



March 2020

## **House of Commons Treasury Select Committee**

### **Call for Evidence on Government's Coronavirus Financial Package**

UK Music is the umbrella body representing the collective interests of the UK's commercial music industry, from songwriters and composers to artists and musicians, studio producers, music managers, music publishers, major and independent record labels, music licensing companies and the live music sector.

The UK music industry is an economic and cultural powerhouse, generating £5.2 billion GVA for the UK, and employing over 190,000 people, as well as generating £2.7 billion in export revenue as of 2018.<sup>1</sup> It has shown strong growth in recent years, however the Coronavirus pandemic is having a devastating impact on many elements of the sector. Not only are many festivals, concerts and events cancelled but new data from the Musicians Union shows 90% of its members are seeing a reduction in work. A number of other UK Music members are in the process of collecting data on the crisis.<sup>2</sup> We are happy to work with our members to share their findings to the Committee for its further consideration.

This submission represents a provisional high level overview and provides some examples of where further efforts are needed. In a fast moving situation we will continue to provide the Committee with further insights as its deliberations on this existential issue continue.

- **Tailored support**

While the business rate relief announced for music venues was welcome more support is needed. An analysis of the guidance to the relief indicates many aspects of the music industry would not come under the definition of retail, leisure and hospitality.<sup>3</sup> The music industry is a sector containing many interdependent elements and it is disappointing that they are not also being compensated with business rate relief – be it the technicians and crew hired for an event, the labels and publishers, festivals or recording studios. Any business in a serviced office, co-working space or virtual office will also be missed as they do not pay rates but would still need access to the grants to small businesses being made available of between £10,000 and £25,000.

We are collating evidence from across the globe as to how other music industries are being supported by their governments at this time. For example, Denmark has brought in specific

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<sup>1</sup> [https://www.ukmusic.org/assets/general/Music\\_By\\_Numbers\\_2019\\_Report.pdf](https://www.ukmusic.org/assets/general/Music_By_Numbers_2019_Report.pdf) pg. 6

<sup>2</sup> <https://www.ukmusic.org/help-and-advice/uk-music-statement-on-coronavirus-and-the-music-industry/>

<sup>3</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/87362/2/Expanded\\_Retail\\_Discount\\_Guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/87362/2/Expanded_Retail_Discount_Guidance.pdf)

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measures for live events, including a £10.95 million grant fund for the organisers of live events. Belgium has relaxed the rules on refunds to allow events to be rescheduled and we would be happy to provide further updates to the Select Committes.

Without urgent intervention it will be harder for the sector to bounce back. Measures, including a fiscal incentive via a tax credit, should be taken forward to assist the sector with recovery. Support for these businesses is vital for the long-term health of the sector.

- **Self-employed**

The sector's health is also reliant on the people who work in it. With 72% of people working in the music industry qualifying as self-employed many are not eligible for the Government's employment package. To put the industry in a position where we can rapidly bounce back from this crisis, workers need support to remain in it. The Government should urgently look at setting up a Temporary Income Protection Fund for self-employed workers and freelancers. In order for it to be effective, the fund should be backdated to 16<sup>th</sup> March 2020 and allow immediate access to at least 80% of one's average earnings.

Many are facing an immensely difficult time and are worried about putting food on the table, paying their rent or mortgage and other bills.

- **Coronavirus Business Interruption Loan Scheme**

It is vital that unlike the 2008 financial crash the music industry is clearly eligible for the grants and loans that have been announced. Such schemes will not only provide direct lines of credit but reassure commercial banks, allowing greater liquidity in the sector. The Coronavirus Business Interruption Loan Scheme potentially provides this but we need reassurances that it is designed to work for music businesses.