

# From catastrophe to hybridity to recovery?

Unpacking the implications of a sector in transition as a result of COVID-19: A focus on South West England's creative and cultural sector.

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# Acknowledgements





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# 1. Executive Summary

#### 1.1 Introduction and methods

COVID-19 has had a devastating impact on the creative and cultural sector in South West England. This is the first comprehensive piece of work looking at the impact on the region but also asking questions about medium and long term transition and resilience as part of the sector's recovery. The South West region consists of the counties of: Bristol, Cornwall, Dorset, Devon, Gloucestershire, Somerset, and Wiltshire.

The findings indicate that supporting a transition to hybridity (a combination of digital and non-digital means) specifically hybridised production models, income models and organisational models can play an important role in supporting a resilient transition and subsequent path to recovery for the South West Creative and Cultural Sector (CCS).



#### 1.2 This research asked five questions

How has the COVID-19 crisis affected creative and cultural organisations (CCOs) such as: freelancers, micro-companies, small arts and cultural institutions. SMEs, and large cultural institutions in the South West?

What does transition look like as a result of this crisis?

What adaptation strategies are being used by CCOs in the South West to stay operational in the current crisis?

What characteristics of CCOs might contribute to increased resilience in the wake of the current crisis?

What policy measures need to be put in place to ensure a sustainable recovery for the sector in the South West?

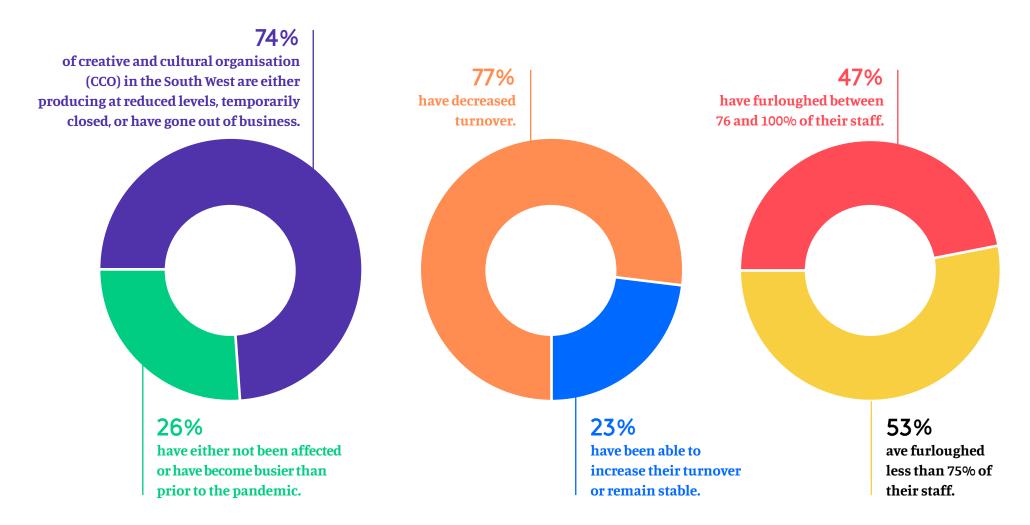
Using survey data (N = 322) and interviews (N = 21) this research analysed descriptive statistics as well as tested 25 hypotheses carefully designed to answer the five primary research questions.





#### 1.3 Findings:

## Economic impact – June 2020 to October 2020





## 1.4 Findings: Primary findings

Sub-sector (divided as digital, hybrid and non-digital) has an effect on how CCOs are impacted by the pandemic. Non-digital sub sectors were 5.3 times more likely to have their productivity levels reduced or temporarily stopped, hybrid sectors (sectors that have both a digital and nondigital offer) are twice as likely, and purely digital sectors are 1.5 times as likely.

CCOs who are already engaging with online business models and those beginning to 'hybridise' are in a better position to be able to withstand the impact.

The capacity to pivot and / or re-purpose creative and cultural offers has an effect on how CCOs are impacted by the pandemic. CCOs who are not able to pivot to an online income or production model are 8 times more likely to have their productivity levels reduced or temporarily stopped; and those who are not able to re-purpose their cultural offer are 15 times more likely to have their productivity levels reduced or temporarily stopped.

Access to government support has an effect on how CCOs have been impacted by the pandemic. CCOs who did not receive government support are 3.5 times more likely to have their productivity reduced or temporarily stopped; 7% of CCOs who did not receive government support permanently ceased production.

Case studies show the importance of funding for Research and Development (R and D) in order to test out potential pivots and re-purposing as a route to hybridising.



#### 1.5 Findings:

#### Secondary findings that need further research

Freelancers and organisations with more than 10 employees are less resilient than CCOs with between 1 and 10 employees.

CCOs who have been in operation from between 6 to 10 years might have a slight advantage.

CCOs who rely on both grants and a mixed income of grants and trading seem to be more resilient than CCOs who solely trade.

CCOs who do not collaborate with other sectors or organisations in any capacity are almost 3 times more likely to have their productivity levels reduced or temporarily stopped compared to CCOs who engage in collaboration.

While BAME-led CCOs only make up 7% of the sample, there is a statistically significant correlation between CCOs who are BAME-led and how they were impacted by the pandemic. They seem to have a slight advantage. This needs further substantiating due to the size of the sample.



#### 1.6 Conclusion

The creative and cultural sector in the South West is undergoing a transition as a result of the pandemic.

Those in the sector who have already identified and put into action a digital offer are more resilient and for those sub-sectors who are already primarily digital the pandemic has potentially increased opportunities as consumption patterns turn toward the digital sphere.

For other sub-sectors transitioning from a non-digital to a purely digital offer can be difficult and is perhaps not feasible. Instead transitioning towards implementing some measure of digital engagement seems more realistic and offers a road map to resilience. Thus measures to 'hybridise' (having both an online and non-digital offer) the sector along the lines of production models, business models, and organisational structures might provide a suitable and sustainable route to recovery.

#### 1.7 Recommendations:

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Research and development funding to assist in hybridising for all creative and cultural organisations allowing them to test and experiment with pivots, re-purposing, and new business and production models.

Growth initiatives for those CCOs who are resilient. This should cover developing trade links, accelerator type programmes, and upskilling including IP protection training.

Funding structures for support which ensure freelancers do not fall through support gaps.



## 2. Introduction

The COVID-19 outbreak, as well as lock downs and social distancing policy, has had a devastating impact on the creative and cultural sector (CCS) in South West England. The sector is largely made up of freelancers and organisations rarely above three people in size (DCMS, 2016) and with a labour force characterised by portfolio careerism, insecure work, and unstable labour arrangements. Globally the crisis has exposed the unstable and uneven nature of work in the creative and cultural industries. as well as how risk is enmeshed in the foundations which support it. As a result the CCS in the South West faces an uncertain future as we all continue to, at the time of writing this report, be affected by the pandemic. There has been a sustained effort examining the impact on the sector nationally and results are trickling in; however, this is the first comprehensive piece of research examining the impact of COVID-19 in South West England.

Moreover while most current studies have rightly focussed on the immediate impact of the pandemic on the CCS, this research, while also focussing on the impact to the region, takes a longer view and examines key facets of recovery, namely; transition and resilience within the sector. This research examines four specific areas: the impact of COVID-19 on the CCS in the South West, how the sector has transitioned as response to the crisis, how the sector might be made more resilient, and what is needed for recovery.



# 3. Background

## 3.1 Impact on the UK creative and cultural sector:

Just as the effects of the current crisis and the first wave were being felt in mid-2020 there was a flurry of research activity attempting to document the immediate effects of the pandemic on the CCS in the UK. The results show that the economic impact has been devastating. According to the Creative Industries Federation (2020) there was a projected £77bn turnover loss over the course of 2020 compared to 2019. There was also a projected drop in employment of 122,000 jobs, and a further 287,000 job losses among selfemployed workers, compared to 2019 levels (CIF, 2020).

To put this into context, as of February 2020, the UK's creative sector was a juggernaut of growth prior to the pandemic. Its rate of growth was five times that of the national economy contributing almost £13 million every hour (DCMS, 2020). It employed over 2 million people and contributed £111.7 billion to the economy.

While numbers are still being tallied regarding the damage done, and as of the time of writing this report, projections from the Creative Industries Federation report (2020) seem to be the most current. It suggests that the CCS will be hit twice as hard as other sectors with a GVA shortfall of £29 billion. Most worryingly many creative sub-sectors are expected to lose more than half of their revenue and over half of their workforce. While government schemes such as the Coronavirus Job Retention Scheme (the furlough scheme) has halted some of this haemorrhaging there is anecdotal evidence of creative and cultural organisations (CCOs) slipping through some significant gaps in the scheme's coverage. See **Table 1** for sub-sector projections.

There are regional variations in how severely the CCS is being affected and London is projected to be hit the hardest. It is projected to lose 109,800 jobs and see a £14.6 billion drop in creative industries Gross Value Added(GVA) while the wider South East is projected to lose 82,000 jobs and see a £4.7 billion drop in creative industries GVA (CIF, 2020). Of the 406,000 creative jobs expected to be lost in the UK, almost 50% are projected to be in London and the South East. The South West is also projected to be hit particularly hard.

**Table 1:** Projected sub-sector losses, Creative Industries Federation (2020).

| Sub-sector                             | Revenue lost | Jobs lost |
|--|--------------|-----------|
| Film, TV, video, radio and photography | £36 billion  | 102,000   |
| Advertising and market research        | £19 billion  | 49,000    |
| Music, performing and visual arts      | £11 billion  | 178,000   |
| Publishing                             | £7 billion   | 51,000    |
| Design and designer fashion            | £2 billion   | 51,000    |
| Architecture                           | £1 billion   | 1,800     |
| Museums and galleries                  | £743 million | 4,000     |
| Crafts                                 | £513 million | 58,000    |
| Radio                                  | £186 million | N/A       |

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#### 3.2 Impact on South West England

There were 239,000 jobs in the Creative Economy in the South West in 2015, 8.6 per cent of all jobs in the region (DCMS, 2016). This was an increase from 187,000 jobs in 2011. There were 156,000 jobs in the Creative Industries in the South West in 2015, 5.6 per cent of all jobs in the region which was an increase from 117,000 jobs in 2011 (DCMS, 2016). The South West contributed £4.3 Billion GVA to the UK economy in 2018 (CIF, 2020). Data for the South West region on the impact of COVID-19 on the CCS specifically has been patchy and to date there is only one study that has been finalised. Creative Kernow, Cornwall and Isles of Scilly LEP (Local Enterprise Partnership) and Cornwall Council distributed a survey in spring and summer of 2020 to gather information about the pandemic's immediate impact on CCS businesses, organisations and freelancers in Cornwall and Isles of Scilly.

The survey reached 216 participants and illustrates the scale of the impact in this particular part of the South West. Over 80% of the respondents had experienced direct financial losses, 72% of which were freelance/sole traders, 23.6% of all respondents did not think they were eligible for any government support, 63.2% of respondents will not survive for more than 6 months without additional support, and 42.8% believe they will not survive for more than 3 months (Creative Kernow, 2020). The survey also captured serious concerns over mental health and anxiety about the future of the economy at large.

## 3.3 Transitioning from the 'rush to digital' to hybridity

The CCS in the UK is now in an important transition phase. Data is nascent, and evidence from this research will be outlined later in this report, but there is a transition to more digital forms of production as well as revenue generation — importantly this does not mean that traditional models of income or production are being left behind. The World Cities Culture Forum have called it a 'rush to digital' (OECD, 2020). It seems like there has been an implicit push for many CCOs to hurriedly develop digital income as well as production models. This is premised on the idea that CCOs whose funding and financing models are digital, 'global and open' might face less disruption then those whose models are 'local and closed' (OECD, 2020).

As an example some sectors (such as: games, animation, and app development) are thriving. This being so we must be cautious about ascribing a silver bullet role to online production and income models due to sub-sectors which, due to their nature, are wholly resistant to digitisation yet might be transitioning, pivoting, and adapting in some form. Policy cannot ask these types of CCOs to simply jettison their current cultural offer in order to adopt digital ones which may or may not have purchase with their audience or market.



Sub-sectors such as the live music sector, festivals sector, or the theatre sector exist because their models are based on trading and live performance. For sectors like these pandemics, social distancing and lock down measures have only exacerbated an already unstable, often seasonal, and hand-to-mouth existence. For those sub-sectors that seem to be able to pivot and re-purpose to online delivery quickly there is an indirect yet critical connection to traditional models exemplified by the 'physical'. Sub-sectors such as fashion, where a reliance on events such as fashion week showcases seasonal ranges and where physical networking is at the heart of the industry, is just one example. Similarly Film and TV relies on a similar range of activities outside of physically shooting material and studio work such as film festivals, premiers and the like. While the gaming sector might thrive purely online they too depend on mega showcasing events, festivals (like Comicon and South by South West) and are intimately tied to other sub-sectors such as Film and Music with respect to content, narrative and gameplay. While it is possible to have these events move online, they lose something in that transition.

While there seems to be a 'rush to digital' in the short term it is not yet clear how this might translate into being adaptable and resilient in the medium to long term. Moreover it is not yet clear how feasible it is to move an entire sector online when important aspects of their creative or cultural offer might not be conducive to digitisation — again something gets lost in transition.

The importance of hybridised funding and financing as well as production models in the CCS is therefore highlighted. This is where CCOs develop an online portfolio of engagement while holding on to their core physical offer — what some call an 'omni-channel experience' (Verhoef et al. 2015). This is common practice in sectors such as retail where many high street stores adopt what has been called the 'clicks and bricks model'. However delivering actual online 'practice' is a more difficult prospect for those organisations who essentially depend on working directly and physically with people. This does not bar them from the possibility of becoming resilient or indeed hybrid organisations. What their experience does is perhaps bring home the importance of hybridity as a model for resilience and subsequent recovery where online models do not replace non-digital ones but sit alongside, in compliment to, such offers.

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# 4. Methods

#### 4.1 Research questions

The research used a combination of a survey and semi structured interviews to address the research questions. The survey was the primary data collection tool for this research whereas interviews were used as a way to elaborate on and build case studies about transition, adaptability and resilience in the South West CCS. The survey was distributed in the initial phase of the study whereas interviews were conducted towards the latter stages. This research investigated five specific questions:

- How has the COVID-19 crisis affected creative and cultural organisations (CCOs) such as: freelancers, micro-companies, small arts and cultural institutions, SMEs, and large cultural institutions in the South West?
- What does transition look like as a result of this crisis?
- What adaptation strategies are being used by CCOs in the South West to stay operational in the current crisis?
- What characteristics of CCOs might contribute to increased resilience in the wake of the current crisis?
- What policy measures need to be put in place to ensure a sustainable recovery for the sector in the South West?



#### 4.2 Survey / questionnaire

Gathering surveys is a particularly effective way of collecting primary data and evidence in order to map local creative economies (see Virani et al. 2018). Moreover numerous questionnaires and surveys are now being actively distributed nationally in order to gauge the impact of COVID-19 on the creative industries (see PEC, 2021 for the number of active surveys focussed on the CCS in the UK). Additionally the collecting of primary data about creative and cultural economies has become more and more central to policy makers, especially now.

The survey used here was aimed at respondents who are either CEOs, CCOs, founders, managers, directors of creative and cultural organisations, and freelancers although we also captured some respondents who were employees as well – these were controlled for. Respondents were anonymised and the survey consisted of 40 closed-ended, 2 - 5 point Likert Scale questions and 4 open-ended questions. These questions were broken down into five sections:

- Demography, sectoral and regional information,
- Economic / financial information,
- Funding and financing model information,

- Modes of practice and government support information
- Suggestions and recommendations

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The questionnaire responses were analysed using SPSS (Statistical Package for the Social Sciences) where 25 hypotheses were tested using various inferential statistical methods. Analysis was also conducted using descriptive statistics.

The survey was open from June 2020 to October 2020 which coincided with a second lock down in the UK as well as a reduction in the severity of the pandemic across the country. The research did not take place during the second wave which began around November and thus findings are concentrated around the aforementioned specific time frame. Given that the pandemic is continuing to negatively affect the CCS and changes continue to affect the sector in a number of areas we were only able to capture the effects of the first wave on the CCS in the South West.



#### 4.3 About the sample:

DCMS (2016) figures show 236000 people in the South West are employed in the creative economy. The same figures show that 156000 jobs in the creative industries in the South West. For both figures, the study would need a sample of 267 respondents at a confidence level of 95% and a 6% margin of error to be viable.

The survey sample for this study was N=322 with an 84% workable completion rate resulting in 270 usable responses.

To ensure that the sample is representative of the CCS in the South West non-probability, quota, sampling was used. Survey dissemination depended on a diverse and extensive advisory board in order to canvass as much of the South West creative and cultural sector as possible. For the purposes of this research the South West region consists of the counties of: Bristol, Cornwall, Dorset, Devon, Gloucestershire, Somerset, and Wiltshire. In order to test that the sampling frame is as accurate as possible we looked for a correlation between our survey response locations and creative industries employment numbers derived from Nesta and Creative England's report The Geography of Creativity in the UK (Mateos – Garcia and Bakshi, 2016).

For all seven counties a strong correlation (r = .963) exists between both data sets thereby increasing confidence about the survey data as representative of the wider CCS in the South West. For both data sets Bristol, Devon and Somerset had high concentrations of CCOs, while Cornwall and Dorset seemed to fluctuate. Wiltshire and Gloucestershire had the lowest concentrations — see Figure 1 and Figure 2.

Since the CCS in the South West is made up of a number of creative industries a cross section of these sub-sectors was captured in order to ensure accuracy. It was also decided to expand on the current list of DCMS (Department of Digital, Culture, Media, and Sport) sub-sectors in order to capture more accurately the types of activities prevalent in the region. While every effort was made to make the sample as representative of the CCS in the region as possible, and controls were used to ensure that skewness was kept to a minimum, the study would have benefitted from a higher number of survey responses. Given time, funding and situational constraints this was not possible. However the sample that has been developed and analysed for this research is as close to representation as possible. Thus findings and recommendations which emerge from the analysis of this work should be seen as applicable to the sector at large even though more research should be conducted on the areas outlined.

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Figure 1: Location of survey respondents

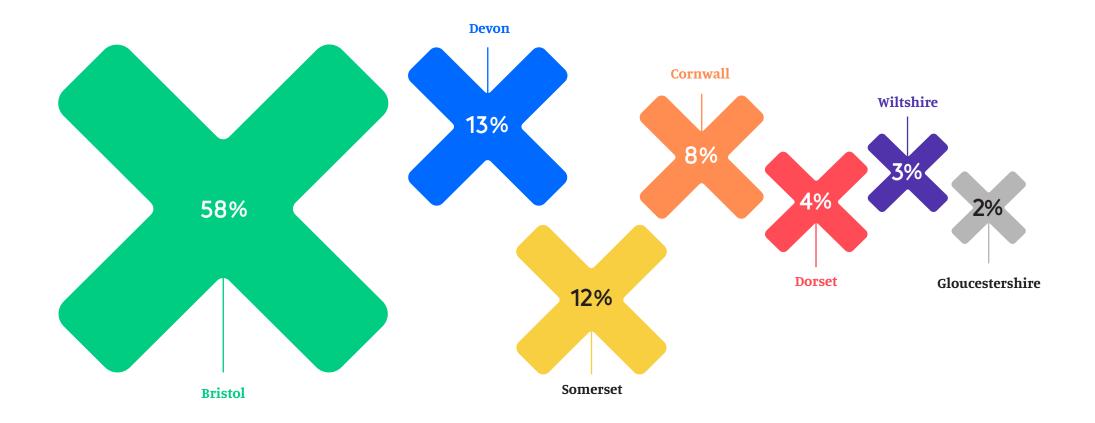
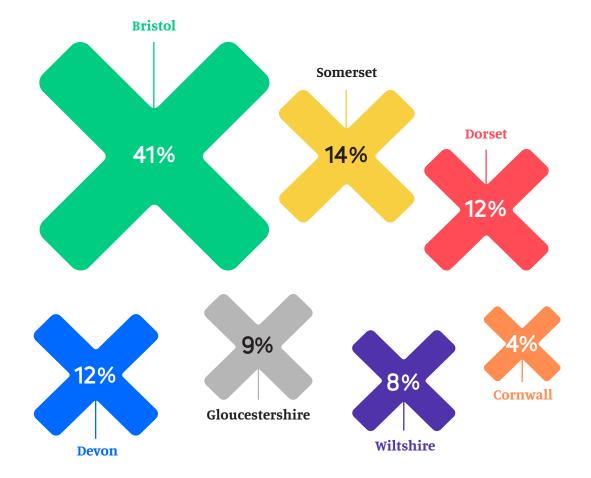




Figure 2: Nesta and Creative England - Creative employment in the South West by county (Mateos – Garcia and Bakshi, 2016).



#### 4.4 Interviews

Interviews were conducted with 21 CCOs in order to build case studies. They were conducted after an interim analysis of the survey data had been completed in order to determine which thematic areas were relevant to questions about transition, adaptability and resilience. Interviews were semi-structured and lasted from 25 minutes to one hour. Ethics approval was granted and all interviews were conducted with written consent. Analysis was conducted using thematic analysis which were also used in turn to build case studies for specific CCOs.



# 5. Findings

This section details the findings and statistical analyses of the survey data. The survey yielded 270 usable responses. A total of 25 hypotheses were tested in order to respond to the primary research questions. The hypotheses were designed to examine specific characteristics of creative and cultural organisations and to test whether these characteristics may or may not have had an impact on how CCOs had been affected by the pandemic. These characteristics were extrapolated from the survey and include:

- Size of organisation
- How long an organisation has been operating
- Funding and financing structure
- Business model structure
- Collaborative activities
- Sub-sector
- Pivoting and re-purposing capacity
- Diversity within organisations
- Accessing government support
- Location

A variety of descriptive and inferential statistical analyses were conducted in order to test hypotheses and analyse descriptive statistical data.



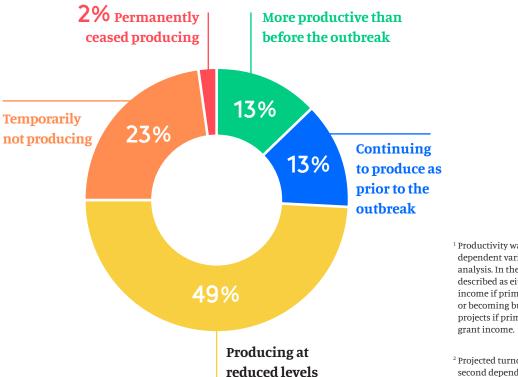
#### 5.1 Economic impact of COVID-19 on the South West

According to our survey almost 50% of South West CCOs are producing<sup>1</sup> at reduced levels, 23% are temporarily not producing anything and 2% have gone out of business — see **Figure 3**. Interestingly 26% of survey respondents were either more productive or continuing to produce as normal during the outbreak. **Figure 4** shows the projected turnover<sup>2</sup> by CCOs for the tax year 2020/2021. 14% of respondents have managed to remain stable whereas 9% project an increase in turnover. When aggregated this shows that 23% of CCO respondents have been able to remain stable or increase their turnover which correlates with the survey responses for productivity levels. 1.7% of CCOs are projecting a turnover of more than 20%, 8% are projecting a 100% decrease, 52% are projecting a decrease in turnover of between 25% and 75%, 17% are projecting a decrease of between 1% and 20%.

When aggregated the data shows that 77% are projecting an overall decrease in turnover — this again correlates with productivity levels. **Figure 5** shows the percentage of staff furloughed through the Coronavirus Job Retention Scheme for CCOs who retain staff where 27% have furloughed 100% of their staff, 23% have furloughed 26% — 50% of their staff and 20% have furloughed 76% — 99% of their staff. Regarding job losses most CCOs have not had to make the difficult decision of making staff redundant. However at the time of writing this report the Coronavirus Retention Scheme is still in effect and has been extended until September 2021. Most analysts predict a large

drop off of employment for the CCS and the economy at large if the furlough scheme is discontinued suddenly in the autumn of 2021.

Figure 3: CCO productivity levels from June 2020



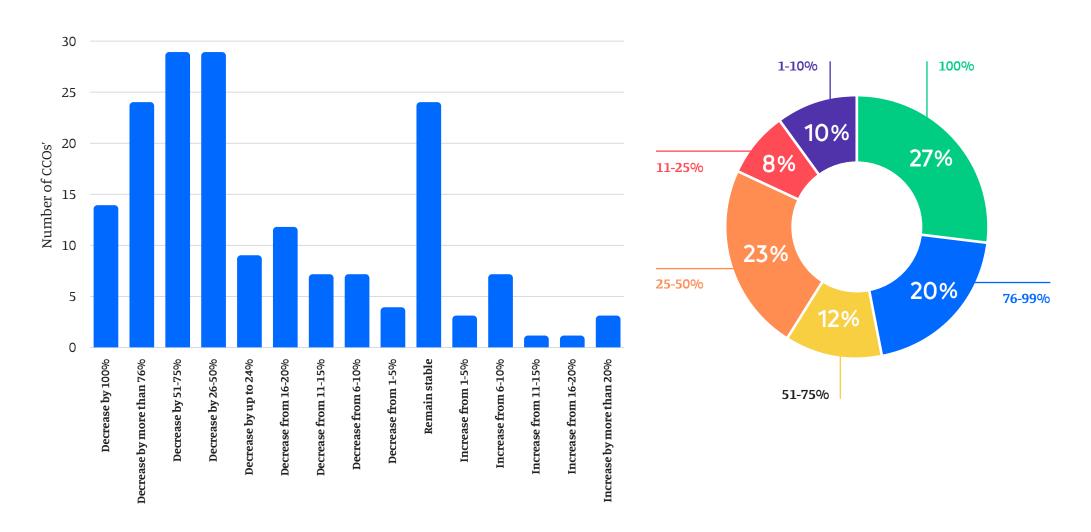
<sup>&</sup>lt;sup>1</sup> Productivity was one of two dependent variables used for analysis. In the survey it is described as either increasing income if primarily trading or becoming busier with projects if primarily receiving



<sup>&</sup>lt;sup>2</sup> Projected turnover is our second dependent variable used for analysis.

Figure 4: Projected Turnover for tax year 2020-2021 number of CCOs

Figure 5: Percentage of staff furloughed for CCOs who retain staff





#### 5.2 Size of organisation and effects

Three hypotheses were tested related to the size of creative and cultural organisations and whether or not this had an impact on how they had been affected by the pandemic:

**Hypothesis 1:** The crisis has had a negatively disproportionate effect on creative and cultural organisations with 1-10 employees.

**Hypothesis 2:** The crisis has had a negatively disproportionate effect on freelancers.

**Hypothesis 3:** The crisis has had a negatively disproportionate effect on creative and cultural organisations with more than 10 employees.

The South West CCS is made up of primarily freelancers and small micro-enterprises and the survey reflects this. **Figure 6** shows the breakdown of organisational structure of respondents to the survey, **Figure 7** shows the breakdown of legal structures. We find that CCOs with less than 10 employees make up the majority of respondents. This data reflects research that has been conducted nationally which also shows that most CCOs employ between 0 and 10 people with an average of 3 people (CIF, 2018).

Data analysis shows that 11% of the survey respondents are CCOs with more than 10 employees. Within this cohort 20% are producing as normal compared to 13% for the entire survey; 5% are more productive than before the outbreak compared to 13% for the entire survey; 50% are producing at reduced levels compared to 49% for the entire survey; 20% are temporarily not producing compared to 23% for the entire survey; 5% have permanently ceased production compared to 2% for the entire survey — see **Table 2**.

43% of survey respondents are CCOs with between 1 and 10 employees. Within this cohort 32% are either producing as normal or producing more than before the pandemic compared to 26% for the entire survey. 45% are producing at reduced levels compared to 49% for the entire survey, 22% are temporarily not producing compared to 23% for the entire survey; 1% have permanently ceased production compared to 2% for the entire survey — see **Table 2**.

37% of survey respondents are freelancers. Of that 37%, 20% are either producing as normal or producing more than before the pandemic compared to 26% for the entire survey. 54% are producing at reduced levels compared to 49% for the entire survey; 25% are temporarily not producing compared to 23% for the entire survey; 1% have permanently ceased production compared to 2% for the entire survey — see **Table 2**.

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Statistical analysis shows that there is no statistically significant correlation between size of organisation and projected turnover which means that all three hypotheses above can be dismissed. However, further analysis shows that out of all three cohorts, CCOs with more than 10 employees and freelancers seemed to have been disproportionally negatively affected when compared to CCOs with between 1 and 10 employees with freelancers being the most negatively affected - see Table 2. Moreover, the ratio of CCOs with between 1 and 10 employees whose production has been negatively affected by the pandemic to production not being affected by the pandemic is approximately 2: 1 meaning that for every two CCOs who have been negatively affected by the pandemic one has not. The same ratio for organisations who have more than 10 employees is 3:1, and the same ratio for freelancers is 4:1. Lastly out of the 14 CCOs who have had to make redundancies 8 were CCOs with more than 10 employees whereas 6 were between 1 and 10 employees. One out of the 14 had to make 100% redundancies and this was an organisation with more than 10 people. This shows us that while inferential statistical analysis shows no statistically significant relationship between size and projected turnover during the pandemic, it is clear that size plays a role and warrants further research.

**Table 2:** Size of organisation by number of employees and productivity levels.

| Size of CCO                   | Productivity increased<br>or not affected by the<br>pandemic (compared<br>to 26% of total survey<br>respondents) | Productivity at reduced<br>levels or temporarily<br>stopped (compared to<br>72% of total survey<br>respondents) | Productivity permanently ceased (compared to 2% of total survey respondents) |
|-------------------------------|--|---|--|
| More than 10 employees        | 25%  | 74%   | 1%   |
| Between 1 and<br>10 employees | 32%  | 67%   | 1%   |
| Freelancers or no employees   | 20%  | 79%   | 1%   |

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Figure 6: Organisational structure of survey respondents.

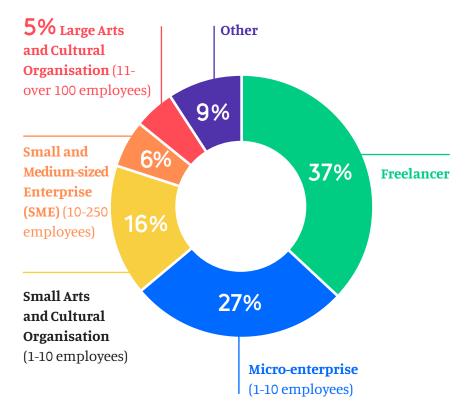
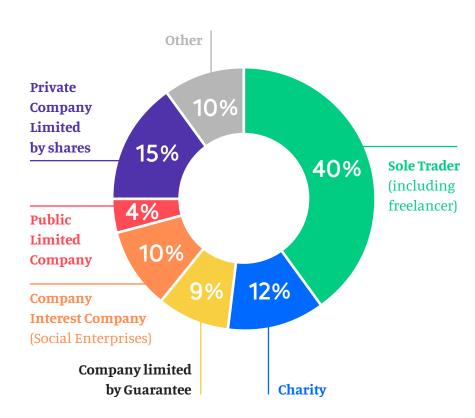


Figure 7: Legal structure of survey respondents.





#### **5.3 Longevity effects:**

This research tested four hypotheses related to how long CCOs have been in operation (longevity) and whether or not it had an impact on how they had been affected by the pandemic.

**Hypothesis 1:** The crisis has had a negatively disproportionate effect on creative and cultural organisations that have been in operation for 0-2 years.

**Hypothesis 2:** The crisis has had a negatively disproportionate effect on creative and cultural organisations that have been in operation for 2-5 years.

**Hypothesis 3:** The crisis has had a negatively disproportionate effect on creative and cultural organisations that have been in operation for 6 - 10 years.

**Hypothesis 4:** The crisis has had a negatively disproportionate effect on creative and cultural organisations that have been in operation for more than 10 years.

**Figure 8** shows that most CCO's have been in operation for 0-5 years while a large number are also between 11 and more than 20 years old. There is also a healthy number of younger organisations which are under 5 years old.

Statistical analysis shows that 44% of CCOs have been in operation from 0-5 years, 26% have been in operation for 6-10 years, and 30% have been in operation for over 10 years - see Figure 8. Of the 26% of CCOs who are either producing as normal or producing more than before the pandemic, 16% have been in operation for under 2 years, 23% have been in operation for 2 – 5 years, 30% have been in operation for between 6 and 10 years, and 31% have been in operation for longer than 10 years. Regarding CCOs whose productivity levels have been reduced, 16% have been in operation for under two years, 20% have been in operation for 2 – 5 years, 24% have been in operation for 6-10 years, and 40% have been in operation for over 10 years. Regarding CCOs whose productivity levels and turnover have been temporarily stopped 14% have been in operation for under two years, 16% have been in operation for 2 -5 years, 16% have been in operation for 6-10 years and 54% have been in operation for over 10 years. Finally 1% of CCOs who have permanently ceased operations have been in operation for less than two years, 2 – 5 years and over ten years. No CCOs who have been in operation for 6-10 years have ceased operations. The ratio of productivity to non-productivity shows that for all four categories - for every 2 CCOs that have been negatively affected by the pandemic one has been unaffected (2:1).

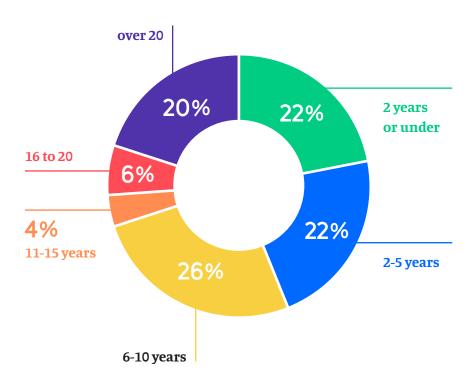


Correlation analysis also shows no significant statistical correlation between CCO longevity and projected turnover. The hypotheses here can be dismissed meaning that the crisis has not had a negatively disproportional effect on CCOs due to how long they have been in operation. This said those organisations who have been in operation for 6 – 10 years seem to have a slight advantage and more research is needed to substantiate this.

**Table 3:** CCO Longevity and productivity levels

| CCO longevity | Productivity increased or not affected by the pandemic (compared to 26% of total survey respondents) | Productivity at reduced<br>levels or temporarily<br>stopped (compared to<br>72% of total survey<br>respondents) | Productivity permanently ceased (compared to 2% of total survey respondents) |
|---------------|--|---|--|
| 0 — 2 years   | 30%  | 69%   | 1%   |
| 2 — 5 years   | 29%  | 70%   | 1%   |
| 6 — 10 years  | 34%  | 76%   | 0%   |
| Over 10 years | 23%  | 76%   | 1%   |

Figure 8: CCO longevity





#### 5.4 Funding and financing effects

We tested three hypotheses related to the funding and financing structures adopted by respondent creative and cultural organisations and whether it had any impact on how they had been affected by the pandemic:

**Hypothesis 1:** The crisis has had a negatively disproportionate effect on creative and cultural organisations who are publicly funded.

**Hypothesis 2:** The crisis has had a negatively disproportionate effect on creative and cultural organisations who are privately funded.

**Hypothesis 3:** The crisis has had a negatively disproportionate effect on creative and cultural organisations who are both publicly and privately funded.

**Figure 9** shows that most CCOs in the sample are not publicly funded while a sizable amount are both publicly and privately funded. Only 9 % of the survey respondents operate solely through grants and other public funds. This of course does not take into account the furlough scheme or financial measures that many businesses are currently utilising and which have only recently been implemented.

Analysis show that 57% of survey respondents generate income through trading and sales, 9% generate their funding from grants, and 34% have a mix of both public and private funding

and financing models — see **Figure 9**. 23% of CCOs who trade have either become busier than before or not affected by the outbreak, 76% have either reduced production or temporarily stopped and 1% have ceased production permanently. 38% of publicly funded CCOs have either become busier than before or not affected by the outbreak, 62% have reduced or temporarily stopped production, 0% have permanently ceased. 34% of CCOs who both trade and are publicly funded have either become busier than before or not affected by the outbreak, 65% have reduced or temporarily stopped production, 1% have permanently ceased production.

The ratio of productivity to non-productivity shows that: for CCOs who trade - for every 3 CCOs that have been negatively affected by the pandemic one has been unaffected (3:1); for CCOs who rely on grant funding – for every 1.6 CCOs who have been negatively affected by the pandemic one has been unaffected (1.6:1); and for CCOs who use both private and public funds - for every two CCOs who have been negatively affected by the pandemic one has been unaffected (2:1). This being said, the sample was skewed towards CCOs who trade and have a mix of incomes with fewer respondents who solely rely on grants. In light of this it would be more accurate to compare CCOs who trade with CCOs who use a mixed income model which then shows that having a mixed income model increases productivity. Overall however it is clear that those CCOs who are able to bring in public funds have fared better than CCOs who solely rely on trade income or have a mixed income — this makes sense given the pandemic's impact on being able to trade.

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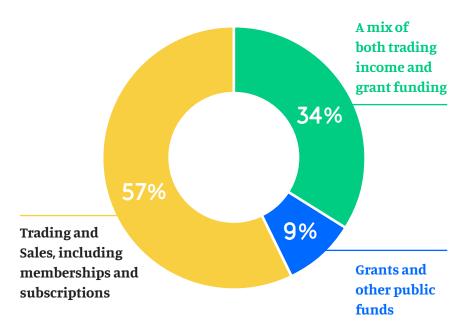


Correlation analysis also shows no significant statistical correlation between CCO type of funding and financing model and projected turnover. The hypotheses here can be dismissed meaning that the crisis has not had a negatively disproportional effect on CCOs due to whether they are publicly funded, privately funded or a mix of both even though descriptive statistics show that being solely reliant on grants and public funds allows CCOs to fare better. Again this makes sense given the context of the pandemic and its effect on trading.

Table 4: CCO funding and financing structure and productivity levels

| CCO structure  | Productivity increased<br>or not affected by the<br>pandemic (compared<br>to 26% of total survey<br>respondents) | Productivity at reduced<br>levels or temporarily<br>stopped (compared to<br>72% of total survey<br>respondents) | Productivity permanently ceased (compared to 2% of total survey respondents) |
|--|--|---|--|
| Trading and Sales,<br>including memberships<br>and subscriptions | 23%<br>S   | 76%   | 1%   |
| Grants and other public funds                                    | 38%  | 62%   | 0%   |
| A mix of both trading income and grant funding                   | 34%  | 65%   | 1%   |

Figure 9: Funding and financing structure of survey respondents.





#### 5.5 Business model effects

We tested two hypotheses related to business models adopted by respondent creative and cultural organisations and whether it had any impact on how they had been affected by the pandemic:

**Hypothesis 1:** The crisis has had a negatively disproportionate effect on creative and cultural organisations who do not have online business models which can generate substantial (more than 50%) or partial (between 15 and 30%) revenue.

Hypothesis 2: The crisis has had a negatively disproportionate effect on creative and cultural organisations who rely on traditional (physical) business models which generate substantial (more than 50%) revenue.

Descriptive statistics show: 22% of CCO respondents have an online business model which generates either partial or substantial revenue, 56% have a traditional business model based on footfall and physical presence, and 22% have hybrid income models with a mix of both. Of the 22% who have an online business model 18% were more productive than before the pandemic, 36% were not affected by the pandemic, 46% have reduced productivity levels, 0% have temporarily stopped or permanently ceased production. 15% of CCOs with traditional business models were either more productive or not affected by the pandemic, 84% have either reduced production or temporarily stopped and 1% have ceased

production permanently. 28% of CCOs with a hybrid model (a mix of both online and traditional business models) had either become busier than before or not affected by the outbreak, 70% have either reduced production or temporarily stopped and 2% have ceased production permanently. The ratio of productivity to non-productivity shows that: for CCOs who have online business models - for every 1 CCOs that has been negatively affected by the pandemic 0.85 have been unaffected (1:0.85); for CCOs who rely on traditional business models – for every 5.6 CCOs who have been negatively affected by the pandemic one has been unaffected (5.6:1); and for CCOs who use hybrid models - for every 2.5 CCOs who have been negatively affected by the pandemic one has been unaffected (2.5:1).

Analysis shows that there is a statistically significant correlation between types of business models and projected turnover. Correlation analysis also shows that there is a moderate inverse relationship between those businesses who have models reliant on live audiences and projected turnover. In this case regression analysis shows that in 13% of CCOs with business models reliant on live audiences, the variability in their projected turnover can be directly attributed to their business model. Furthermore correlation analysis shows that there is a weak inverse relationship between CCOs who rely on a physical customer base (exemplified by footfall) and projected turnover while



regression analysis shows no causal link. It can be suggested that the hypotheses here can be accepted. Business models do have an impact on how CCOs have been affected by the pandemic and clearly having an online business model greatly increases the chances of organisational resilience in the face of the pandemic. Hybrid income models also have a significantly more positive outcome than non-digital models.

Table 5: CCO business models and productivity levels

| CCO Business Model  | Productivity increased<br>or not affected by the<br>pandemic (compared<br>to 26% of total survey<br>respondents) | Productivity at reduced<br>levels or temporarily<br>stopped (compared to<br>72% of total survey<br>respondents) | Productivity permanently ceased (compared to 2% of total survey respondents) |
|---|--|---|--|
| Online business model<br>which generate partial<br>or substantial revenue | 54%  | 46%   | 0%   |
| Traditional business<br>model based on footfall<br>and physical presence  | 15%  | 84%   | 1%   |
| Hybrid model that generates revenue online and traditionally              | 28%<br>y   | 70%   | 2%   |



#### 5.6 Collaborative activities effects

We tested two hypotheses related to types of collaborative activity by respondent creative and cultural organisations and whether it had any impact on how they had been affected by the pandemic:

**Hypothesis 1:** The crisis has had a negatively disproportionate effect on creative and cultural organisations who do not collaborate with anchoring or support-type organisations.

**Hypothesis 2:** The crisis has had a negatively disproportionate effect on creative and cultural organisations who do not collaborate with other sectors of the economy.

**Table 7** shows that universities, large arts and cultural institutions and the third sector are the three anchoring or support-type organisations which CCS in the South west collaborate with the most. **Table 8** shows that education, health and tourism are three sectors of the economy that the CCS collaborates with the most.

Descriptive statistics show that 83% of CCOs collaborate with what can be called anchoring or support-type organisations and 17% do not — see **Table 7**. Of the 83% who collaborate with anchoring or support-type organisations, 16% collaborate with large arts and cultural institutions, 14% collaborate with universities, and 10% collaborate with the third sector, 30% have either become busier than before or not affected by the outbreak, 69% have either reduced production or temporarily stopped and 1% have ceased production permanently. Of the 17% who do not collaborate with anchoring or support-type organisations 16% have either become busier than before or not affected by the outbreak, 84% have either reduced production or temporarily stopped and 0% have ceased production permanently. The ratio of productivity to nonproductivity shows that: for CCOs who collaborate - for every 2.3 CCOs that have been negatively affected by the pandemic one has been unaffected (2.3:1); for CCOs who do not collaborate — for every 5 CCOs who have been negatively affected by the pandemic one has been unaffected (5:1). While the numbers are skewed heavily towards CCOs who do collaborate, descriptive statistics show that there is an advantage from collaborating with anchoring or support-type organisations.

Descriptive statistics also show that 58% of CCOs collaborate with other sectors of the economy whereas 42% do not—see **Table 8**. Of the 58% that do collaborate with other sectors, 28% have either become busier than before or not affected by the outbreak, 69% have either reduced production or temporarily stopped and 1% have ceased production permanently. Of the 47% that do not collaborate with other sectors, 24% have either become busier than before or not affected by the outbreak, 75% have either reduced production or temporarily stopped and 1% have ceased production permanently.

 $\times$ 



The top three sectors are education, health, and tourism. The ratio of productivity to non-productivity shows that: for CCOs who collaborate with other sectors - for every 2.5 CCOs that have been negatively affected by the pandemic one has been unaffected (2.5:1); for CCOs who do not collaborate — for every 3.1 CCOs who have been negatively affected by the pandemic one has been unaffected (3.1:1). This shows a slight advantage to CCOs who collaborate with other sectors regarding how they have been affected by the pandemic.

Correlation analysis shows no significant statistical correlation between projected turnover and collaboration with anchor or support-type organisations. Similarly there is no relationship between collaboration with other sectors and projected turnover. In this instant the hypotheses can be dismissed. Therefore collaborative activity by respondent creative and cultural organisations does not have any impact on how CCOs have been affected by the pandemic however a slight advantage may exist, more research is needed.

Table 6: CCO collaboration and productivity levels

| CCO collaborative<br>activity                                 | Productivity increased<br>or not affected by the<br>pandemic (compared<br>to 26% of total survey<br>respondents) | Productivity at reduced<br>levels or temporarily<br>stopped (compared to<br>72% of total survey<br>respondents) | Productivity permanently ceased (compared to 2% of total survey respondents) |
|---|--|---|--|
| Collaboration with anchoring or support-type organisations    | 30%  | 69%   | 1%   |
| No collaboration with anchoring or support-type organisations | 16%  | 84%   | 0%   |
| Collaboration with other sectors of the economy               | 30%  | 69%   | 1%   |
| No collaboration with other sectors of the economy            | 24%  | 75%   | 1%   |



**Table 7:** Types of anchoring or support-type organisations and percentages of collaborative CCOs.

| Types of anchoring or support-type organisations    | Percentages of collaborative CCOs. |
|---|------------------------------------|
| Large Arts and Cultural Institutions                | 16%                                |
| Universities  | 14%                                |
| Third Sector (Volunteers)                           | 10%                                |
| National Organisations                              | 9%                                 |
| Corporate Sector                                    | 8%                                 |
| Hubs and Hub-type Organisations                     | 7%                                 |
| Training Programmes                                 | 6%                                 |
| Studio Space Providers                              | 4%                                 |
| Business Support Organisations                      | 4%                                 |
| International Not for Profit organisations and NGOs | 2%                                 |
| Independent Research Organisations                  | 2%                                 |
| Workspace providers                                 | 1%                                 |
| None  | 17%                                |

**Table 8:** CCS collaboration/work with other sectors of the economy.

| CCS collaboration/work<br>with other sectors | Percentages of collaborative CCOs. |
|--|------------------------------------|
| Education                                    | 15%                                |
| Health                                       | 9%                                 |
| Tourism                                      | 8%                                 |
| Hotels and restaurants                       | 7%                                 |
| Wholesale and retail                         | 4%                                 |
| Communication                                | 4%                                 |
| Financial services and banking               | 3%                                 |
| Manufacturing                                | 2%                                 |
| Public administration and defence            | 2%                                 |
| Construction                                 | 1%                                 |
| Agriculture                                  | 1%                                 |
| Real estate                                  | 1%                                 |
| Electricity, gas and water supply            | 1%                                 |
| None   | 42%                                |



#### 5.7 Sub-sectoral effects

We tested three hypotheses related to types of sub-sector and whether this had any impact on how CCOs had been affected by the pandemic:

Hypothesis 1: The crisis has had a negatively disproportionate effect on creative and cultural organisations who are in sub-sectors which are primarily digital.

Hypothesis 2: The crisis has had a negatively disproportionate effect on creative and cultural organisations who are in sub-sectors which are primarily non-digital.

**Hypothesis 3:** The crisis has had a negatively disproportionate effect on creative and cultural organisations who are in subsectors which are primarily a hybrid of digital and non-digital.

In Figure 10 we see that the Theatre, Education, and Arts and Crafts sectors seem to be over-represented at 16%, 10% and 9% respectively. This is because of two reasons: As stated earlier the list of sub-sectors has been expanded for the purposes of this research in order to capture a wider breadth of sub-sectoral activity, secondly through the use of non-probability sampling the data here might have been skewed towards certain sub-sectors. If we control for additional sub-sectors and adhere to the DCMS sub-sector list (see **Figure 11**) we see that numbers for sub-sectors

more or less correlate with slight variations. Thus we see that IT, Festivals, and Advertising and Marketing stand out as the top three sectors for the region. This being said the region is vibrant in most sub-sectors of the creative and cultural economy.

Descriptive statistics show that 14% of CCOs are primarily digital, 41% are primarily non-digital, and 45% are a hybrid of both digital and non-digital — see Table 10 for a breakdown of sub-sector categories. Of the 14% which are digital 40% have either become busier than before or not affected by the outbreak, 60% have either reduced production or temporarily stopped and 0% have ceased production permanently. Of the 41% which are primarily nondigital, 15% have either become busier than before or not affected by the outbreak, 80% have either reduced production or temporarily stopped and 5% have ceased production permanently. Of the 45% that are hybrid organisations 34% have either become busier than before or not affected by the outbreak, 66% have either reduced production or temporarily stopped and 0% have ceased production permanently. The ratio of productivity to non-productivity shows that: for CCOs are digital - for every 1.5 CCOs that have been negatively affected by the pandemic one has been unaffected (1.5:1); for CCOs who are non-digital — for every 5.3 CCOs who have been negatively affected by the pandemic one has been unaffected (5.3:1); and for hybrid organisations for every 2 CCOs who have been negatively affected by the pandemic one has been unaffected (2:1).



Correlation analysis shows that there is a statistically significant correlation between sub-sector and how the pandemic has impacted CCOs. Regression analysis shows that in the case of 10% of CCOs the variability in their projected turnover can be directly attributed to their sub-sector. In this instant when taking both the results of correlation analysis and descriptive statistics it can safely be suggested that sub-sector affects how CCOs have been affected by the pandemic. Moreover it can be suggested that nondigital sub-sectors have been the hardest hit by this pandemic. Thus hypothesis one and three can be dismissed but hypothesis two should be accepted.

**Table 9:** CCO sub-sector and productivity levels

| CCO sub-sector | Productivity increased<br>or not affected by the<br>pandemic (compared<br>to 26% of total survey<br>respondents) | Productivity at reduced<br>levels or temporarily<br>stopped (compared to<br>72% of total survey<br>respondents) | Productivity permanently ceased (compared to 2% of total survey respondents) |
|----------------|--|---|--|
| Digital        | 40%  | 60%   | 0%   |
| Hybrid         | 34%  | 66%   | 0%   |
| Non-Digital    | 15%  | 80%   | 5%   |

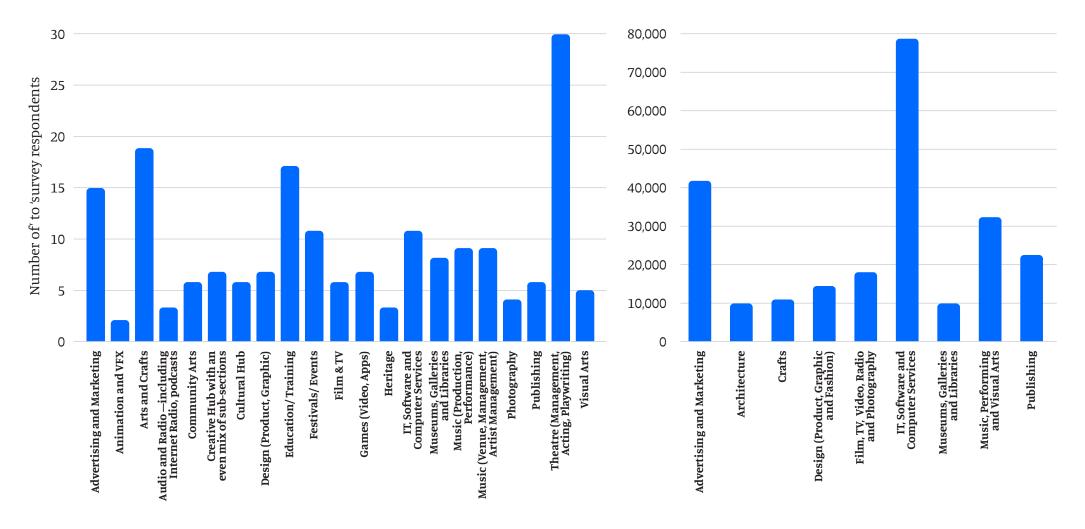
**Table 10:** Sub-sectors grouped into digital, hybrid and non-digital:

| Sub-sector   | Digital | Hybrid | Non-digital |
|--|---------|--------|-------------|
| Games (video, apps)                                  | ×       |        |             |
| Design (product, graphic)                            | ×       |        |             |
| IT, Software and Computer Services                   | ×       |        |             |
| Animation and VFX                                    | ×       |        |             |
| Audio and Radio – including internet radio, podcasts | ×       |        |             |
| Advertising and Marketing                            |         | ×      |             |
| Visual Arts  |         | ×      |             |
| Education/Training                                   |         | ×      |             |
| Music (production and performance)                   |         | ×      |             |
| Arts and Crafts                                      |         | ×      |             |
| Film & TV  |         | ×      |             |
| Photography  |         | ×      |             |
| Publishing   |         | ×      |             |
| Fashion  |         | ×      |             |
| Creative and / or cultural hub                       |         |        | ×           |
| Theatre (management, acting, playwriting)            |         |        | ×           |
| Museums, Galleries and Libraries                     |         |        | ×           |
| Music (venue management, artist management)          |         |        | ×           |
| Heritage   |         |        | ×           |
| Workspace provider (studios and co-working spaces)   |         |        | ×           |
| Festival / Events                                    |         |        | X           |



Figure 10: Survey respondents and sub-sectors of the CCS in the South West

Figure 11: DCMS Employment numbers for creative industries in the South West 2016





#### 5.8 Pivoting and re-purposing effects

We tested two hypotheses related to the ability of CCOs to pivot to an online offer or re-purpose their offer and whether this had any impact on how CCOs had been affected by the pandemic:

**Hypothesis 1:** The crisis has had a negatively disproportionate effect on creative and cultural organisations who have not been able to re-purpose their offer.

**Hypothesis 2:** The crisis has had a negatively disproportionate effect on creative and cultural organisations who have not been able to pivot to an online offer.

Descriptive statistics show that 42% of CCOs re-purposed their offer and generated some revenue, 2% generated substantial revenue from re-purposing, 35% were not able to re-purpose and 23% respectively re-purposed but did not generate any new revenue. 65% in total were able to re-purpose. 40% of CCOs were able to pivot to some form of online offer whereas 60% were not able to — see **Figures 12** and **13**. Of the 42% of CCOs who re-purposed and generated some revenue 29% have either become busier than before or not affected by the outbreak, 69% have either reduced production or temporarily stopped and 2% have ceased production permanently. Of the 23% of CCOs who re-purposed and generated no revenue 40% have either become busier than before or not affected by the outbreak, 60% have either reduced production or temporarily stopped and 0% have ceased production permanently. Of the 35% of CCOs who were not able to re-purpose, 6% have either become busier than before or not affected by the outbreak, 91% have either reduced production or temporarily stopped and 3% have ceased production permanently.

The ratio of productivity to non-productivity shows that: for CCOs who are able to re-purpose and generate some revenue - for every 2.4 CCOs that have been negatively affected by the pandemic one has been unaffected (2.4:1); for CCOs who have re-purposed but not generated any revenue — for every 1.5 CCOs who have been negatively affected by the pandemic one has been unaffected (1.5:1); and for organisations who have not re-purposed their offer, for every 15 CCOs who have been negatively affected by the pandemic one has been unaffected (15:1). Of the 40% of CCOs who were able to pivot 30% have either become busier than before or not affected by the outbreak, 59% have either reduced production or temporarily stopped and 1% have ceased production permanently. Of the 60% of CCOs who were not able to pivot 11% have either become busier than before or not affected by the outbreak, 88% have either reduced production or temporarily stopped and 1% have ceased production permanently. The ratio of productivity to non-productivity shows that: for CCOs who are able to pivot - for every 1.5 CCOs that have been negatively affected by the pandemic one has been unaffected (1.5:1); for CCOs who



have not been able to pivot — for every 1.5 CCOs who have been negatively affected by the pandemic one has been unaffected (1.5:1); and for organisations who have not been able to pivot their offer, for every 8 CCOs who have been negatively affected by the pandemic one has been unaffected (8:1).

Correlation analysis shows a statistically significant correlation between CCOs ability to re-purpose and projected turnover. Regression analysis shows no causal link. In this instant it can safely be suggested that having the ability to re-purpose has an impact on how CCOs have been affected by the pandemic. Correlation analysis also shows a statistically significant relationship between being able to pivot and projected turnover. Regression analysis shows that in 10% of CCOs who are able to pivot to an online offer, the variability in their projected turnover can be explained by their ability to pivot. In both instances hypotheses can be dismissed. Therefore being able to re-purpose and pivot has an impact in how CCOs have been affected by the pandemic.

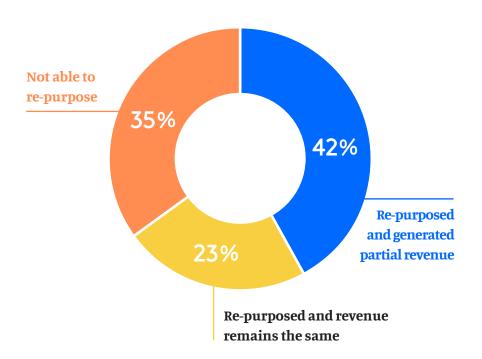
**Table 11:** CCO sub-sector and productivity levels

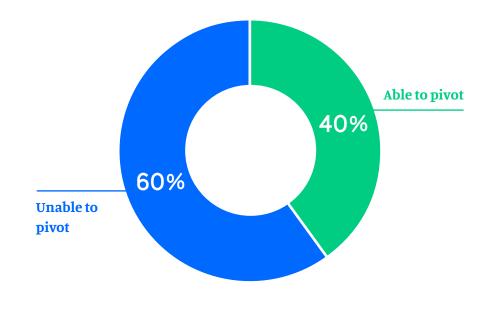
| CCO ability to pivot<br>and / or re-purpose | Productivity increased<br>or not affected by the<br>pandemic (compared<br>to 26% of total survey<br>respondents) | Productivity at reduced<br>levels or temporarily<br>stopped (compared to<br>72% of total survey<br>respondents) | Productivity permanently ceased (compared to 2% of total survey respondents) |
|---|--|---|--|
| Re-purpose and generated revenue            | 29%  | 69%   | 2%   |
| Re-purpose and no revenue generated         | 40%  | 60%   | 0%   |
| No ability to re-purpose                    | 6%   | 91%   | 3%   |
| Ability to pivot to online offer            | 40%  | 59%   | 1%   |
| No ability to pivot to online offer         | 11%  | 88%   | 1%   |



Figure 12: CCO ability to re-purpose their offer and generate revenue

Figure 13: Ability to pivot to online offer







#### 5.9 Diversity effects

We tested four hypotheses related to diversity and whether this had any impact on how CCOs have been affected by the pandemic.

**Hypothesis 1:** The crisis has had a negatively disproportionate effect on creative and cultural organisations who do not either employ staff who are Black and/or Minority Ethnic (BAME) or Disabled or worked with collaborators who identify as BAME or Disabled.

**Hypothesis 2:** The crisis has had a negatively disproportionate effect on creative and cultural organisations which are BAME-led.

**Hypothesis 3:** The crisis has had a negatively disproportionate effect on creative and cultural organisations which are led by Disabled people.

**Hypothesis 4:** The crisis has had a negatively disproportionate effect on creative and cultural organisations which are led by women.

Descriptive statistics show that 43% of respondents either employ staff who are from a BAME background or worked with collaborators who identify as BAME – see **Figure 14**. 41% of respondents employed staff or worked with collaborators who identify as Disabled – see Figure 15. The figures associated with BAME workers are high when compared to data derived by the DCMS (2016) which shows that approximately 11% of jobs in the creative economy are filled by

BAME workers. This raises the issue of what constitutes 'work', or in this case a 'job', which can vary tremendously in the CCS due to the peculiarities of the sector.

Moreover, due to the problematic nature in determining what constitutes work in the CCS the numbers might be skewed due to the inclusion of 'collaborators'. This was done to elucidate working with freelancers and other types of organisational typologies and structures who might be BAME or Disabled and who do not fit under the category of 'staff' or 'employed'. Additionally, we recognise the problematic nature of the term 'BAME' which does nothing to address the significant differences which exist between groups of people the term is meant to represent. Finally, the numbers here might be skewed due to non-probability sampling and the networks to which the survey was disseminated through, although this is unlikely. Thus results here should be taken with a note of caution.

Analyses show that of the 43% who either employ staff who are from a BAME background or worked with collaborators who identify as such, 24% have either become busier than before or not affected by the outbreak, 74% have either reduced production or temporarily stopped and 2% have ceased production permanently. Of the 57% who did not employ staff who are from a BAME background or worked with collaborators who identify as BAME, 24% have either become busier than before or not affected by the outbreak, 73%

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3 We acknowledge the problematic use of the term 'BAME'



have either reduced production or temporarily stopped and 3% have ceased production permanently. Of the 41% of respondents who employed staff or worked with collaborators who identify as Disabled, 20% have either become busier than before or not affected by the outbreak, 80% have either reduced production or temporarily stopped and 0% have ceased production permanently. Of the 59% of respondents who did not employ staff or work with collaborators who identify as Disabled, 28 % have either become busier than before or not affected by the outbreak, 70% have either reduced production or temporarily stopped and 2% have ceased production permanently.

The ratio of productivity to non-productivity shows that: for CCOs who employed BAME staff or worked with BAME collaborators — for every 3 CCOs that have been negatively affected by the pandemic, one has been unaffected (3:1); for CCOs who have not employed BAME staff or worked with BAME collaborators — for every 3 CCOs who have been negatively affected by the pandemic one has been unaffected (3:1); for CCOs who employed staff or worked with collaborators who identified as persons with a disability, for every 4 CCOs who have been negatively affected by the pandemic one has been unaffected; and for CCOs who did not employ staff or work with collaborators who identified as persons with a disability for every 2.5 CCOs who have been negatively affected by the pandemic one has been unaffected.

Correlation analysis shows no significant correlation between CCOs who employed BAME staff or worked with BAME collaborators and projected turnover. Similarly there was no correlation between CCOs who employed staff or worked with collaborators who identified as persons with a disability and projected turnover. Hypothesis one, three, and four can be dismissed. See Figures 16 and 17.

Descriptive statistics show that 7% of CCOs are BAME-led organisations, 13% are CCOs led by Disabled people, and 37% are CCOs led by women. Of the 7% BAME-led CCOs, 36% have either become busier than before or not affected by the outbreak, 64% have either reduced production or temporarily stopped and 0% have ceased production permanently. Of the 13% CCOs led by Disabled people, 30% have either become busier than before or not affected by the outbreak, 70% have either reduced production or temporarily stopped and 0% have ceased production permanently. Of the 37% of CCOs led by women, 26% have either become busier than before or not affected by the outbreak, 71% have either reduced production or temporarily stopped and 3% have ceased production permanently.

Correlation analysis shows that a statistically significant relationship exists between CCOs who are BAME-led and productivity levels. Regression analysis shows that in 3% of cases the variance in productivity can be directly attributed to whether or not they are BAME-led CCOs. No correlation exists between CCOs led by Disabled people, or CCOs led by women and projected turnover or productivity levels. In this instance more research is needed with regards to BAME-led CCOs. It seems as though these organisations might have a slight advantage but because the sample is so small it needs to be researched further. All hypotheses can be dismissed.

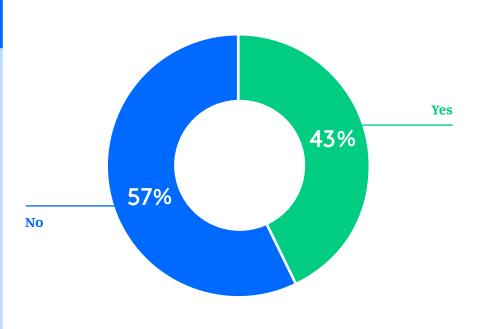
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**Table 12:** CCOs and diversity

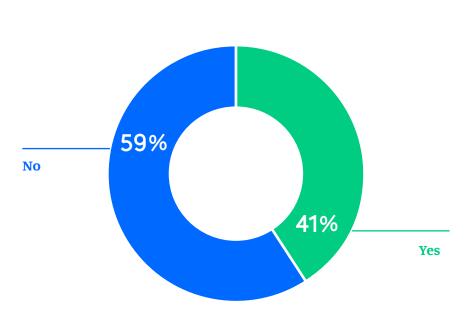
| CCOs and diversity   | Productivity increased<br>or not affected by the<br>pandemic (compared<br>to 26% of total survey<br>respondents) | Productivity at reduced<br>levels or temporarily<br>stopped (compared to<br>72% of total survey<br>respondents) | Productivity permanently ceased (compared to 2% of total survey respondents) |
|--|--|---|--|
| Employed BAME staff or worked with BAME collaborators  | 24%  | 74%   | 2%   |
| Have not employed BAME staff or worked with BAME collaborators   | 24%  | 73%   | 3%   |
| Employed staff with a disability<br>or worked with collaborators who<br>identify as having a disability    | 20%  | 80%   | 0%   |
| Have not employed staff with a disability or worked with collaborators who identify as having a disability | 28%  | 70%   | 2%   |
| BAME-led creative and cultural organisations   | 36%  | 64%   | 0%   |
| Disabled person – led creative and cultural organisations  | 30%  | 70%   | 0%   |
| Creative and cultural organisations led by women   | 26%  | 71%   | 3%   |

Figure 14: CCOs who either employ BAME staff or collaborate with BAME people / organisations.





**Figure 15:** CCOs who either employed staff who identify as disabled or collaborate with people who identify as disabled or disability focussed organisations



**Figure 16:** CCO diversity — BAME-Led CCOs

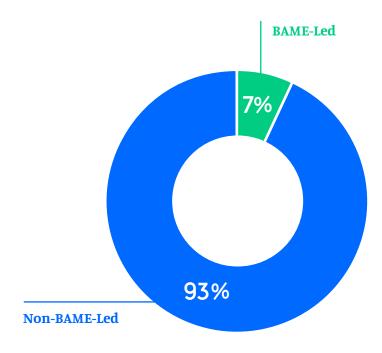
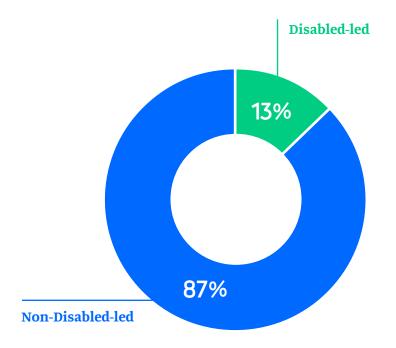




Figure 17: CCO diversity in the South West-Disabled person-Led CCOs



#### 5.10 Accessing support effects

We tested one hypotheses related to government support schemes and whether this had any impact on how CCOs have been affected by the pandemic:

**Hypothesis 1:** The crisis has had a negatively disproportionate effect on creative and cultural organisations who did not access government support schemes.

As a response to the pandemic the UK government has offered a suite of financial support schemes which the CCS in the UK have been able to access. Figure 18 shows the range of support and what schemes were used the most and the least. The Coronavirus Job Retention Scheme is by far the most used scheme with 43% of survey respondents signed up to the scheme. This correlates with the number of CCOs who have furloughed their staff. The Coronavirus Self-Employed Income Support scheme was the second most used scheme with a 28% uptake, Arts Council England Emergency Funds was third with an uptake of 26%, and Small Business Grants Fund was the fourth most used scheme with a 23% uptake. Some respondents were able to use multiple financial support schemes. Importantly 37% of respondents did not sign up to any government support scheme. Ineligibility was a large reason for not being able to access schemes.





Approximately 60% of those who did not access government support were ineligible under current criteria. This might highlight a number of peculiarities of the CCS such as: (1) portfolio careerism, where individuals do not work full time in the sector and hold down other jobs or being fully funded to deliver a project through a public body such as Arts Council England; or (2) a lack of need to access any funds as they were not affected by the pandemic. Reasons for not accessing the Coronavirus Self-Employed Income Support scheme related to reasons such as the amount of savings a freelancer or freelancer's partner might have and whether or not they were furloughed on another job. The patterns of CCS work especially within early stage or the pre-growth phase of many CCOs allows many to slip through the safety net that these schemes are providing. This said Arts Council England's emergency funds were set up to try and ameliorate this and seemed to have slightly mitigated against this slippage although more research is needed to accurately assess efficacy. The government's Cultural Recovery Fund was launched while this research was being carried out but was not included because the first announcement of funding was in August 2020 which would not have provided enough time to conduct analysis. Regardless, anecdotally this fund has been vital to the CCS. Figure 19 shows that 82% of respondents believed that receiving some form of financial support through schemes was either essential or a high priority during the research period.

Correlation analysis shows an inverse correlation exists between projected turnover and receiving support. This means that the receipt of support correlates with decreased turn over. This makes sense in the context of the furlough scheme, as the most used scheme, which is designed in such a way that it reduces productivity levels but 'keeps the lights on' so to speak. Analysis shows that of the 37% of organisations who did not receive any government support 35% have either become busier than before or not affected by the outbreak, 58% have either reduced production or temporarily stopped and 7% have ceased production permanently. Of the 63% of organisations that did receive some type of support 21% have either become busier than before or not affected by the outbreak, 78% have either reduced production or temporarily stopped and 1% have ceased production permanently.

Ratio of productivity to non-productivity for CCOs who have accessed support shows that for every 3.5 CCOs that have been negatively affected by the pandemic one has been unaffected (3.5:1); for CCOs who have not received government support — for every 1.5 CCOs who have been negatively affected by the pandemic one has been unaffected (1.5:1). Importantly CCOs who did not receive any support are much more likely to permanently cease production as opposed to CCOs who had received support.



**Table 13:** CCO sub-sector and productivity levels

| CCOs and access to government support           | Productivity increased or not affected by the pandemic (compared to 26% of total survey respondents) | Productivity at reduced<br>levels or temporarily<br>stopped (compared to<br>72% of total survey<br>respondents) | Productivity permanently ceased (compared to 2% of total survey respondents) |
|---|--|---|--|
| CCOs who did not receive any government support | 35%  | 58%   | 7%   |
| CCOs who received government support            | 21%  | 78%   | 1%   |

Figure 18: No. of Organisations that accessed government support

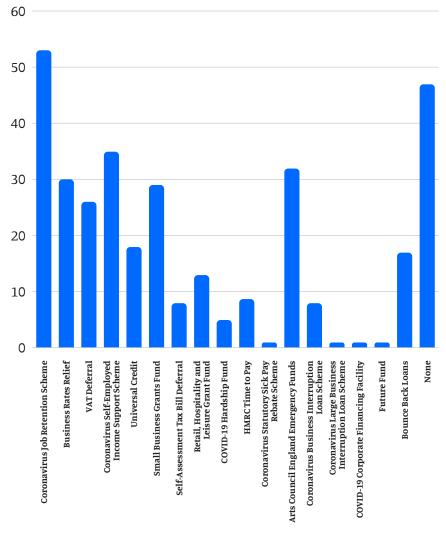
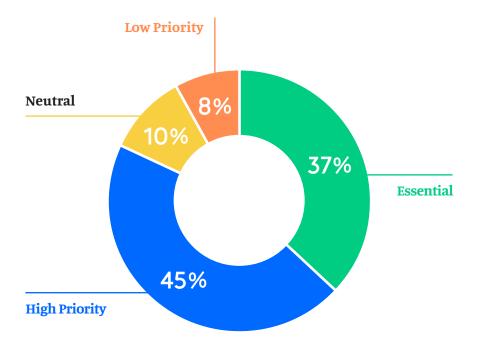




Figure 19: Importance of financial support schemes for CCOs during crisis.



#### 5.11 Location effects

We tested one hypotheses related to location and whether this had any impact on how CCOs have been affected by the pandemic:

**Hypothesis 1:** The crisis has had a disproportionate effect on creative and cultural organisations depending on what county they are located in.

For the purposes of this research the South West region consists of the counties of Bristol, Cornwall, Dorset, Devon, Gloucestershire, Somerset, and Wiltshire — See Figure 1. Bristol, Devon and Somerset had high concentrations of CCOs, while Cornwall and Dorset seemed to fluctuate. Wiltshire and Gloucestershire had the lowest concentrations.

Correlation analysis shows no significant correlation between county and projected turnover or productivity levels. Similarly descriptive statistics show that county does not have any discerning patterns related to productivity levels.



# 6. Analysis

This section addresses the primary research questions outlined at the start of the report:

- How has the COVID-19 crisis affected creative and cultural organisations (CCOs) such as: freelancers, micro-companies, small arts and cultural institutions, SMEs, and large cultural institutions in the South West?
- What does transition look like as a result of this crisis?
- What adaptation strategies are being used by CCOs in the South West to stay operational in the current crisis?
- What characteristics of CCOs might contribute to increased resilience in the wake of the current crisis?
- What policy measures need to be put in place to ensure a sustainable recovery for the sector in the South West?



### 6.1 How has the COVID-19 crisis affected creative and cultural organisations (CCOs) such as: freelancers, micro-companies, small arts and cultural institutions, SMEs, and large cultural institutions in the South West?

#### 6.1.1 Size:

While analysis shows no correlation between size of organisation and how they were affected by the pandemic, when compared to each other freelancers and larger organisations (those who employ more than 10 people) have been disproportionally negatively affected by the pandemic. Research in organisation studies has for a long time shown that size affects an organisations' ability to do a number of things from innovate to making decisions (Damanpour, 1992). This being said what constitutes size of organisation is relative to sector. In other words certain sub-sectors of the CCS have different size parameters constituting a different reality of what size actually looks like — SMEs in the Games sector might consist of more or less employees than in Advertising and Marketing. Therefore size as measured by number of employees does not necessarily dictate outcomes as a result of the pandemic, but instead might be an indicator or proxy for other aspects or characteristics which might affect CCOs' ability to withstand the effects related to the pandemic. As such, while freelancers have no employees which makes them the 'smallest' organisational type they have been more adversely affected by the pandemic than CCOs with between 1 and 10 employees. Similarly large organisations with more than 10 employees have equally been negatively affected when compared to CCOs with between 1 and 10 employees. This indicates that

conditions specific to all three cohorts, not necessarily related to number of employees, have dictated the ways in which they have fared. For instance freelancers are tied to the fortunes of larger organisations thus if and when their productive capacity or capability contracts then so does the availability of work for freelancers. It makes sense that the fate of both larger organisations and freelancers are intimately connected when examining the peculiarities of the CCS (Virani and Pratt, 2015).

Larger organisations on the other hand have been affected by the pandemic in three ways, either through a drying up of project funding or a drying up of trading income or both. All three scenarios mean that larger organisations have had to take full advantage of government support schemes as they seek funds to keep themselves ticking over until the market recovers. Some have made significant changes while others have remained relatively dormant. Moreover larger organisations were more likely to make redundancies than CCOs with between 1 and 10 employees. There seems to be a slight advantage to having between 1 and 10 employees which could be for a number of reasons which need to be substantiated through further research such as the ability to make quick decisions around pivoting or re-purposing — see Case Study 1. This being so CCOs in the South West with between



1 and 10 employees are less likely to permanently cease operations due to the pandemic. Moreover the survey shows that CCOs who are either companies limited by guarantee or companies limited by shares do better than other legal structures. Most of the CCOs who made redundancies are charities.

#### 6.1.2 CCO longevity:

There is no statistically significant relationship or correlation between how long a CCO has been in operation and how they fared during the research period. However, further analysis shows that CCOs who have been in operation from between 6 to 10 years might have a slight advantage. While it is not clear why this is the case future research should look at organisational behaviour beyond 10 years and before 6 years with respect to embarking on research and development seeing as R and D is a major theme emerging from the case studies (most have received R and D funding)- see Case Study 2. It might be that organisations who are between 0 and 5 years old are too young to begin R and D activities as their sole focus might be survivability whereas organisations who are older than 10 years might be more established and not in need of R and D. R and D activities are also closely tied to hybridity as organisations think through their transition as a result of the pandemic. Other factors such as availability of support through government schemes and sub-sector might also be important to investigate. This research has not had the time to analyse the data at that level of granularity.

#### 6.1.3 Funding and finance structure:

There is no statistically significant relationship or correlation between a CCO's funding and financing structure and how they were impacted by the pandemic. Further analysis shows that those CCOs who rely on both grants and a mixed income of grants and trading seem to fare better. However this merely confirms the level of risk exposure to CCOs based on their funding and financing structure; especially for those CCOs who were trading and not in a digital or hybrid sub sector. Moreover being dependent on grant income is not a panacea as the risks associated with this type of work has been clearly identified by other research (Schatterman and Bingle, 2017). All of this being said being able to access grant income as well as trading income allows CCOs to hedge themselves against future shocks. Hybridity again in this context seems, at least outwardly, quite beneficial.

#### 6.1.4 Business models:

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There is a statistically significant relationship between types of business models and how CCOs were impacted by the pandemic. The research shows that those organisations who were already engaging with online business models prior to the pandemic were in a better position to be able to withstand the impact — see Case Study 3. On the other hand those organisations who were solely dependent on traditional, more physical, business models were placed under more stress and forced to think about pivoting or re-purposing in the immediate short term.



#### 6.1.5 Collaboration:

There is no statistically significant relationship or correlation between collaborative activity and how CCOs were impacted by the pandemic. However analysis of descriptive statistics show that CCOs who did not collaborate in any capacity were 5.25 times more likely to have their productivity levels reduced or temporarily stopped compared to approximately 2.3 times more likely for those CCOs who do. Collaborative activity increases networks and deepens CCOs connections to ecosystems/networks within and beyond the sector — see Case Study 8. This can be an important life line especially for those CCOs who may not have up and running online business models and need to pivot or re-purpose quickly - see Case Study 4 and Case Study 7.

#### 6.1.6 Sub-sector:

There is a statistically significant relationship between sub-sector and how CCOs were impacted by the pandemic. Analysis shows that digital subsectors were not affected by the pandemic — see Case Study 5. Non-digital sub-sectors have been hardest hit by the pandemic. This is tied to the findings associated with business models however it has more to do with CCO's cultural / creative offer as opposed to generating income or revenue. A marker of being able to pivot or re-purpose in this instance would hinge on how quickly and effectively CCOs might be able to turn their pre-pandemic offer into something related to a digital one. This being said while non-digital sub sectors were 5.3 times more likely to have their productivity levels reduced or temporarily stopped, hybrid sectors (both digital and non-digital) were twice as likely and purely digital sectors were 1.5 times as likely. The difference between digital and hybrid sub-sectors is small meaning that organisations who are purely non-digital might need to look into creating two offers which exist simultaneously or side by side, both a digital as well as a non-digital offer, essentially turning their organisations into hybrid ones — see Case Study 6 and Case Study 7.

#### 6.1.7 Pivoting and re-purposing:

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There is a statistically significant relationship between CCOs' ability to pivot and re-purpose and how they were impacted by the pandemic. Moreover those who were not able to pivot were 8 times more likely to have their productivity levels reduced or temporarily stopped; and those who were not able to re-purpose were 15 times more likely have their productivity levels reduced or temporarily stopped and 2% more likely to permanently cease production. Pivoting can mean a number of different things however with respect to this research it constitutes the creation of an online / digital offer based on CCOs' original creative or cultural offer. This being said Lakota night club (Case Study 9) were able to pivot from a non-digital offer to an outdoor non-digital offer. Repurposing means the ability to utilise CCOs' current cultural offer for other purposes as a result of the pandemic — see **Case Studies** 1, 4, 7 and 8.



#### 6.1.8 Diversity:

There is no statistically significant relationship between CCOs who either employ staff who are from a Black and / or Minority Ethnic (BAME) or Disabled background or worked with collaborators who identify as BAME or a Disabled and how they were impacted by the pandemic. Moreover there is no statistically significant relationship between CCOs who are led by Disabled or women and how they were impacted by the pandemic. There is a weak statistically significant relationship between CCOs who are BAMEled and how they were impacted by the pandemic. This could be for a number of reasons however more research is needed here as BAME-led organisations only made up 7% of the sample. It is difficult to show what diverse organisations are in the CCS due to organisational arrangements that are not conducive to full time employment. Instead project-based work for freelancers and micro-businesses with below 10 people is the norm. Further research into this area must ask different questions as well as move away from the BAME moniker as its usage has not been useful to understanding the reality on the ground.

#### 6.1.9 Accessing support:

Analysis shows that government support has been necessary for the sector and has been successful in keeping many CCOs afloat during the pandemic. CCOs who did not receive government support are 3.5 times more likely to have their productivity reduced or temporarily stopped. Importantly 7% of CCOs who did not receive government support permanently ceased production. Another finding has been the importance of funding for Research and Development (R and D) in order to test out potential pivots for CCOs — see Case Study 1, 2.

#### 6.1.10 Location:

Analysis shows no statistically significant relationship between CCOs' location and how they have been impacted by the pandemic. This being said the importance of being part of an ecosystem for support has been documented in the literature. Further research is needed in this area where questions might need to look at the effectiveness of production networks in ecosystems and the types of support that exists as a result of these networks.



### 6.2 What does transition look like as a result of this crisis?

Transition in the sector undoubtedly revolves around aspects of digitisation but instead of wholesale digitisation of the sector what seems to be more feasible is wholesale hybridisation. The impact of the pandemic has been mainly on those CCOs: who do not have online business models, who are in a non-digital sub-sector, who have not been able to pivot or re-purpose, and who have not received government support. For these CCOs making the switch to wholesale digital offers is not feasible however their cultural offer is critical to the sector in the region — especially the Festivals and Events sector.

The transition is about smart digitisation, where a digital offer is created in order to sustain and support physical offers as they exist and as they are affected by pandemic policies. Hybridity, then, begins to formulate around both income models and production models as well as keeping hold of pre-pandemic cultural offers. In order for this transition to more hybridity to manifest itself government funding must be made available to the sector in two ways: first as currently, to support the CCS through the pandemic, and second through R and D funding in order to future proof the sector.

The R and D funds especially will effectively allow CCOs to trial pivots and re-purposing activities which will be a critical part of the puzzle in having the sector recover sustainably. Transition is not only on the production end of the spectrum but on the consumption end as well. We have been reminded of the importance of culture and cultural work, thus consumption practices will follow the hybrid models being developed by CCOs across the spectrum. Consumption patterns will lead the way in the development of new ideas, new products, new knowledge and new experiences for the South West CCS thus it is important for the sector to keep an eye on their audiences / markets globally and locally, and how they consumer exchange is changing.

For CCOs who have been able to weather the pandemic storm and for those who have in actuality thrived in it, the picture looks similar with regards to transition however in this instance encouraging growth is central. With changing consumption patterns and the opening up of potential national and global markets, CCOs who have done well or not been affected need to ensure that their growth is ethical, sustained, environmentally sound and socially inclusive, not only as a moral imperative but as a way to position themselves for new international markets that are potentially within reach.

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## 6.3 What adaptation strategies are being used by CCOs in the South West to stay operational in the current crisis?

The pandemic has forced most CCOs to think about how to re-orient their cultural offer. This has meant that most pivots and activities which have been re-purposed have a shelf life. Most adaptation strategies are short term, experimental in many cases and are a reaction to the restriction caused by the pandemic. Whether they are able to be sustained long term depends on the managing of the pandemic.

### 6.4 What characteristics of CCOs might contribute to increased resilience in the wake of the current crisis?

26% of CCOs were either more productive than prior to or not affected by the pandemic. Similarly, 9% projected an increase in turnover for 2020 – 2021 and 13% projected to remain stable. Of the 22 - 26% of organisations which have: increased turnover, remained stable, more productive, or productivity not affected, correlation analysis showed four primary characteristic which can be associated with increased resilience:

**Sub-sector** - Digital and hybrid sub-sectors such as Advertising and Marketing, Animation, Audio and Radio, Games and Visual Arts seemed to fare the best.

Online business models - Many generate income through an online business model.

**Pivoting and re-purposing** - Many were able to pivot to online delivery to generate a partial or substantial income, and many had the ability to re-purpose their offer.

**Government support** - The majority of CCOs received some form of financial assistance and qualitative data shows the importance of receiving R and D funding.



There were a number of secondary characteristics which also need substantiating through further research especially because they showed no correlation, however analysis of descriptive statistics showed that they may play a role. These include:

Size - Majority of CCOs have between 1 and 10 employees

Longevity - Being operational for between 6 to 10 years seems to afford a slight advantage

**Diversity** - BAME-led organisations might have a slight advantage

Collaboration with other sectors and support / anchor organisations - Collaboration with external sectors and organisations seems to offer slight advantage. Engaging with a number of support organisations such as studio space providers, hubs, business support, training programmes plays a role.

## 6.5 What policy measures need to be put in place to ensure a sustainable recovery for the sector in the South West?

Based on the findings of this work policy measures need to include:

- Funding structures which cover support in the wake of the pandemic that ensures freelancers do not fall through support gaps.
- Funding support for company directors.

- Research and development funding for all creative and cultural organisations which allows them to test and experiment with pivots, re-purposing and new business and production models.
- Digital skills training in the areas of e-commerce, e-marketing, e-finance. Potential mentoring schemes for CCOs to train other CCOs.
- Growth initiatives for those CCOs who are resilient. This should cover developing trade links with global companies but also mentoring other CCOS at the local level.





## 7. Case Studies:



### 7.1 Case Study 1: **Gritty Talent**

Gritty Talent is a new Bristol based micro SME, founded in 2019 to operate as an inclusive media production house and industry training organisation, aiming to close the diversity gaps in the media production talent pipeline, by nurturing emerging creatives in on and off screen roles.

As a result of the pandemic, they have had to postpone several live event projects, including the delivery of TEDxBristol 2020 and producing an inaugural Bristol based podcast festival. They have pivoted their current mentoring programme to online delivery. Their main adaptation has been made possible through gaining a successful £100k bid from Innovate UK's Sustainable Innovation Fund. This enabled the company to pivot activity to building a digital platform for diverse talent development and networking. Mel Rodrigues, Founder and Creative Director, describes it as an "end to end solution where you can do all your talent discovery in one place on an app (to create a) culture and behaviour change via a piece of technology, helping people to do recruitment differently".

As the Black Lives Matter movement erupted, the call to do much better in ensuring diversity in the industry became stronger and the BBC and other TV/Film houses ring fenced budgets for diverse commissions and employed Senior Diversity Execs to tackle this issue. The evidenced gap in the market and real need for diversity in the talent pipeline enabled Gritty Talent to gain sustainable innovation funding from Innovate UK to fast track this technology driven solution. The company have also benefited from the screen focused Evolve/Creative Enterprise programme at Creative England. Again, we see the importance of R and D funding enabling this CCO to pivot.



### 7.2 Case Study 2: The egg

The egg theatre is a small venue attached to Theatre Royal Bath which has been in operation since 2005, with a theatre engagement, education and training programme dedicated to children and young people. During the pandemic, the theatre was awarded its' first Innovate UK grant to create a digital platform and brand for creative learning experiences, called The Egg Assembly. Alex Duarte Davies, Executive Director of the theatre school and the egg Assembly states "We're evolving, not adapting. Generation Z is so much more in the digital world, we embrace that (by) co-learning side by side with young people. This event has actually pushed us forward 5 years by creating space for R & D time".

The funding enabled the theatre to make the platform in collaboration with software developers Atomic Smash and design agency Supple, as well as the users. A key value in the programme is that young people make work with and are mentored by industry professionals in a wide range of sectors in the Creative Industries including; software, mixed reality, gaming and film, in addition to theatre, simulating the porous opportunities within the industries and keeping theatre training relevant and skills transferable.

The project has benefitted from a further 2 Innovate UK grants: a Sustainable Innovation grant to develop the environmental and accessibility aspects of the programme. This includes performative

projects based on environmental awareness and collating and analysing data on the new ventures' environmental sustainability; including the carbon footprints of the industry professionals involved. The second grant is an extension grant to act as a bridge between grants to support continued development of the platform. The egg theatre also benefitted from government support in the form of the Cultural Recovery Fund under the relationship with Theatre Royal Bath, the ACE Emergency Funding as part of Bath Cultural Education Partnership and as well as the JRS. Kate Cross, the Director of the egg theatre, has also accessed the Bristol + Bath Creative R + D programme under the Expanded Performance pathway.

To enable this feat of resilience, the Director and Development Manager worked together to repurpose both the human and physical resources. All staff members roles were restructured, and the egg theatre became a dedicated training space for the Bath Theatre Academy, an earlier collaboration with a further education partner, Bath College. This programme has enabled the business to operate COVID secure operations within the venue and explore a blended learning model. In operating digitally, the egg has future plans of reaching global audiences, but a current benefit is that they can successfully tackle the challenge of widening their talent pool for their existing demographic to ensure high quality provision and competitive advantage.

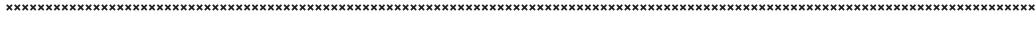


### 7.3 Case Study 3: **Auroch Digital**

Auroch Digital is an independent games company based in Bristol, headed by CEO Tomas Rawlings. Rawlings attributes the resilience of the company to the long term strong human capital and team culture, a mostly online business model and "investing heavily in production processes and iterative improvement over the previous years." Rawlings compares his online business model to other sectors, stating it is a "much more robust model in the face of a pandemic, because it is something people play at home and it's something they can buy without leaving their house".

As the pandemic hit, the company were able to work from home easily. Timing was crucial to this success, the decade old company were mid-flow in projects which meant they were able to efficiently and immediately work from home and were already using online tools to communicate. Rawlings feels that it's less efficient when operating team workshops remotely and he hopes to go to a 70% online/30% in office model in 2021.

The company has a diverse range of incomes from hire, selfpublishing, working with publishers, physical stock to funding from seed investment and grants. It is so successful that Rawlings is planning to expand by a third by the beginning of 2021. Auroch Digital's resilience is also through planning projects "really far in advance". Although the business is doing well, the non-digital side of the business suffered — the company had just started experimenting with physical games, which in the pandemic, at the stage in development they were at, was not viable. They pulled all their resources from this stream and focused on their digital projects. Another concern is the long-term implications of the pandemic: a double pronged recession with Covid and Brexit that may impact currently stable companies and sectors: "we feel ourselves a little bit insulated from the worst, because recession seem to hit the big purchases first. But actually, it'll hit everybody. It will just probably take a bit longer before it hits us".





### 7.4 Case Study 4: Barbican Theatre Plymouth

Just as Barbican Theatre Plymouth had just announced a new CEO. Laura Kriefman of Hellion Trace, the UK went into its' first lockdown. Kriefman describes this as a "baptism of fire" as she had to close the building, face a 50% income loss, exit their relationship with their second venue and unfortunately, make 30% of the staff redundant across the organisation. The BBar, an independent catering company, but core partner was also forced to close.

Where much of the theatre sector has struggled to find optimism and relevancy, Kriefman and her team have seen great opportunity for experimentation, systemic change and increased relevancy through refocussing their talent development into collaboration, co-creation and cross-artform work with the aim of building new "hybrid subcultures" and creating innovative and high-quality engagement in collaboration with equally imaginative peers and other sectors across the city. As an NPO, the company were able to repurpose their funding to rethink how to best support their audiences and participants; including workshops on zoom, bringing 7ft puppetry and performance to the people's back alleys of Plymouth and as well as produce public masterclasses on YouTube resulting in increasing their reach to 33,000 people. In addition to this, Kriefman has installed a huge amount of internal training and added an employee wellbeing assistance programme for freelancers, as well as staff.

As the first lockdown eased in late summer 2020, Kriefman and her team curated innovative workshops with social distancing and inclusive practise as design constraints; using blended learning to achieve this ambition. The quick and creative response enabled the team to build and trial working with participants who are shielding and isolating and build upon "processes and collaborative tools and ways of working, [developed] with a small group throughout the first lockdown". This has enabled them to secure funding to run a long-term online programme of activity for this group; increasing their sustained reach with diverse demographics.

During 2020, the team have worked to pivot traditional activity towards creatively responding and adapting to the physical challenges that the pandemic has posed on the city. Starting from the back-alley puppetry performances, Kriefman secured some "really great and unusual partnerships" and a programmed a series of playground events; exploring "ludicrous" and site-specific locations in Plymouth (such as large warehouses, Speedway and quarries) for socially distanced performance to take place, suitable for Tiers 1-3. They have succeeded in gaining live audiences of 1.5k overall and commissioned over 100 artists to create the work.

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"We're employing a much wider range of freelancers in the city with greater representation, spanning very different kind of art forms". Although planned events that fell in the second lockdown were postponed until January, the theatre are getting a reputation for their 'ability to deliver events in a Covid secure and rapid way".

In their digital delivery, part of the work has been to completely change how they communicate with their audiences. This ranges from what channels they present themselves on such as Instagram and Tik Tok, to what kind of language to use to be accessible, to identifying the stakeholders: parents and young people. Experimenting with delivering masterclasses online has built a 490% increase in YouTube followers and 6,000% increase in number of views.

The theatre redeveloped their talent development brand to 'ReBels' and diversified the access to skills, experience and industry professionals across the Creative Industries to broaden its ambition in creating location based "Hybrid Subcultures". The delivery is a blended approach with a complex physical and digital offering, according to tier systems and level of isolation for the individual. The practicalities have been increasing classes from 5—16 per week, with minimal class numbers and a wider pool of freelancers; which is resulting in rich "bonding and secure" and engaged groups. This and other programmed activity will culminate in two large scale productions of multiple art forms

(including dance and car culture) and a variety of smaller ones next year; prototyping a new way of working to create work at a huge scale across the city, live and livestreamed.

The theatre has been able to take these risks and survive the crisis because of 4 key components: the funding, the board, the creative ecology in Plymouth, the agility of the team and supportive culture. "There has been a really collegial and open energy in Plymouth as a city not just across the NPO's, but across other cultural and creative industries, and a commitment to sharing knowledge and systems and learnings". The theatre has received the CRF and NPO support.



### 7.5 Case Study 5: **Triangular Pixels**

Triangular Pixels is a games studio that operates through a mix of developing games and tools, as well as offering consultancy and commissions. The company had not been too affected by the crisis, as they already worked from home together and remotely with their teams.

The new accessibility and acceptance of tele-commuting and conferencing has had a positive impact in enabling them to reach more audiences with their work from their studio in rural Cornwall, without the cost and complication of travelling. The most difficult aspect for them has been the issue of childcare, which they alleviated somewhat with Job Retention Scheme while nurseries were shut down. The companies' resilience can be attributed to its low overheads from home working, long term stable contracts with the NHS and HTC; an uptake in sales of online assets by developers who have more time (less commuting) for independent projects and the Government Kickstart Scheme to recruit. The company is agile with their cash flow, so their lifestyle hasn't had to change.

The company has not been very adversely affected by the pandemic and they have been able to spend more time on business development and redeveloping their website. However, they are concerned with the impact of VR arcades and other XR experiences, that they cannot do as much physical user testing as they would normally do because of restrictions; as well as the implication of possibly being taxed for working from home. They have recently released a 'practical guide to working from home' for their peer network.



#### 7.6 Case Study 6: Mufti Games

Mufti Games is a micro SME that specialises in engagement through play. Before the pandemic, the business was awarded Arts Council R & D funding to formalise and shift their core work into developing Play: Disrupt, a service and methodology for using play to engage participants in consultations for public sector organisations and organisational development.

This targeted value proposition and collaboration with other sectors has been integral to the company's resilience. During the pandemic, they have had to cancel or postpone any contracts that involve their physical games for festivals and events, as the cost became too high to adapt the work and the clients' budgets were reduced, making the work unviable. However, they have been able to pivot their engagement programme based work and corporate work to online delivery. The company have benefitted from a mix of funding and government support has enabled the company to survive the pandemic, including previous ACE R & D funding before the pandemic hit, putting one employee on furlough, business rates relief, grant support from Bristol City Council, Watershed (SWCTN mentoring, Creative Workforce for the Future) and emergency funding.

Malcolm Hamilton, Creative Director believed the reason the company has survived is "because our thinking has shifted over to a completely different customer base". With the emergency funding, Hamilton has commissioned artists to explore how online surveys can be explored as a piece of art and creatively devising online spaces for the conference market. Although this company is originally from the theatre sector, it is and has adapted throughout its history to the social, economic and political contexts to find a resilient model in it's' moment and aligned with the founders' own journey.





### 7.7 Case Study 7: **Derek Thompson**

Derek Thompson is a freelance writer and author based in Cornwall who also provides professional business services. His business has survived by diversifying his income streams through offering a variety of skills including copywriting, editing and project consultancy.

Derek has benefited from his existing network of online contacts and this has afforded him more opportunities and collaborations, working from home. He had already set up part of his business model for future self-publishing and online delivery of e-books, stating "my traditional e-book sales have sky-rocketed during lockdown". Prior to the lockdown, at the end of 2018, he secured funding from the Cornwall Cultivator for specialised online marketing training for self-published authors to become more competitive globally. He believes that his business would be more resilient by expanding his network and diversifying his portfolio to explore other media and collaboration with others. He is currently exploring this through comedy writing and through script writing research. Ultimately, his business would most likely be prepared if the pandemic were to happen again.

#### 7.8 Case Study 8: Creative Kernow

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Creative Kernow acts as an anchoring hub for the cultural and creative industry venues and businesses in its locality, Cornwall. The company exhibits a hybrid business model with a fundraising mix of commercial contracts and grant funding.

Its large creative programme operates with a mix of online activity (for example Cornwall 365) and a physical presence, including a rural touring cinema and a newly extended hub and artists' studios. For the Cultivator Cornwall business development programme, Fiona Wotton, CEO of Creative Kernow, reported online delivery "was very relevant, as Cornwall businesses are located across a dispersed rural area". In addition to this, they already had an online working relationship with the European Regional Development Fund, therefore were able to adapt other working external and internal relations quickly and efficiently. The organisation collaborates with tourism and film sectors to increase its stability and has benefitted from government support from the Cultural Recovery Fund and their resident artists benefitted from business rate relief. The Cultural Recovery Fund enabled this creative and cultural hub to financially support artists, communities, venues and businesses across the region to weather the storm of the pandemic.



#### 7.9 Case Study 9: Lakota

Lakota is a popular and successful nightclub and music venue in Bristol which opened in 1989. As a long standing experimental and independent organisation embedded deeply in the Bristol community, they were able to immediately adapt their venue and programme to the restrictions of the pandemic.

With an eclectic programme of jazz, theatre, comedy and live music in the newly established Lakota Gardens, the venue was able to diversify their programme, adapt their financial models and develop new audiences to support the organisation become more resilient and survive the pandemic.

In July 2020, Lakota hosted the first comedy show in the UK, with comedian Angela Barnes and using a large plastic screen between the performer and the audience to adhere to UK government regulations. As the pioneering first venue in Bristol to put on ticketed outdoor and socially distanced performances since the pandemic hit, CEO Marti Burgess stated "everyone (was) watching what (we're) doing, and then going to see whether it's worth it". Having already experimented with Stokes Croft Beer Garden outdoor venue a couple of years ago, they applied their learnings to Lakota Gardens; they sold online tickets to ensure attendance and bought stretch tents for bad weather. Since they have opened during the pandemic, they have managed to achieve at least 80% ticket sales across their events.

Their success is attributed to a variety of factors, they have skilfully pre-empted government regulations, taken appropriate risks in programming and carried out scenario planning to ensure they could operate efficiently within the restrictions. They were able to experiment with their programming, including pizza and prosecco nights, quizzes and football events; cancelling events which became loss leaders. They were also able to take risks and support a wider range of artistic programming. They were also importantly supported by the Arts Councils Cultural Recovery Fund, which was a significant recognition of live music venues and nightclubs as so important to the arts ecology that it should be supported by public funding. As the restrictions ease in summer 2021, Lakota has planned its' first festival 'Summer of Love'. Burgess is optimistic about pivots made in their business model so far and for the future, "it's been an opportunity to explore how we can develop the organisation beyond the nightclub".





### **7.10 Case Study 10: Trinity Centre**

The Trinity centre are a community arts centre based in Bristol. Built as a church in 1832 and led in its current form since 2004, the charity and membership organisation is a place-based organisation that sits on the centre of 6 neighbourhoods in Bristol. It operates as an iconic music venue, with a community garden, wedding venue and arts programme that embody and works towards the ethos "creative expression for all".

In March 2020, the Trinity Centre had to close their doors and adapt their business. This community focused organisation listened to the needs of their community and delivered an arts-based response to the challenges faced. The charity was able to invest in their partnerships including working with St Paul's Carnival to stream an online carnival and Ujima Radio to deliver podcast training to over 60's and over 900 activity packs with Up Our Street to children in low-income families.

Over the pandemic, the organisation has successfully adapted their offering to align with government regulations, including digital, physical indoor, outdoor and blended experience models. In April 2020, Trinity Centre launched their "Trinity Presents" online programme on Bristol Arts Channel, working with collaborators across the city to provide digital arts provision for its' citizens. Within the venue, the organisation was able to offer Covid-secure

free rehearsal space for artists, socially distanced workshops to compliment online experiences with their regular groups and small weddings. There were 11 socially distanced, liv-music gigs as part of Trinity Presents: Garden Sessions, bringing in a combined audience of 1,728 people. They were also able to offer artist commissions.

The loss of trading income was a direct risk to core costs, however with the flexibility of funders enabled the charity to adapt quickly. The charity gained emergency funding from several funders including Arts Council Englands' Cultural Recovery Fund, Power to Change, Social Enterprise Support Fund, Children in Need and the Quartet Community Foundation. They were also able to access Government schemes including furlough which enabled the organisation to continue to retain their team, resources and their work with their under-represented local communities through programmes arts participation. The charities resilience was largely due to its core funding, leaderships skills and ability to adapt and take risks. CEO, Emma Harvey stated "Our transition from primarily a venue-for-hire to a proactive programmer of diverse arts has simply been accelerated. We have always been a responsive, adaptive organisation; this crisis has provided us with a unique opportunity to press pause on our business model, creating space to further test our methodology of democratic, people-focused programming."

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# 8. Conclusion and discussion:

This research has examined four specific areas: the impact of COVID-19 on the CCS in the South West, how the sector has transitioned as response to the crisis, how the sector might be made more resilient and adaptable, and what is needed for recovery.

In order to discern what recovery for the sector in the South West, and perhaps the UK, might look like it is important to acknowledge that the pandemic has exacerbated fissures that exist within the umbrella term that is the creative and cultural industries. This research has shown that the CCS is a sector which — perhaps unlike any other sector — has significant variations in the ways that it has been affected by COVID-19. While the delineation used in this research of digital, hybrid and non-digital is crude, it gets to grips with where one of the most stark dividing lines exists; namely, within the application, and cultural production and consumption associated with the arrival of digital technology.

The pandemic has perhaps given the sector in the South West a glimpse of the future by forcing it to grapple with two overarching and yet very real concepts: the increasing power of individual consumption trends catalysed by the pandemic and facilitated by the Internet, and the importance of cultural production sustainability with an emphasis on the interdependence of local and regional actors (see Holden 2015). How these two increasingly important dynamics within the CCS manage to work with each other is beginning to emerge and approaches which catalyse hybridity have a clear and important role — as a bridge between rising individuality as it pertains to production and consumption and rising collectivism as it pertains to the same.

The obvious hybridities emerging from this research are: hybrid income models, hybrid production models, and hybrid organisational structures. Before we do so it is important to acknowledge that the research shows CCOs who have fared well during the pandemic are overwhelmingly digital in production models as well as income models. That said the ability to pivot and re-purpose is one of the key ways to becoming a resilient organisation. Therefore the real transition is occurring within those CCOs who are hybridising, which entails developing an online offer while holding on to their original one.

On a practical level hybrid income models must utilise digital assets to generate income while at the same time make use of opportunities for public funding for R and D. The ever increasing importance of research and development funding is prevalent in the case studies. This allows for testing and experimentation with pivoting and re-purposing which is vital to the sector remodelling itself for a new post-pandemic workscape. This workscape is already beginning to indicate what are long and short term trends, such as (for instance): the disappearance of commuting, the exodus out of large urban areas, the reappearance of villages of local activity and healthscapes like running and walking routes, the rebirth of the country side, the importance of the supermarket as a cultural hub, and green spaces as useful spaces. All of this connects to the ability to work within the CCS while diversifying to meet new markets with new audiences and a diversified cultural offer. This offer however must be connected digitally (for mainly income purposes) and non-digitally (for the cultural offer) hence the importance of hybridised income models.

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Connected to hybridity of income is the hybridity of production models where creative and cultural assets, artefacts and products hold on to their symbolic meaning but move between the digital and the non-digital. How festivals and events are becoming hybrid spaces and how platforms are being used to showcase this is a case in point. This in turn leads to the last area for hybridity which is organisational hybridity. While CCOs and the workers who make up such entities are rarely part of only one organisational type, it is important to think through what organisational structures allow for pivoting and re-purposing activities while at the same time holding on to pre-pandemic cultural offers.

While no correlation existed between size of organisation and impact by the pandemic this work showed that CCOs with between 1 and 10 employees seem to fare better than freelancers and larger CCOs — although this needs further research. This perhaps connects to the fact that creative micros and small arts and cultural organisations are not completely dependent on larger CCOs and thus have been able to manoeuvre away from that dependency — this also needs further research. This is not to say that organisations with between 1 and 10 employees are more agile, instead it might be that they are more independent and have more control of what they work on and how they work they may be more autonomous and therefore more able to choose how they transition.

In summary, hybridisation might only be one facet of multiple approaches to recovery from the pandemic but given the risk laid bare by COVID-19 it seems as though hybrid futures might be able to at least create a semblance of stability before the next great leap forward triggered by new technologies or other shocks.





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