



Rt Hon Oliver Dowden MP  
100 Parliament St,  
Westminster,  
London  
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13 March 2020

Dear Secretary of State,

I am writing on behalf of UK Music to express serious concerns about the impact of the coronavirus outbreak on the sector and to seek continued Government support in mitigating the damage it will cause.

UK Music is the umbrella body representing the commercial music industry, which contributes £5.2 billion to the economy, generates exports of £2.7 billion and employs over 190,000 people.

Live music alone contributes £1.1 billion to our economy in terms of Gross Value Added (GVA) and draws visitors from across the world to events ranging from Glastonbury and sell-out gigs at major venues such as London's O2 and the Manchester Arena, to the Sidmouth Folk Festival and the Aberjazz Festival in Fishguard. Music tourists to gigs and festivals generate £4.5 billion in spend.

However, the impact of the virus could deal a hammer blow to the British music industry and threaten the livelihoods of many people. It will hit not just those who are directly employed in our industry, but the wider supply chain such as caterers and other retailers who depend on our sector for work.

The Association of Independent Festivals report that ticket sales for its members are down on average by 44% since the outbreak. Grassroots music venues are already suffering a 27% downturn in attendances, according to the latest figures from the Music Venue Trust.

While we warmly welcome measures outlined by the Chancellor in the Budget, including the abolition of business rates for many grassroots music venues, quicker and easier access to benefits for the self-employed, the Small Business Grant Fund and a temporary business interruption loan scheme to support small and medium enterprises, it is imperative that the Government takes urgent steps to safeguard a music industry, which is the envy of the world.

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It is also crucial that the Department for Digital, Culture, Media and Sport and all Government departments are in constant communication with our sector as we approach a critical business period for many of our members.

In particular, we would like to see Government support in seven areas to help protect our industry in the face of the looming economic shock posed by coronavirus.

### **1. Help for the Self-Employed**

An estimated 72% of those who work in the music industry are self-employed. They already face a challenging period with the expected economic downturn. For those who contract the virus and are not covered by Statutory Sick Pay (SSP), they may not have enough money to cover rent and food bills if they are sick or required to self-isolate.

There is also a need for more clarity, help and advice for the self-employed who have simply lost work rather than being told to self-isolate. The nature of some music businesses, such as event production services, makes it impossible to work from home.

The Government must ensure these workers are given the assistance they need.

### **2. VAT holidays**

Monthly and quarterly VAT payments are a huge burden on live music businesses and the ability to delay payments would potentially provide cash flow to some companies. We welcome measures in the Budget concerning the scale up of the “Time to Pay” service but ask that further consideration is given to measures that could help small and medium enterprises in particular.

### **3. Compensation Schemes**

In response to the virus, countries are starting to introduce compensation schemes for cancellations to live events. The European Commission has recently approved a €12 million fund for Danish concerts and festivals for example. We ask the UK Government to introduce parallel measures to support our live events to ensure businesses do not go bust and that we can remain competitive on an international level.

### **4. Eligibility for Grants and Loans**

The introduction of grants and loan schemes to mitigate damage is welcome yet the experience of the 2008 global financial crisis was that certain music companies were not eligible for some of the schemes designed to support struggling businesses, particularly if the companies were already considered risky. There has been a lot of good work over the past decade, through the Creative Industries Council and similar bodies, to overcoming perceptions of creative businesses as being “risky”. We ask for guarantees that all music businesses are explicitly eligible for grants and loans. We would be happy to work with the British Business Bank to discuss this further.

### **5. Insurance**

We ask the Government to ensure they are holding insurance companies accountable and insisting they are following proper protocol by paying out on claims where legally applicable.

## **6. Refunds**

We understand that the German Government is looking into amending legislation to extend the period of time that refunds must be paid to consumers. Given the dramatic shock that the outbreak is having we would welcome similar steps being taken in the UK.

## **7. Business Rates Relief**

Exemption from business rates for venues in England with a rateable value of under £51k is a very positive step. There are however 132 grassroots music venues in the UK with Rateable values in excess of this amount, located mainly in major cities, which are the primary touring locations, as well as a number of recording studios. We seek assurances that if any music venue or recording studio with a Rateable Value above £51,000 suffers an enforced closure to manage contagion that similar relief is offered.

We also welcome the extension of business rate relief to the hospitality and leisure sector and ask for clarity that this specifically includes music festivals, promoters and agents. Many festivals do not benefit from year-round programming and income streams. There would be a crisis for festivals in the event of cancellation that in turn has a domino effect on its supply chain - production, catering, transport, staging and other infrastructure, power and security. Any positive measures that the Government is developing that can support music festivals at this difficult time need to be explicit.

In the event that to manage contagion the Government opts for closure for a period, such a decision will have an economic consequence which must be factored into this decision making. In every country that has taken this route so far, the cost has formed part of the decision-making process.

I know you will do all you can to support the UK music industry and I would ask you to give your urgent attention to these points.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'T. Kiehl'.

Tom Kiehl  
Acting CEO, UK Music