

Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
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16th December 2021

Dear Chancellor,

I am writing to alert you to the devastating impact the growth of the Omicron variant is having on the UK music industry and to ask for urgent targeted financial support for our sector.

High rates of isolation amongst staff and musicians means many events have already cancelled. Even where events can go ahead, the advice from Government about reducing social contact means audiences are not showing up, seeking refunds, or no longer buying advance tickets.

At the Government press conference on 15 December, the Prime Minister stated “we're not cancelling events, we're not closing hospitality, we're not cancelling parties or people's ability to mix.” However, at the same press conference the Government's Chief Medical Officer Professor Chris Whitty said “I really think people should be prioritising those things and only those things that really matter to them.” This was supported by comments from the Medical Director for Primary Care at NHS England Dr Nikki Kanini, who said: “my advice would be if you're going to go to a stadium this weekend, make it one where you can get your vaccine or help to give out a vaccine rather than going to watch a match.”

While the Government is not formally cancelling events the nature of the messaging is appearing to advise people not to attend them. This messaging is clearly harming audience confidence at live music events and is tantamount to a lockdown in all but name for our sector, yet without any of the necessary financial support being made available to see us through this latest crisis.

Live music industry body LIVE report a no-show rate of 27% at events in recent days. We are also informed by the Association of British Orchestras (ABO) that customers are seeking refunds, meaning orchestras that are forced to cancel concerts are stuck with all the costs but zero income. The Music Venue Trust (MVT) reports an average gross income decrease across venues of 27% between 6 December and 13 December 2021. They also found 70% of grass-root music venues had to cancel at least one event in past week, due to a member of the touring party testing positive for COVID-19, private hire bookings cancelled by the organiser, or poor sales performance. Beyond live events, recording studios are also receiving increased cancellations due to artists and clients needing to isolate, which results in loss of income for engineers, producers and studios.

The pandemic has had a devastating impact on many aspects of the music industry. Pre-pandemic the sector was worth £5.8 billion to the UK economy, yet our latest report *This Is Music* revealed GVA fell by 46% to £3.1 billion in 2020. Employment in the sector also plunged by 35% to 128,000 last year with exports falling by 23%. For an industry that had seen consistent year-on-year growth up until this point, this has been devastating at a time when have been desperate to recover and rebuild.

Public health concerns and the safety of music workers and consumers are always paramount to the music industry. This is why our sector has spent the past 22 months adjusting to the

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threat of COVID-19 and ensuring our operational and working practices are as safe as possible to mitigate against the challenge of this highly transmissible virus. Through initiatives like the Events Research Programme, we have collaboratively worked with the Government to achieve the successful reopening of live events in 2021 and instill confidence in audiences as part of our post-pandemic recovery. The mitigations we have established as an industry mean that forced closure should not be necessary, as we have established protocols that enable us to operate safely.

However, the growth of the Omicron variant and the Government's messaging about live events are reminiscent of March 2020 and the early days of the pandemic, and present the greatest threat to our recovery. We once again find ourselves in a no man's land where Government advice means we cannot operate viably, yet we have no recourse to support. We therefore call on the Government to provide targeted economic support to the impacted parts of the music industry. This can be achieved in a number of ways, including:

1. Reintroduction of the 5% emergency VAT rate for live events and scrapping of the planned VAT hike to 20% in April 2022.
2. Financial assistance for freelance musicians, artists and crew who make up around 70% of our workforce and will now no longer be able to work. This should use the model established by SEISS, whilst also tackling the gaps in eligibility by that scheme. A furlough scheme for those impacted and in full-time employment, such as orchestra players, should also be adopted.
3. Urgent short-term support to businesses to survive winter, including an extension of the Culture Recovery Fund to support organisations in January and February and short-term assistance should be offered to those organisations that may not benefit from VAT or business rate relief
4. Maintain existing business rates exemptions and delay repayments.
5. Ensure the Government's Live Events Reinsurance Scheme covers the situation arising from Omicron and COVID-19 related cancellations in the form we are seeing now.

Since the start of this pandemic, you have shown commendable leadership in doing whatever it takes to support the economy and protect jobs. We are hugely grateful for the billions of pounds you spent supporting the cultural sector over the course of the pandemic – but without further support to get us through this winter there is a real risk that this investment will be wasted, with businesses collapsing and further job losses.

The UK music industry is a key national asset that plays an integral role in our country's economic, cultural and social life. It is vital that we have the financial support that we need to survive this winter, so we can ultimately return to play a positive role in our nation's recovery from this awful pandemic.

Yours sincerely,



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