%
- -50% to -40%
- -50% or worse

¹⁹ <https://register-of-charities.charitycommission.gov.uk/register/full-register-download>

Chart 11 Source: ChamberlainWalker calculations-based data from the Charity Commission



Western Park Museum, Sheffield



Little Amal. Image by Ian Spooner

Table 6.
Information on a selection of South Yorkshire charities in 2020

Charity	Financial Year end date	Commentary
Wombwell Thespians Amateur Dramatic Society	31/12/2020	Income up from £7.92k (2019) to £12.51k (2020). Received a grant of £11.33k.
Dinnington Colliery Old Boys	31/12/2020	Income down from £56.02k (2019) to £8.10k (2020). However, income was exceptionally high in 2019, as was corresponding expenditure.
Brelms Trust CIO (a grant-giving organisation based on Leeds operating throughout Yorkshire)	30/11/2020	Income up from £332.40k (2019) to £527.65k (2020). Income largely from founder donations plus investment income.
Darton Darby & Joan Club	31/10/2020	Income up from £8.10k (2019) to £19.02k (2020). Received a grant of £10K for building improvements including new staging (Big Lottery Fund).
Barnsley Theatre Trust (1998) Ltd	30/09/2020	Income down from £362.33k (2019) to £283.11k (2020). Largely reflects the decline in income from charitable activities down from £343K (2019) to £221K (2020). Grants and donations increased but small share of total income.
Sheffield Music Academy	31/07/2020	Income up from £378.12k (2019) to £470.85k (2020). Largely funded by grant income. This increased from £237.92k (2019) to £297.01k (2020)
Sheffield Theatres Trust	31/07/2020	Income down from £14.49m (2019) to £10.86m (2020). Income largely from charitable activities, down by one third. "The cancellation of productions in March lost over 64m tickets sales in the current year [...] with a cash outflow to refund of tickets for both the current year and future productions." Also received revenue grants: Arts Council England (includes £542K ACE Emergency Recovery Funds allocated in year); and a grant of £292K from Sheffield City Council. In addition during the year the group received £794K of Coronavirus Job Retention grants
Classical Sheffield	05/07/2020	Income down from £69.13k (2019) to £3.41k (2020). Lumpy income linked to grant income e.g. 19.50k (2017); £2.00k (2018); £39.00k(2019); N/A (2020)

The table above provides further information on a selection of South Yorkshire charities (various sizes and reporting periods).²⁰

A key question is whether the hardest-hit charities can survive and whether those helped by funding support from the Government and other sources during the pandemic can sustain themselves after this supported is ended.

Local survey data

Surveys carried out by the University of Sheffield shed additional light on the impact on organisations, albeit focussed on Sheffield, so does not provide the basis for regional comparisons. Key headlines from the survey work are outlined in the next chapter.

²⁰ Supplementary information obtained via the Charity Commission search service

Support for the sector through the pandemic

Cultural Recovery Fund

The Cultural Recovery Fund (CRF) was by far the largest dedicated support package for the sector. This £1.5bn fund was announced by DCMS in July 2020. The purpose was to ensure the long-term sustainability of the sector by safeguarding organisations at risk. This arose from data gathered during the first lockdown which suggested that 65% of arts and culture organisations had stopped trading and over 30% would run out of cash by September 2020.²¹

The Fund was administered by Arts Council England (ACE), Historic England (HE), National Lottery Heritage Fund (NLHF) and the British Film Institute (BFI). Of the £1.5bn total £1.2bn was available to organisations in England in the form of:

- Revenue grants, £880m
- Capital grants, £120m
- Loans, £270m

Round 1 of the CRF (66% of the total) was allocated by February 2021 and round 2 (33%) was allocated in subsequent months. A further round 3 of £300m on top of the £1.2bn has since been announced but not allocated.

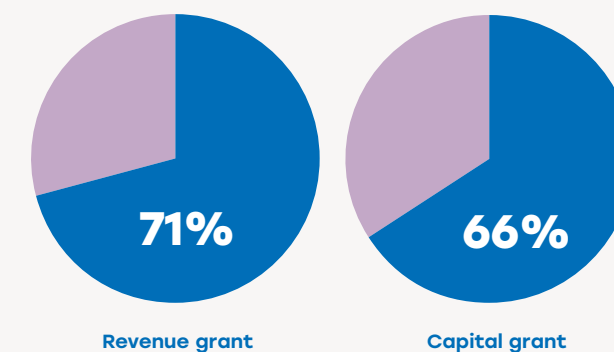
Recipients had to:

- be financially viable prior to Covid-19;
- have a clear plan for the future;
- have exhausted all other options;
- be culturally significant; or
- be a key part of the cultural fabric of a place.

The success rate of applicants for:

- revenue grants was 69%, in Yorkshire and Humber it was 71%;
- capital grants was 70%, in Yorkshire and Humber it was 66%.

Yorkshire and Humber Grant Success



CRF allocations

If we take all the allocations at face value South Yorkshire is significantly behind most comparator regions.²² However the CRF data includes a handful of very large grants / loans which distorts the overall picture. In particular:

- Greater Manchester has a very high combined arts figure, largely due to a £21m capital grant for “The Factory”, an arts centre under construction and a £7m loan/grant to the Lowry Centre.
- The Gloucestershire, Wiltshire and Bath/Bristol area has very high heritage and music figures, in part due to a £23m loan to English Heritage (based in Swindon but operating nationally) and a £6m capital grant to the Bristol Beacon venue undergoing refurbishment (formerly Colston Hall).
- West Yorkshire figures include a £12m loan to Production Park Ltd which hosts a large number of events and staging companies.

- West Midlands includes £6m capital grant for the Black Country Living Museum

In addition over 30% of CRF revenue grants were allocated to London. This reflects the fact that 60% of all Arts and entertainment output and 40% of Arts and Entertainment employment is located there. This means that the England average excluding London is a better national benchmark.

South Yorkshire has had no mega grants / loans from the CRF – the biggest being £3.6m for Wentworth Woodhouse and £2.2m each for Sheffield Theatre Trust and Sheffield City Trust.

If we take the five very large grants (over £5m) out, the picture looks much more balanced. South Yorkshire is still behind but at the same broad level as its comparators.

²¹ Investigation into the Culture Recovery Fund”, National Audit Office, March 2021

²² The analysis is based on a combination of published data and data obtained by a University of Sheffield Freedom of Information request

If we look at the sub sectors (with distorting large grants taken out) we see South Yorkshire has:

Done very well on:

- **Film** reflecting some large grants to the Showroom and the Light cinemas in Sheffield;
- **Literature** which reflects a single large capital grant to Grimm and Co.

Average on:

- **Combined arts;**
- **Heritage**, including large grants paid to Wentworth Woodhouse.

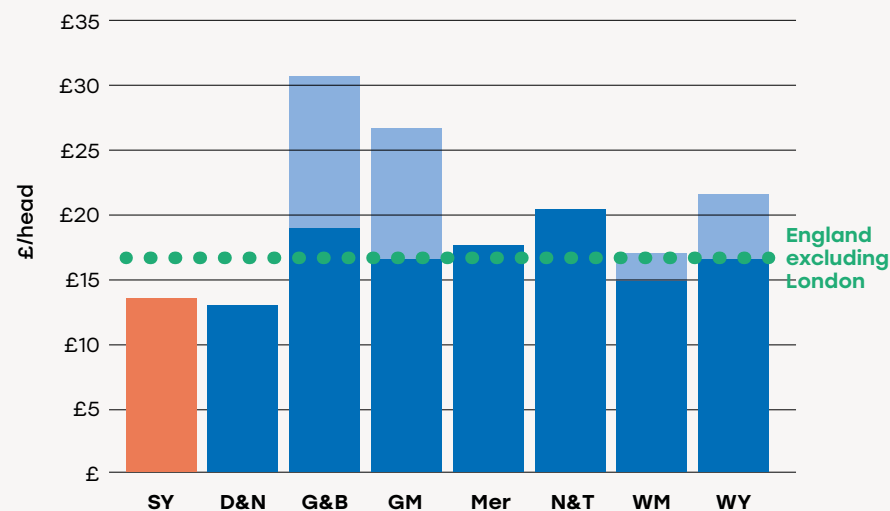
Poorly on:

- **Dance** where there are zero grants;
- **Music** where grants are half the level of some comparators (there were large grants for the Corporation, the Leadmill, UK Brass Bands, but other regions had very substantial grants for local orchestras (Halle, Liverpool Philharmonic etc) for example);

Chart 12. Key:

- CRF (£/head)
- Grants of >£5m

Chart 12.
Allocations of CRF (£/head) with and without 5 large grants over £5m



Graphic 1.
CRF funding awards (£m) for South Yorkshire excluding awards of £5m+

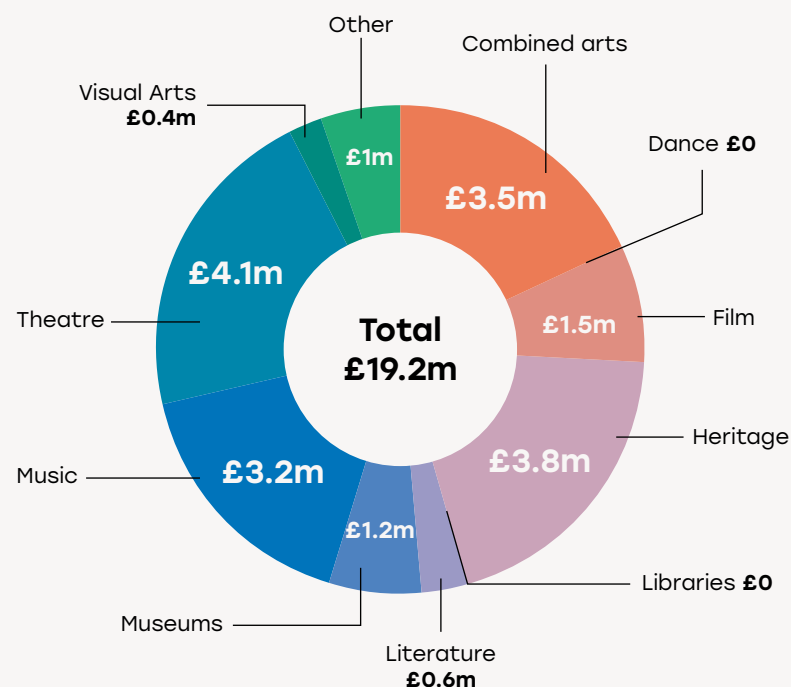


Table 7.
CRF funding awards (£m) for South Yorkshire and comparator NUTS2 regions, excluding awards of £5m+

	SY	D&N	G&B	GM	Mer	N&T	WM	WY	Group of regions	England excl. London
Combined arts	3.5	2.7	4.8	9.9	5.3	5.3	7.0	2.2	40.7	116.2
Dance	0.0	0.3	0.1	0.3	0.2	0.4	1.5	1.2	4.0	8.1
Film	1.5	1.2	0.7	0.9	0.6	0.6	0.6	1.2	7.2	25.2
Heritage	3.8	7.3	11.8	4.3	3.8	4.5	3.5	6.2	45.2	190.5
Libraries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Literature	0.6	0.2	0.3	0.2	0.2	0.3	0.0	0.7	2.5	3.5
Museums	1.2	2.8	3.2	3.8	0.7	1.3	5.9	2.0	20.9	63.5
Music	3.2	4.0	10.5	11.3	8.6	7.7	10.2	7.9	63.4	110.3
Theatre	4.1	5.2	8.6	7.0	3.5	6.2	9.9	10.6	55.1	152.1
Visual arts	0.4	1.3	2.6	0.7	0.8	1.0	1.2	2.5	10.5	22.5
Other	1.0	4.0	5.8	8.8	3.5	2.7	3.5	4.2	33.7	103.7
Sum	19.2	29.0	48.4	47.2	27.2	30.1	43.3	38.8	283.2	795.6

Table 8.
CRF funding awards (£/head) for South Yorkshire and comparator NUTS2, excluding awards of £5m+
Distribution of funding (per row): Highest ●●●●●●●●●● Lowest

	SY	D&N	G&B	GM	Mer	N&T	WM	WY	Group of regions	England excl. London
Combined arts	2.44	1.22	1.90	3.47	3.39	3.63	2.38	0.94	2.42	2.44
Dance	0.00	0.13	0.05	0.11	0.13	0.25	0.51	0.53	0.21	0.17
Film	1.05	0.52	0.27	0.30	0.38	0.42	0.20	0.50	0.45	0.53
Heritage	2.69	3.28	4.64	1.52	2.41	3.08	1.18	2.66	2.68	4.01
Libraries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Literature	0.41	0.08	0.10	0.08	0.14	0.21	0.00	0.32	0.17	0.07
Museums	0.82	1.26	1.26	1.34	0.44	0.91	2.01	0.86	1.11	1.34
Music	2.28	1.77	4.15	3.96	5.53	5.21	3.48	3.38	3.72	2.32
Theatre	2.90	2.33	3.38	2.47	2.22	4.23	3.36	4.51	3.18	3.20
Visual arts	0.27	0.58	1.04	0.23	0.54	0.65	0.42	1.06	0.60	0.47
Other	0.68	1.81	2.29	3.11	2.25	1.86	1.20	1.80	1.88	2.18
Sum	13.56	12.97	19.10	16.58	17.42	20.44	14.73	16.56	16.42	16.73

Chart 12 Source: ChamberlainWalker calculations-based data obtained by the University of Sheffield

Table 7 & 8 Source: ChamberlainWalker calculations-based data obtained by the University of Sheffield

CRF Allocations in context

If we look at CRF in isolation, we see South Yorkshire at the lower end of the group of comparators. However, if we look at CRF in the context of longer-term funding for arts and culture we see that Covid-19 support has been higher than one would expect were it related to pre-Covid-19 funding.

- National Portfolio Organisation (NPO) funding in South Yorkshire for 20/21 has been over twice the average level of funding for those bodies in South Yorkshire in 18/19 and 19/20
- This is less than Gloucestershire, Wiltshire and Bath/Bristol but significantly more than all the other comparators

Our conclusion in the previous report on Culture, Arts and Heritage in South Yorkshire was that there was significant underperformance in accessing national arts and heritage funding through ACE and NHLF on a per capita basis but also on the basis of cultural assets located in South Yorkshire.

Chart 13. & 14. Key:
 ● Baseline annual average
 ● ACE CRF
 ● ACE ERF

Chart 13.
Main ACE funding for NPOs £/headm

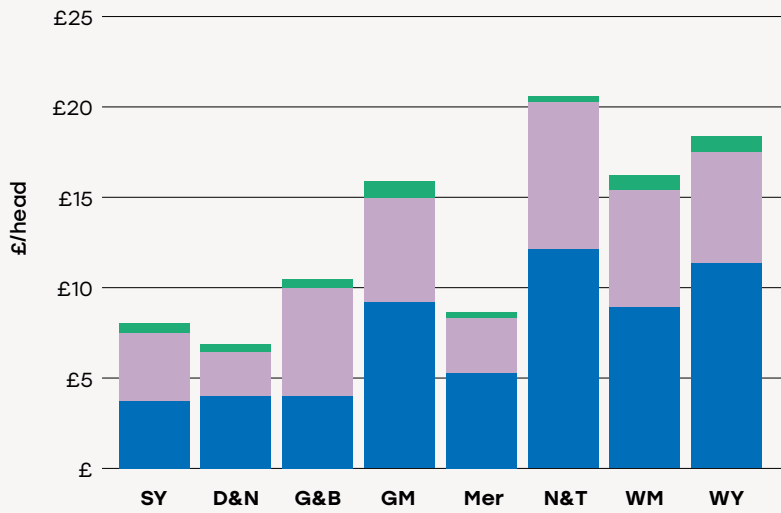
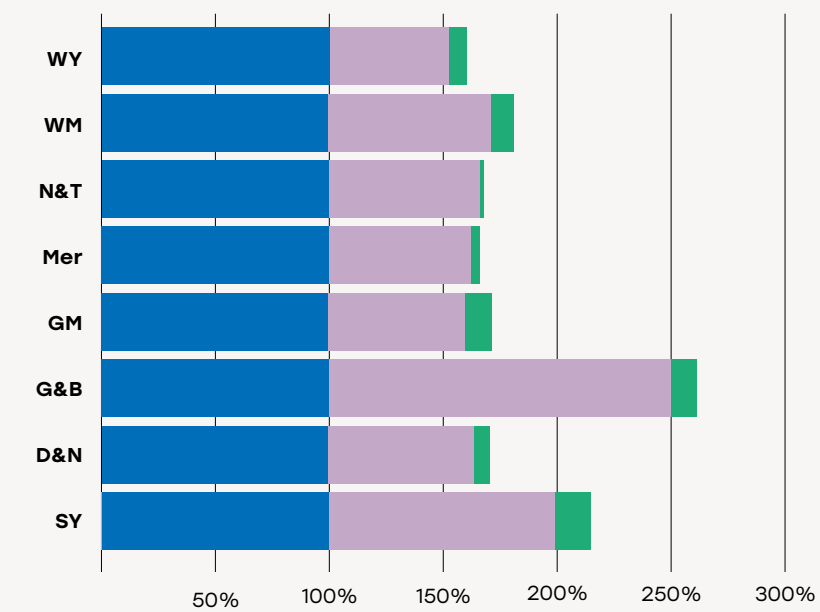


Chart 14.
Main ACE funding for NPOs % increase on baseline



Some of that underperformance may be showing through in the CRF allocations given that South Yorkshire is in the lower half relative to comparators, even when large outlier grants are extracted. However, the greater percentage increase in funding in this pandemic year could reflect:

- either a higher level of vulnerability of art and culture institutions in South Yorkshire compared to most other city regions, thus more CRF being allocated; or,
- ACE/NHLF allocating CRF funds in a more balanced way across the UK, thus benefitting South Yorkshire given its previous sub-par record.

Other support: Funding bodies

The table below shows all Covid-19 related funding, including the CRF, administered through the main funding bodies namely Arts Council England (ACE), British Film Institute (BFI), Heritage Lottery Fund (HLF), and Historic England (HE).²³ These are the fund amounts, based on published sources, rather than amounts awarded.

The total adds to around £1.9bn, but accounting for some overlaps is more like £1.8bn. There's little detailed information published for many of the non-CRF funds. However, these add up to around 20 per cent of the total, meaning the above analysis of the CRF provides a good indicator of how South Yorkshire and comparator regions have fared funding-wise overall.

Table 9.
Overview of Covid-19 support funding administered by the main funding bodies

	Fund	£m		
ACE	Grants programme	970		
	Project Grants: Supporting Grassroots Live Music	1.5		
	Capital Kickstart Fund	55		
	Repayable Finance	270		
	Emergency Response Fund	160		
BFI	CRF	CRF for Independent Cinemas	40	
		Covid-19 UK Sales Co. Org. Support Fund	0.5	
		Other	4.6	
HLF	CRF	Heritage Capital Kickstart Fund	15	
		Heritage Emergency Fund	50	
		Green Recovery Challenge Fund	80	
HLF/HE	CRF	CRF for Heritage	169	
HE	CRF	Heritage Stimulus Fund	Covid-19 Emergency HAR Response Fund	14
			Grants for Programmes of Major Works	64
			Repair Grants for Heritage at Risk	10
		Covid-19 Emergency Response Fund	2	

Chart 13 & 14 Source: ChamberlainWalker calculations-based data obtained by the University of Sheffield and other sources including Arts Council England, Covid-19 Recovery Fund / Emergency Recovery fund

²³ Based on a search of funding bodies websites
 Table 9 Source: ChamberlainWalker estimates based on funding organisations' published data

Local government

Covid-19 has had a dramatic impact on councils as bodies with responsibility for Adult Social Care, education and the local economy and it's fair to say that although councils play a big role in the cultural sector as the funders and owners of cultural institutions this often had to take second place to more direct pandemic related issues. Despite this there is a good story to tell on both funding support and innovation.

The available additional funding from councils for culture has been small relative to the big national programmes such as CRF or Furlough scheme. The level and content of activities varies between councils, and it is not possible to produce a breakdown at this stage due to lack of detailed data.

For example, South Yorkshire councils received £64m in various "restart" and "additional restrictions" grants. This was used for over 9,000 grants to support companies forced to close. Some of these would be in the cultural sector and some funds were specifically allocated to the sector – for example Sheffield used £177k of Additional Restrictions Grant to fund a creative freelancers fund, following initial evidence from the University of Sheffield AHRC-funded programme.

Other examples of council initiatives in South Yorkshire include:

- enhanced business support for creative businesses by both councils and combined authority;
- a £1m freelance / small business fund from the combined authority has been agreed and is being administered by the 4 local authorities in the region;
- summer in the Outdoor City – Sheffield promoted / commissioned safe activities (£50/100k grants);
- 'cash-flowing' business rate relief for small businesses;
- grant funding community event organisers;
- supporting institutions access ACE, HLF, Art Fund etc grants.

Other Impacts

- **Innovative responses** – Experience Barnsley has been shortlisted for the Art Fund Museum of the year because of its digital activity and outreach during the pandemic. They offered digital games, tours, concerts; becoming part of people's lives and supporting communities at a time when it was most critical.
- **Taking opportunities** – many institutions used the opportunity of funding without visitors to speed up developments or refurbishments, for example Clifton Park Gallery, Rotherham Civic Theatre, Wentworth bringing forward access to gardens and opening a new museum in Doncaster etc.

- **Identifying new sectors** – Cultural recovery fund revealed some big sector players in supply chains previously invisible to councils (e.g. music festival staging companies in Barnsley, costume making in Sheffield).

Other City Regions

Manchester – has an existing cultural strategy and operated within existing £4.3m annual budget but produced a Cultural Recovery Plan, issued 60 £500 Covid-19 commissions to artists.

West of England – Allocated £1m for grants and business support to freelancers and SMEs. This was doubled to £2m in July 2021 with total grants to 100 businesses and 130 freelancers. They are planning a Cultural Compact / Strategy.

National government:

In this section we review evidence on two general support measures:

- Coronavirus Job Retention Scheme (Furlough scheme)
- Self-employed Income Support Scheme (SEISS)

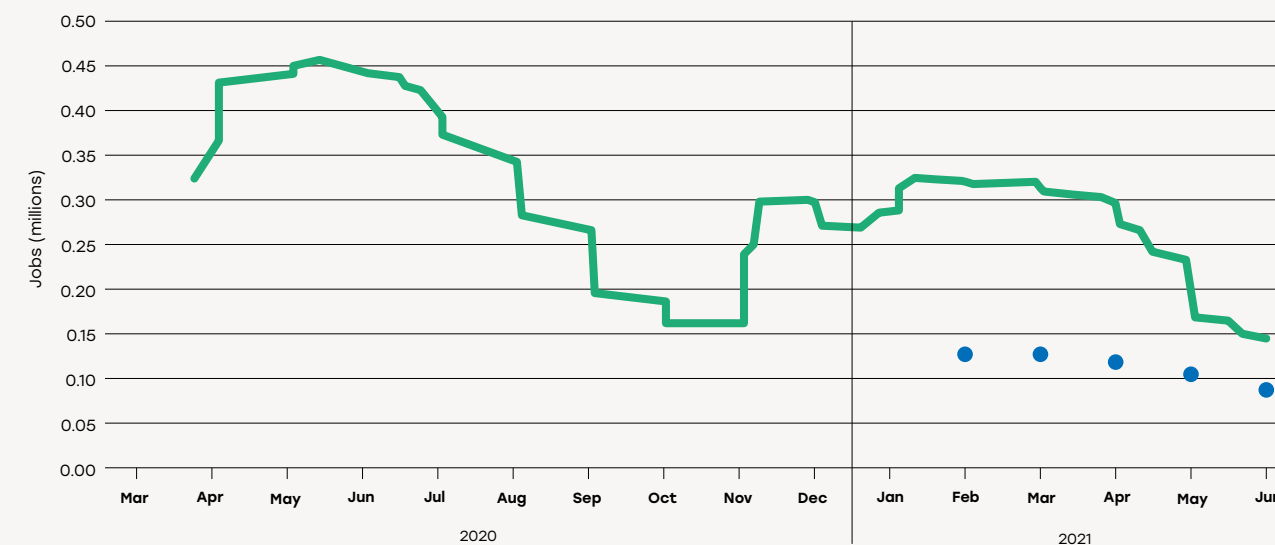
Coronavirus Job Retention Scheme

The scheme supported a peak of 450,000 employees in the Arts, entertainment, recreation and other services sector in May 2020, falling back to 150,000 by the end of May 2021 (May 2021 figures published as provisional).²⁴

There is insufficient data to provide a full time series specifically for the CAH sector adopted for this study, though there are some data points for extension two of the Furlough scheme.

Chart 15.
Jobs on furlough, by relevant sectors, UK

Chart 15. Key:
● Arts, entertainment & recreation
● CAH sector (broad definition)



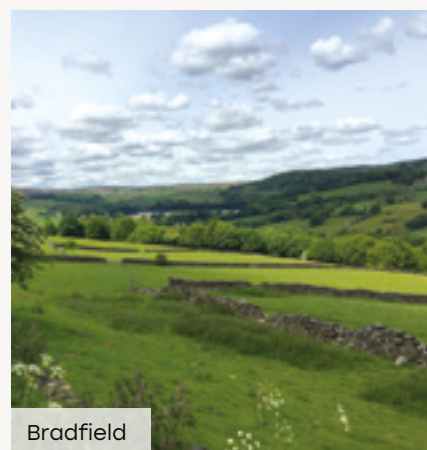
²⁴ Analysis based on data obtained published by the ONS: Claim for wages through the Coronavirus Job Retention Scheme - GOV.UK (www.gov.uk).
Chart 15 Source: ChamberlainWalker estimates based on HMRC data (Covid-19 Statistics Coronavirus (COVID-19) statistics and analysis - GOV.UK (www.gov.uk))



Cast, Doncaster



Abbeydale Industrial Hamlet, Sheffield



Bradfield



Jo Peel, artist

The table below shows take-up rates by 2-digit sector within the CAH sector definition at national level, in 2021 (extension 2 of the Furlough scheme). Take-up rates are defined as the number of employments on furlough divided by eligible employments.

Unfortunately there is insufficient published data to be able to compare take-up rates for the CAH sector by NUTS2 region. However, we anticipate this can be made available by the ONS in due course. However some data from the University of Sheffield survey of freelancers is in the next section.

The available evidence suggests employees of small- and micro-sized employers have been more than twice as likely to be furloughed as those working for large employers. Differences in firm size may have a bearing on regional differences in CAH sector take-up rates though other factors are also important e.g. in respect of eligibility criteria.

Table 10.
Furlough take-up rates by CAH 2-digit sectors and comparators

Sector	31-Jan-21	28-Feb-21	31-Mar-21	30-Apr-21	31-May-21
18 Printing and reproduction of recorded media	36%	36%	34%	31%	29%
58 Publishing activities	10%	10%	9%	8%	7%
59 Motion picture, video and television programme production, sound recording and music publishing activities	31%	31%	29%	27%	23%
60 Programming and broadcasting activities	3%	3%	3%	2%	2%
90 Creative, arts and entertainment activities	52%	51%	48%	44%	39%
91 Libraries, archives, museums and other cultural activities	38%	36%	33%	25%	17%
CAH sector (broad definition)	28%	27%	25%	23%	19%
R Arts, entertainment and recreation	58%	57%	54%	42%	29%
Total economy	17%	16%	15%	12%	8%

Table 10 Source: ChamberlainWalker estimates based on HMRC data (Covid-19 Statistics Coronavirus (COVID-19) statistics and analysis - GOV.UK (www.gov.uk))

The Self Employment Income Support Scheme

Construction workers represent a very high proportion of all claims – in contrast to the Furlough scheme. Based on figures published by HMRC for the fourth round of the SEISS Scheme, Construction made up 41 per cent of total claims and 33 per cent by value.²⁵

However, the Arts, entertainment and recreation sector is similar to Construction in terms of the rate of take-up – at 62 per cent in the fourth round, only slightly higher 58 per cent across all sectors, and less than Transport and Storage at 76 per cent.

Unfortunately there is insufficient published data to provide analysis of the CAH sector as it is defined for this study, or by NUTS 2 regions. However, some data from the University of Sheffield survey of freelancers is in the next section.

The take-up rate for Arts, entertainment and recreation (which includes gambling and sport, as well as arts/culture) seems initially surprising given evidence from the GVA and Furlough statistics of a significantly above-average impact of Covid-19 on the sector. Part of the explanation is to do with eligibility (take-up is measured as total claims made divided by the assessed-as-eligible population). In the fourth round 181,000 self-employed people in the Arts sector were assessed for eligibility, but only 54 per cent were deemed eligible – compared to 67 per cent across all sectors.

There is substantial evidence to suggest that a large number of people in the sector failed to claim under either the SEISS Scheme or the furlough scheme, due to their strict eligibility criteria. Many creatives move between employment and self-employment or do both at the same time – a reflection of the dynamism of the sector – meaning they've not qualified for either SEISS or Furlough, or only been able to claim small amounts of support. Others have their own companies for work purposes which were seen to fall between the two schemes. In short there has been insufficient support for a large number of self-employed people in the CAH sector with many not even applying for help.

In a letter to the Chancellor (January 2021), Equity, the actor's union, wrote "Most creative workers are self-employed with no recourse to the furlough scheme, yet 40% were excluded from the SEISS. Of those that were able to access the scheme, 59% did not find it sufficient to meet their basic needs."²⁶

University of Sheffield survey evidence:

Organisations

A survey of Arts organisations in the South Yorkshire Region helps to illustrate some of the points made elsewhere in the report. The survey was of a relatively small, self-selecting and Sheffield-focused. However, 38 bodies responded in two phases, March to August 2020 and October to December 2020. It's worth noting that this was all during the period of greatest uncertainty and while round 1 of the CRF allocations was still in process.

As expected, all were reporting big reductions in income of (with an average of -49%). Costs were also reduced but by a less amount – average of -38%.

Changes in the source of income are as expected with:

- massive reductions in income from tickets, auxiliary spend and venue hire;
- modest increases in gifts from individuals and modest reductions in income from charities / trusts; and
- very significant increase in state funding.

While small amounts of direct state funding were accessed from a range of sources, it was overwhelmingly from the CRF.

On the cost saving side, staffing is the obvious non-fixed cost, so it is unsurprising that they report a reduction in FTE employed staffing from 1119 to 459 through a combination of furlough (562 non-FTE staff) and redundancy (121 non-FTE staff). Unsurprisingly freelancers and self-employed took an even bigger hit with a reduction from 1296 to 280 over the period.

Clearly there have been significant developments since this survey was taken as places have gradually reopened. However, the key message has been that nearly all those bodies who took part in the survey appear to be still active in August 2021. The 3 or 4 where there was no up to date on-line presence were either festivals or music venues. We are also unaware of many large arts or culture institutions that has gone out of business due to the pandemic which suggests that the CRF achieved its main objective. The biggest exception in South Yorkshire being the Elsecar Steam Railway, but its financial problems certainly predated the pandemic.

A further and wider survey of arts and culture institutions once they have a few months of reopening under their belts would provide a very useful update for this work.

Chart 16. University of Sheffield survey responses: actual versus expected income by source

Chart 16. Key:
● Expected income
● Actual income

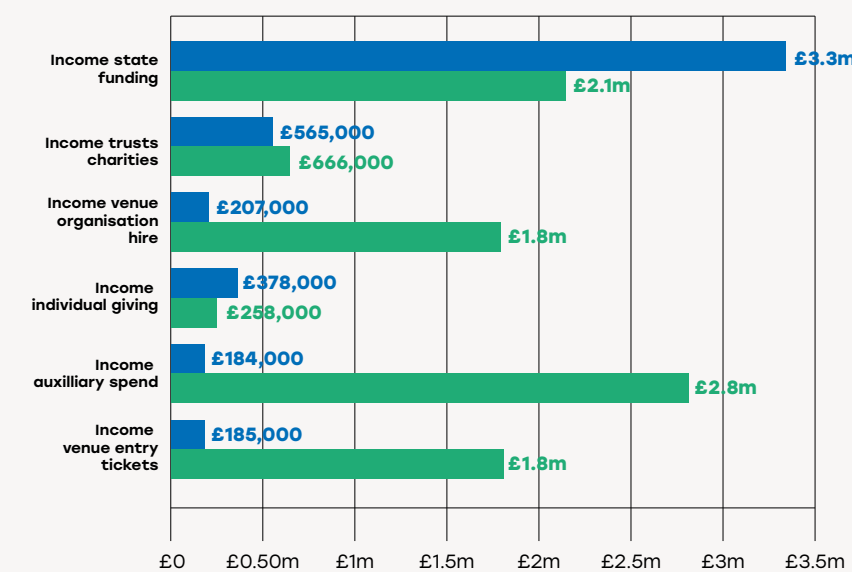
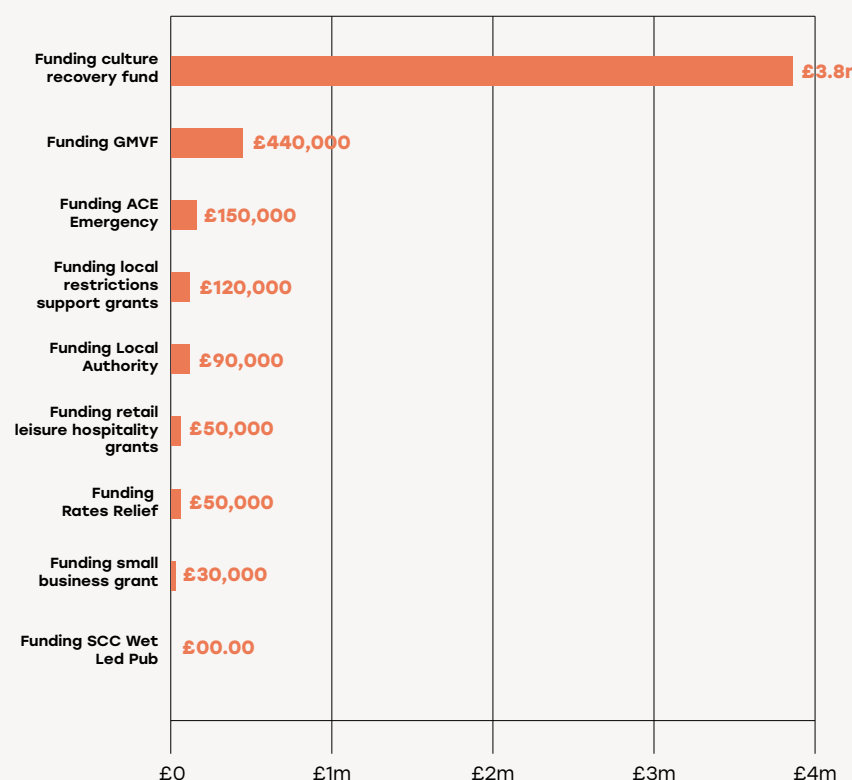


Chart 17. University of Sheffield survey responses: grant funding support



²⁵ "Self-Employment Income Support Scheme statistics: July 2021", Office of National Statistics
²⁶ "Open letter to Chancellor" Equity | BBC news report 26 Jan 2021

Freelancers

We know from another University of Sheffield survey that Covid-19 had a massive impact on freelancers and their income. The survey, with 98 responding in 2020, set out the big impact of Covid-19 on both work availability and income.

We also know that freelancers in the region applied for grants and other support to tide them over and that the most popular was the Government's Self-Employed Income Support Scheme. This survey was in 2020 when the scheme was just getting going and there were a number of rounds allocated in 2021.

Chart 18.

University of Sheffield survey responses to the question: Are any of the following statements true for your work?

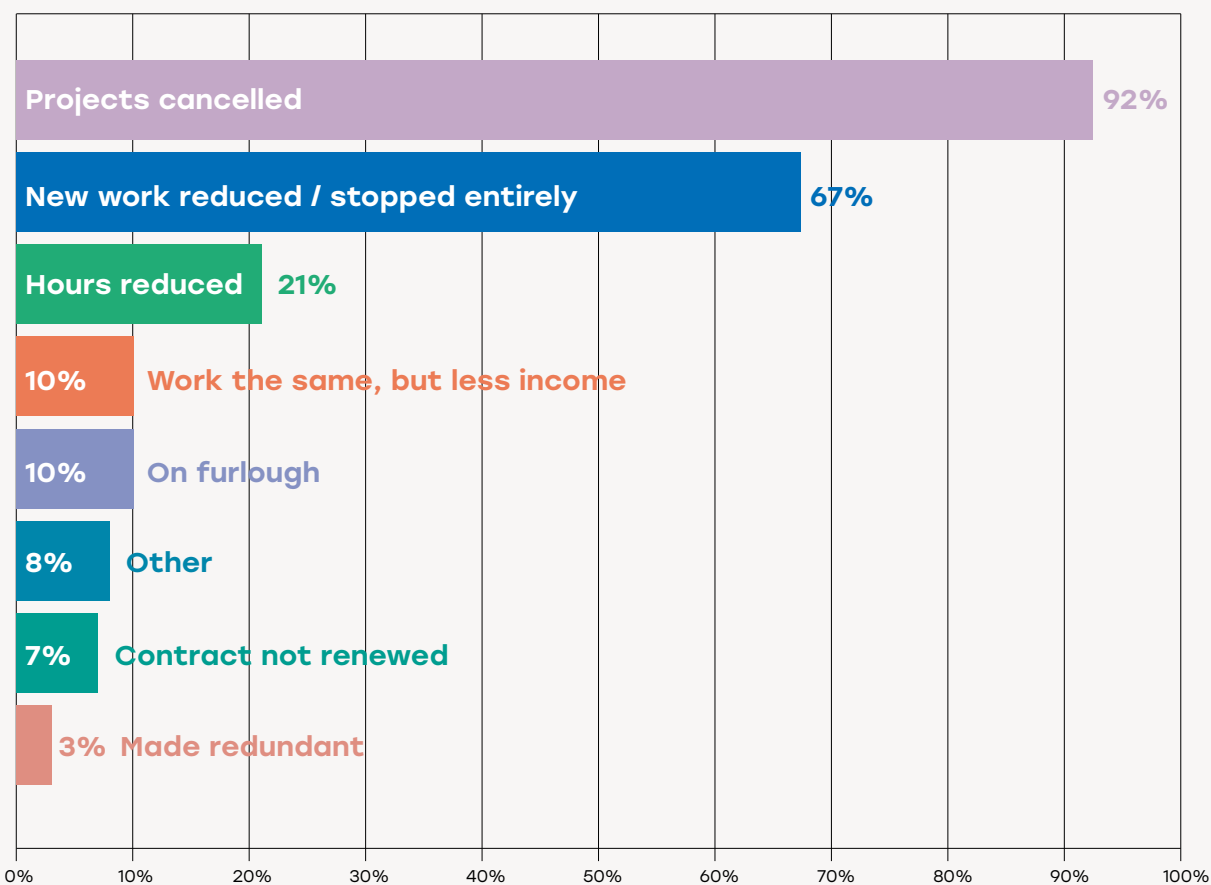
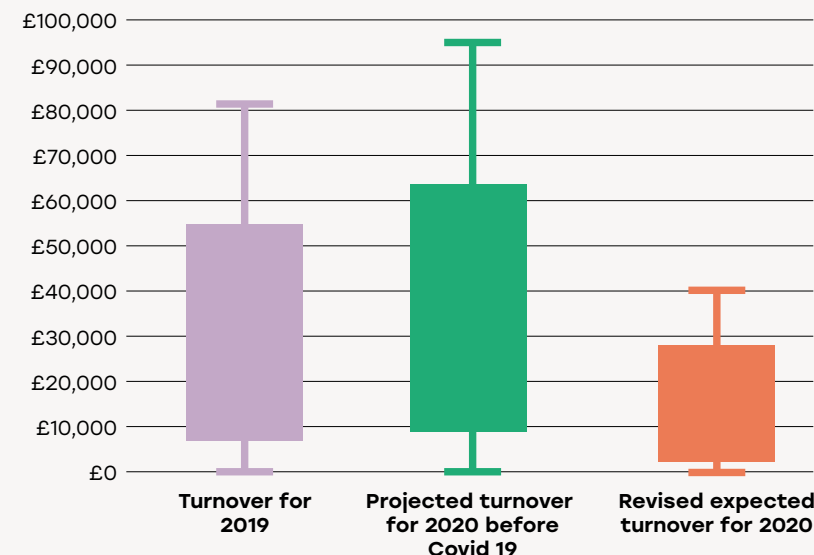


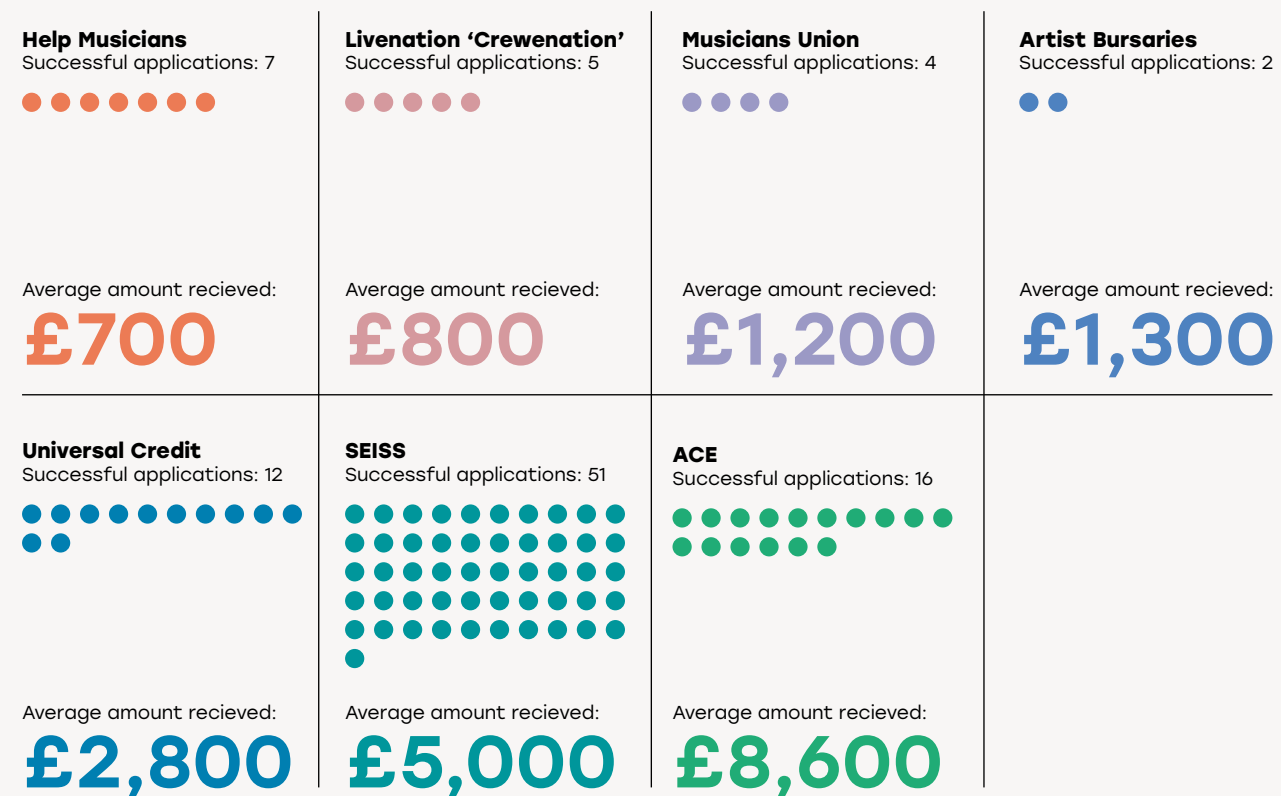
Chart 19.

University of Sheffield survey responses: distribution of turnover for 2019 and 2020



Graphic 2.

University of Sheffield survey responses: successful grant applications



25 "Self-Employment Income Support Scheme statistics: July 2021", Office of National Statistics
 26 "Open letter to Chancellor" Equity | BBC news report 26 Jan 2021

Chart 19 & Graphic 2 Source: Survey by the University of Sheffield

Other impacts

Volunteering

In 2020 we estimated a £50m annual benefit to South Yorkshire from volunteering in the CAH sector. A new estimate, this time based on charities data, suggests a similar figure. The calculations are unaffected by the change in sector scope (the change in scope largely reflects commercial activities rather than those with high levels of volunteering).

The pandemic has reduced opportunities for volunteering in general. Estimates from DCMS' Taking Part Web Panel Covid-19, "showed a trend [for volunteering] towards decreased participation compared to before the pandemic. Respondents were asked whether they had spent more or less time in the last 4 weeks doing each activity compared to before 23rd March 2020. In July [2020], 20% of respondents said they were volunteering less than before the pandemic and 9% said they were volunteering more."²⁷

The latest data (May 2021) from a Covid-19 Voluntary Sector Impact Barometer, led by the National Council for Voluntary Organisations (NCVO) and others, found just 24 per cent of charities reported an increase in volunteer numbers since March 2020, compared with 36 per cent who saw a decline. 38 per cent of voluntary sector organisations also reported a decline in the amount of time contributed by volunteers, with just 29 per cent reporting an increase since the beginning of the pandemic. The range of activities undertaken by volunteers had also reduced for 40 per cent of charities.²⁸

This is borne out across the sectors by, to take two examples, the returns for volunteering on NT properties and the very reduced volunteer activity on preserved railways where staff shortages are becoming critical and causing many larger lines (with resources) to employ paid staff in safety critical roles (Heritage Railway Association).

Assuming the national picture translates regionally and across sectors, a 10 per cent reduction in the value of CAH sector volunteering in South Yorkshire implies a £5m of loss of economic value.

²⁷ "Taking Part Web Panel Covid-19 Report", DCMS

²⁸ "Covid-19 Voluntary Sector Impact Barometer", part of the Respond, Recover and Reset: The Voluntary Sector and Covid-19 project led by the National Council for Voluntary Organisations (NCVO), Nottingham Trent University and Sheffield Hallam University



Bishops House, Sheffield



Izzy Gizmo, Barnsley Civic. Image by Timm Cleasby

Wellbeing

In 2020 we estimated annual wellbeing benefits of £1.2bn – much larger than the sum of direct and indirect economic benefits – linked to participation in the sector e.g. regularly visiting a museum or art gallery.

The 2020 estimates were based on adults frequently participating in the arts or frequently visiting an archive, heritage site, public library, museum or gallery. The pandemic has reduced opportunities for people to engage in all these activities to varying degrees.

We estimate nationally visitor numbers may have fallen by 60-80 per cent during 2020. However, many people have found other ways to engage with the sector, including online, meaning visitor numbers are likely to overstate the loss to wellbeing.

An Art Fund report on the museum sector in May 2020 found 86 per cent had increased online presence and content as a result of the pandemic.²⁹ Other reports suggest similar for other sector organisations including arts venues and libraries. Though not a perfect substitute for the physical – meaning the wellbeing benefits may not be as significant – greater online presence has enabled people to continue to engage in culture, arts and heritage.³⁰

Estimates from DCMS' Taking Part Web Panel Covid-19, "showed [for many arts activities] a trend towards increased participation compared to before the pandemic."³¹ In July 2020 the trend for increased participation was seen for activities such as painting, drawing, printmaking or sculpture; watching pre-recorded music or dance performances online; and playing video games.

The same survey found increased participation in heritage activities at the start of the pandemic (from May to July 2020). However, for many activities survey estimates showed a trend towards decreased participation compared to before the pandemic.

The estimated change in GVA for 2-digit sectors 90 and 91 provides a proxy for the impact and suggests a fall of 30 to 40 per cent.

Applying this figure to the £1.2bn wellbeing benefit in 2020 indicates a loss of £360m to £480m.

²⁹ "Covid-19 Impact, Museum Sector Research Findings, Summary Report", Art Fund, 2020
³⁰ Important to note the shift to online shift disproportionately favours those with higher incomes. Lower income groups effectively excluded from access to this activity and consequently the wellbeing benefits. Recent reports have noted the digital divide e.g. "Millions of vulnerable people in the UK live in digital poverty". Also see Cambridge University research: <https://www.cam.ac.uk/stories/digitaldivide>
³¹ "Taking Part Web Panel Covid-19 Report", DCMS

Conclusions & Recommendations

Nationally the sector was very badly hit by Covid-19, but the Culture Recovery Fund (CRF), on top of the wider national programmes (Furlough, SEISS) did a lot to mitigate the impact, but with the proviso that this was often not the case for freelancers.

In South Yorkshire the impact was slightly bigger, because the sector is stronger on arts and heritage than places where commercial activities (film, TV etc which recovered more quickly) play a bigger role. There was also slightly less funding (per head) from CRF than other places – reflecting the longer-term funding gap for the sector.

The implications and actions that flow from this are:

For the recovery

- Any extra support available (such as the £1m made available from the South Yorkshire Combined Authority) should focus on freelancers, who have had to deal with government schemes that were not really designed for their circumstances; and particularly those in the music business where live performance and touring abroad is often so critical and many have had to face the double whammy of Covid-19 and Brexit.
- That sector innovation, and any positives coming out of lockdown should be captured and propagated – whether that is the on-line presentation of art and heritage or more intense networking by sector participants.
- That the positive role the sector can play in recovery should be highlighted including that: the CAH sector can be deployed relatively quickly (no need for large capital investments or complex supply chains);

- CAH is a very flexible, adaptable (and creative);
- lockdown highlighted the importance of open public space and public events that can help places come alive;
- CAH can bring people and communities together after the crisis, and also has an impact on mental health and wellbeing;
- CAH investment can help support sectors also badly hit by the lockdown (tourism and the night-time economy).

For the longer term

- The general arguments about the benefits of investment in the sector remain valid post Covid-19 – if not more so. This includes the benefits of the sector in its own right (jobs / GVA) and the wider spill-over impacts on health, education, wellbeing, community cohesion, place shaping and creative industries.
- While recovery support might focus on direct payments (to freelancers) or commissions (for community events); longer term support needs to focus on the underpinning structures (coordination, business support, networking, skills/educations and marketing) that helps the sector to thrive on its own.
- The funding gap for South Yorkshire in Covid Recovery Fund payments (per head) was less pronounced than previous ACE funding in recent years – but was still there. A plan to close that gap remains important – by having a strategy and an effective regional narrative, by coordinating proposals and supporting local institutions.

- Our 2020 report identified potential priority sub-sectors for investment. In this report we have used a slightly wider definition of the sector which has highlighted some further potential strengths (e.g. music staging companies in Barnsley) and weaknesses (TV/ film) of the region in the more commercial end of the sector. Further work is required to identify clusters where interventions to promote the recovery and growth of the commercial end of the sector (creative industries) that would help both recovery and the longer-term strength of the South Yorkshire economy.

Annexes

Annex 1. Analysis of the Covid-19 impact within 2-digit sectors

In the tables below, changes in UK GVA (from 2019 to 2020) at 2-digit level are as published by the ONS (GVA 'low level aggregates'). UK 4-digit SIC output shares, for each 2-digit sector in 2019, are based on 'approximate GVA' (aGVA) from ONS' Annual Business Survey (ABS). Furlough statistics are cited, where available, down to 3-digit level (figures for May 2021 are currently published as provisional).

SIC 18. Printing and reproduction of recorded media

(Share of UK CAH sector in 2019: 11%; nominal change in GVA in 2020: -17.3% at current prices)

4-digit SIC		Output share	"Pen portraits" Evidence of economic impact nationally (combination of hard data and anecdotal)
Newspaper printing	1811	0.1%	<ul style="list-style-type: none"> Small share of 2-digit sector output nationally and linked to newspaper publishing SIC 5813 As noted further below, printed newspaper circulation fell significantly during 2020 (by around one third) Impact on printing is likely to be higher than newspaper publishing, where some firms benefited from increased digital sales <p>Factors affecting relative scale of local impact: firm size; national/regional/local paper; ability to access/secure Government/other support</p>
Other printing	1812	87.7%	<ul style="list-style-type: none"> Includes printed labels, printing onto glass, metal, plastic, postcards, stamps etc This is a broad manufacturing sector, making it difficult to establish indicators for the scale of impact At almost 90 per cent of SIC 18, the headline 17 per cent fall in GVA will largely reflect the wide range of activities in this sector <p>Factors affecting relative scale of local impact: firm size; composition of activities and their linkage to the wider economy; ability to access/secure Government/other support</p>
Pre-press and pre-media services	1813	7.7%	<ul style="list-style-type: none"> Includes manufacture of printing blocks, pre-press data input, plate-setting, typesetting, etc No evidence of impact available but likely to reflect economy-wide demand as linked to a wide range of sectors <p>Factors affecting relative scale of local impact: firm size; ability to access/secure Government/other support</p>
Binding and related services	1814	2.8%	<ul style="list-style-type: none"> Small share of 2-digit sector output nationally and linked to book publishing SIC 5811 (see below) As noted further below, physical book and magazine sales fell in 2020, both down by 6 per cent <p>Factors affecting relative scale of local impact: firm size; type of publication; ability to access/secure Government/other support</p>

Reproduct'n of recorded media	1820	1.7%	<ul style="list-style-type: none"> Small share of 2-digit sector output nationally and linked to book publishing SIC 5811 (see below) As noted further below, physical book and magazine sales fell in 2020, both down by 6 per cent <p>Factors affecting relative scale of local impact: firm size; type of publication; ability to access/secure Government/other support</p>																																																
Reproduct'n of recorded media	1820	1.7%	<ul style="list-style-type: none"> Includes computer media, video, and sound recording – manufacturing processes linked to design/creation activities captured in other 4-digit SICs as follows, and considered in some detail further below <ul style="list-style-type: none"> Computer media SIC 5821 and 5829 Video SIC 5911 and 5912 Sound recording SIC 5920 As concluded further below, digital sales have helped sales in some of these 4-digit publishing sectors – so the impact on physical production within 1820 is likely to be somewhat greater by comparison Furlough statistics show higher take-up rates for 3-digit SIC 182 (reproduction of recorded media) compared to 581 (newspaper publishing), 582 (software publishing) and 592 (sound recording and music publishing activities); but similar to 591 (motion picture; video and television programme activities) and 181 (printing and service activities related to printing) <table border="1"> <thead> <tr> <th></th> <th>Jan-21</th> <th>Feb-21</th> <th>Mar-21</th> <th>Apr-21</th> <th>May-21</th> </tr> </thead> <tbody> <tr> <td>SIC 181</td> <td>36%</td> <td>36%</td> <td>34%</td> <td>31%</td> <td>29%</td> </tr> <tr> <td>SIC 182</td> <td>34%</td> <td>34%</td> <td>33%</td> <td>30%</td> <td>25%</td> </tr> <tr> <td>SIC 581</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>8%</td> <td>7%</td> </tr> <tr> <td>SIC 582</td> <td>9%</td> <td>8%</td> <td>8%</td> <td>7%</td> <td>5%</td> </tr> <tr> <td>SIC 591</td> <td>32%</td> <td>32%</td> <td>30%</td> <td>28%</td> <td>24%</td> </tr> <tr> <td>SIC 592</td> <td>21%</td> <td>21%</td> <td>20%</td> <td>18%</td> <td>15%</td> </tr> <tr> <td>All sectors</td> <td>17%</td> <td>16%</td> <td>15%</td> <td>12%</td> <td>8%</td> </tr> </tbody> </table> <p>(Sources: ONS, CJRS statistics)</p> <ul style="list-style-type: none"> The high furlough take-up rates suggest a relatively large impact on the sector – though this need not translate to a large change in GVA From a handful of company accounts (large companies with recently published accounts) turnover either increased or fell only modestly in 2020 <p>Factors affecting relative scale of local impact: firm size; type of media and associated demand; ability to access/secure Government/other support</p>		Jan-21	Feb-21	Mar-21	Apr-21	May-21	SIC 181	36%	36%	34%	31%	29%	SIC 182	34%	34%	33%	30%	25%	SIC 581	10%	10%	10%	8%	7%	SIC 582	9%	8%	8%	7%	5%	SIC 591	32%	32%	30%	28%	24%	SIC 592	21%	21%	20%	18%	15%	All sectors	17%	16%	15%	12%	8%
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SIC 58. Publishing activities

(Share of UK CAH sector in 2019: 28%; nominal change in GVA in 2020: -8.2% at current prices)

4-digit SIC	Output share	"Pen portraits" Evidence of economic impact nationally (combination of hard data and anecdotal)
Books publishing	5811 21.1%	<ul style="list-style-type: none"> Total book publishing income in 2020, £6.4bn (+2%) Of which, print £3.4bn (-6%) and digital £3bn (+12%) Print sales adversely affected by bookshop closures but digital sales helped by increased demand for in-home entertainment Smaller publishers struggled throughout 2020 <p>(Source: Publishers Association, Publishing in 2020)</p> <p>Factors affecting relative scale of local impact: firm size; balance between print and digital; ability to access/secure Government/other support</p>
Directories & mailing lists	5812 0.4%	<ul style="list-style-type: none"> Includes in-print directories and online directories and mailing lists No evidence of impact available, but only a small share of 2-digit sector output nationally Expect online to have fared relatively well due to the increase in online shopping <p>Factors affecting relative scale of local impact: firm size; balance between print and digital; ability to access/secure Government/other support</p>
Newspaper publishing	5813 17.0%	<ul style="list-style-type: none"> Evidence from a sample of national daily newspapers suggests circulation fell by around one third from Jan 2020 to Jan 2021 (most of the impact being Covid-19 related, but against a backdrop of secular decline) According to figures published by Press Gazette, national news brand advertising fell by 24 per cent in 2020; and regional news brand advertising by 35 per cent Print advertising makes up around 75 per cent of total advertising expenditure on news brands, according to DCMS research Reach PLC (owner of 9 leading national newspapers, more than 110 regional titles and over 70 online brands) reported digital revenue growth in 2020 (+10.6%), but with print revenue down (-18.9%), and overall revenue down (-14.6%), on 2019 JPI Media (one of the largest national, regional and local media organisations in the UK, with around 200 newspapers and associated websites around the UK) reported falls in turnover from both print (-26.6%) and digital (-16%), with overall turnover down 24.2 per cent (YE Jan 2020 to YE Jan 2021) The most vulnerable companies are those not part of major empires and heavily reliant on advertising and print distribution <p>(Sources: Audit Bureau of Circulations data via Wikipedia; Advertising Association/WARC data via Press Gazette; Mediatique report for DCMS, 2018; Reach PLC, Annual Report 2020; Companies House, filing for JPI Media)</p> <p>Factors affecting relative scale of local impact: firm size; balance between print and digital; ability to access/secure Government/other support</p>

Journals & periodicals	5814	28.4%	<ul style="list-style-type: none"> Includes magazines, of which consumer magazines are the largest share. Mainly sold through supermarkets and newsagents, which remained open through lockdown (being listed by Government as “essential” retailers) Nevertheless, circulation was down overall (-6%) in 2020, with some variation between titles/publishers News and current affairs titles fared worst (-11%) According to figures published by Press Gazette, magazine advertising fell by 29 per cent in 2020 We estimate around half of magazine revenue is from advertising and half from circulation – so the overall impact could be something like 15-20 per cent Haymarket has a relatively small share of the consumer magazine market, being mainly focussed on business publications. Its turnover fell by 12-14 per cent in the YE June 2020 compared to YE June 2019 (so not capturing the full period of interest) <p>(Sources: Audit Bureau of Circulations data obtained via Press Gazette; Companies House, filing for Haymarket Media Group Ltd; Advertising Association/WARC data via Press Gazette)</p> <p>Factors affecting relative scale of local impact: firm size; balance between print and digital; market segment; reliance on advertising income; ability to access/secure Government/other support)</p>
Other publishing	5819	19.8%	<ul style="list-style-type: none"> Covers a wide range of activities (e.g. from online advertising to postcard and stamp publishing) – so hard to gauge overall scale of impact, though likely to be similar to SIC 5814 <p>Factors affecting relative scale of local impact: firm size; balance between print and digital; relationship of local publishing activities with the wider economy (supply chain to other industries affected by Covid-19); ability to access/secure Government/other support</p>
Computer games	5821	3.7%	<ul style="list-style-type: none"> The pandemic increased demand for home entertainment including gaming High capacity for remote working by games developers Software revenue grew to £4.55bn in 2020 (+18%) Revenue increased across both digital and physical sales Digital c. 85 per cent (£3.9bn) of the total <p>(Source: UKIE, UK Games Industry Valuation 2020)</p> <p>Factors affecting relative scale of local impact: firm size; ability to access/secure Government/other support</p>
Other software	5829	9.7%	<ul style="list-style-type: none"> On the one hand, the pandemic has led to high levels of home working and learning – and increased demand for software solutions that enable it On the other hand, demand for some types of software development may have fallen due to pre-Covid-19 business investment plans being shelved because of economic uncertainty A Statista survey released in June 2020 about the impact of the Covid-19 outbreak on companies’ software spending worldwide found that over 50% of companies will continue or increase their current spend: <ul style="list-style-type: none"> – 20.5% of respondents reported less than a 10% decrease in spend – 22.5% saw no change in spend – 30.4% saw an increase in spend ranging between 1% and 20%

			<p>(...continued)</p> <ul style="list-style-type: none"> High capacity for remote working by software developers Capita is the UK’s largest software and IT services supplier by revenue. Its software business generated £246m in 2020, only slightly down on the £252m in 2019 (-2%) Figures published by IBIS suggest overall market growth in 2020 (+2%) (Source: Capita results presentation FY 2020; IBIS, Software Development in the UK - Market Size 2010–2028;) <p>Factors affecting relative scale of local impact: firm size; market segment; ability to access/secure Government/other support</p>
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SIC 59. Motion picture, video and television programme production, sound recording and music publishing activities
 (Share of UK CAH sector in 2019: 29%; nominal change in GVA in 2020: -17.2% at current prices)

4-digit SIC	Output share	“Pen portraits” Evidence of economic impact nationally (combination of hard data and anecdotal)
Motion picture, video and television production and post-production	5911 5912	55.7%
		<ul style="list-style-type: none"> Nearly all UK film and HETV (high-end TV) productions were suspended or postponed by the end of Q1 2020 Negligible production activity during Q2 2020 Covid-secure film and HETV production activity started to resume in mid-July, Q3 2020, following the launch of Covid-safe production activity guidelines On 28 July 2020, the Culture Secretary announced the launch of a government-backed £500m scheme for UK film and TV productions struggling to get insurance for Covid-related costs UK spend on film and HETV productions fell to £2.84bn in 2020, from £3.61bn in 2019 (-21%), of which, <ul style="list-style-type: none"> – Film (-33%) – HETV (-11%) – Animation television programmes (-7%) (huge variation) Film and HETV constitute around 20 per cent, or perhaps less, of the 4-digit sectors 5911 and 5912, so overall impact is largely determined by lower-end TV production, where there’s limited evidence of overall impact ITV Studios UK, the largest commercial producer of content in the UK, reported a 26 per cent fall in revenue in 2020. This large fall partly reflects the mix of content in 2020. The Covid-induced pause in productions reduced recorded hours of television by 15 per cent. BBC Commercial Holdings Ltd (which includes BBC Studios) reported a 10 per cent fall in sales YE March 2021 <p>(Sources: BFI, 2020 statistics; ITV PLC, annual report; BBC Commercial Holdings Ltd, annual report)</p> <p>Factors affecting relative scale of local impact: firm size; balance between film/HETV/TV; funding model; ability to access/secure Government/other support</p>
Distribution of the above	5913	30.2%
		<ul style="list-style-type: none"> No direct evidence of impact, but likely to be closely related to TV/film production (SIC 5911 & 5912) Potential lag of impact given distribution into early 2020 of productions completed pre-Covid-19 <p>(continues overleaf...)</p>

			<p>(...continued)</p> <ul style="list-style-type: none"> Potential mitigation of impact given distribution activity includes ongoing management of existing productions, not just new production ITV PLC's Global Formats and Distribution company saw revenues decline by 19 per cent in 2020 (compared to -26% for its production company ITV Studios UK) <p>(Sources: ITV PLC, annual report)</p> <p>Factors affecting relative scale of local impact: firm size; balance between film/HETV/TV distribution and reliance on new production; ability to access/secure Government/other support</p>																																				
Motion picture projection activities (cinema)	5914	5.5%	<ul style="list-style-type: none"> Largely cinema Cinemas were required to close, or at other times operate under significant restrictions during 2020 and into 2021 UK cinema admissions fell by around 75%, with sales down by a similar amount Cinema admissions revenue accounts for almost 70 per cent of total, with a further 25 per cent from food and beverage sales <p>(Sources: UK Cinema Association [Link]/ Cinema Advertising Association; BFI, Box Office in 2020)</p> <p>Factors affecting relative scale of local impact: firm size / independent cinemas (not part of national or global chains); ability to access/secure Government/other support</p>																																				
Sound recording and music publishing	5920	8.6%	<ul style="list-style-type: none"> Includes recording studios, recorded media (tapes/CDs), printed media (e.g. music manuscripts) Demand for recorded music grew during 2020 Recording studios were forced to close in the first lockdown though subsequently allowed to re-open following the launch of Covid-safe production activity guidelines "Covid-19 has disrupted the making and marketing of new repertoire, the lifeblood of this sector. The plight of independent record labels is especially pressing because indies do not have deep pockets and access to finance is an ongoing concern. Major labels are not immune either with public performance and artist ancillary income likely to be affected by Covid-19." (UK Music) Limited direct evidence of impact, though furlough statistics show lower take-up rates for 3-digit SIC 592 (sound recording and music publishing), compared to 591 (motion picture; video and television programme activities); but higher than 601 (radio broadcasting), and much higher than 602 (television programming). <table border="1"> <thead> <tr> <th></th> <th>Jan-21</th> <th>Feb-21</th> <th>Mar-21</th> <th>Apr-21</th> <th>May-21</th> </tr> </thead> <tbody> <tr> <td>SIC 591</td> <td>32%</td> <td>32%</td> <td>30%</td> <td>28%</td> <td>24%</td> </tr> <tr> <td>SIC 592</td> <td>21%</td> <td>21%</td> <td>20%</td> <td>18%</td> <td>15%</td> </tr> <tr> <td>SIC 601</td> <td>16%</td> <td>16%</td> <td>16%</td> <td>11%</td> <td>10%</td> </tr> <tr> <td>SIC 602</td> <td>2%</td> <td>2%</td> <td>2%</td> <td>2%</td> <td>2%</td> </tr> <tr> <td>All sectors</td> <td>17%</td> <td>16%</td> <td>15%</td> <td>12%</td> <td>8%</td> </tr> </tbody> </table> <p>(Sources: ONS, CJRS statistics; UK Music, Music by Numbers 2020)</p> <ul style="list-style-type: none"> Universal Music Publishing Ltd reported a 10 per cent fall in turnover in YE Dec 2020 <p>Factors affecting relative scale of local impact: firm size (independent labels particularly hard hit); market segment (e.g. orchestras more affected than solo artists); ability to access/secure Government/other support</p>		Jan-21	Feb-21	Mar-21	Apr-21	May-21	SIC 591	32%	32%	30%	28%	24%	SIC 592	21%	21%	20%	18%	15%	SIC 601	16%	16%	16%	11%	10%	SIC 602	2%	2%	2%	2%	2%	All sectors	17%	16%	15%	12%	8%
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SIC 60. Programming and broadcasting activities

(Share of UK CAH sector in 2019: 18%; nominal change in GVA in 2020: -3.2% at current prices)

4-digit SIC	Output share	"Pen portraits" Evidence of economic impact nationally (combination of hard data and anecdotal)
Radio broadcasting	6010	14.7%
Television programming and broadcasting	6020	85.3%

- More than half of expenditure on radio is by the BBC (£726m in 2019)
- The remainder is by commercial radio stations, which are heavily reliant on advertising revenues
- According to figures published by Press Gazette, Radio advertising fell by around 13 per cent in 2020
- This is only slightly more than for TV advertising – but Furlough statistics suggest a much higher impact on radio compared to television, e.g. take-up rate of 16% in Jan 2021 compared to 2% for TV
- This may reflect the fact that radio involves greater reliance on advertising and contains a larger range of firms, many of them small and local – less able to mitigate the impact of the pandemic than larger, national players
- Furthermore, commercial radio stations typically generate revenue through a combination of studio-based radio (largely funded by advertising) and “outdoor” activity including sponsored festivals and other events – the latter likely to have been greatly impacted by Covid-19
- The overall impact on sector GVA is likely to be upwards of 15 per cent

(Sources: OfCOM, Communications Market Report; Advertising Association/WARC data via Press Gazette; ONS, CJRS statistics)

Factors affecting relative scale of local impact: firm size; large commercial / independent / community; reliance on advertising income; ability to access/secure Government/other support

- The first lockdown had an impact on programming content (such as live shows), but TV demand increased during 2020
- Programming and broadcasting not reliant on new content (contrast with production)
- The BBC accounts for around one-third of audience share, primarily funded by the license fee, so fairly immune to economic uncertainty at the start of the pandemic
- In 2019, according to OfCOM, publicly funded TV accounted for 18 per cent of revenues, with advertising 27.6 per cent, subscriptions 47.5 per cent, and other 6.9 per cent 75.1 -3.25
- Advertising revenues fell by an estimated 11.8 per cent in 2020 despite the increase in audience numbers, according to figures published by the Advertising Association
- Television subscriptions increased in 2020. Globally, Netflix increased subscriptions by 31 per cent, and revenues by 24 per cent.
- The Furlough statistics show very low levels of take-up – e.g. at 2 per cent in Jan 2021 compared to 17 per cent across all sectors of the economy
- The overall impact on sector GVA may be close to neutral, if not positive, and certainly better than the economy overall

(Sources: OfCOM, Communications Market Report; Advertising Association/WARC data via Press Gazette; ONS, CJRS statistics)

Factors affecting relative scale of local impact: firm size; reliance on advertising income; ability to access/secure Government/other support

SIC 90. Creative, arts and entertainment activities

(Share of UK CAH sector in 2019: 11%; nominal change in GVA in 2020: -42.2% at current prices)

4-digit SIC	Output share	“Pen portraits” Evidence of economic impact nationally (combination of hard data and anecdotal)
Performing arts	9001	35.2%
		<ul style="list-style-type: none"> Includes recorded and live performances (the former linked to SIC 5911 and 5912) The sector is largely venue-based, or involves gatherings of some sort, so particularly hard hit by lockdowns and restrictions “The effect of social distancing and lockdown measures on the live performance industry has been acute, bringing about an immediate threat to the livelihoods of performers, many of whose working lives were already financially precarious. Almost overnight, it threw into jeopardy the feasibility of venues and whole sectors of the industry. Some organisations were able to maintain some output through online performances” (Hancock & Tyler, 2021) <p>Live music</p> <ul style="list-style-type: none"> Contributed an estimated £1.3bn in 2019 (UK Music). This includes some activities relevant to other 4-digit sectors, such as venues (9004), but doesn’t include actors on stage Assuming a figure of £1bn, live music constitutes around 60 per cent of performing arts (SIC 9001) output A UK Music Report published in late 2020 said: “The live music sector has been devastated by Covid-19 [...] Social distancing has prevented most events from taking place both operationally and economically, while travel restrictions have made touring impossible for both UK and international artists [...] Grassroots venues are especially hard hit, with a high number of small venues and nightclubs facing closure.” The same report anticipated 85 per cent of live revenue would be lost In evidence to the House of Commons DCMS Select Committee in December 2020, UK Music said: “The 2020 festival season was effectively decimated as a result of the pandemic and there remains huge uncertainty about the prospects of the 2021 season taking place.” 85 per cent loss of revenue since March 2020 equates to around 70 per cent over the whole of 2020 Live music contributes an estimated two-thirds of music activity within SIC 9001 – the remainder being recorded music The value of music output overall, including recorded music, may have fallen by at least 50 per cent <p>Theatre</p> <ul style="list-style-type: none"> Theatre performers and other workers have been among the hardest hit Theatres shut without warning in March and remained shut for the most-part of 2020 Theatres receive about 85 per cent of their income from ticket sales, with the remainder being subsidies In contrast to cinemas, for example, also heavily reliant on ticket sales, the economics of theatre production means many productions unviable re-open with 30-40 per cent audiences under social distancing Near the start of the pandemic The Society of London Theatre (SOLT) & UK Theatre estimated losses for the sector at £630 million by mid-June <p>(continues opposite...)</p>

			(...continued)
			<ul style="list-style-type: none"> A more recent survey (early 2021) by the same organisations found: <ul style="list-style-type: none"> More than 95 per cent reported being worse off because of Covid-19 53 of the 186 theatre organisations answering a question about financial loss due to Covid-19 reported a loss of over £1m each - this includes 16 organisations who have lost over £5m each One in four of the freelancers surveyed said they had gone out of business or ceased trading due to Covid-19. <p>(Sources: Hancock and Tyler, The impact of Covid-19 on live performers in the UK, 2021; UK Music, written submission to HoC DCMS Select Committee; UK Music, Music by Numbers 2020; SOLT; UK Theatre)</p> <p>Factors affecting relative scale of local impact: firm size; proportion venue-based; funding model including reliance on ticketing and other related income; ability to generate income digitally; ability to access/secure Government/other support</p>
Support activities to performing arts	9002	12.6%	<ul style="list-style-type: none"> Includes directors, stage set design, lighting engineers, etc. No direct evidence of impact but linked to the above (9001)
Artistic creation	9003	48.1%	<ul style="list-style-type: none"> Wide-ranging activities including music composition, painting, picture restoration, play writing, repair and restoration of art etc. Not directly affected by lockdowns – though income related to other affected activities Given evidence of very large impacts on 9001, the impact on 9003 must have been much less to produce a weighted average impact of -42 per cent at 2-digit level
Operation of arts facilities	9004	4.1%	<ul style="list-style-type: none"> Includes concert halls and theatres – both forced to close and at other times operate under significant restrictions during 2020 and into 2021 The sector is highly reliant on grant funding but operates on tight margins meaning the loss of ticket sales and associated revenue has had a devastating impact on many individuals and organisations in the sector, of all sizes See 9001 above regarding the impact on theatres

SIC 91. Libraries, archives, museums and other cultural activities

(Share of UK CAH sector in 2019: 4%; nominal change in GVA in 2020: -31.4% at current prices)

4-digit SIC	Output share	“Pen portraits” Evidence of economic impact nationally (combination of hard data and anecdotal)
Library and archive activities	9101	0.9%
		<ul style="list-style-type: none"> Small share of 2-digit sector output nationally Libraries and archives were required to close, or at other times operate under significant restrictions during 2020 and into 2021 Largely funded by the public sector, including national and local government (other income sources include fundraising and endowments) Income from fees/sales generally a small proportion of total Likely to have been fairly resilient during 2020 – though medium-term funding pressures

<p>Museum activities</p>	<p>9102</p>	<p>41.9%</p>	<ul style="list-style-type: none"> Includes art galleries, as well as museums of various kinds Museums were required to close, or at other times operate under significant restrictions during 2020 and into 2021 An Art Fund report in May 2020 found 98 per cent of surveyed organisations had cancelled/postponed exhibitions, with most exhibitions postponed until 2021 86 per cent had increased online presence and content The survey suggested museums would first start re-opening with outdoor areas and larger indoor spaces In terms of financial impact, the Art Fund survey found large deficits and cash-flow issues were widely expected; museums with large reserves more protected; independents likely to be the hardest hit; Local Authority services safer in the short-run The impact of the pandemic on museums during 2020 is borne out in visitor numbers, which were overall down by around two thirds on 2019 levels Visitor numbers held up slightly better for museums with some outdoor space (only based on a small sample – though intuitively plausible) <p>GB museums, change in visitor numbers 2020 on 2019:</p> <table border="1"> <thead> <tr> <th></th> <th>Weighted average</th> <th>Simple average</th> <th>Median</th> <th>Sample size</th> </tr> </thead> <tbody> <tr> <td>Indoors</td> <td>-78%</td> <td>-75%</td> <td>-76%</td> <td>66</td> </tr> <tr> <td>Outdoors</td> <td>-67%</td> <td>-49%</td> <td>-49%</td> <td>2</td> </tr> <tr> <td>Indoors/ outdoors</td> <td>-66%</td> <td>-65%</td> <td>-70%</td> <td>9</td> </tr> <tr> <td>Total</td> <td>-77%</td> <td>-73%</td> <td>-76%</td> <td>77</td> </tr> </tbody> </table> <p>(Source: CWE estimates based on categorisation of data obtained from the Association of Leading Visitor Attractions)</p> <ul style="list-style-type: none"> The decline in visitors’ numbers is huge, but overstates the financial impact on museums as many derive income from a wide range of sources including grants and endowments 44 of 77 museums (almost 60%) do not charge entry – though lack of visitors also impacts on other income e.g. café, restaurant and shop sales A 2016 report of non-national London museums found admission charges made up 22 per cent of income, with similar amounts for trading, and fundraising & membership (income generation in London’s non-national museums) Indicatively, the impact on museums’ income is expected to be around 50 per cent of the change in visitor numbers <p>(Other sources: Art Fund report, May 2020; OECD report, UNESCO report, May 2020; NEMO report, Jan 2021; Museum of London report)</p> <p>Factors affecting relative scale of local impact: firm size; outdoor/indoor attractions; funding model including reliance on ticketing and other related income; ability to generate income digitally; ability to access/secure Government/other support</p>		Weighted average	Simple average	Median	Sample size	Indoors	-78%	-75%	-76%	66	Outdoors	-67%	-49%	-49%	2	Indoors/ outdoors	-66%	-65%	-70%	9	Total	-77%	-73%	-76%	77
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<p>Operation of historical sites and buildings and similar visitor attractions</p>	<p>9103</p>	<p>32.6%</p>	<ul style="list-style-type: none"> The Heritage Fund surveyed heritage organisations early in the pandemic and found 98% were impacted within the first three weeks and the remaining 2% expected some impact in the future. There were no significant differences across the country, nor across the sector. The impact of the pandemic on historical sites during 2020 is borne out in visitor numbers, which were overall down by almost 70 per cent on 2019 levels <p>(Continued opposite...)</p>																									

			<p>(...continued)</p> <ul style="list-style-type: none"> The scale of impact is less than for museums, partly explained by a higher proportion of outdoor activity. Almost 80 per cent of the sampled attractions have an outdoor element (compared to around 15 per cent of museums) <p>GB historic sites and buildings, change in visitor numbers 2020 on 2019:</p> <table border="1"> <thead> <tr> <th></th> <th>Weighted average</th> <th>Simple average</th> <th>Median</th> <th>Sample size</th> </tr> </thead> <tbody> <tr> <td>Indoors</td> <td>-82%</td> <td>-80%</td> <td>-81%</td> <td>26</td> </tr> <tr> <td>Outdoors</td> <td>-63%</td> <td>-53%</td> <td>-64%</td> <td>16</td> </tr> <tr> <td>Indoors/ outdoors</td> <td>-60%</td> <td>-62%</td> <td>-65%</td> <td>96</td> </tr> <tr> <td>Total</td> <td>-67%</td> <td>-65%</td> <td>-77%</td> <td>138</td> </tr> </tbody> </table> <p>(Source: CWE estimates based on categorisation of data obtained from the Association of Leading Visitor Attractions)</p> <ul style="list-style-type: none"> The decline in visitor numbers is huge, but overstates the financial impact on historical sites (in contrast say to cinema audience figures) as many organisations derive income from a wide range of sources including grant funding 14 of 138 sites in the sample (around 10%) do not charge entry – though lack of visitors also impacts on other income e.g. café, restaurant and shop sales For illustration, and not representative of the sector as a whole, the National Trust derived only £31m from admission fees and £100m from retailing in 2019/20, compared to £270m from memberships, in the context of overall income of £681m In July 2020 the National Trust announced it expected to lose £200m and proposed £100m of savings including redundancies This equates to a 20 per cent fall in income – broadly in line with the 2-digit sector average change in GVA This is unlikely to be representative of the 4-digit sector and the true figure may be more like one-third fall in income (equivalent to 50 per cent of the change in visitor numbers) <p>(Other sources: Heritage Fund, survey; National Trust Annual Report 2019/20; National Trust, press release)</p> <p>Factors affecting relative scale of local impact: firm size; outdoor/indoor attractions; funding model including reliance on ticketing and other related income; ability to generate income digitally; ability to access/secure Government/other support</p>		Weighted average	Simple average	Median	Sample size	Indoors	-82%	-80%	-81%	26	Outdoors	-63%	-53%	-64%	16	Indoors/ outdoors	-60%	-62%	-65%	96	Total	-67%	-65%	-77%	138
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<p>Botanical and zoological gardens and nature reserve activities</p>	<p>9104</p>	<p>24.7%</p>	<ul style="list-style-type: none"> The impact of the pandemic during 2020 is borne out in visitor numbers, which were overall down by just over 40 per cent on 2019 levels The scale of impact is much less than for museums and historic sites, partly explained by a higher proportion of outdoor activity less affected by social distancing and other restrictions imposing a physical constraint and/or additional costs on operators Only one site in the sample is fully indoors, with almost 80 per cent fully outdoors The associated financial impact will depend on the degree to which sites/activities are reliant on visitor income <p>(Continued overleaf...)</p>																									

- Zoos are expected to be particularly badly affected given relatively high fixed running costs (“you can’t furlough a lion”)
- In July 2020 the Government announced a £100m support package for zoos but subsequently criticised by many in the sector for being hard to access and maximum awards being less than the amounts needed by the largest organisations

GB botanical, gardens, zoos, nature reserves, change in visitor numbers 2020 on 2019:

	Weighted average	Simple average	Median	Sample size
Indoors	-83%	-83%	-83%	1
Outdoors	-40%	-45%	-45%	48
Indoors/ outdoors	-45%	-54%	-51%	13
Total	-43%	-48%	-45%	62

(Source: CWE estimates based on categorisation of data obtained from the Association of Leading Visitor Attractions)

- Chester Zoo’s annual report states that visitor income, which includes admission fees and membership income, fell by 32 per cent in 2020 (excluding membership income the impact was more like -45%). Associated retailing fell by around 50 per cent.
- The zoo’s overall income, including grants, fell by around 23 per cent.

(Other sources: National Geographic; Chester Zoo, annual report 2020)

Factors affecting relative scale of local impact: firm size; outdoor/indoor attractions; funding model including reliance on ticketing and other related income; ability to access/secure Government/other support

Annex 2. Charities data

The Charities Commission uses its own classification system, with the most relevant category being “Arts/culture/ heritage/science”. This is a fairly broad definition and captures some scout groups, religious groups and school PTAs etc. We therefore applied a number of word filters on charity names (e.g. “scout”) to remove extraneous activities [Filter 1].

We then removed charities with no income data in both 2020 and 2019 [Filter 2].³² We ignore reporting in 2021 given only limited data meaning small sample sizes. The table below shows the number of registered charities by NUTS2 region with and without filters applied.

	Charities categorised as “Arts/culture /heritage/science”	Filter 1 Removes extraneous activities based on a word filter	Filter 2 Removes charities with no income data	[3]/[2]
	[1]	[2]	[3]	[4]
D&N	740	599	497	83%
G&B	1,482	1,102	950	86%
GM	638	554	446	81%
Mer	452	393	309	79%
N&T	513	430	365	85%
SY	390	322	263	82%
WM	766	683	554	81%
WY	599	501	415	83%
Sum	5,580	4,584	3,799	83%
Distinct count*	5,285	4,315	3,587	83%

*This figure is lower than the regional sum of charities, because some charities operate in more than one region

The chart below shows the distribution of filtered charities by their banded income in 2019 (the base year), for South Yorkshire and the comparator group of regions. Error bars show the range across regions within the comparator group. South Yorkshire appears to have a relatively high proportion of charities with income of half a million or more (14% compared to the comparator group at 8% and, within the comparator group, Greater Manchester at 10%) – though this includes some charities operating in South Yorkshire but operating nationally and based outside South Yorkshire.

The overall distribution of charities by income is broadly comparable across regions.

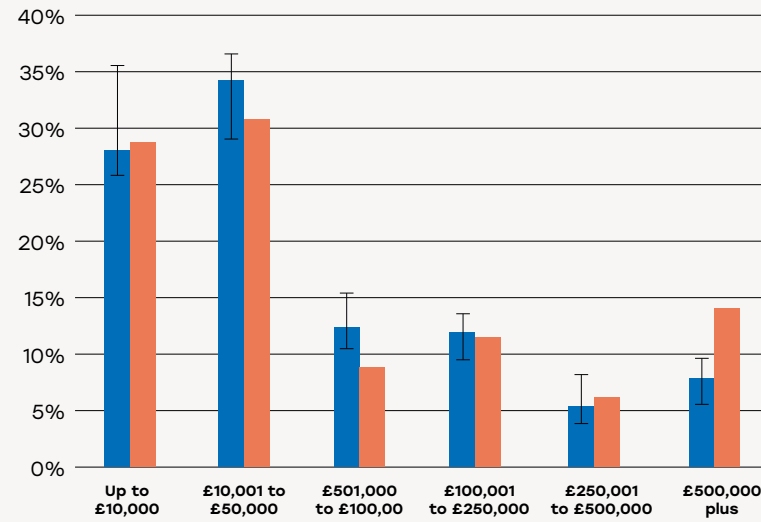
³² No income data could mean income not reported / submission overdue; income reported but suppressed; income reported as zero. This filter also removes newly formed charities with no financial history.

Charities have different financial year end dates, so it is not possible to compare regions without taking this into account. For example, a charity whose financial year ended in December 2020 is not directly comparable with a charity whose financial year ended in March 2020. The former's annual income reflecting around 9 months of the pandemic and the latter's annual income barely reflecting any of the pandemic.

Clearly, sample sizes get smaller when controlling for differences in financial periods meaning regional comparisons by month or quarter may not be representative.

Key:
● Comparator group
● SY

Annex 2. Chart 1.
Distribution of charities by income in 2019, South Yorkshire and comparator group of regions



Annex 2. Table 2.

Annex 2 table 2. Number of charities by financial year end date (quarter), by NUTS2 region

	2020 Q1 Jan-Mar	2020 Q2 Apr-Jun	2020 Q3 Jul-Sep	2020 Q4 Oct-Dec
D&N	244	86	109	58
G&B	430	176	223	121
GM	235	78	87	46
Mer	171	50	58	30
N&T	206	54	62	43
SY	132	39	65	27
WM	305	105	101	43
WY	220	59	99	37
Sum	1,943	647	804	405
Distinct count*	1,838	614	761	374

* This figure is lower than the regional sum of charities, because some charities operate in more than one region



Acknowledgements

This work was supported by the Arts and Humanities Research Council grant number AH/V008668/1: 'Responding to and modelling the impact of Covid-19 for Sheffield's cultural ecology – a case study of impact and recovery.'

The University of Sheffield team would like to thank Chamberlain Walker for the production of this report, as well as the freelance arts workers, arts organisations, audience members and arts participants, and many other stakeholders in the region who have contributed to this project and whose responses have been summarised here.

The wider project was also supported by our Advisory Board:

Dea Birkett (Circus 250, Kids in Museums), Lisa Burger (National Theatre), Cllr Claire Coghill (LB Waltham Forest, Local Government Association), Mark Davyd (Music Venues Trust), Gideon Feldman (Attitude is Everything), Joe Shaw (Arts Council England), Beverley Nunn (Fun Palaces), Amanda Parker (Inc Arts), Desiree Reynolds (writer), Patrick Towell (Golant/Audience Agency), Ben Walmsley (University of Leeds). We would also like to thank Rebecca Maddox (Sheffield City Council) and Kate Brindley (South Yorkshire Mayoral Combined Authority) who in addition to acting as members of the project advisory board, also provided invaluable support. In addition, Diana Buckley (Sheffield City Council) and Kathy McArdle (Barnsley Council) also provided input and support to the project.

The University of Sheffield team comprised Professor Vanessa Toulmin, Dr Sarah Price, Dr Stephen Hincks, Fran Marshall, Dr Madeleine Pill, Professor Stephanie Pitts, Dr Jason Slade, Professor Malcolm Tait and Professor Renee Timmers.

