



BRIEFING PAPER

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Covid-19 and the arts and culture sectors

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1. Introduction

The cultural and entertainment sector has been hit hard by the Covid-19 pandemic. In a July 2020 [report](#), the Digital, Culture, Media and Sport Committee warned that the pandemic presented “the biggest threat to the UK’s cultural infrastructure, institutions and workforce in a generation”:

...The loss of performing arts institutions, and the vital work they do in communities by spreading the health and education benefits of cultural engagement, would undermine the aims of the Government’s ‘levelling up’ agenda and Arts Council England’s next 10-year strategy, and reverse decades of progress in cultural provision and diversity and inclusion that we cannot afford to lose...¹

The Committee noted, among other things, that in the early months of the first lockdown, over 15,000 theatrical performances were cancelled with over £300 million in lost box office revenue.² Some theatres announced that they would be permanently closing (Southampton, Southport, Leicester and Bromsgrove).³ The Theatres Trust told the Committee:

This erosion of cultural infrastructure could have long lasting impact on access to the arts, careers in the creative sectors and the UK’s position as a world leader in this sector and as a major contributor to tourism.⁴

In February 2021, Andrew Lloyd Webber said that it was costing £1 million per month to keep his seven London venues closed. He warned that the sector was in danger of collapse if theatres weren’t allowed to open soon.⁵

¹ Digital, Culture, Media and Sport Committee, [Impact of Covid-19 on DCMS sectors](#), HC 291, 23 July 2020, para 41

² Ibid, para 41

³ Ibid, para 42

⁴ Ibid, para 42

⁵ [“Andrew Lloyd Webber: Theatre is in danger of collapse if the government doesn’t let it open up”](#), Evening Standard, 16 February 2021

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The live music scene is another area severely impacted. At the grassroots level, the Music Venue Trust has been campaigning to [“Save Our Venues”](#). In November 2020, the Trust set out details of a [“traffic light”](#) phase of the campaign. This highlighted:

- venues considered safe until the end of March 2021 (green – 353 venues);
- those at risk of closure by the end of March 2021 without additional support (amber – 273 venues); and
- those at imminent danger of permanent closure (red – 30 venues).⁶

On 4 February 2021, the Trust announced that thirteen venues had been removed from the red crisis list.⁷

In November 2020, research from the [Art Fund](#) charity found that 60% of museums and galleries were concerned about surviving the pandemic.⁸

What has the Government done?

In May 2020, the Department for Digital, Culture, Media and Sport (DCMS) set up a Cultural Renewal Taskforce to develop Covid-related [guidance](#).⁹ The Taskforce involves [working groups](#) from across the sector.

On 5 July 2020, the DCMS and Treasury announced £1.57 billion funding for cultural, arts and heritage institutions. A [press release](#) explained that the funding package included:

- £1.15 billion support pot for cultural organisations in England delivered through a mix of grants and loans. This will be made up of £270 million of repayable finance and £880 million grants;
- £100 million of targeted support for the national cultural institutions in England and the English Heritage Trust;
- £120 million capital investment to restart construction on cultural infrastructure and for heritage construction projects in England which was paused due to the coronavirus pandemic;
- The new funding will also mean an extra £188 million for the devolved administrations in Northern Ireland (£33 million), Scotland (£97 million) and Wales (£59 million).¹⁰

Decisions on funding awards have been made with the involvement of bodies such as Arts Council England, Historic England, the National Lottery Heritage Fund and the British Film Institute. The funding has been welcomed by figures and organisations in the sector as well as the DCMS Committee.¹¹ However, the Committee questioned whether the funding was sufficient to safeguard the sector. It also commented that it was: “regrettable that it took so long for the package to be announced, as the uncertainty inevitably led to closures and redundancies in the cultural sector that might otherwise have been avoided”.¹²

⁶ [“Music Venue Trust Announce ‘Traffic Light’ Campaign To Save All Grassroots Music Venues Still In Crisis”](#), Music Venue Trust News, 11 November 2020

⁷ [“13 venues removed from red crisis list”](#), Music Venue Trust News, 4 February 2021

⁸ [“More than half of museums and galleries fear they might not survive Covid”](#), Evening Standard, 18 November 2020

⁹ [“Culture Secretary announces Cultural Renewal Taskforce”](#), DCMS press release, 20 May 2020

¹⁰ [“£1.57 billion investment to protect Britain’s world-class cultural, arts and heritage institutions”](#), DCMS/Treasury press release, 5 July 2020

¹¹ For quotes see: [“£1.57 billion investment to protect Britain’s world-class cultural, arts and heritage institutions”](#), DCMS/Treasury press release, 5 July 2020; Digital, Culture and Media Sport Committee, [Impact of Covid-19 on DCMS sectors](#), para 59

¹² Digital, Culture and Media Sport Committee, [Impact of Covid-19 on DCMS sectors](#), para 59

In October 2020, the Government said that it had provided £3.46 million to 135 “grassroots music venues at the risk of imminent closure” through the Fund.¹³

By 11 December 2020, £1 billion worth of funding had been allocated, including:

- direct support to national institutions and the devolved administrations, who received £188 million through the Barnett formula;
- over £500 million in recovery grants to over 3,000 arts and heritage organisations in England;
- over £100 million in capital grants; and
- over £160 million in repayable finance to iconic national institutions.¹⁴

The Fund is part of the Government’s [“Here for Culture Campaign”](#).

When can the sector reopen?

On 22 February 2021, the Prime Minister set out details of how England would exit the third lockdown. Significant dates for the cultural and entertainment sector are:

- **17 May 2021** (no earlier than): indoor entertainment such as museums, theatres, and cinemas can re-open. Indoor events and performances must be at half capacity or 1,000 people. Outdoor events must be at half capacity or 4,000 people, whichever is lower. For large venues (at least 40,000 capacity), up to 10,000 will be allowed to attend.
- **21 June 2021** (no earlier than): all legal limits on social contact will be removed.¹⁵

From 12 April 2021, libraries, non-essential retail, hairdressers and beauty salons, for example, can reopen. The later reopening date for cultural organisations and events has been criticised by some in the sector. Rebecca Salter, President of the Royal Academy of Arts, has said that it “makes no sense”:

...On the 12 April all the retail will open on Piccadilly and our gates will stay shut, I don’t get the logic of it frankly. It just doesn’t feel joined up to me ... I’m angry.

If we do genuinely worry about the mental state of this nation having been locked away then I would like an explanation into why the government feels retail therapy will make people feel better but ‘art’ therapy, coming to see pictures, can wait another five weeks.¹⁶

Sharon Heal, director of the Museums Association, commented:

Museums and their audiences are losing out because the government has classified museums as ‘indoor entertainment venues’ alongside cinemas and theatres. Yet in terms of implementing social distancing, they have far more in common with libraries, public buildings and community centres, which will all open on 12 April.¹⁷

¹³ [PO 91792](#) [on support for live entertainment], answered 1 October 2020

¹⁴ Gov.UK, [Culture Recovery Fund](#) [accessed 24 February 2021]; [“More than £165 million in repayable finance announced to support major arts and heritage institutions as Culture Recovery Fund marks £1 billion milestone”](#), DCMS press release, 11 December 2020

¹⁵ HM Government, [Covid-19 response – spring 2021](#), February 2021, section 3

¹⁶ Quoted in: [“Plan to open England’s shops before museums and galleries criticised”](#), *Guardian*, 23 February 2021

¹⁷ Ibid; For further comment see: [“Are museums as Covid-risky as saunas? Culture leaders outraged over late reopening of English art spaces”](#), *The Art Newspaper*, 24 February 2021; [“H&M jacket, yes. Whistlejacket, no. This road map is upside down for the arts”](#), *Evening Standard*, 24 February 2021; [“The arts can lead the way in stimulating the recovery: Barbican chief Nicholas Kenyon welcomes the ‘roadmap’, but says his sector must act quickly”](#), *Telegraph*, 23 February 2021

In a House of Lords [debate](#) on 23 February 2021, Lord Houghton of Richmond questioned the reopening date for the cultural sector:

...it will appear to many completely counterintuitive that the nation's museums, art galleries and heritage sites represent both a greater health risk and a lesser social benefit than those venues termed "non-essential retail". Can the Government please publish the scientific data on which that judgment is based? As a reinforcing question, if the early data were to show signs of improvement, might the Government be prepared to revisit that decision so that, come the early May bank holiday, the nation will have cultural alternatives to outdoor drinking and trips to the zoo?

For the Government, Baroness Evans of Bowes Park, said:

...the design of the road map has been informed by the latest scientific evidence and is a balance between the societal and economic impact of lockdowns and restrictions and the risks posed by the virus...we will make an assessment against the four tests at every point of the data, but there will be five weeks between each step.¹⁸

2. Contribution of arts and culture sectors to the economy

Box 1: Defining arts, entertainment and culture

There are different ways to define cultural industries and what sub-sectors of economic activity to include. This section provides data from published by the Office for National Statistics (ONS).

Two arts and culture sub-sectors are included:

- Arts and entertainment, including performing arts (theatres, concerts, live music etc), creative arts and writers.¹⁹
- Museums, galleries, libraries and other attractions such historical buildings, zoos botanic gardens.²⁰

These two sub-sectors from part of the broad industrial group "arts, entertainment and recreation" which also includes sports, gambling and visitor attractions such as theme parks as separate sub-sectors.

The Department of Digital Culture Media and Sport (DCMS) uses a broader definition of cultural sectors to produce its own official economic estimates, described in the Annex to this briefing. Some industry reports are referred to throughout that each use different definitions and methodology.

In 2019 arts and culture contributed £10.47 billion to the UK economy.²¹ This corresponds to 0.5% of total UK economic output. Most of this was from the arts and entertainment sub-sector (£7.92 billion). A discussion of how economic output has changed as a result of the pandemic in 2020 is provided below.

There were an estimated 226,000 jobs in the arts and culture sector in the UK in 2019; 0.7% of all UK jobs. These are similarly split between arts and entertainment jobs and jobs in museums, libraries and other cultural attractions.

¹⁸ [HL Deb 23 February 2021 c784](#)

¹⁹ Standard Industrial Classification (SIC) division [90](#).

²⁰ SIC division [91](#).

²¹ In terms of Gross Value Added (GVA). GVA is a measure of economic activity similar to GDP. In brief, GVA is the contribution of part of the economy, minus any costs incurred in production.

Cultural industries in the UK, 2019

	Economic output		Employment	
	£ billion	% UK total	1000s	% UK total
Arts and culture	10.47	0.5%	226	0.7%
<i>Of which:</i>				
Arts and entertainment	7.92	0.4%	119	0.4%
Museums, libraries and other cultural activities	2.55	0.1%	108	0.3%

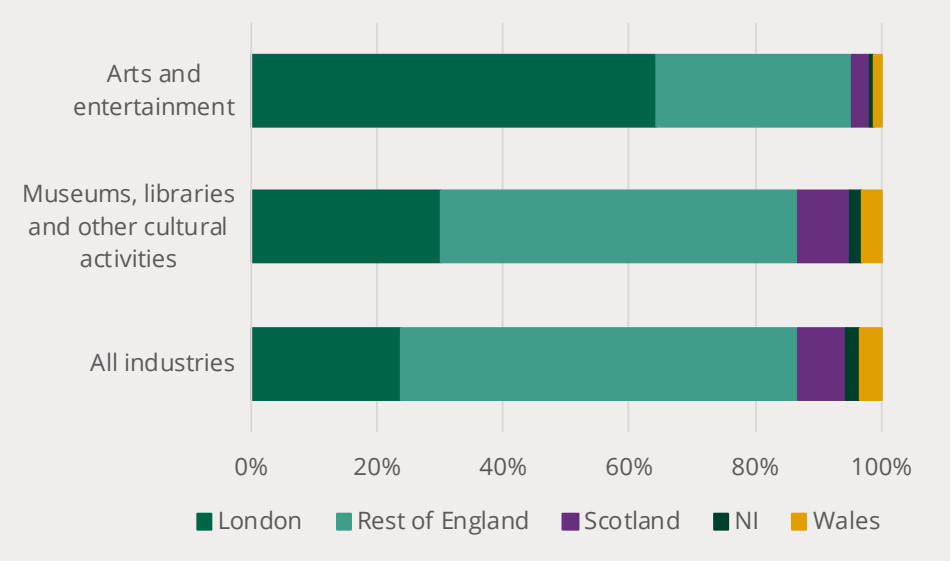
Notes: Output is in terms of Gross Value Added (GVA) in current prices. Employment figures are estimates based on a survey and rounded to the nearest thousand. Employment includes employees aged over 16 that an organisation pays directly via PAYE and self-employed workers registered for VAT.

Source: ONS, [low-level aggregates](#), 30 September 2020 Series KKB3, KKB7, KK05; ONS, [Business Register and Employment Survey 2019](#) via [NOMIS](#), 23 February 2021.

Arts and entertainment economic output is concentrated in London, as shown in the charts below for 2018. 64% of arts and entertainment output was based in London; this is much larger than the average economic output based in London across all industries (24%).

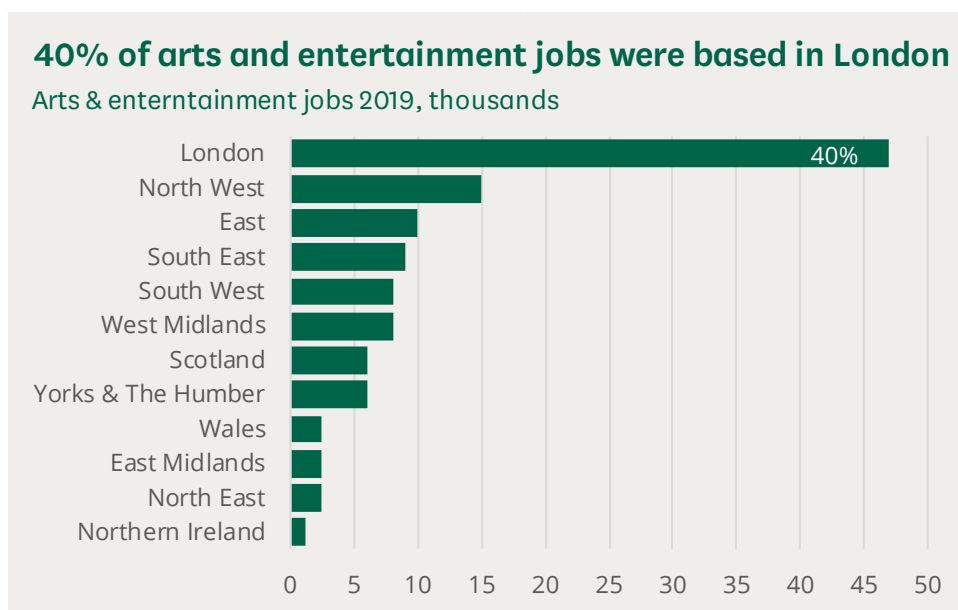
Arts and entertainment output is concentrated in London

Regional GVA output, % UK cultural sector, 2018



Source: ONS, [Regional gross value added \(balanced\) by industry](#), 19 December 2019.

London also had the highest proportion of employment in the arts and entertainment industry. 40% of arts and entertainment jobs were based in London in 2019 (around 47,000 jobs), compared to 17% of jobs based in London across all industries. Arts and entertainment made up 0.9% of all jobs in London, and 0.4% of jobs across the UK overall.



Notes: excludes museums, galleries and libraries. Figures are estimates based on a survey. Includes employees aged over 16 that an organisation pays directly via PAYE and self-employed workers registered for VAT or PAYE. Figure for Northern Ireland includes only employees.

Source: ONS, [Business Register and Employment Survey 2019](#) and NISRA, [BRES tables 2019](#).

Arts industry economic reports

It is not possible to separate the contribution of live music from theatres and other concerts in official statistics because all performing arts are captured together. Arts industry associations have commissioned their own research to look at the contribution of these sectors, and wider knock-on impacts to the economy, for example through tourism.

UK Music publishes an annual report on the [economic contribution of the live music sector](#). Its 2020 *Music by Numbers* (PDF) report produced by consultancy firm Oxford Economics stated that the total UK music industry (including live music, music recording and music retail) contributed £5.8 billion in Gross Value Added (GVA) to the UK economy in 2019 and directly sustained 197,168 full-time equivalent (FTE) jobs. The live music sub-sector contributed £1.3 billion and supported 34,000 jobs. These figures do not include indirect or induced impacts.

The Arts Council England published a report in 2020 on the [economic value of the arts and culture sector](#) produced by the Centre for Economics and Business Research (CEBR). The report includes an analysis of multiplier impacts of arts and culture to the economy.²² It reported that for every £1 of GVA and 1 job generated by the arts and culture industry, an additional £1.17 of GVA and 1.46 FTE jobs are generated in the wider economy through indirect and induced multipliers (spending in supply chains and wider consumer spending).

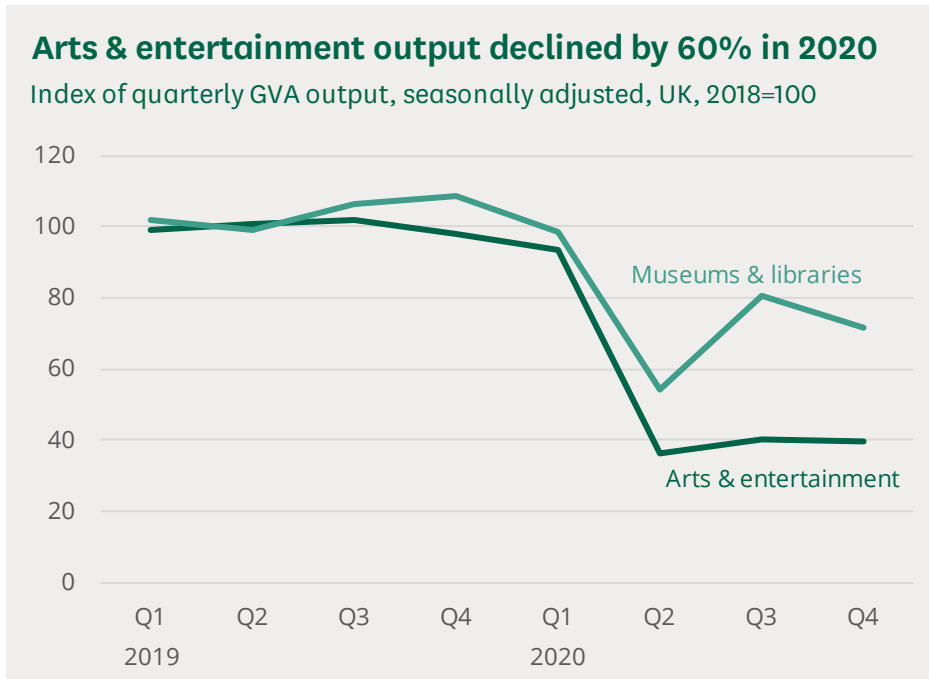
Impact of Covid-19

The broader arts, entertainment and recreation sector (including sport, recreation and gambling) is one of the worst affected sectors in terms of economic output decline during the pandemic, after the accommodation and food sectors.²³

²² The Arts Council report uses a different definition of arts and culture to that used in the above sections of this briefing. It includes music recording and publishing, book publishing but excludes museums, libraries and cultural attractions.

²³ See Section 3.5 of the Library briefing paper, [Coronavirus: Economic impact](#) (CBP 8866)

The arts and entertainment sub-sector saw a 60% decline in output during 2020,²⁴ with very little recovery after the initial fall in output following the outbreak of the pandemic in March 2020. Output in the museums sector saw a greater recovery during the summer of 2020 (Q3) but fell again in the later months of the year. Output in the museums sector was 34% lower in Q4 2020 compared to Q4 2019.



Source: ONS, [low-level aggregates](#), 30 September 2020, series KKB3, KKB7, KK05.

As at 31 January 2021, 315,100 jobs in the broader arts, entertainment and recreation sector (including sport) were on furlough under the Coronavirus Job Retention Scheme (CJRS).²⁵ This represents 55% of eligible jobs in the sector, significantly above the UK average (16%) and the second highest proportion of all sectors (after the accommodation and food sector at 56%).

In total, the arts, entertainment and recreation sector has claimed around £2.6 million under the (CJRS) up to 31 January 2021.²⁶

Up to 31 January 2021, 68,000 claims had been made under the third tranche of the Self-Employment Income Support Scheme (SEISS) in the arts, entertainment and recreation sector, 68% of the eligible population in the sector.²⁷

The Library briefing paper [Coronavirus: impact on the labour market](#) provides further discussion of the take up of the CJRS by sector.

²⁴ Q4 2020 compared to Q4 2019.

²⁵ January figures are provisional. HMRC, [Coronavirus Job Retention Scheme Statistics: February 2021](#), 25 February 2021.

²⁶ January figures are provisional. HMRC, [Coronavirus Job Retention Scheme Statistics: February 2021](#), 25 February 2021.

²⁷ HMRC, [Self-Employment Income Support Scheme statistics: February 2020](#), 28 February 2021.

3. Further reading

- OECD, [*Culture shock: COVID-19 and the cultural and creative sectors*](#), September 2020 – compares international policy responses in the arts and entertainment sector and makes recommendations.
- Creative Industries Federation and Oxford Economics, [*The Projected Economic Impact of COVID-19 on the UK creative industries*](#) (June 2020). [Creative industries](#) are a broader sector defined to include advertising & marketing, architecture, creative tech and design as well as the arts and culture sectors.

Parliamentary

- Digital, Culture, Media and Sport Committee, [*Impact of COVID-19 on DCMS sectors*](#) (HC 291, 23 July 2020). Evidence received by the Committee can be viewed on the [inquiry webpage](#). The Government's [response](#) (HC 885) was published on 14 October 2020.
- House of Lords Library briefing paper, [*Coronavirus: Museums, Galleries and Historic Buildings*](#) (14 May 2020). Lords debate that followed: [HL Deb 21 May 2020](#)

Industry stakeholders

- UK Music, [Let the music play: save our summer](#), January 2021
- Music Venue Trust, [13 venues removed from crisis red list](#), 4 February 2021
- Concert Promoters Association, [COVID-19 updates](#)
- Museums Association, [Fears for the future of civic museums](#)
- [Theatre Artists Fund website](#)
- UK Cinema Association, [Covid-19 – support for cinema](#) and [#KeeptheMagicAlive](#) campaign
- Royal Television Society, [The economic impact of Covid-19 on the TV industry](#), June 2020

4. Annex: defining cultural industries

The Department of Digital Culture Media and Sport (DCMS) defines cultural sector as “those industries with a cultural object at the centre of the industry”. The DCMS includes the following subsectors:²⁸

- Arts (including performing arts such as theatre, live music, and supporting activities, artists and writers);
- Film, TV, and music (recording and publishing);
- Radio;
- Photography;
- Crafts;
- Cultural education;
- Museums and galleries;
- Library and archives;
- Historic buildings and other attractions.

DCMS publishes annual economic estimates for sectors within its remit including for the cultural sector defined above along with sub-sector breakdowns. DCMS [interactive data dashboard](#) allows users to explore the DCMS economic estimates; the latest figures are for 2018. Within the DCMS definition of cultural industries, the Film, TV and music sub-sector comprises the biggest economic output (66%).

The Arts sub-sector defined by DCMS is equivalent to the “arts and entertainment” sector used in this briefing (SIC code 90). The “museums, libraries and cultural attractions” sector used in this briefing (SIC code 91) captures the last three sub-sectors listed above, but also includes botanic gardens and zoos (which are excluded from the DCMS definition).

The culture sub-sector defined by DCMS is distinct from the creative industries, which is a broader sector including advertising, publishing, architecture, design, creative tech (video games, software development).²⁹

The 2019 Arts Council England report on the [economic value of the arts and culture sector](#) used a narrower definition of the cultural sector than DCMS. It included performing arts, music recording, and book publishing but excluded museums and attractions, film and television.

²⁸ [Standard Industrial Classification](#) (SIC) codes: Arts (90.01-04); Film, TV and music (59.11-14, 60.2, 59.2, 18.2, 32.2, 47.63); Radio (60.1); Photography (74.2); Crafts (31.12); Cultural education (85.52); Museums and galleries (91.02); Library and archives (91.01); Operation of historic buildings (91.03). [DCMS Economic Estimates: methodology](#), page 16.

²⁹ [DCMS Economic Estimates: methodology](#), 2019.

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