



May 4, 2020

MUSIC SECTOR: POST LOCKDOWN PRIORITIES AND STIMULUS PACKAGE

PRIORITIES

The UK Music Industry has worked collaboratively and quickly to support and protect its businesses and employees from the effects of COVID-19. Through multiple hardship funding initiatives and grant funding schemes to stimulate work, such as those from Arts Council England and the PRS for Music Foundation, the industry has endeavoured to help itself by supporting individual music makers and enabling artistic endeavour to continue. However, it cannot hope to remain such a valuable asset to UK GVA or fully recover without further financial and policy support from UK Government.

It is a significant undertaking to plan for the recovery of the music industry and extremely difficult without a detailed exit strategy from Government. The following recommendations are based on the assumption that Post-Lockdown, social distancing measures are likely to continue until at least the end of 2020. For more vulnerable members of society, lockdown is likely to be extended and social distancing could remain a reality until a vaccine is found. For an industry such as live music which relies upon organised gatherings of people, this is debilitating. Once an exit strategy is published, resources will be needed to enable a detailed scoping and planning exercise to take place across the music industry.

Live performance was one of the first areas to be impacted and will be one of those last sectors to return to normality as a result of social distancing. Organised gatherings of people are likely to be prohibited for an extended period which will impact on the core architecture of venues, theatres and music festivals - and of course the performers, creators and crews whose careers rely on them to create and sustain the industry.

An ITV survey found that 40% of participants would not attend a concert until there was a COVID-19 vaccine. Ticket sales are predicted to remain low well into 2021. Events of all sizes scheduled for the autumn are being postponed or cancelled and international touring is highly unlikely to recommence until next year. The live sector is unable to compensate for low sales by increasing ticket prices and will also be honouring tickets for rescheduled events - it must, therefore, be the priority for government and industry support.

1: RESTARTING LIVE MUSIC

- **Small venues** will want to reopen as soon as possible as they are especially precarious businesses. They will need clear guidance on reopening safely under social distancing and subsidy to compensate for maintaining low audience capacities.
- **A VAT holiday on event tickets** for 18 months would act as a stimulus for the live sector, injecting a boost 20% of sales value into the supply chain to venues, promoters, agents artists, crew and managers. This could take the form of a temporary extension of existing VAT exemption on admission fees for cultural events and run from the date of the event, not the ticket sale. This also helps with the issue of lower audience numbers and affordability.



- Local authorities will need to be issued with guidance on social distancing measures at outdoor events. If pop-up gigs and busking can be unrestricted this would enable individual music makers to start performing and generating an income once lockdown ends.
- Public service broadcasters should play their part in relaying live events that take place within social distancing guidance. Broadcasting fees could partially replace ticket income.
- An extension of the statutory refund period to December 2021 or a voucher scheme for tickets is proposed.
- Continuation and tapering of the existing furlough and self-employment schemes for workers in the music industry whose work will be slow to recommence.
- Protection from eviction from commercial premises beyond July 2020.
- Extension of business rates relief.
- Having a clear ban date and instructions around when events are cancelled and when they can be rearranged to help with insurance claims.

2: RESTARTING MUSIC CREATION

- Increased investment into Arts Council England, Wales and Creative Scotland to enable them to make further funds available to creators and businesses across the arts sector (including commercial or popular music). There is a concern that funds have been diverted to crisis support when there is an equal need for regeneration subsidy.
- Clear guidance on workplaces, such as studios, that cannot work remotely reopening. Guidance on the number of people allowed in the same room under social distancing.
- There is a fear that without a financial package, the UK Music Industry will lag behind other countries as businesses tackle the lack of funds to invest and take risks.
- Support for affiliated industries such as film and TV to resume work as soon as safely possible. Many creators are reliant on commissions and licensing fees from these industries.

3: GETTING THE MUSIC ECONOMY BACK ON TRACK

- The timing of Brexit poses a significant threat to the recovery of the Music Industry and a delay in implementation would provide significant help.
- Commercial radio stations play an important role in promoting and funding performers and creators. They have been hit by a significant loss of income from advertising and will need some form of public subsidy. They play a crucial role in broadcasting music and are a vital part of the financial ecosystem of the music industry.
- British artists earn significant export earnings. The existing Music Export Growth Scheme funding from Government could be repurposed into a digital export fund to help artists continue to build audiences overseas without the ability to tour over the rest of the year. It should be independently administered, possibly through PRSF.

SOURCES

* ITV 'Back To Reality' consumer survey 2,000 adults (JI Partners/Peston) [graph](#) / [full table](#).

* [Admission charges to cultural events](#) (VAT notice) via UK Government.

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