



LET THE MUSIC PLAY:
SAVE OUR SUMMER

JANUARY 2021



Queen Zee at Download 2019 | Georgia Penny ©



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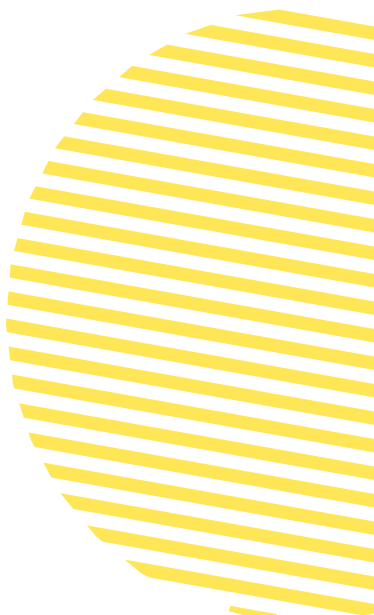
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UK Music is the umbrella body representing the collective interests of the UK's music industry, from songwriters and composers to artists and musicians, studio producers, professional recording studios, music managers, music publishers, major and independent record labels, music licensing companies and the live music sector. UK Music exists to represent the UK's music sector, to drive economic growth and promote the benefits of music to British society



foreword

Chief Executive | **Jamie Njoku-Goodwin**



Live music is the beating heart of the UK music industry. It generates billions of pounds for the economy every year, supports thousands of jobs across the country, and draws millions of music tourists to all four corners of the UK.

In addition to the economic impact, it also has huge social and cultural benefits. The UK's vibrant live music scene has given us a global reputation, and the music industry as a whole was set to be one of the British success stories of the 2020s.

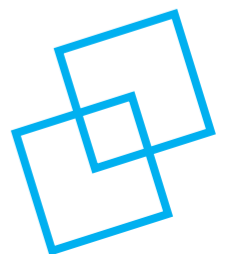
COVID-19 has put much of that at risk. The pandemic has had a devastating impact across our industry, and live music has been one of the biggest casualties. However, as we argue in this report, the devastation caused by COVID-19 does not have to be permanent. We were a growing and thriving industry before the pandemic hit, and with the right support we can be that successful and self-reliant industry again.

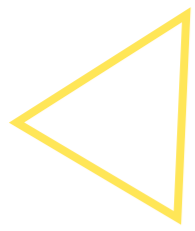
In this report, UK Music highlights the vital role live music plays in our communities and lays out the stark challenges it has faced over the course of the pandemic. We argue that the music industry will have a key role to play in the post-pandemic economic and cultural recovery, and

therefore it is in the national interest for the sector to be supported and helped back to normal. To that end, we put forward a clear plan for recovery: what we need to do to get the live music sector back up on its feet again in 2021.

Before the vaccine is fully rolled out, there will remain a public health risk. Therefore, one of our main tasks as an industry has been to do everything we can to reduce the risk of transmission in our environments and make event spaces as safe as they can possibly be. We are working with government to develop guidance for how to hold events safely, and engaging with testing pilots to make sure infections are not brought into live music events. We are looking at new ventilation and air purification systems that would dramatically reduce the risk of transmission. And we are proposing an enhancement to Hands, Face, Space, which puts responsibility for making environments safe onto venues rather than individuals.

This work is not just important for tackling the risks from COVID-19 – it is a blueprint for how the live events sector can operate safely and viably through future epidemics too. In our increasingly globalised world, we





cannot assume that pandemics are a once-in-a-century phenomenon. We don't know when the next pandemic will strike, but as an industry we are determined to be ready for it when it does, and be one of the safest environments for social contact.

Getting our sector back on its feet is not just about mitigating the public health risk. COVID-19 has had devastating economic consequences too, with huge ramifications on cost, confidence and certainty. An indicative date for restart and a government insurance scheme are vital – without them, many major festivals will not have the confidence or the preparation time to go ahead this year. Policies like the business rates relief and the VAT rate reduction on tickets have been very welcome this year, and should be extended for their full benefit to be realised. And if we are not allowed to operate viably as sector, then there will be no option for Government but to extend the Cultural Recovery Fund and continue the various support schemes like furlough and SEISS.

While this pandemic is still raging and causing devastation to lives and livelihoods today, the rollout of the vaccine means there is light at the end of the tunnel. Ministers

speak openly about the prospect of returning to normal by the spring, and the combination of vaccines and rapid testing gives hope that we will be in a position to hold large-scale events by the middle of this year.

Summer might seem a long way off, especially when we are in the midst of a second wave of Covid-19. But we operate to long lead times as a sector and now is when the key decisions about the summer music season are being taken.

When the time for recovery comes, the music industry can play a key role in the post-pandemic economic and cultural revival. But if the right support and reassurance is not put in place for event organisers, artists and venues now, then there is a serious risk that much of the summer live music season will be cancelled.

Countries like Germany and Austria have taken action to protect their events industries and ensure they are ready to help drive their recoveries – it's vital that the UK does the same and is not left behind. This report makes the case for action from Government now, and sets out a blueprint for how we can Save Our Summer.



executive summary

Importance of live music

Live music is a vital part of the UK's £5.8 billion music industry – music tourism alone contributed £4.7 billion to the UK economy in 2019.¹ According to UK Music's Music By Numbers 2020² report live music contributed £1.3 billion directly to the economy in 2019. The economic benefits of live music are spread across the whole of the UK and they are vital to supporting local economies and regional growth. Live music attendance grew in 2019 and given jobs in the cultural and creative industries will be particularly resilient to automation, the long-term employment prospects for the sector before COVID-19 hit looked bright. The UK live music scene also brings significant social and health and wellbeing benefits and generates huge soft power advantages. UK live music should be promoted and championed by Government in normal times, and protected and supported during this pandemic.

Impact of COVID-19 and challenges faced by live music events

Pandemic restrictions have significantly impacted the live music sector. Bans on mass events and the national lockdown meant that the 2020 festival season was wiped out. This has resulted in a 90.2% drop in revenue for festivals in 2020, with potentially 50% redundancies in the workforce by the end of the year.³ Grassroots Music Venues (GMVs) have seen a 75.2% fall in income with redundancies of 60.4% of the workforce being looked at.⁴ The impact has been felt across the industry – up to 80% of music creators' income will have been lost in 2020 and three quarters of musicians may leave the sector. The prospects of holding live events in 2021 are extremely unclear. Social distancing, capacity limits, and restrictions under the tiered systems all mean that it is an immense challenge to hold events in an economically viable way. There is no certainty about when restrictions might end and so there is little confidence to plan and organise major events. COVID-19 has created

an existential crisis for the live sector and UK music festivals – the 2020 season was wiped out, and there is a real threat that the vast majority of the 2021 season will not happen either.

Recovery – how to get the sector back on its feet

The best way to support and protect the live music sector is to get it back on its feet and enable it to start generating income again. The focus must therefore be on how we get live performances happening again at capacity. This means we must first demonstrate that we can effectively manage the health risk by taking necessary measures to reduce the risk of transmission at live music events, and secondly find a way to operate in the current landscape in a way that is financially viable.

Until a vaccine is fully rolled out, measures must be taken to manage the public health risk. The music industry has therefore been looking at all options to reduce the risk of transmission:

- We are working closely with government to develop guidance and clear protocols to enable live

¹ <https://www.ukmusic.org/research/music-by-numbers-2020>

² <https://www.ukmusic.org/research/music-by-numbers-2020>

³ AIF figures <https://committees.parliament.uk/writtenevidence/6583/html/>

⁴ https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT_UK-Live-Music-at-a-Cliff-Edge.pdf p. 6

music events to return safely, and will continue this collaboration as a priority.

- UK Music is committed to engaging with the Moonshot programme and using rapid testing to eventually bring back full capacity events. This requires proof of concept, conducting testing pilots with social distancing, then gradually building up to full capacity.
- We are looking at and piloting improved ventilation and other pathogen reduction systems. There are a number of ventilation and air purification systems on the market that reduce the risk of transmission in inside spaces, but unless they are recognised or validated by Government then there is no incentive for industry to invest in them.
- For indoor events, the industry is also proposing an enhancement to the Hands, Face, Space approach: Test, Clean, Prevent, which switches the management of the risk of COVID-19 from individuals onto venues which already have the expertise.

As an industry, we are working

on multiple options to manage the public health risk. However, there is no clear mechanism for validating these various approaches with Government. We therefore recommend establishing a taskforce that can advise, evaluate and validate the various innovations we are looking at implementing. This has been very effective for the sports sector, with the Sports Technology and Innovation Group. We recommend Government does the same for the live performing arts sector.

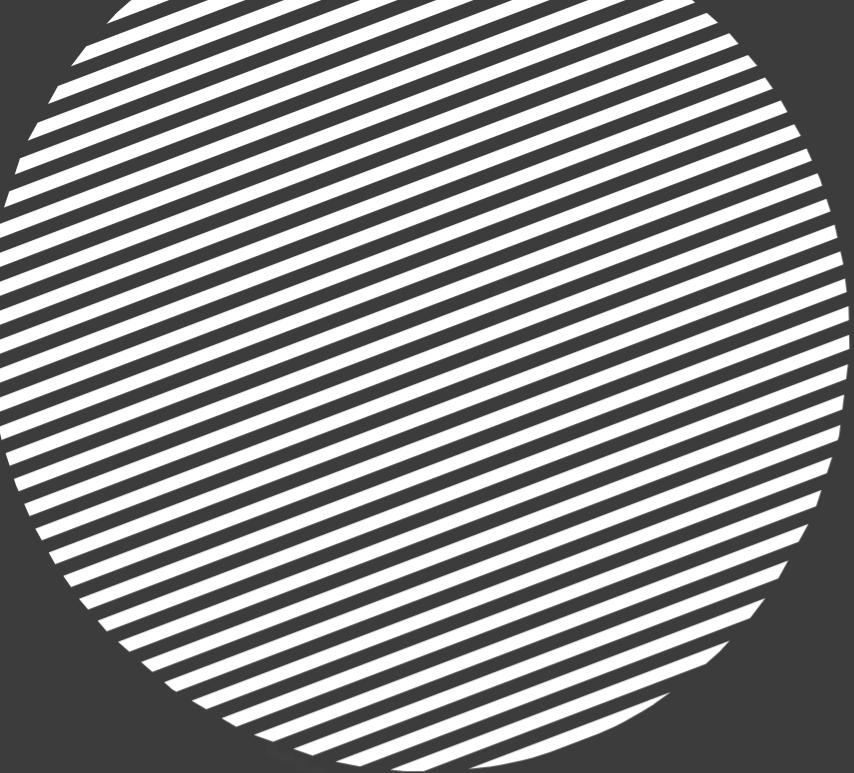
We are confident that through partnership with Government and the private sector we can effectively manage the public health risks at festivals and live music events and make them safe places to be. However, there will remain significant challenges for the industry as it seeks to get itself up onto its own feet. To support the live sector, UK Music has a set of key asks of Government:

- **An indicative date for full capacity restart.**
- **A Government-backed reinsurance scheme.**

- **Targeted financial support.**
- **Extension to the VAT rate reduction on tickets.**
- **Rollover of the paid 2020 Local Authority license fees**
- **Extension to business rates relief.**

Conclusion

Live music plays a key role in the social, economic and cultural life of the UK. The sector has faced unprecedented challenges during the pandemic, but there is a route for live music to return to delivering the huge benefits for our country that it has consistently generated in the past. The music industry is committed to working with Government and the private sector to get the live sector back up on its feet – by taking necessary measures to reduce the risk of transmission, and securing the right support from Government to enable festivals to return in an economically viable way. With the right support, live music and the wider music industry can be at the forefront of the post-pandemic economic and cultural revival.



Fumi Kaneko as Princess Aurora in The Sleeping Beauty 2019 | The Royal Ballet, ROH - Helen Maybanks ©



importance of live music

Live music plays a vital role in the UK's £5.8 billion music industry – music tourism alone generated £4.7 billion in spending for the UK economy in 2019 and live performance forms an important part of the wider music ecosystem. Artists and musicians use live music to engage fans, build their fan base and make commercial sales. They also provide significant employment opportunities to skilled technical staff such as sound and lighting engineers. A gig, arena or festival performance will engage managers, promoters, marketers, and organisers, circulating employment opportunities and revenue throughout the supply chain. It also will generate royalties down the line, providing a source of income to creators including composers and publishers. This revenue is significant for all creators, whether those on stage or the ones who wrote or co-wrote the music, particularly as generated by licensing. This activity then generates revenue for the Government through direct and indirect forms of taxation. Label A&R, the part of record companies who scout and source new and emerging artists to sign record

deals with them, will often discover unsigned talent at live events such as festivals or open mic nights.

UK Music's recently released Music By Numbers 2020 report demonstrates the economic value of the UK music industry, and specifically the strength of our live music sector when operating at full capacity pre-pandemic. In 2019 alone, music added £5.8 billion GVA to the UK's economy (up 11% from 2018), employed almost 200,000 people (up 3%) and generated £2.9 billion in export revenue (up 9%).⁵ The GVA growth figure is more than triple the GVA growth across the UK economy in 2019 (3.3%) – showing that the music industry has the potential to be a key growth industry for our country in the 2020s.⁶ According to UK Music's Music By Numbers 2020⁷ report live music contributed £1.3 billion directly to the economy in 2019.

The report also revealed that live music attendance showed a strong increase in 2019, up by 11.1% to 12.6 million in 2019, from 11.2 million in 2018.⁸ In total these visitors were worth £4.7 billion to the UK economy, and supported 45,633 jobs. Within the sector festivals saw

a 6% increase in attendees with 5.2 million people in 2019, up from 4.9 million in 2018. Revenues will vary from one event to another, but typically festivals with an attendance of 80-100,000 can generate in the region of £8-12 million per day, or around £25-30 million per event per weekend in revenue*.⁹

The rapid growth rate of the creative industries has been a consistent trend in recent years.¹⁰ The UK music industry employs comparatively more people than other sectors which are perceived as strategically important, for example fishing and steel-making: 200,000 employees vs. 12,000 and 32,000, respectively.¹¹ Furthermore, as the Royal Society of Arts has noted, jobs in the cultural and creative industries will be particularly resilient to automation – meaning that the long-term employment prospects for the industry look bright.¹² The music industry is a vibrant and dynamic sector with hugely positive long-term prospects – so strategic support would not just benefit the music industry as it looks to recover from COVID-19, it would also benefit the wider economy.

⁵ <https://www.ukmusic.org/research/music-by-numbers-2020>

⁶ <https://www.ons.gov.uk/economy/grossvalueaddedgva/timeseries/abml/pn2>

⁷ <https://www.ukmusic.org/research/music-by-numbers-2020/>

⁸ https://www.ukmusic.org/assets/general/Music_By_Numbers_2020_Report.pdf

⁹ * revenues includes ticket price and onsite spend, this does not include spend offsite. UK Music estimates 2020.

¹⁰ <https://www.sounddiplomacy.com/our-insights/music-tourism-white-paper>

<https://www.creativeindustriesfederation.com/publications/growing-uks-creative-industries>

¹¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/920679/UK_Sea_Fisheries_Statistics_2019_-_access_checked-002.pdf
<http://researchbriefings.files.parliament.uk/documents/CBP-7317/CBP-7317.pdf>

¹² <https://www.thersa.org/reports/work-automation-covid>

importance of live music

a 110,000 capacity festival can be worth over £27 million to a local area

As well as contributing to national economic growth, live music also plays a key role in supporting local economies too.

Festivals and music venues are intrinsically linked to supply chain businesses in their local areas including technical freelancers, catering providers and service suppliers (for example security). According to the Association of Independent Festivals (AIF) a 5,000 capacity festival is worth £1.1 million to the local area, while a 110,000 capacity festival can be worth over £27 million.¹³ Glastonbury generates over £100 million into the economy of South West England each time it takes place and music festivals as a whole employ over 85,000 people directly.¹⁴

Analysis has showed that for every £10 spent on a ticket for a live music event, £17 goes back into the local economy, driving business for local transport, hospitality outlets and retailers.¹⁵ One Ed Sheeran gig in 2019 was worth £9 million to the local economy of Ipswich.¹⁶

Given this synergy, implementing a plan for the swift and safe return of live music would not only boost

a strategically vital sector, but also mobilise a whole range of economic activity.

The role that live music could play in reopening the UK post-COVID-19 is emphasised by the broad geographical spread of the sector. Venues and festivals of varying scales such as the Manchester Arena in the North West, Sneaky Pete's in Scotland and Glastonbury in the South West are pillars of our culturally rich live music scene and showcase an incredible variety of musical genres.

Our Music By Numbers report highlights the rapid growth of music tourism outside of London – for instance, the West Midlands saw an increase of 19% in music tourists from 2018.¹⁷ The table on the next page highlights the importance of live music to each region and nation of the UK.¹⁸

¹³ Updated Optimy figures, AIF DCMS Select Committee Submission on Future of Festivals

¹⁴ <http://kilimanjarolive.co.uk/news/let-the-music-play/>

¹⁵ <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/digital-culture-media-and-sport-committee/live-music/oral/91709.pdf> p.22

¹⁶ <https://www.ipswichstar.co.uk/news/ed-sheeran-ipswich-concerts-economic-impact-2883010>

¹⁷ <https://www.ukmusic.org/research/music-by-numbers-2020> p. 26

¹⁸ <https://www.ukmusic.org/research/music-by-numbers-2020>



Nation/Region	Number of music Tourists	Music Tourist Spend	Jobs Supported
East Midlands	516,000	£208 million	2,106
East of England	596,000	£212 million	2,545
London	4.1 million	£1.5 billion	10,697
South East	1 million	£553 million	5,371
South West	1 million	£528 million	6,402
North East	242,000	£60 million	662
North West	1.5 million	£477 million	4,976
Northern Ireland	234,000	£81 million	901
Scotland	1.3 million	£453 million	4,757
Wales	440,000	£143 million	1,843
West Midlands	877,000	£252 million	2,453
Yorkshire and the Humber	754,000	£264 million	2,918

UK Music, Music By Numbers 2020

for every £10 spent on a ticket for a live music event, £17 goes back into the local economy

importance of live music

In cultural terms music has an invaluable place in our society, providing an immense source of support for people in what has been an exceptionally trying year.

The UK has a passion for music that supports its world class commercial music sector. UK acts made up 5 of the biggest 20 global stadium tours in 2019, the UK has the busiest music venue in the world in the O2 and in Glastonbury has the largest greenfield festival in the world.¹⁹

The UK has been placed second in the world for soft power. This role has been supported by its iconic music scene, which shows an idea of the UK and its values to the world that has proven to be enduringly popular.²⁰ The live sector and touring in particular has been a significant contributor to the soft power of the United Kingdom. It directly encourages people to visit the UK enjoy our culture and spend money while here.

The global importance of the UK music industry and our live sector was underscored by the worldwide response to UK Music's Let the Music Play campaign, with globally renowned artists including Cher

endorsing the UK live scene.²¹

However, the value of music goes far beyond all the pound signs and the piles of economic data. Music has a huge impact on our health and wellbeing.

A study published in 2017 in the American Journal of Hospice and Palliative Medicine revealed 96% of patients in a controlled study had positive responses to music therapy.²² Mental health charity MIND has also advocated research that revealed the levels of dopamine were up 9% when participant volunteers listened to music.²³

Music experiences can be supported through social prescribing with live music providing a key role here. Patients with long-term conditions who have been treated in this way report to feel less isolated, attend 47% fewer hospital appointments and made 38% fewer visits to A&E.²⁴

Based on arts participation rates in England, the Government estimates that the total annual NHS cost savings due to reductions in GP visits is £168.8 million.²⁵

Live music attendance can have a profound impact on the health

and wellbeing of audiences and its absence in 2020 is felt by those who are responsive to such treatments.

Live music makes an enormous economic, social and cultural contribution and is key to our country's future. UK live music should be promoted and championed by Government in normal times and protected and supported during this pandemic.

¹⁹ <https://www.pollstar.com/article/the-year-end-top-tours-pop-tops-record-breaking-year-143014>
<https://www.bbc.co.uk/news/world-44697302>

²⁰ <https://softpower30.com/>

²¹ <https://www.ukmusic.org/policy/let-the-music-play/>

²² <https://www.medpagetoday.com/resource-centers/pain-management/music-therapy-improves-symptoms-and-behaviors-palliative-care-patients/1852>

²³ <https://www.bbc.co.uk/news/health-12135590>


²⁴ <https://www.gov.uk/government/news/social-prescribing-new-national-academy-set-up>

²⁵ <https://publications.parliament.uk/pa/cm201719/cmselect/cmcumeds/734/73407.htm#footnote-122>



Dele Sosimi performing at Jazz Cafe | Justin de Souza ©

impact of COVID-19 and challenges faced by live music events



The decision on 16 March 2020 to withdraw emergency worker support from mass gatherings and introduce social distancing restrictions to control the COVID-19 pandemic across England made it illegal to put on live music events, be it outdoor festivals or indoor concerts.

In May the Government placed live music and related events at step 3 in its COVID-19 recovery plan for England, postponing the possibility of any relaxations until at least 4 July and effectively cancelling what was left of the traditional summer festival season for 2020 in the process.

On 25 June the Culture Secretary Oliver Dowden introduced a five-stage roadmap to return to live performances in England. A route back to live performances was of course welcome, but without solid dates attached to it there was no certainty for the sector.²⁶ For a sector that depends on long-term planning and lead in times the absence of set dates is an impediment to putting on events.

It is only at Stage 5 (performances allowed outdoors with fuller audiences indoors) of the roadmap when it may be possible to put on

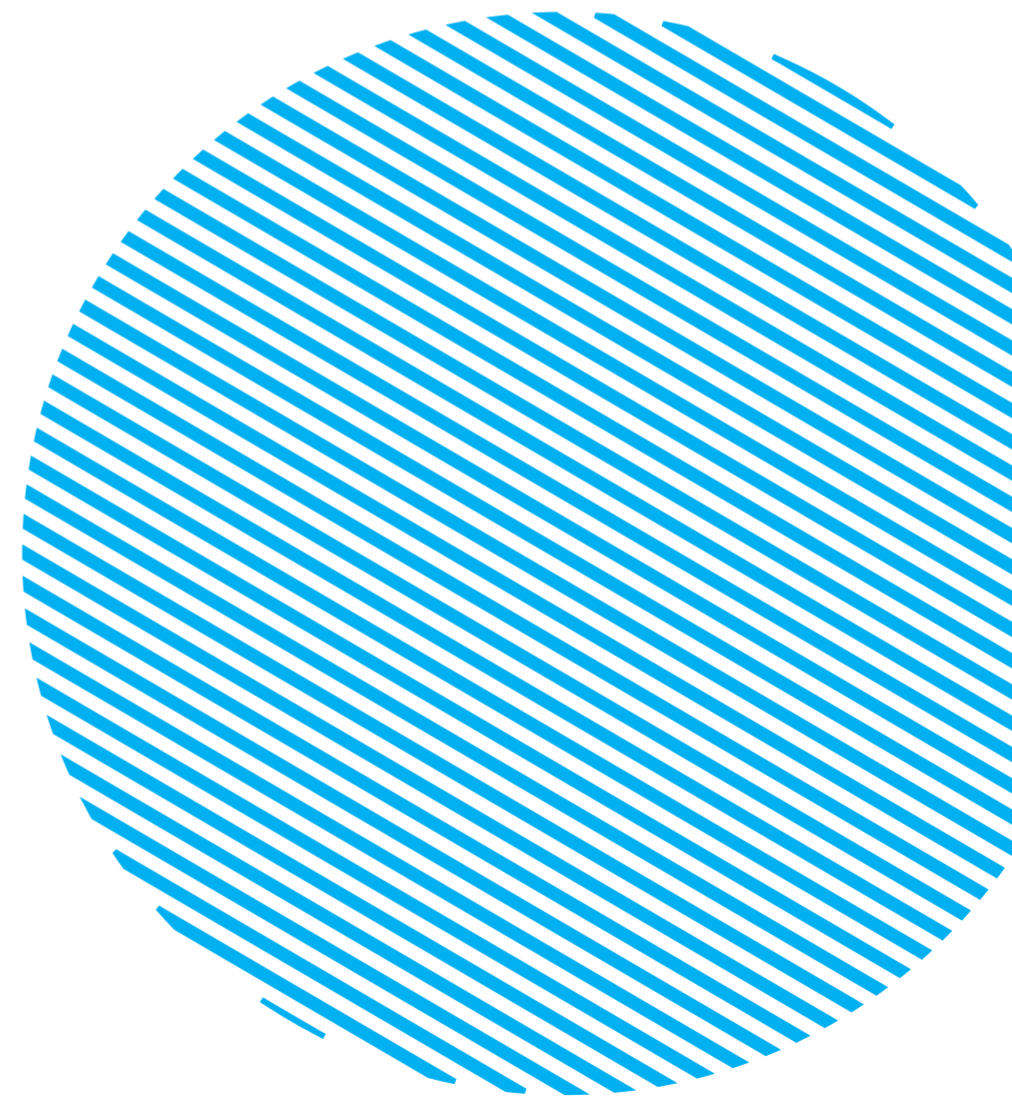
economically viable events but this Stage has yet to be met. Pilots of concerts with social distancing have demonstrated that it is not financially viable for the vast majority of venues to put on shows with profits not exceeding operating costs.²⁷

The fact that it has been near impossible for any financially viable music events to take place in 2020 is also in part due to the second wave of the pandemic which called for renewed restrictions due to a rise in transmissions. This includes the introduction on 14 September of the “rule of six” restricting the number of people gathering, followed on 24 September by the 10pm curfew limiting the time venues could be open.

On 14 October a new three-tier system was introduced to manage regional and local disparities in infection rates before a second month-long lockdown was introduced in early November in England.

The Tiers system, which was strengthened following the November lockdown, presents further challenges for putting on live events. Even at the lower risk

Tier 1 there are restrictive capacity limits for indoor and outdoor events. At Tier 2 people are not allowed to socialise indoors outside of their household or bubble, disincentivising the attraction of live events. The “substantial meal” condition in connection to consumption alcohol also initially raised concern but this has subsequently been resolved. Under the highest tier, Tier 3, all indoor entertainment must close with large outdoor events also suffering a similar fate.



²⁶ Unless there are local restrictions outdoor performances with social distancing were allowed from 11 July yet stage 4 of the roadmap (performances allowed indoors and outdoors but with a limited distanced outdoors audience) was delayed until 15 August.

²⁷ <https://www.itv.com/news/london/2020-07-29/the-clapham-grand-pilot-concert-does-not-provide-blueprint-for-the-live-music-industry>

In Northern Ireland, Scotland and Wales, a similar process has played out with periodic national lockdowns alternating with graded restrictions, (Alert Levels in Wales, Local Protection Levels in Scotland, though Northern Ireland has operated as a unit). These restrictions are continually being revised in response to the changing situation, however they all have placed severe restrictions on the performance of live music, where it has been allowed at all, making most music performances uneconomical.²⁸

The following statistics further underline the existential crisis that COVID-19 restrictions have placed on live music, festivals and the associated ecosystem:

- UK Music's Music By Numbers 2020 report concluded that up to 85% of live revenue will be lost in 2020, revenues have been close to zero since March. According to a UK Music survey, 65% of music creators' income will be lost in 2020, rising to over 80% for those most dependent on live performance and recording studio work.²⁹

- Festivals have faced severe problems as a result of the COVID-19 pandemic with the closure of their main window of operation from March to September. Over 90% of music festivals scheduled for 2020 have had to be cancelled, with an average non-refundable cost of £375,000 and are forecasting 50% redundancies in the workforce by the end of 2020.³⁰

- The Music Venue Trust state that COVID-19 restrictions have slashed capacities by 75% at Grassroots Music Venues (GMVs), cutting trading hours by 50 to 75%, limited both performances and performers, and introduced significant additional costs on venues to present live events under severely limited conditions.³¹

- GMVs have seen a 75.1% revenue drop and are anticipating over 60% redundancies among staff.³²

- Under existing the existing Tier system in England Grassroots Music Venues are operating at

24% capacity in Tier 1 and 12% capacity in Tier 2.³³

- The Cliff Edge report found that 76% of live music employees were supported by the Coronavirus Job Retention Scheme as of 31 August 2020. Technical supply companies have seen revenue drop by 95%.³⁴

- According to a survey by the Musicians' Union, 70% of musicians are undertaking less than a quarter of their usual work and 71% are either actively considering leaving the sector or are unsure of whether they will continue.³⁵



²⁸ <https://gov.wales/sites/default/files/publications/2020-12/coronavirus-control-plan-alert-levels-in-wales.pdf>
<https://www.gov.scot/publications/coronavirus-covid-19-protection-levels/> | <https://www.health-ni.gov.uk/coronavirus>

²⁹ <https://www.ukmusic.org/research/music-by-numbers-2020>

³⁰ AIF figures <https://committees.parliament.uk/writtenevidence/6583/html/>

³¹ <http://musicvenuetrust.com/2020/09/venues-are-viable/>

³² https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT_UK-Live-Music-at-a-Cliff-Edge.pdf

³³ Music Venue Trust 2020

³⁴ https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT_UK-Live-Music-at-a-Cliff-Edge.pdf

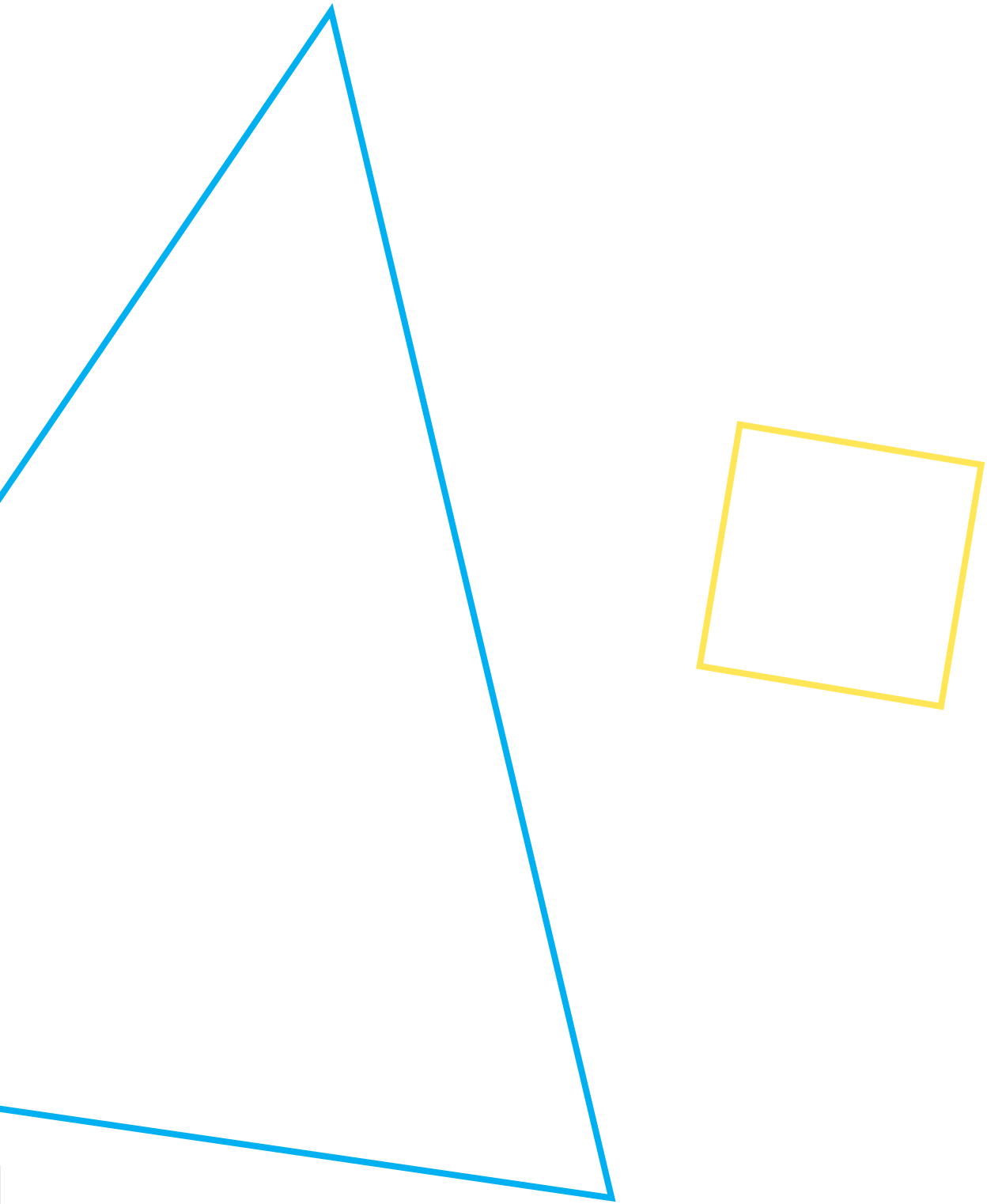
³⁵ <https://www.musiciansunion.org.uk/Home/Advice/COVID/take-action-pandemic>



Duke Dumont at Creamfields UK 2019 | Anthony Mooney ©

recovery

How to get the Sector Back on its Feet



The Government has stated that the best way to support the sector, mitigate this damage and support recovery is for live musical performances to resume.³⁶ The longer the sector is closed, the greater the economic damage and the risk of a talent exodus from the industry. The focus must therefore be on how we can get live performance up and running again.

There are two risks that need to be mitigated for this to happen: the public health risk from COVID-19 and the economic jeopardy of the restrictions in place - this is both the short-term economics of putting on COVID-19-compliant gigs and the long-term challenges of ensuring a benign environment for businesses to reopen successfully allowing live music events to resume their vital role in the UK economy.

The task for the music industry is therefore to first demonstrate that we can effectively manage the health risk by taking necessary measures to reduce the risk of transmission at live music events, and secondly to find a way to operate in the current landscape in a way that is financially viable.

³⁶ Q 109 <https://committees.parliament.uk/oralevidence/1049/pdf/>

recovery

How to get the Sector Back on its Feet | Managing Health Risks

Until a vaccine is fully rolled out, measures must be taken to manage the public health risk. The music industry has therefore been looking at all options to reduce the risk of transmission. Our ongoing work on mitigating the risk of COVID-19 in music spaces rests on three pillars:

A. Guidance.

We are working closely with Government to develop guidance and clear protocols to enable live music events to return safely, and will continue this collaboration as a priority.

B. Testing.

We are committed to engaging with the Moonshot programme and using rapid testing to eventually bring back full capacity crowds. This requires proof of concept, conducting testing pilots with social distancing, then gradually building up to full capacity.

C. Ventilation & pathogen reduction systems.

We are looking at improved ventilation and other pathogen reduction systems. There are a number of ventilation systems on the market that reduce the

on the market that reduce the risk of transmission by improving airflows, but unless they are recognised or validated by Government then there is no incentive for industry to invest in them.

Guidance

The four nations of the United Kingdom each have their own rules and restrictions covering live performances and festivals and these are regularly updated with regional variations. The current restrictions are defined by the Hands, Face, Space (HFS) approach. This requires regular handwashing, wearing of face coverings and maintaining a two metre distance from non-household members.

Engagement with Ministers and Officials through roundtables and workshops has produced useful work on guidance to comply with this. For example, this has included updating the Purple Guide, and developing guidance from all four UK Governments on restarting performing arts to help festivals and other live music events to establish high level planning considerations which must be put in place when

staging live events in the current context.³⁷ We continue to work with Government to develop and update this guidance as a priority.

This ongoing work has allowed a limited number of festivals and live events to restart.³⁸ However, the vast majority remain unable to restart and with festivals and venues still deemed not safe enough to remain open as restrictions have tightened, for example during the November 2020 lockdown, more work is needed. From a health perspective, ensuring that all individuals comply with HFS is difficult and from an economic perspective it prevents most festivals from reaching the capacity they need to be profitable. The ebb and flow of restrictions has made it impossible for most festivals to go ahead in 2020. They require long lead ins, and event organisers have not had the confidence under HFS that they would be able to go ahead.

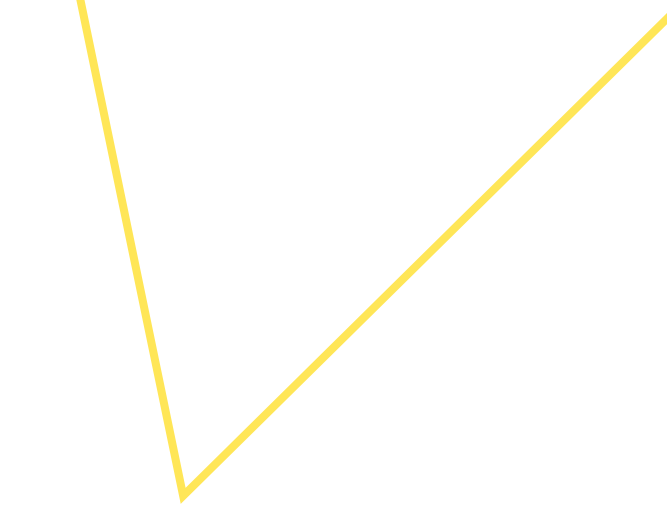
While this has allowed some events to go ahead the vast majority have not. According to the AIF, 90% of festivals in 2020 were cancelled.³⁹ The Cliff Edge Report found that only 20% of pre-pandemic income has been secured.⁴⁰

³⁷ <https://www.ukmusic.org/assets/general/music-festivals-COVID-supplementary-guidance-v1-13th-october-2020.pdf>
<https://gov.wales/rehearsing-performing-and-taking-part-performing-arts-guidance-phased-return.html>
<https://www.gov.scot/publications/coronavirus-COVID-guidance-for-the-performing-arts-and-venues-sector/>
<https://www.gov.uk/guidance/working-safely-during-coronavirus-COVID/performing-arts>
<https://www.thepurpleguide.co.uk/>

³⁸ <https://edition.cnn.com/travel/article/social-distanced-music-festival-intl-scli-gbr/index.html>
https://www.huffingtonpost.co.uk/entry/ginburne-park-pop-up-socially-distant-festival-review_uk_5f1603a6c5b651977c053b08?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLnNvLnVrLw&guce_referrer_sig=AQAAAFcagMEgeLOAXN3M6Ch6-bsdErV524kzVtq85w9ItCCleLUWnYlflLWQZCaWu1avroec6c3a_O3M1Rrg3Bui7jrL3jfHBEQamnm0F06ztiqFmh8ON861W7Y1ALapUHhsxhazhc4FzJPHwlwMHJKDkJNcpkvrAO1rttUerbElbxW

³⁹ https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT_UK-Live-Music-at-a-Cliff-Edge.pdf

⁴⁰ https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT_UK-Live-Music-at-a-Cliff-Edge.pdf



According to one study, festivals have furloughed 75.5% of staff, GMVs 70.5% and larger venues 78.8%.⁴¹ Even in Tiers 1 and 2 in England, which represent the most liberal controls in the UK as of December 2020 Grassroots Music Venues are operating at 24% capacity in Tier 1 and 12% capacity in Tier 2.

To financially preserve the future of these events and festivals through the pandemic and to better protect public health, we would suggest enhanced health approaches are used to apply to non-socially distanced events. However, it is critical that innovations and suggestions made by industry to make this possible have an impact on Government guidance where their efficacy can be demonstrated.

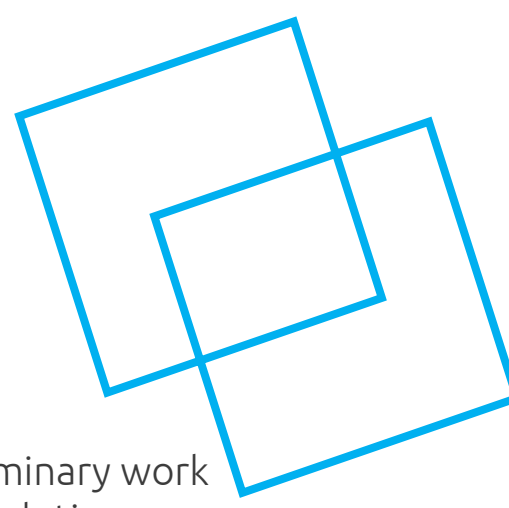
Testing

The Health Secretary Matt Hancock has repeatedly made clear that large scale testing is a key part of the Government's COVID-19 strategy.⁴² To require testing before entering a festival or venue could in the long-term allow restrictions to be relaxed inside venues and festivals, as well as support the Government's overarching COVID-19 strategy by

forcing asymptomatic carriers to take a test, alerting them to the fact they COVID-19 positive and allowing them to self-isolate.

The safety focused members of the Production Services Association (PSA) have produced "quarantine protocols" to protect staff and freelancers. For the audience there are a number of routes that could be followed. "Festival Republic's Melvin Benn is continuing to develop work on his "Full Capacity Plan" and conducting pilots of pre-event testing in Estonia – if successful, this could provide a blueprint for how to safely conduct full capacity events here in the UK.⁴³

The #WeMakeEvents campaign have proposed a pilot event under Restart Live using loop-mediated isothermal amplification tests (that have been labelled "highly effective" by NHS Trusts) to screen customers on site but before entry to allow for a non-socially distanced event.⁴⁴ They have worked closely with North Greenwich Safety Advisory Group and have put forward a proposal for a pilot 2,500 person event. We would hope the Department of Health and Social Care (DHSC) will strongly consider approving and supporting this pilot.



The MVT have done preliminary work on a possible app-based solution where an individual could use their ID to create a profile (AI approved), and then store event tickets and their last COVID-19 result against their profile. This test would be conducted one to two hours prior to entry at a health centre near the event site.

While we appreciate this cannot be introduced overnight, allowing more UK-based pilots for fully tested events could be a game changer for enabling the early return of festivals with reduced COVID-19 restrictions.

UK Music is committed to engaging with the Government's Moonshot programme and using rapid testing to eventually bring back full capacity events. This requires proof of concept by conducting testing pilots with social distancing, then gradually building up to full capacity. Trivandi, one of the global leaders in the delivery and operation of major events and venues, has been working closely with the Government to develop this work. The music industry is engaging with this work, and is committed to doing whatever is necessary to make it a success.

⁴¹ https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT_UK-Live-Music-at-a-Cliff-Edge.pdf

⁴² <https://hansard.parliament.uk/Commons/2020-12-02/debates/FE328933-735C-48E9-9BF0-ED692E9CF8C4/CoronavirusVaccine?highlight=mass%20testing#contribution-468B52F8-92D9-4166-9E45-51A696A8B53D>

<https://hansard.parliament.uk/Commons/2020-11-17/debates/67DE24F4-8F99-4229-B6CE-0A3F739C2FE3/Covid-19TestingPilotInLiverpool?highlight=mass%20testing#contribution-03D78CE3-EC8C-42F1-8338-BE0387C7CAA7>

<https://hansard.parliament.uk/Commons/2020-11-17/debates/789ABA7D-9452-4771-847A-24BDC64D8F4C/TopicalQuestions?highlight=mass%20testing#contribution-22CFD8EA-29BD-4ADF-B36E-344BB00E0196>

⁴³ <https://accessaa.co.uk/festival-republic-md-announces-plan-to-use-events-to-incentivise-testing/> | <https://committees.parliament.uk/oralevidence/819/pdf/>

⁴⁴ <https://www.gov.uk/government/news/clinical-evaluation-confirms-accuracy-of-lamp-test>

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Ventilation & pathogen reduction systems

The return of indoor music is critical to the sector as a whole. The sector is actively working to look at innovative protective solutions.

The MVT is actively involved with trialling the use of UVGI/UVG systems in pilot projects. These systems use UV light to deactivate airborne viral pathogens by drawing air from a room and passing it under a UV light. While seemingly novel technology, their use is backed by medical science. For instance, UVG systems are recommended by the Centers for Disease Control and Prevention (CDC) in the USA as part of preventing the spread of COVID-19 in an office.⁴⁵

UK Music has also been in discussion with companies like CleanAir Spaces and BioTech Group, which use state-of-the-art air and surface purification technology to reduce the risk of COVID-19 transmission by continuously filtering and cleaning the air and surfaces in an indoor environment. There is growing scientific evidence backing these types of systems and verifying the effect they have on transmission;

however, there is no process for officially recognising the impact they have on reducing the risk of transmission in indoor spaces. Unless these innovations are recognised or validated by Government then there is no incentive for industry to invest in them.

The industry is keen to further develop a dialogue with DHSC (and devolved Health Departments) and there have been productive trials involving DCMS and venues on other issues, such as the live audience trials at the London Palladium.

Similar pilots could trial this technology and if successful, Government could provide a form of recognition that would enable venues (and other indoor spaces, like those in the hospitality sector) to open and operate safely without the restrictions they see today.

As they are approved, and Government certified, the sector would look to draw them together to produce economically viable festivals and events. There are a variety of ways this could be done depending on the venue and space, as different spaces face differing COVID-19 risks.

For Grassroots Music Venues for example, the MVT have drawn together a Test, Clean, Prevent approach.

- i. **Test.**
Exploit rapid testing to test people before they enter a venue or festival.
- ii. **Clean.**
If an infected person were to make it through the testing system, cleanliness systems can help prevent the spread of the pathogen combined with vigorous ventilation.
- iii. **Prevent.**
Use preventative anti-viral technology to halt surface transmission including anti-viral wipes and surfaces.

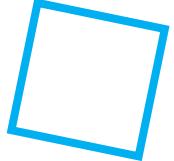
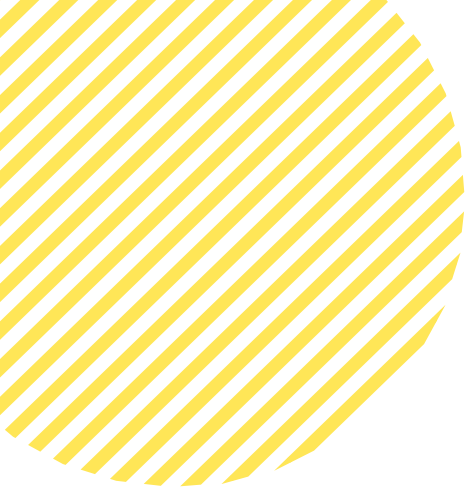
Global evidence from similar efforts are positive. It should be noted that the German Restart-19 initiative is already producing results that indicate that if hygiene concepts are adhered to at live events impacts on the pandemic are low to very low.⁴⁶

Much of the groundwork has already been put in place but needs Government recognition for the next stage.

⁴⁵ <https://www.cdc.gov/coronavirus/2019-ncov/community/office-buildings.html>

⁴⁶ <https://www.iq-mag.net/2020/10/restart-19-results-events-could-take-place-pandemic/#.X8TzoWj7Q2w>





The development of a variety of potentially effective vaccines including the Moderna, BioNtech/ Pfizer and Oxford vaccine is excellent news.⁴⁷ However, we would urge the Government to continue to engage with the industry on enhanced measures and guidance that could allow safe non-socially distanced performances to resume as soon as possible, and to certify any methods found to be effective.

We are keen to work as closely as possible with DHSC and the devolved Health Departments to achieve this.

It should also be noted that many independent festivals and GMVs will quickly reach a tipping point in terms of any additional cost and we would welcome further analysis of this approach in a festival-specific context. The sooner live music events can open without social distancing, the sooner the sector will need less overt Government support. Certifying safe ways of operating under an airborne pandemic will be an important learning, and thereby future-proof the sector.

Finally, there is the question of certainty. Certifying enhanced health approaches would give

venues and festivals certainty that it is possible for them to operate safely and profitably under COVID-19. This would give them the business confidence to invest in this technology while providing an opportunity for businesses and freelancers to secure their future in the industry. We do not know how long the vaccine rollout will take, and with many younger people who often make venues and festivals viable being among the last to be inoculated, it is imperative we find an alternative to simply waiting for the vaccine.

It is also crucial to stress that this work on improved ventilation and pathogen reduction systems is important not just for tackling COVID-19 – it will have a dramatic impact on reducing the transmission of seasonal viruses, like flu. It also has huge relevance for the future. COVID-19 has generated an increased focus on globally spread diseases and there is growing speculation about where the next pandemic might come from.

We do not know when the next epidemic will hit us, but if and when it does, the music industry will be ready. We are determined to be

among the safest environments to carry out social contact, and the various technologies and innovations we are exploring will help deliver that.

As an industry, we are working on multiple options to manage the public health risk. However, there is no clear mechanism for validating these various approaches with Government. **We therefore recommend establishing a taskforce that can advise, evaluate and validate the various innovations we are looking at implementing.** This has been very effective for the sports sector, with the Sports Technology and Innovation Group. We recommend that Government does the same for the live performing arts sector.

⁴⁷ <https://www.gov.uk/government/news/pfizer-biontech-covid-19-vaccine-mhra-statement>
<https://www.gov.uk/government/news/oxfordastrazeneca-covid-19-vaccine-mhra-statement-confirming-letter-received>



Rae Sremmurd at Wireless Festival 2019 | James Bridle ©



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For as long as the current social distancing restrictions remain in place and with the enhanced health approaches not certified, most of the live music sector cannot operate viably. While the situation endures, more needs to be done to address the economic risk of socially distanced performances to stimulate more activity in the sector. Indeed, the Culture Secretary Oliver Dowden has stated that one of the purposes of the Culture Recovery Fund (CRF) in England was to act as an investment in activity as opposed to simply a mothballing exercise.⁴⁸ While the £1.57 billion was very welcome, this was spread over the creative industries worth cumulatively £117 billion that have been losing £1.4 billion per week during the pandemic.⁴⁹ The CRF has been successful in protecting many valued cultural organisations and institutions, but it has not stimulated enough activity to support artists and freelancers, with a Musicians' Union survey finding that 70% of musicians have received less than a quarter of their usual work.⁵⁰

Several proposals have been put forward including suggestions of subsidy schemes such as those

proposed by One Industry One Voice, ticket matching or an increase to the CRF.⁵¹ Critically, this would make socially distanced performance economical, not stimulate consumer demand. However, it would unlock consumer spending and business activity, generating work throughout the live music ecosystem.

The sector wants to get back to work yet cannot do so economically due to Government restrictions across the UK. If the music industry is not allowed to operate viably, then Government will need to address the economic risk to festivals and venues and financially support socially distanced events until full reopening can be reached with a vaccine.

We are confident that through partnership with Government and the private sector we can effectively manage the public health risks at festivals and live music events and make them safe places to be. However, even if an enhanced health approach and early opening is adopted, there will remain significant challenges for the industry. It is also vital that existing support is maintained until Stage 5 reopening is reached, whenever in 2021 that may be. The support and restrictions need

to be synchronised.

Businesses right down the supply chain need to be confident that they can reopen in such a way that they can meet sufficient profit margins to at least start to claw back the debt incurred and losses made during the restrictions (much Government support has been in the form of loans as opposed to grants). To support the live sector as it exits restrictions, UK Music has a set of key asks of the UK and devolved Governments:

An indicative date for full capacity restart

The Government has published its roadmap for reopening, however it does not include any dates.⁵² Northern Ireland, Scotland and Wales have also indicated the levels that they will each need to move through to reach full reopening but not given timescales, nor have indicated whether each level will be necessary. An indicative date for the reopening of venues for non-socially distanced performance is vital to allow the sector to be able to plan and prepare for the return of large-scale events. The Health Secretary Matt Hancock has stressed to the Commons, *"The end is in sight...The return of*

⁴⁸ <https://committees.parliament.uk/oralevidence/1049/pdf/>

⁴⁹ <https://www.creativeindustriesfederation.com/sites/default/files/inlineimages/The%20Projected%20Economic%20Impact%20of%20Covid19%20on%20the%20Creative%20Industries%20Report%20%20Creative%20Industries%20Federation%202020.pdf>

<https://www.ukmusic.org/news/uk-music-welcomes-government-support-to-help-save-135-grassroots-music-venue>


⁵⁰ https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT_UK-Live-Music-at-a-Cliff-Edge.pdf

<https://www.musiciansunion.org.uk/Home/Advice/covid-19/take-action-pandemic>

⁵¹ <https://www.gov.uk/government/groups/culture-recovery-board>

<https://www.nme.com/news/music/musicians-and-crew-call-for-seat-out-to-help-out-scheme-and-tailor-made-job-support-to-survive-until-april-2782730>

⁵² <https://www.gov.uk/government/publications/our-plan-to-rebuild-the-uk-governments-COVID-recovery-strategy/the-next-chapter-in-our-plan-to-rebuild-the-uk-governments-COVID-recovery-strategy--2>



*our freedoms is on the horizon.*⁵³ The Secretary of State for Digital, Culture, Media and Sport Oliver Dowden has suggested that March/April 2021 was being “looked at” as a time for loosening restrictions.⁵⁴ The Prime Minister himself spoke of the “sure and certain knowledge that we will succeed” in returning to normality in Spring 2021.⁵⁵ While encouraging, these statements are not specific enough for business purposes. We would propose that all four UK Governments announce an April 2021 date for reopening without social distancing to provide clarity. It should be made clear that support will continue until this date. The timing of the announcement of an indicative date is crucial. We envisage major live music festivals for the summer will need to make decisions as to whether they are going ahead in January 2021, and so it is imperative that we have certainty for the sector as soon as possible.

Introduce a government-backed reinsurance scheme

A major barrier to the scheduling of events is the inherent uncertainty around the progress of the pandemic

and the knock-on effect this has on the ability to procure insurance. Most festivals and GMVs did not have insurance which covered communicable diseases at the outbreak of the pandemic and many existing policies specifically excluded COVID-19. The commercial insurance market is not currently offering any COVID-19 cancellation policies whatsoever for festivals and this may be the case until 2022.

We have seen recent successful support in this area with the £500 million Restart Scheme for Film and TV which helped delayed productions obtain insurance.⁵⁶ While we appreciate that the film and TV insurance scheme was put in place under a different context to live music events, it should be noted that insurance remains a primary barrier to events going ahead.⁵⁷

The live music sector has drafted a proposal for a reinsurance scheme which would cover events from any indicated re-opening date in 2021 (to be confirmed) to December 2022. The promoter/venue would pay into a COVID-19 fund, to be matched by the Government, in addition to an additional premium paid by the insurance industry. This COVID-19

fund would sit separate to the usual cancellation claims and would pay out in the event of a COVID-19 enforced cancellation.

The proposed fund would pay out a higher proportion of costs closer to the date of cancellation, while it would also have geographic limits on the spread of events covered to prevent overexposure. The sector has estimated that a £650 million fund would allow £2 billion worth of activity to go ahead. Giving longer term certainty would also make the current VAT cut more effective by allowing venues and festivals to take advantage of this through ticket sales.

Furthermore, any income from sales would help businesses and organisations in the supply chain looking to survive this difficult period. We would note that the German Federal Government has pledged €2.5 billion to insure events for the second half of 2021. The Austrian Government has also established a €300 million umbrella scheme for promoters.⁵⁸

With other countries acting to give events and festival confidence to go ahead with events in that period, we

⁵³ <https://hansard.parliament.uk/Commons/2020-12-01/debates/27DE3E44-807A-4596-AD7C-946314AC3E2A/PublicHealth?highlight=spring#contribution-34BA733A-859F-484F-B34A-2A1F30CB81BE>

⁵⁴ <https://committees.parliament.uk/oralevidence/1049/pdf/>

⁵⁵ <https://www.gov.uk/government/speeches/prime-ministers-statement-on-coronavirus-covid-19-2-december-2020>

⁵⁶ <https://www.gov.uk/government/publications/film-tv-production-restart-scheme>

⁵⁷ <https://www.theguardian.com/politics/live/2020/nov/26/uk-coronavirus-live-average-pay-covid-england-tiers-boris-johnson-scotland>

⁵⁸ <https://www.iq-mag.net/2020/10/e300m-umbrella-for-austrian-promoters/#.X9Dhodj7Q2w>

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would welcome UK festivals being given the same certainty.⁵⁹

Only the UK Government can raise the level of support needed to underwrite the insurance, and with other countries taking action to protect their events industries it is vital that the UK does the same. We would emphasise that this issue is highly time sensitive – with many festivals usually taking six to eight months minimum of advance planning, they will be deciding whether to go ahead or not in Q1 2021. 2021 festivals early in the season (May/June) are already time shifting / cancelling due to this lengthy planning cycle. If they cannot secure appropriate insurance, then they will not be able to take place. The larger the festival, the longer the lead-in time required. The same can also be applied to venues, with many stadium tours booked over a year in advance.

On a practical level, with a lack of viable insurance options hindering the ability of businesses to plan, we risk a dearth of live music events for the public to enjoy when restrictions are lifted. This is of particular note as we see increasing Government confidence of resuming normality by

summer 2021.

Targeted financial support

The sector is not unviable, it has been effectively closed-down all year by Government instruction put in place to preserve public health, either by law or by the economics of operating under the restrictions. Therefore, there is a moral imperative that support be maintained for those who cannot currently work. Furthermore, it makes economic sense given the promising outlook for a vaccine - a relatively small investment to keep skills in the sector now could pay massive dividends when the sector looks to reopen.

The first half of 2021 will be critical for the sector. Support like Business Rate Relief, the Coronavirus Job Retention Scheme and Self-employment Income Support Scheme (SEISS) has been critical.

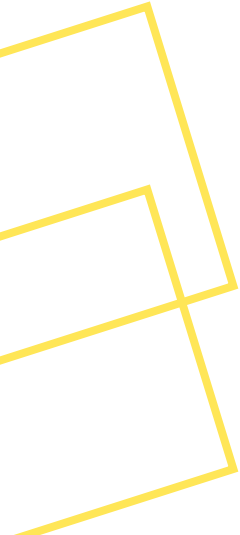
If the sector is not allowed to reopen fully (i.e. without restrictions) in line with this, any withdrawal of support would be catastrophic. Furthermore, if the sector is not allowed to open without social distancing at this point, it will require

economic support to make it viable. Our preference as an industry is to be able to support ourselves by generating our own income, as we always have done – but if we are not allowed to do so, then we will require additional economic support, either in the form of an extended CRF or a scheme like that proposed by the OneVoice campaign.

Gaps in the existing support packages also need to be addressed. Any reopening of the sector needs the workers and businesses in place to make it happen. 72% of those working in the music industry are self-employed freelancers, and as we have repeatedly highlighted many are falling in between cracks in the support.

While many in the music industry have helped by coordinating and contributing to a range of hardship funds supported by UK Music members (including PPL, PRS for Music, the BPI, the Musicians' Union, AIM and the MMF) there are many in our industry's workforce who still face an immense financial struggle. Only 34.2% of creative freelancers have accessed SEISS and it is critical that the Government looks to close the gaps in support that

⁵⁹ <https://accessaa.co.uk/german-government-creates-e2-5bn-fund-to-cover-event-cancellation-costs/>



exist including for the newly self-employed, those drawing dividends in lieu of salary and those with mixed incomes.⁶⁰ The House of Commons Treasury Select Committee Report Employment and COVID-19: Time for a New Deal has made clear that too many of the self-employed who need support have missed out on it.⁶¹

It is vital that all four Governments work together to ensure that businesses and jobs are supported in a way that matches local restrictions. This will ensure that health measures are able to match the crisis without causing undue damage to businesses. We have welcomed where devolved Governments have been responsive to gaps in support, such as the Scottish Government's newly-self employed hardship fund, but we would prefer these gaps to be rectified at a UK level to ensure those across the UK can benefit.

Music festivals and venues have the majority of their staff on furlough and therefore a plan that explicitly links support to full reopening could help protect those jobs.⁶² But once restrictions lift, if the skills are there the sector can quickly return to profitability - anecdotally where

shows have been put on, demand has been high.

Targeted support must be put in place which recognises the unique dynamics of the music industry and how it is impacted by the pandemic. Doing so would ensure the artists, managers, composers, songwriters, sound engineers, promoters, technicians and countless others that the sector relies on can get the support they need. This is critical for the industry's recovery so it can get back on its feet and continue the work of rebuilding this world-leading industry to pre-COVID-19 levels. Support must be extended until full reopening is possible.

Extension to the VAT rate reduction on tickets

As it stands, the Chancellor has extended the VAT reduction on ticket sales to 31 March 2021. However, music venues and festivals were precluded from operating under the national lockdown which was in place from 5 November to 2 December 2020 and we still have no indication of when events will be permitted to take place in such a way that they are economical to put on. Therefore, this

measure is currently of limited use to music businesses. Extending the VAT cut beyond March would maximise its effect of supporting festivals while incentivising venues to schedule performances, sell tickets and take advantage of the cut. This would be of greater benefit to businesses in the live sector and also incentivise activity, which would in turn support the rest of the music eco-system. An extension of the VAT cut would allow businesses to re-capitalise more quickly and maintain their cashflows. A temporary reduced rate of 5% VAT is needed to make a real difference to many live music businesses that operate at very narrow margins.

Rollover of the paid 2020 Local Authority license fees

Festivals have faced severe problems as a result of the COVID-19 pandemic, one of which is non-refundable costs which were sunk into the 90% of festivals which were cancelled. On an average these were of £375,000.⁶³ Licensing fees are one of the key costs festival face each year. Where those festivals have had to be cancelled due to COVID-19

⁶⁰ <https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-september-2020>

⁶¹ <https://committees.parliament.uk/publications/3958/documents/39777/default/>

⁶² https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT_UK-Live-Music-at-a-Cliff-Edge.pdf

⁶³ https://www.ukmusic.org/assets/general/UK_Music_Submission_to_DCMS_Select_Committee_ImpactCOVID_7_May2020.pdf p. 6 and 10

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those licences have not been used. Licences are normally charged on an annual basis and therefore not only will the festivals have to pay for a 2020 licence without generating any income, but they also face having to pay again for 2021.

We understand that some councils have allowed festivals to roll-over the charges on a discretionary basis.⁶⁴ We recommend that the UK Government and the devolved Governments provide funding to Councils to cover these costs. This would allow more festivals across the country a greater chance of surviving 2020/2021 and be in a stronger position to pay the charges in 2022. This would also create opportunities for the rest of the festival supply chain. Festivals have a strong impact across rural and urban economies, with music tourism generating £4.7 billion to the economy in 2019.⁶⁵

Extension to business rates relief

We welcomed the COVID-19 business rate relief implemented by the Chancellor for 2020/21 as an important measure for music venues. Historically, business rates tended to unfairly penalise music venues

and festivals (where applied) as they usually cover a large space and are often situated in valuable commercial areas. The 2017 revaluation saw rates rise by as much as 800% for some venues.⁶⁶ As it stands this relief will end in March 2021, however, with no indicative date for reopening it is unclear if venues and festivals will be able to put on events and therefore generate any income by then.

It is estimated that the live industry is likely to need a three-year recovery cycle, while the OBR calculates that the peak unemployment rate of 7.5% will occur after March 2021.⁶⁷ Indeed, the Chancellor noted in his Autumn Statement to the Commons on 25 November our *“economic emergency has only just begun”*.⁶⁸

Since 2014 the Valuation Office has increasingly taxed festival sites as rateable businesses. This is particularly unfair as festivals are not active on their sites for the vast majority of the year with only 5% of festivals having any permanent infrastructure. To ensure the live sector survives the first half of 2021 we need active businesses employing people, making money and doing what they do best. For the live music sector waiving business rates

would represent an investment in those businesses and allow them to focus on creating and delivering events that employ people and keep the economic gears turning. The Treasury needs to consider the cost of inaction as well. Business rates are a large drain on the music venues that help stage city festivals, as recognised by the Chancellor’s pre-crisis cut in business rates for GMVs.⁶⁹ Maintaining them when the sector has not yet recovered will cost jobs, businesses and growth. Ultimately this will hit HM Treasury in unemployment payments and forgone tax revenue.

As we have recommended previously, we suggest that a waiver on business rates for GMVs is put in place until 2022/23, with festivals situated on agricultural land removed from the levy entirely. This, combined with an overhaul of the business rates system, would support culturally significant live music venues and festivals to maintain viable businesses and be an investment in the long-term economic health of the music industry.⁷⁰ Devolved Governments could make this cut themselves, but may need Treasury support to do so.

⁶⁴ <https://committees.parliament.uk/event/1878/formal-meeting-oral-evidence-session/>

⁶⁵ <https://aiforg.com/wp-content/uploads/AIF-Ten-Year-Report.pdf>

⁶⁶ https://www.ukmusic.org/assets/general/UKMusic_NonDomesticRatingListsBill.pdf

⁶⁷ http://cdn.obr.uk/CCS1020397650-001_OBR-November2020-EFO-v2-Web-accessible.pdf

<https://www.creativeindustriesfederation.com/publications/report-projected-economic-impact-COVID-uk-creative-industries>

⁶⁸ <https://hansard.parliament.uk/commons/2020-11-25/debates/6437F778-628F-48A1-ADF3-C06BA1C09EBA/SpendingReview2020AndOBRForecast>

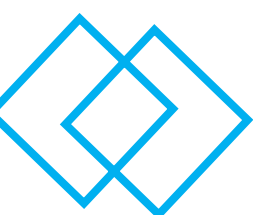
⁶⁹ <https://www.ukmusic.org/news/uk-welcomes-government-cuts-to-business-rates-for-grassroots-music-venues>

⁷⁰ https://www.ukmusic.org/assets/general/UKM_Final_HMTreasuryBusinessRates_18.09.pdf



Los Campesinos performing at Leeds University Union | Jess Rowbottom ©

conclusion



Music has always been a British success story, a key national asset that plays a vital role in the social, economic and cultural life of our country and our communities. Integral to this is the UK's dynamic and commercially successful live music scene, which is admired around the world and boosts Britain's global reputation.

COVID-19 has devastated our industry, and the live music sector has faced unprecedented challenges during the pandemic – but there is a route for it to return to delivering the huge benefits for our country that it has consistently generated in the past.

With the right support, the UK music industry can be at the forefront of the post-pandemic economic and cultural revival. This report has set out a clear blueprint for how we can get the live music sector back on its feet in time for summer – by taking necessary measures to mitigate the public health risk and reduce the risk of transmission, and by securing the right support from government to enable live events to operate in an economically viable way.


UK Music is immensely grateful for the action Government has taken to protect the sector during this pandemic. However, to unlock the

huge benefits the live music sector can bring to the eventual post-pandemic recovery, we ask the Government to build on this further with the following:

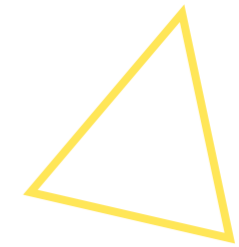
- Set out an indicative date for full capacity restart without social distancing
- Introduce a Government-backed reinsurance scheme
- Extend the VAT rate reduction on tickets beyond March 2021
- Extend the business rates relief
- Rollover the paid 2020 Local Authority license fees for festivals to 2021
- Targeted financial support
- Ramp up engagement with the music industry on Moonshot testing pilots so we can utilise rapid testing to eventually bring back full capacity crowds
- Establish a taskforce that can advise, evaluate and validate the various innovations the music industry is looking at implementing to reduce the risk of transmission – now and for the future

Drawn together, this strategy sets out how the nation that gave the world Glastonbury, Stormzy and the Cavern Club can bounce back past COVID-19 and beyond.

With the right support the live music industry can be at the forefront of the post-pandemic recovery and play a key role in our country's economic and cultural revival – but there will need to be a concerted effort from industry and the Government together if we are to let the music play and save our summer.



acknowledgements



This report is based on information shared with UK Music following a consultation with members and associated bodies in Autumn / Winter 2020.

We thank all those who engaged in this consultation and provided responses to the questions asked. An earlier version of this report formed the basis for UK Music's written evidence to the House of Commons DCMS Select Committee inquiry into the future of UK music festivals as submitted on 9 December 2020.

We thank in particular LIVE and its member bodies for contributing information, evidence and insights that have informed this report.

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