SUMMARY OF RESULTS FROM LATEST C-19 SECTOR SURVEY

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HISTORIC ENVIRONMENT SCOTLAND | ÀRAINNEACHD EACHDRAIDHEIL ALBA

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INTRODUCTION

In June 2020 we published results of our survey into the impact of COVID 19 on the historic environment sector (Survey 1).

Survey 1 was modelled on a UK-wide sector survey by National Lottery Heritage Fund (NLHF), with a combination of closed and open questions.

Between 13 August-4 September 2020 we conducted a second follow up survey (Survey 2).

Survey 2 repeated some key questions from Survey 1 in order to revel changes in the experience of our sector.

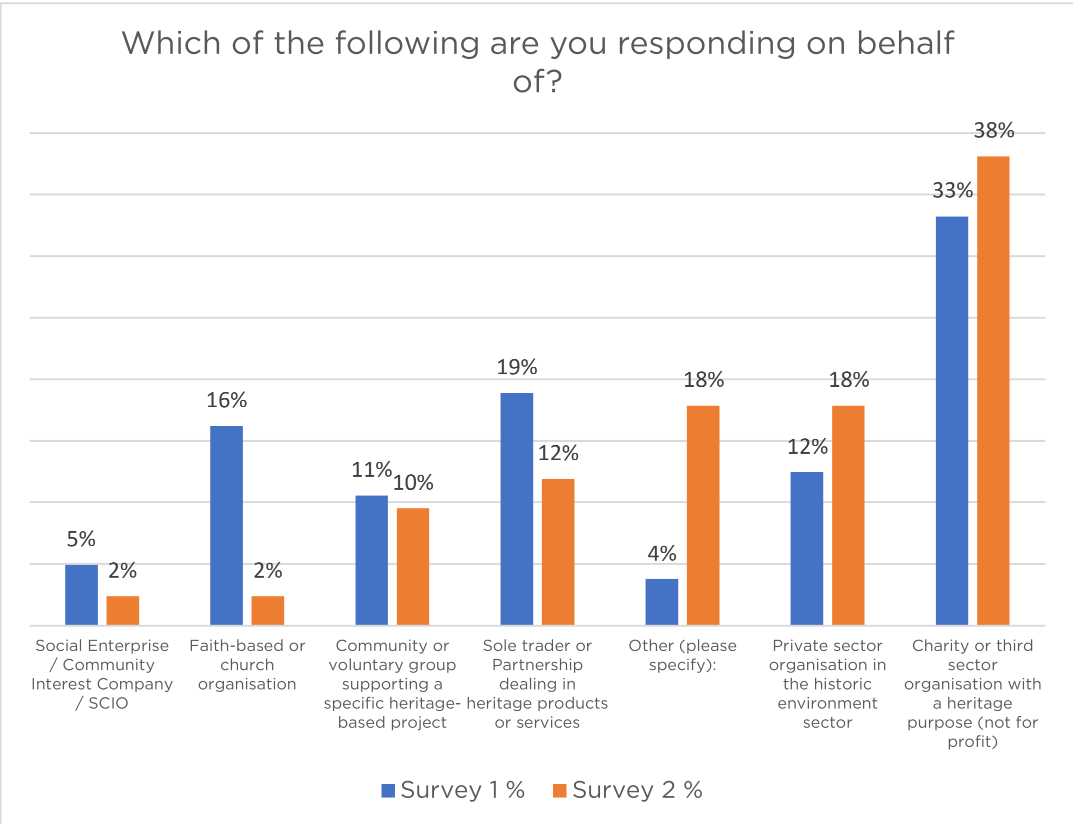
This report shares quantitative results from Survey 2, making comparison to Survey 1 results when appropriate. The report then summarises results from analysis of text-based anwers in Survey 2.

COMPARISON OF SAMPLES

Survey 1 gained 265 responses. Responses to Survey 2 came in relatively slowly. Extra promotion of the survey was conducted and the closing date extended by an additional week. As a result, we received 82 responses to Survey 2.

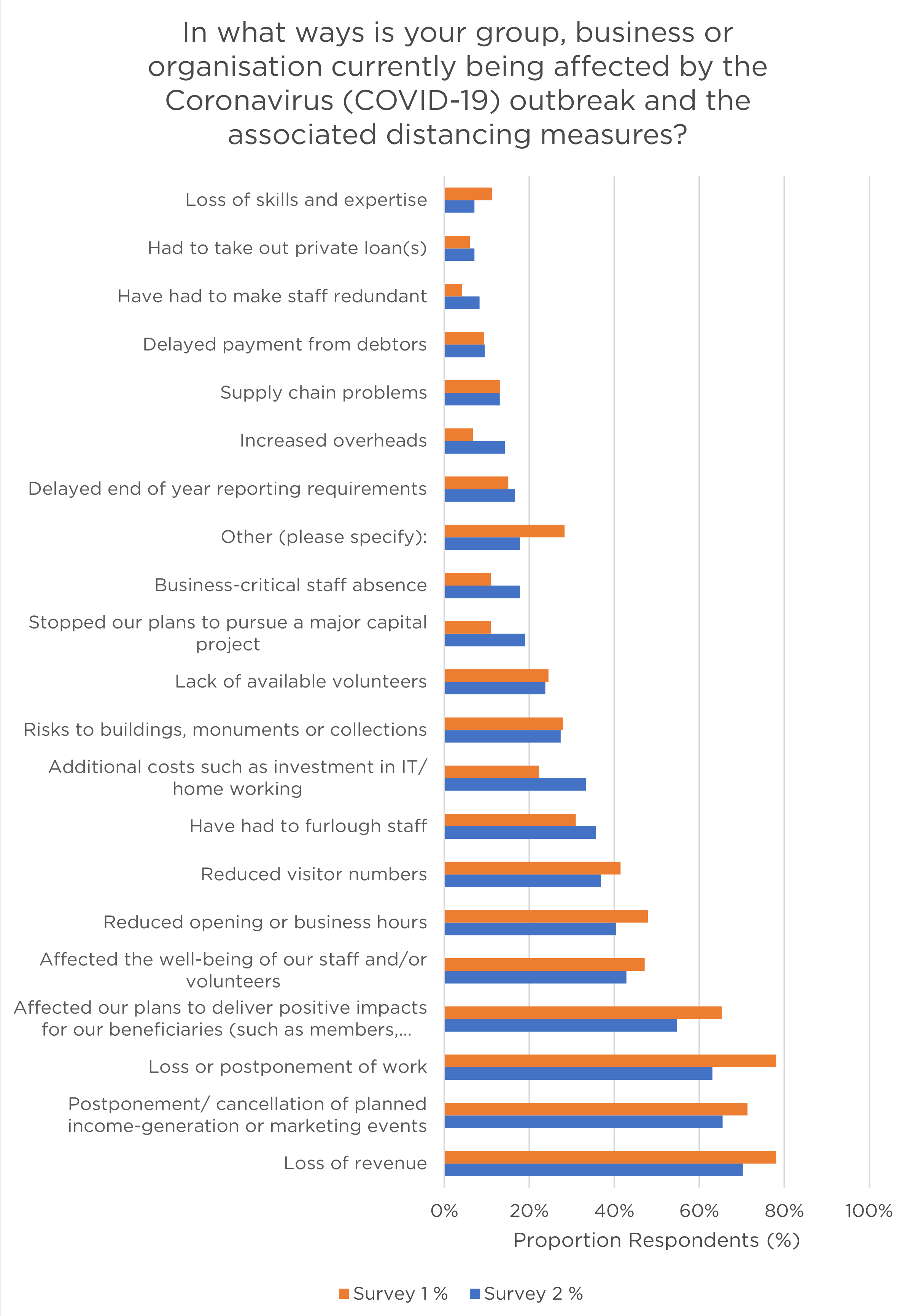
Both surveys were completed by community groups, faith-based organisations, charities, social enterprises, sole traders and private sector organisations. (see figure 1).

Figure 1: Type of Sector Respondents



EFFECTS OF COVID-19 OUTBREAK AND ASSOCIATED DISTANCING MEASURES

Figure 2: Effects



We listed the same potential effects for our sector in both surveys. The overall pattern in frequency of effects was fairly similar between Survey 1 and Survey 2 (see figure 2).

There were some notable differences. The proportion of respondents reporting staff redundancies doubled from 4% for Survey 1 to 8% in Survey 2. Also the proportion reporting increased overheads doubled from 7% to 14%.

There was a rise in the proportion of the sector reporting *business-critical staff absence* (11% to 18%); *stopped plans to pursue a major capital project* (11% to 19%); *additional costs such as investment in IT/ home working* (22% to 33%).

Survey 2 indicated the proportion of the sector experiencing some effects had dropped: *affected plans to deliver positive impacts for beneficiaries* (65% to 55%); *loss or postponement of work* (78%-63%). This could be explained by the timing of Survey 2 with the resumption of some parts of the sector.

By Survey 2 the most common effects for our sector were loss of revenue (70%), postponement/ cancellation of planned income-generation or marketing events (65%) and loss of postponement of work (63%).

UTILISATION OF ANNOUNCED MEASURES AND SCHEMES

In both surveys, we presented an extensive list of schemes and measures applicable for different types of organisation. In Survey 2 we asked respondents which they had successfully pursued (see figure 3).

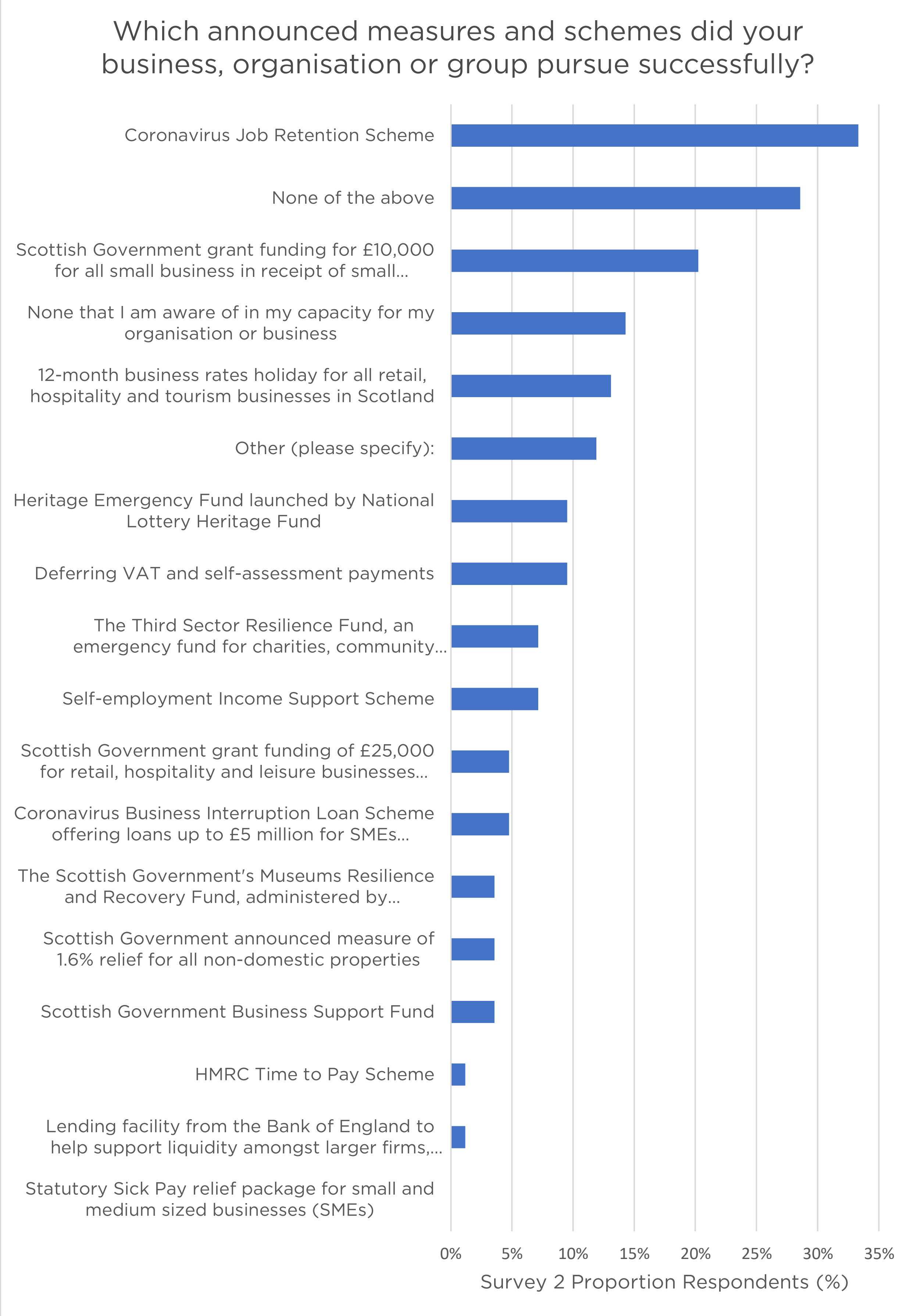
From Survey 1 we learned that 29% had applied to the Job Retention Scheme. Survey 2 showed 33% had successfully utilised the Job Retention Scheme.

Survey 2 showed 20% have benefitted from Scottish Government grant funding for £10,000 for all small businesses in receipt of small business rate relief or rural rate relief.

The proportion not pursuing any schemes or measures was almost consistent; 27% in Survey 1 and 29% in Survey 2. In Survey 1, although some of our sector reported this was due to lack of eligibility, others explained that they were managing by pausing operations or operating on reserves.

The Museums Resilience and Recovery Fund, administered by Museums Galleries Scotland (MGS), was introduced in between the two surveys. Survey 2 indicated that 4% of the sector had successfully applied.

Figure 3: Success in Measures and Schemes



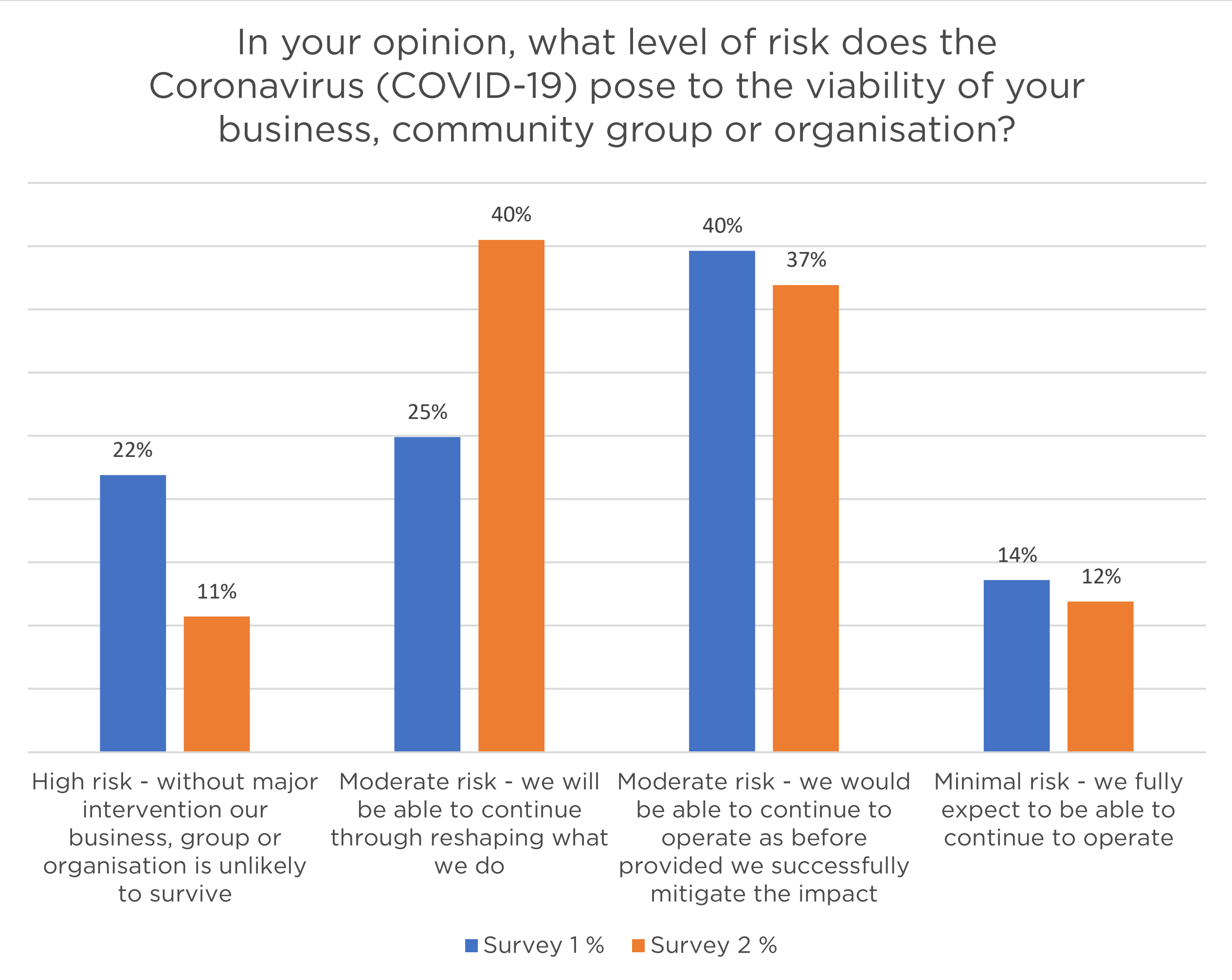
LEVEL OF RISK THE CORONAVIRUS (COVID-19) POSES TO VIABILITY

In Survey 1, 22% of our sector reported they were at high risk, in Survey 2 this had halved to 11%. This could be reflective of improvement in overall viability of our sector. Alternatively, the section of our sector at high risk in April could have since dropped out of responding to surveys, and might even have disbanded or folded in the meantime.

In Survey 1, 25% of respondents selected they were at moderate risk if they reshaped what they did. This has risen to 40% in Survey 2. This may indicate that a growing proportion of our sector understands the importance of adapting, changing and pivoting their approaches to mitigate risk.

The proportions of respondents at minimal risk was very similar (14% to 12%). At the time of Survey 1 some explained that they were pausing their operations and not incurring costs.

Figure 4: Levels of Risk



QUALITIATIVE FINDINGS

Survey 1 received many responses displaying anxiety and distress. The tone of text responses in Survey 2 was less emotive.

At the same time, challenges with operating in a context of uncertainty were expressed, including:

- Whether grant schemes for the historic environment sector would still be available going forwards.
- Much seasonal activity postponed to 2021, such as events, archaeology digs, visitor tours.
- Some visitor attractions had reopened, but several reported 10% of visitor levels compared to last August, and increased overheads to operate, including cleaning costs. Therefore, although visitor attractions were positive about reopening and building up support and morale this year, we received reports of some operating at a loss.
- Our sector has existing wider collaborative projects involving volunteer groups, charities, social enterprises and local authorities. One Landscape Partnership Scheme explained they were still understanding effects on different partners and who can practically take what forward.
- Many explained they were pausing fundraising rather than introducing; on the basis that volunteers helping fundraising efforts were not available and they believed that the general population has less disposable income.

One local authority highlighted an upcoming discussion around their own asset management:

> *Difficult strategic business decisions where historic assets may be perceived as too expensive/too difficult/not value for money and existing budgets will have to stretch further*.

Survey 2 provided further evidence that the main way all types of organisation were coping with the crisis was to reduce all types of expenditure as far as possible.

Survey 2 revealed challenges with human resourcing in our sector, including:

- Concerns from organisations with a paid workforce about implications for the end of the furlough scheme.
- Some organisations reported they had made redundancies or were considering future redundancies.
- Examples of organisations reducing working hours with staff they are currently retaining. Decisions were based upon cutting overall salary expenditure.
- Reduction in availability of volunteers due to health concerns and other commitments.

One community heritage group explained:

> *We rely on volunteers to carry out day to day care of our buildings and to organise events/fundraisers. The age profile of volunteers is predominantly 70+ and some may not be able to return to previous levels of activity. There are some positives with evidence that people missed having access and are more appreciative and keen to visit a place they've felt excluded from during lockdown. It's too early to say whether this will translate into practical support with volunteering.*

Survey 2 highlighted the strains in interdependencies within the sector and with other parts of the economy. Including:

- Procurement slowing or stopping, except for digital products and services.
- Historic assets operating as attractions and venues halting operations and the subcontracting of suppliers. Concern that by the time postponed events take place suppliers will have gone out of business.
- Not for profit entities in the middle of capital projects explained there were extra costs to resume construction works safely and some costs were being passed onto them.
- Organisations with delivery models based on contracting, rather than permanent staff, said they are not engaging services of consultants. At the same time, consultants reported complete drop off in demand.

One consultant commented:

> *For the first time in 20 years, I do not know if I will have any work when my current projects, which started pre-pandemic, finish.*

Comments in Survey 2 showed our sector was grateful for schemes, measures and goodwill:

- Respondents explained the Job Retention Scheme had greatly helped reduce expenditure on salaries, and key skills retention in the short-term. The ability to furlough staff was seen as vital during lockdown.
- Thanks were expressed to funders continuing to fund, and changing conditions of grants under restricted operating conditions.
- There were some examples shared of how landlords had helped reduce their overheads by reducing or pausing rent for premises.
- The increase of available free/affordable online training content available for staff and volunteers to upskill was seen as a positive development.

One cultural trust gave a comparison:

> *Things are better now in August then they were in March and April where we faced an existential threat. We have worked hard to secure grant funding to help and furloughed 90% of our staff. This is now down to 21% still on furlough.*

In Survey 2, we received evidence of our sector looking to the future as far as possible, and putting time into rescheduling, planning, working through risk registers, keeping up communication with funders, clients, members and partners.

Historic Environment Scotland is the lead public body established to investigate, care for and promote Scotland's historic environment.

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