

Digital, Culture, Media and Sport Committee

Oral evidence: The future of UK music festivals, HC 886

Tuesday 5 January 2021

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Members present: Julian Knight (Chair); Kevin Brennan; Steve Brine; Clive Efford; Julie Elliott; Damian Green; Damian Hinds; John Nicolson; Giles Watling; Mrs Heather Wheeler.

Questions 1-80

Witnesses

I: Sacha Lord, Co-Founder, Parklife and The Warehouse Project, and Night-Time Economy Adviser, Greater Manchester Combined Authority; and Anna Wade, Communications & Strategy Director, Boomtown Fair.

II: Steve Heap, General Secretary, Association of Festival Organisers; Jamie Njoku-Goodwin, Chief Executive, UK Music; and Paul Reed, Chief Executive, Association of Independent Festivals.

Written evidence from witnesses:

- [Association of Festival Organisers](#)
- [UK Music](#)
- [Association of Independent Festivals](#)



Examination of witnesses

Witnesses: Sacha Lord and Anna Wade.

Chair: This is the first hearing of the Digital, Culture, Media and Sport Committee on the future of UK music festivals. Before I ask Members about any interests and introduce our witnesses, I want to say on behalf of the Committee that we are wishing Jo Stevens, our former colleague and the shadow Secretary of State for Digital, Culture, Media and Sport, a speedy recovery from Covid in hospital. She was an incredibly valued member of this Committee, and we wish her all the best.

Could Members indicate by raising their hand if they have any interests to declare?

Kevin Brennan: I am a member of the Musicians' Union.

Chair: Thank you. As I say, this is a session on the future of UK music festivals. Our first panel consists of Sacha Lord, co-founder of Parklife and The Warehouse Project and also the night-time economy adviser to the Mayor of Manchester, and Anna Wade, communications and strategy director at Boomtown Fair. Thank you very much for joining us today. Our first question will come from Kevin Brennan.

Q1 **Kevin Brennan:** Good morning, Sacha and Anna, and welcome to the Committee. Can I associate myself with the Chair's remarks about our good colleague Jo Stevens?

Could you tell us how Covid has affected the events you organise in the past year and your business?

Sacha Lord: That is a good question. It probably feels slightly odd that we are having a conversation about large-scale events and gatherings on the back of last night's news. As night-time economy adviser for Greater Manchester, I know full well that you can open a restaurant or a pub with two weeks' notice, but in our industry—the festival industry—we work many, many months in advance. My festival, Parklife, is going to take place in September this year. We have already booked over 250 artists and booked the suppliers, so they are all in place. This morning is absolutely the right time to have this conversation, and I thank you for bringing it forward at the beginning of the year.

To answer your question, this year has been absolutely decimating for both Parklife and The Warehouse Project. Parklife is the biggest metropolitan festival in the whole of the UK, with a capacity of 80,000. We cancelled it back in March, having already sold 78,000 tickets. It is decimating not just for us as a business but also for all the suppliers and all the freelancers. There are 4,500 people who work during the weekend when it takes place.

Q2 **Kevin Brennan:** Anna, could I ask you the same question?



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Anna Wade: I want to echo what Sacha mentioned about the timing of this Committee, and what is going on in the wider country. We are really grateful to have this opportunity to speak about this at this point in time, to help our timelines and hopefully bring a bit of hope back to the country that some semblance of normality, in terms of the summer events, can actually take place in 2021. We are incredibly grateful to the whole Select Committee for inviting both of us on and putting the spotlight on the UK festivals.

For Boomtown, it's a very similar story as it is for all festivals and events up and down the country. We were absolutely decimated as well; we were the first to really shut down, and we will probably be one of the last ones to reopen as well. In our offices in February, just before we went into lockdown, we employed 40 full-time staff and were starting to ramp up to get all of the resources in to pave our way to actually holding the events. We also have about 17,000 crew, staff, artists, guests and traders on site at the actual festival, and that includes all the contractors, so the auxiliary and additional supply chains that we also employ.

For the event not to happen, and all the events not to happen last year, creates a huge gap in the cultural and extended industries that all come together to produce and create safe and creative events. So it's been a huge hit and, as Sacha mentioned, a really large impact on those people.

Q3 **Kevin Brennan:** What do you think the prospects are for you being able to go ahead this year, and do you need anything from the Government in order for that to happen?

Anna Wade: I would say there is a very challenging road in front of us, but it's not impossible, with close collaborative work with the Government and the relevant Government departments—including DCMS, the Department of Health and Social Care, the Department for Transport and the Home Office—to bring all the minds that collaborate to put on safe and secure events. We normally have a safety advisory group, which brings together expertise from across the region, but it could be to do that at a national level as well.

We need to be able to keep that close connection with the Government and to understand our timelines. As Sacha referred to earlier, we cannot roll something out quickly. It is a very, very complex operation to put on festivals, more so than just general events. Festivals themselves are incredibly complex beasts to put on, and Boomtown is one of the most complex of all, being a multifaceted, multi-creative festival.

In terms of the things that we need from the Government, the Government have been incredibly supportive so far. There have been some really wonderful initiatives put in place, such as the VAT reduction and the furlough scheme, which were obviously wider for the entire country, but a more nuanced, specified furlough scheme for specific industries, for festivals, may help in terms of our timeline being so much longer. Even when normality resume, that does not necessarily give us a green light.



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A good understanding of the complexities involved and the many hurdles in our pathway to getting that green light would be incredibly important, as well as additional initiatives—financial initiatives, such as a Government-backed insurance scheme—would definitely help get things moving a bit quicker. There is no one singular silver bullet, unfortunately.

Q4 Kevin Brennan: Okay. I know colleagues are going to press a bit more and ask about that that later—insurance and so on. Sacha, without bring too repetitive or without any lengthy preambles, what would you like the Government to do?

Sacha Lord: I could speak personally and passionately about Parklife, but I have been speaking to other festival organisers in advance of this meeting and there are five bullet points that have simplified it.

The first, most important thing we absolutely need is a target date that we can work towards, and that target date needs to come sooner rather than later. As Anna said, we need a Government-backed coronavirus cancellation insurance scheme, and we need an extension of VAT carrying on at 5% for three years. What the Government introduced is fantastic, but obviously we are not selling tickets, so we have to extend that. We also need an extension to business rates relief, and finally, we need furlough support until our events are fully up and running at 100% capacity. I think those five points will set the tone of today's Committee.

Q5 Kevin Brennan: Okay, I know colleagues will want to explore that with you further. Before I finish, I just wanted to ask about the impact of Brexit. I know there is a lot of disappointment about the fact that there is not a scheme in place for musicians to be able to easily and freely tour in Europe, and of course vice versa—for European, EU-based musicians to be able to continue to easily come and participate in gigs and festivals here in the UK. Is that likely to impact on your festivals and on the industry more generally, and what would be the right solution to that? Can I ask you first, Sacha?

Sacha Lord: Most definitely. In terms of the headliners, when you are looking at paying for the visa, it probably will not make much difference, but when you stand at Parklife and you look at the headliner, that headliner has not become a star overnight: they have started from the very grassroots, in the grassroots venues. To bring a six-piece band into Parklife, you are probably looking at £1,800 in visa fees, which is not viable for small bands that are just breaking. That is a big piece of red tape, a big barrier that is in the way now that never was before, so it might stagnate new talent coming through.

Q6 Kevin Brennan: Thanks. Anna?

Anna Wade: Yes, it is a huge worry. Boomtown actually has the privileged position of being a permit-free festival, which means that the visa process is far simpler. In terms of a solution for the larger bands, rolling that out across the board and making that a much easier process for other events to go through is something that could be looked at. That could help smooth that pipeline, but the worry, echoing Sacha—and as you



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have mentioned, Kevin—is the smaller bands. It is that talent pipeline; it is the venues in the UK, and also the festivals. If we do not have places for these people to craft and hone their talent, the pipeline will just dry up, unfortunately. It is a really big worry.

- Q7 **Kevin Brennan:** Thanks. We do not know the full details of why it was not achieved, but would you both agree that it would be a good idea if the Committee were to press the Government to raise this issue again, and try to get an agreement with the EU going forward on that basis?

Anna Wade indicated assent.

Sacha Lord indicated assent.

Kevin Brennan: You are both nodding in assent, so I will take that as a yes and hand back to you, Chair. Thank you.

Chair: Thank you, Kevin. Steve Brine.

- Q8 **Steve Brine:** Thank you very much, Chair. Good morning, Sacha and Anna. I declare my interest, Chair, in that as is known, Boomtown is within my constituency, so obviously I have a lot of interest in it and have attended it many times, and very good it is too. To start with you, Anna—hello; it is nice to put a face to the name. I am keen to explore the consequences for the organisations—for you, Parklife, Warehouse, and so on—the staff that you employ, and more importantly the supply chains and the temporary staff that you contract. If you were not able to go ahead in 2021, what are the consequences for those things?

Anna Wade: Thank you for that question. I think it is fair to say that the consequences are pretty grave. It is unlikely that most events or festivals could weather the storm of no event happening in 2021. Most event and festival organisers only put on one event. We are an independent festival; we only hold one event, and that is one opportunity in the year. That is our project; that is what we do. Without that, we do not have a company, essentially.

In terms of the supply chains, at the moment, it is still relatively unknown. Due to the financial support and the other things that the Government have implemented, we are still in this kind of stasis of normality, but anecdotally, we are aware that in quite a few of our supply chains, our freelancers have had to re-skill and have gone elsewhere to find work over the past few months in which we have not been able to operate or offer the work that they are highly trained and highly skilled in. People have had to move elsewhere, into other industries. We do not know the real-terms impact of that yet, but we are presuming that would be quite catastrophic to the industry as well.

We have seen a huge number of the people that we would normally employ have to go into different industries—for example, the scaffolders, the sound engineers, the technicians have all had to repurpose their skills elsewhere into different industries, such as construction, and that leaves a very worrying gap in our market. So we are not entirely sure of the



devastating effects but we are presuming that there will be a large gap that will be more visible as we come out of this.

Q9 Steve Brine: Obviously Boomtown is a complex festival and there is a lot more to it than just the stages that play the music. It is similar to Glastonbury, in the sense that it is a performing arts festival as well. I recognise a lot of similarities in the two. Have you already been contacted by suppliers and by the skilled labour that you employ who have said, "Look, I'm really sorry, Anna, Lak, Boomtown, but if you go ahead this year, I'm out"?

Anna Wade: If we are to go ahead this year?

Steve Brine: Yes. Have people already said to you, "Look, I can't commit to being with you this year because I've had to go and take a job as something else"?

Anna Wade: There aren't too many of those right at this moment in time, but the really big question mark over this is the kind of movement of the supply chain. This is when we go back to the insurance element of things. It is very difficult at the moment to be able to put deposits down and to get things moving without the back-up and the guarantee that the money can flow both ways. There is a huge amount of risk on the festival organisers and on the contractors.

In terms of the people we have been speaking to on our infrastructure side of things, it is not looking too bad right now, but that all very much depends on other festivals and other elements that are actually happening within the event, within the industry and the auxiliary industries, to make sure that those are still afloat. As Sacha mentioned in his opening, he has already booked in a few suppliers. Boomtown is in a similar conversation, but we cannot actually press the button at the moment because the money isn't there to flow; we don't know that we can go ahead. It is a kind of stand-off at the moment. There is no way the industry can move forward, because there is just too much risk on everybody as we are speaking, on 5 January.

Steve Brine: Okay. I will come back to you in a minute about local communities. Turning to you, Sacha, with respect to the consequences for your team and your supply chains if you can't go ahead this year—give me the picture.

Sacha Lord: First, that is why—*[Inaudible.]*

Steve Brine: Sacha has frozen. Are you still online, Anna?

Anna Wade: Yes, I am still here.

Q10 Steve Brine: While Sacha unfreezes, can I ask you about the local community? Obviously, I have a great vested interest, but there is a much wider point, because it is much wider than any one area that a festival is based in. Boomtown is well known for its local community contributions and the money that it gives to charitable organisations.



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What feedback have you had from those organisations about what they lost last year and their fears going forward? Because you work several years ahead on who are your partners and who are the organisations that you are going to support, there must be a big knock-on effect.

Anna Wade: Yes, thank you for raising that. I think it is a huge, important question to raise—the local economic impact that festivals have within the area that they are in. As you mentioned, Steve, we do work with a lot of local communities and charities. Over the years that we have been in our Matterley position, we have raised over half a million pounds, £660,000, for the local charities—sorry, I will correct that: national charities. Locally it is over £120,000. So it is definitely going to have an impact there.

In 2018 we worked with WinACC, the local Winchester Action on Climate Change, and we managed to raise £18,000 for them. That had a great impact in the work that they do locally and sustainably. So this is a real, tangible impact that we have. We also invest in local community projects as well.

In terms of the actual knock-on effect, I do not have that to hand at the moment,

In terms of the actual knock-on effect, I do not have that to hand at the moment, but I do know that in terms of the money that we raise and the investments that we have in the local economy, there has been a real, significant gap. We employ local people within the area's supply chains, so there will be a big, big, knock-on effect if events like ourselves are not in the position to employ and train people and invest in local services, people and skills.

Q11 **Steve Brine:** Yes, and presumably the other non-festival parts of a supply chain will all take an impact for a bit from taxi drivers or local stores. There is an impact to that, too, so the knock-on just goes on and on.

Anna Wade: Absolutely. Just as one example, all of the fruit and veg that we use at the festival site is from local wholesalers, so that is a vast amount just in that one element there. That is what the traders and our crew staff use. There are so many knock-on effects. Festivals are like mini cities. The supply chains, infrastructure and services that we use are vast and countless.

Q12 **Steve Brine:** Yes. Sacha, welcome back. You were telling us, in answer to my question, about the consequences for your organisation—I am particularly interested in the supply chain—if you can't go ahead this year.

Sacha Lord: I would have to sit down with the accountants and bookkeepers and look at everything, but one thing I can confidently say is that the freelancers and the supply chain would be wiped out if another year like 2020 happened. Let's not forget everything that happens within the perimeter of Parklife. On the outside of the perimeter, when Parklife

takes place during that one weekend, it brings £16 million into the local economy. Every single year the Parklife foundation raises on average £100,000 to £120,000 for local community good causes. So there is a bigger picture here. We need to look at the whole ecology. People do not understand that when they come to Parklife, it doesn't just appear overnight. It takes weeks to put it together, and weeks to take it down as well. There are the staging companies, the sound, the lights, the paramedics, the Portaloos. If we have another year like 2020, we have serious problems.

- Q13 **Steve Brine:** Sacha, what I am particularly interested in is the recovery. If you have two barren years, is the system able to recover? Maybe I didn't express myself properly when I was speaking to Anna. Will people disappear from this world because they cannot afford to wait? Is it going to be impossible to rebuild any time soon?

Sacha Lord: I think the vast majority will, is the honest answer.

- Q14 **Steve Brine:** Will disappear?

Sacha Lord: Will disappear. The UK has the biggest festival market globally. We are proud of that. Music is one of our biggest exports. If we do not take place in '21, I think the vast majority could disappear.

Steve Brine: I think that is pretty clear, Chair. I'll hand back to you.

Chair: Thank you, Steve. Heather Wheeler.

- Q15 **Mrs Wheeler:** Thank you, Chair, and happy birthday to you. I ought to declare an interest, which I hadn't thought of. I am an associate of the Chartered Insurance Institute, so I will ask questions about insurance. I don't mind who goes first. We are interested in what conversations you have had with the insurance industry about Covid-related cancellation policies. Can you fill us in on that, please?

Sacha Lord: Shall I go first, Anna? Sadly, not just in festivals, but across the whole of hospitality, people have been paying business interruption insurance thinking that they would be covered. As we now know, many restaurants, bars and clubs found out that they were not covered, and it is the same with festivals. I have to be honest with you. The initial response from insurers was disappointing. They ran away. There was no conversation regarding Covid. They were not interested. Then they came back to the table with astronomical premiums that would make the festivals unviable. We are looking at other countries such as Germany, Austria and Switzerland, who have got Government-backed insurance policies, and that would give us as the promoters and organisers the confidence to go out there and put the deposits down for our suppliers and artists. That is probably one of the biggest asks today for this Select Committee.

- Q16 **Mrs Wheeler:** Anna, anything to add?

Anna Wade: Echoing what Sacha just said, it is a really big hurdle. The fact that no insurers are looking to cover contagious diseases is really



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difficult at the moment. Obviously, it is one of the biggest hurdles that we are facing. Festival organisers always face many, many challenges, but this is such a known unknown, if you like, and being able to go ahead without that cover is near impossible. It is a huge risk and gamble that the organisers themselves have to make. From an independent festival perspective, it is huge. We are owned and operated by the two guys who started the festival, and it will be their mortgages, assets and money on the line. When you do not have external investors to help bankroll that, it is incredibly trepidatious and a risky position to be in.

- Q17 **Mrs Wheeler:** To push back a little bit, there was quite a well-known class action. About 15 different groups came together and took this to court. I do not remember the festivals being part of that class action; it just seemed to be the hospitality people. Were you not involved in that?

Sacha Lord: I was not aware of that.

Mrs Wheeler: That is interesting. We will take that away. Thank you very much, both of you.

- Q18 **Chair:** To follow up on that, in the discussions that I have had with Ministers, and in their pronouncements at the Dispatch Box, they have said that in order for the Government to guarantee insurance for the festival industry, it needs to be what they call the last piece of the jigsaw. Does that work?

Sacha Lord: When you say “the last piece of the jigsaw”, what do you mean exactly?

- Q19 **Chair:** Basically, what they mean is that, in the same way as they did with film and television production, they need everything else in place in order to go with this, and then the insurance would be guaranteed. Effectively, you would need to have committed to everything in advance, and then they will do the insurance.

Sacha Lord: I am sure, as an industry, that is something we can work with—most definitely. Every single event organiser across the UK would support that. We can bring the whole festival together, and the final piece of the jigsaw is that insurance. That is what we need to make it happen.

- Q20 **Chair:** But it is a bit of a chicken and egg situation, though, because you presumably need that insurance in place in order to take the risk in the first place, don't you? Otherwise, if you have committed and signed contracts, and then you find that the Government do not follow up with the insurance, you will be left in a difficult position. Anna, I can see you nodding.

Anna Wade: I think it is slightly the other way round for us, unfortunately. It is almost the first key in the door that gets everything moving so that we can commit to things and start getting a bit more confidence back into the industry. You just referred to film and television, but they were still able to do things under social distancing. It is a very different situation for events. We have a very long road in front of us, and there are many obstacles and hurdles along the way that we are all



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working together to try to identify. Insurance, from our side of things and from my perspective, is the key that needs unlocking so that we are able to venture down that road and bring more confidence to the industry. It is not quite the same as film and television.

Sacha Lord: Can I just reiterate that point? I absolutely agree with what Anna just said. At the moment, we have 250 artists booked for Parklife, which will take place in September, and they will imminently start wanting deposits. We need the confidence with the insurance to start paying those deposits, so I absolutely agree that it is essential.

Q21 **Julie Elliott:** Good morning, Anna and Sacha. I want to move on to a different area of questioning. Would mass testing of audiences for your events be viable?

Anna Wade: Yes, absolutely. Again, because of the complex nature of events, there is not one particular thing. The vaccine coming in is brilliant news, and mass testing is absolutely up there as one of the key elements that we require. Along with mass testing of the population, advances in the technology for rapid testing would allow proven testing at the gate. We could then keep a really close eye on people's health. Testing is one part of the big puzzle, but there are other elements involved, on which I can elaborate if you like.

Q22 **Julie Elliott:** I am particularly interested in the testing part. Who do you think should bear the cost of testing at your events?

Anna Wade: Obviously, there is a cost to the organiser. We have a Covid contingency budget, to which we have already added in 2021. In terms of mass testing, at the moment we are looking at about £10 a test, which is the lowest I have seen out there. With our 66,000 capacity, the sums rise very quickly. Speaking again for Boomtown, but probably also for the wider industry, our margins of profit are incredibly minimal. If the event were to take the burden of responsibility for the entirety of the testing, it would probably be crippling.

It would depend on how the process looked, and we would obviously look to Government for some support to understand where the testing could come from and for a viable supply chain, but we would also probably look to spread the cost, potentially with our customers. At this stage, we really do not know what the best form of testing would look like or how the operations, or even logistics, would be rolled out. We would have to look at spreading out that cost, and hopefully a bit of Government support.

Q23 **Julie Elliott:** Thanks, Anna. Sacha, would you like to comment from your point of view?

Sacha Lord: I was extremely supportive of Melvin Benn's testing scheme, and I think he was at a previous Select Committee back in November. He set the barrier. My biggest hope, to be honest, is the vaccine roll-out. What fantastic news it is that we have this vaccine and we are the first ones globally. It is a proud moment for the UK. It is all about the vaccine.



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One thing we do know in the events industry is how to look after people. Safety absolutely has to come first. Whatever it takes to make those events safe and secure, we will do it. All our hopes now are on this vaccine. We must roll out this vaccine as quickly as possible, no matter what it takes.

Q24 **Julie Elliott:** I agree with you on the vaccine. We are all sitting here waiting to have the vaccine, which will transform things. While we wait for that, and it is going to take some time, do you think it is viable to mass test the audiences for your event?

Sacha Lord: I would like to think that, by the time we get to September, a large proportion will have been vaccinated. That is my hope.

Q25 **Julie Elliott:** What is the age profile of your audience?

Sacha Lord: It is 18 to 23.

Q26 **Julie Elliott:** I think that is probably unlikely.

Sacha Lord: Fingers crossed. I am a positive person. Anna has mentioned the cost price of £10 at the moment, and I would have thought that, as things open up and we get nearer, the cost price will probably reduce. Again, it will be a great moment to have a conversation with the Government about how you can support us in reopening in a safe manner.

Julie Elliott: Thank you very much.

Q27 **Damian Green:** Just one follow-up on the practicality. Let me do the maths. If you have, say, 50,000 people coming and 5% of them fail the test, you have 2,500 angry people at the door. I know everyone is at their most mellow and laid back when they go to a festival, but if you turn up looking forward to the weekend and you are suddenly told that you cannot come in, and you may be asymptomatic, is it really practical to test thousands of people at the door and, more particularly, turn away a significant percentage of them?

Sacha Lord: I am not a scientist, and a scientist would be better able to answer that question. As an organiser, I would have thought it would be a system in which people could have a test maybe three days in advance, so that would mitigate the numbers refused entry at the gate. At Parklife we have a capacity of 80,000, and it is not uncommon that 2,000 people do not get in anyway. They may turn up intoxicated, or for whatever reason they are not allowed in. We are, as organisers, ready to deal with matters like that.

Q28 **Damian Green:** Obviously festivals differ; I am thinking of ones such as Reading and Leeds, where you are attracting a teenage crowd that is perhaps slightly more boisterous than some of the other festivals that have now been colonised by the middle-aged, like the people on this Committee. I slightly fear for this. I think if we went down this route, then there might well be more problems at the gate than you have had in the past.



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Sacha Lord: We deal with all sorts of issues on the gates—people who are intoxicated, people with fake tickets that they have unwittingly bought—so we are used to it. Let's not forget that at Parklife, during that weekend, we have in excess of 1,000 security and probably 250 police working it, so we are used to dealing with those numbers.

Damian Green: Okay. Thanks, Chair.

Q29 **Chair:** Just to follow up on the difficulties with testing and the idea of passporting generally, even if everything went right, are you looking at a festival season that will be smaller than it has been in the past in terms of numbers of people and potentially numbers of events, not only because of what has happened, but because of the practicalities of testing and ensuring that people are safe?

Anna Wade: I think we are inevitably going to look at a smaller festival season this coming summer, purely on the timeline we are on at the moment. Most festivals need a good six months to be able to get everything in place and to make everything safe and secure in the way we would all want to run a well-managed event. In terms of the testing and logistics behind that, it is one of the known unknowns; we are all working together and there is a cross-industry working group going on at the moment with DCMS, all trying to troubleshoot and come up with different ideas, guidelines and processes for how we can safely implement things such as the testing protocols that we will still likely look to follow this summer.

It is without question that there will probably be a reduced number of events this year, and many of them will potentially be looking at reduced capacity. With Boomtown, for one, we are looking at a slightly reduced capacity—down on our 2019 event, anyway—and that is for a multitude of reasons, not necessarily just Covid, but it is also to help to make it a more manageable festival site.

Q30 **Chair:** If events do not take place in the UK, will we see more events in Europe as a result? We note that the German Government, for instance, has announced a scheme to back up insurance for events and festivals for the second half of 2021. Are we likely to lose our position as the pre-eminent country within Europe for festivals?

Sacha Lord: Absolutely; I think that was happening pre-Covid anyway, with the likes of Portugal, Germany, Malta and Croatia all coming on board. Going back to what Anna just said, with Parklife it is not viable for us to run at a reduced capacity; we have to run at 80,000 capacity, so it does not work for us. That is our target, and that is exactly what we are aiming for. Social distancing does not work at any of these events. If it is a festival, you just cannot put social distancing in place, so we anticipate operating at 100%.

Q31 **Giles Watling:** I want to follow on from what the Chairman was talking about, in a slightly different way. I think I will go to Sacha with this first. I have been heavily involved in theatre most of my life, and things have to change there—that is another venue where people have to be cheek by



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jowl for it to work. I understand what you are saying, Sacha, that you have to have 80,000 otherwise the model does not stack up. Do you think the model for festivals might change as a result of this crisis? I am thinking particularly about perhaps losing smaller festivals and their being subsumed into larger festivals.

Sacha Lord: Certainly, if the Government do not help with insurance, the independent festivals are going to drop away, and that will be a very sad state of affairs for the UK. But one thing I am confident about when we do come round—and we will come out of this—is that the bounce back is going to be incredible. People just want to go to a gig; whether it is a festival, a live music venue or a small grass-roots venue, the appetite is out there. It is going to be huge.

Q32 **Giles Watling:** That is good to hear, but one of my great concerns is that if larger festivals do subsume smaller festivals, perhaps we might begin to lose grassroots acts, which feed the rest of the whole industry, I should imagine. What you need is the smaller venues to give people the platform to get their acts literally together, would you not say?

Sacha Lord: I totally agree with you. That is why one of my asks at the outset was the extension of business rates relief. The small grassroots venues—the 100, 150-capacity venues—are the ones that will cultivate these acts and bring them through into our festival market. We absolutely need them to survive. They are the bloodline.

Q33 **Giles Watling:** What do you think the Government should do to help those particular smaller venues survive?

Sacha Lord: The business rates relief would be a huge thing for them at the moment. Let us not forget that they have been closed since March. A few of them tried to repurpose. It didn't work for them. A few tried social distancing. You cannot go to—[*Inaudible.*—]and get the atmosphere if, with a capacity of 100 people, there are only 15 people stood in there. You saw it straight away—it doesn't work. You have to come back at 100%.

Q34 **Giles Watling:** Yes, I get that. Have you anything to add, Anna?

Anna Wade: Yes, just to bring it back to the smaller festivals element of things, I think that your point is really important. It is something that we need to focus on in terms of the make-up of the festival industry in the UK. The independent element brings this really rich culture and a different element of creativity to the industry. If smaller festivals were to be swallowed up by the larger, multinational conglomerates, we might end up with quite a hegemony of festivals, where there is not actually a big cultural diversity and a celebration of loads of different elements that festivals bring and have done for centuries in the UK—I have worked with folk festivals. There is a huge element of different culture to be celebrated. If that is all just amalgamated into the larger multinationals, we are in real jeopardy of losing that. The Government support, in terms of insurance and keeping industry-specific support, like financial support, is really important in the next few months to see us through the 2021 season and keep the rich cultural diversity that we have.



Q35 Giles Watling: We must not lose focus on the smaller festivals. I would like to move on briefly to the Culture Recovery Fund, which was announced last July—the £1.57 billion that was very welcome across the piece. I understand that Boomtown did not apply for the first tranche because you felt that your eligibility was not up to it. What were the problems and what would you like to see changed?

Anna Wade: The eligibility element was because we have assets, so at that point we were running on very minimal staff as well, so we were very spread out. We did not have quite the right resources to be able to put our all into the Culture Recovery Fund application. From the outset, we kind of felt that we were not eligible for it, which is an absolute crying shame, but we are really grateful for this second and third round that has been released just before Christmas, and we will put our all into it.

In terms of what the Government can do, when you look at the first round of the Culture Recovery Fund, it was such a huge success and has thrown a huge lifeline to so many grassroots events, venues and people across the industry, so that has been an amazing thing. The timeframe of it is quite tricky, because even for the next round, it is up until June. If we are not able to go ahead with the 2021 season, the lifeline will need—hopefully—to be extended, if possible and if funds are still available for that. We are all working so hard, and working with the Government, to try to salvage the 2021 season, but if the chances that are out there do not align, we will be in absolute dire straits and the industry will be beyond on its knees, so additional support will be needed from that.

Q36 Giles Watling: Would you say that it is about the speed of rolling out the funds? I remember that when it was first announced last July, it took some time for the Arts Council to disseminate those funds throughout the industries—theatre, movies, whatever it was. It is the speed of getting the funding out there—would you say that that was a problem?

Anna Wade: Time is absolutely of the essence for all of us right now. Speed is incredibly important. We have to understand that this is a brand new situation and that a lot of work had to go into implementing it in the first place, so I think all of us can have a bit of understanding about the nature of the timeline last time. But the understanding of the gravity and the precipice that we are all on right now and the urgency that is needed is absolutely paramount.

Q37 Giles Watling: Thank you. Sacha, is there anything you would like to see done differently when the next tranche of funding is awarded?

Sacha Lord: First, I thought the CRF was fantastic. The Warehouse Project was successful in receiving a grant, and it was an absolute lifeline for us. From speaking to other operators, it could possibly be simplified. It is quite daunting when you first look at it. Maybe there could be something sector-specific just for festivals and the supply chain that goes around the festivals. I mentioned the freelancers. If something could be directed at them specifically, that would be a big win for the industry.

Q38 Giles Watling: Are you frightened of losing the talent of freelancers? I



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know the Chair touched on it earlier, but are you frightened of losing the talent permanently to other industries?

Sacha Lord: Very much so. It is all fine and well saving in bricks and mortar, but when you actually come to reopen—they will come to reopen—you need the people who make it happen. You need the cogs. Without them, if they have all gone to retrain, it is going to be an effort to put it back to where it was.

Giles Watling: Thank you very much.

Chair: Thank you, Giles. Steve Brine has a quick follow-up.

Steve Brine: I was hoping to come in on drug safety testing, which I think John Nicolson was going to lead on.

Chair: I will come back to you. Let's go to John Nicolson.

Steve Brine: John seems to have dropped off.

Chair: Do you want to go with your question?

Q39 **Steve Brine:** The wonders of Zoom, everybody. I want to touch on the issue of drug safety testing at festivals, which is much maligned and often misunderstood. Boomtown's approach towards reducing the harms associated with illegal drugs, Anna, is that you have The Loop on site. Can you tell the Committee what The Loop is and why you decided to adopt that strategy?

Anna Wade: Absolutely, and thank you, Steve, for bringing up this incredibly important topic. The Loop is a not-for-profit NGO that runs MAST testing: multi-agency safety testing for drugs. The process is that they have a stall at the festival site. We have multi-agency sign-off from it through the secure agency groups that we run—safety advisory groups. The police and the local council have agreed to their presence on the festival site, and service users can come up to their stall. They have an initial consultation and then hand over a small amount of the substance in question. That is then taken into a laboratory on site, tested under forensic scientific processes and individually barcoded—one for the substance, and one is given back to the service user. Then the service user will come back, normally within about 30 minutes. They will meet a trained drug counsellor and substance worker, who will sit down with them for a one-to-one education and awareness-raising session, where they will go through the compound of the drug that they have just tested, to explain to them what has been found within it. In some cases, this has been boric acid, concrete or incredibly dangerous illegal substances. People will then be sat down and explained to with facts and non-judgmental information. They are given an awareness-raising intervention about the dangers within the substance. After this, they leave. No substance is given back or anything like that. That is the whole process. After this, many people have actually decided to discard their drugs and not take them again. Many people also decide not to use alcohol, and it



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actually has a huge impact in terms of behavioural change, and a huge impact in terms of harm reduction and safety on site at a festival.

Q40 Steve Brine: This walks a fine line, does it not? What would you say to people who say this just encourages drug use?

Anna Wade: I would absolutely question that. Having been on the frontline of all the conversations around drugs at Boomtown since 2014—well, '13 really—it is a very controversial topic, but it is also an unspoken-about topic, in terms of actually giving people advice, awareness and safety messaging. The zero-tolerance approach of, “Don’t do drugs, they’re illegal,” does not work with young people. That method has been tried and tested for decades and decades, and it just does not keep people safe.

What does keep people safe is education, awareness, support and non-judgmental conversation. Education is the key. That is what we do at Boomtown and that is what The Loop provides. A service like The Loop, which is a multi-agency testing service, does keep people safe. We have seen that, at every festival they have operated at in the UK, there has not been one fatality. It really is on the cutting edge of changing social attitudes towards it, but also the public health crisis that is illegal substance use in this country and beyond. It is so critical to keep people safe and young people educated.

We have support from people who have lost children at festivals. I have worked very closely with many of them over the years and there is resounding support for this approach, and it works. It really does work.

Steve Brine: Thank you. Having met some of the families impacted, I can concur. John Nicolson is back online and is going to pick up.

Chair: Thank you, Steve. John Nicolson.

Q41 John Nicolson: Thank you, Steve, and thank you, Chair. I am very struck by the fact that you say that not one fatality has happened since you introduced this testing system. Do you find that you get the co-operation of the police for it? In other words, does it require the police to turn a blind eye to people turning up with drugs and asking for them to be tested?

Anna Wade: The approach that we take is that we have moved away from the zero-tolerance thing, and we have gone for the four Ps, which are prevent, protect, prepare and pursue. It is a 360° approach that we do, so it is not the police turning a blind eye in any way, shape or form. We have more security and police at the gates. We have an amnesty. We have searches. We have a huge campaign about not bringing drugs on to the festival site. There are also still undercover police in operation and the spotters are still there. The crime prevention element of it is still absolutely there. What is—

Q42 John Nicolson: To be clear, is that not a rather complicated mixed message? You are saying to people, “Trust us. You can have your drugs



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tested to make sure that they're not dangerous, but do be aware that, as you're having your drugs tested, you could be arrested."

Anna Wade: No, as I was just about to say, within the confines of The Loop's operation, the police and the security do not operate. So when they go in there, that is almost another amnesty area within the actual festival site. We treat that absolutely as a public health and welfare intervention station, essentially. It is all about the harm reduction element, not the criminality of it.

The criminality is treated at the gates and elsewhere within the festival, where there are still very robust operations in terms of tackling drug dealing and drug taking on site. However, the welfare and public safety element comes into play in our welfare areas and our medical areas, and within The Loop. It is seen as just an extension of our welfare, where you would not go into a welfare tent when somebody was unwell to arrest them there, so—

Q43 **John Nicolson:** This all seems horribly mature, whereas usually in this country—I do not know if you agree—we tend to have a very immature discussion about drugs. You surely put your finger on it earlier when you said that young people are always going to experiment with drugs, and people are going to go to music festivals and take drugs. The old Nancy Reagan "Just say no" thing might work quite well in *Daily Express* editorials, but it is not real life, is it?

Anna Wade: I do agree. To elaborate, it is not just young people and it is not just music festivals where drugs are taken. It is across society; it is not just a music festival or a young people-specific issue.

I think that we are seeing a lot of changes in the global world. In America, just a few months ago, they passed quite a lot of legislation and are relaxing a lot of their drug laws. Portugal is one of the biggest shining examples of a public health approach to drug regulation. The world is hopefully changing, although at a bit of a slow pace, in terms of harm reduction and keeping people safe. The flipping of the psychology from it being a criminal issue to it being a public health issue is definitely a conversation that needs to be had, and hopefully that will be spurred on way further than it is in the UK at the moment, so I would agree with you, yes.

Q44 **John Nicolson:** I know, because I have made films about this, that in the Netherlands, in clubs, they have had this approach for a long time. In fact, I think it's the police in the Netherlands, the police pharmacists, who will examine the ecstasy pills—typically—and determine whether they are safe to take. Do you think that we as politicians need to have a more imaginative discussion about this? My sense is that politicians across all parties are often very scared of what the tabloids will do if they stray from very narrow confines in this particular debate. They are just terrified that their name will be splashed up in a headline as someone approving of drugs, whereas it seems to me that what you are saying is that you are not approving of drugs; you are just accepting the reality and you are



trying to keep folk safe.

Anna Wade: Yes, we are accepting the reality and the dangers and are trying to educate. I think everybody would agree that education is vital in terms of life decisions along the way—when you are making any decision. So I completely agree: I think we really need to change the narrative from criminal villainisation to understanding the victim side of the situation and the people behind it, and not demonise drug users but support people to make sensible, well-informed decisions for their lives. It really is a huge topic.

Q45 **John Nicolson:** I have one final question for you to answer, based on your experience. A lot of people say that if you allow people to take drugs, that then becomes a gateway to ever more serious drugs. And then there is a counter-argument that says that most people don't want to experiment with heroin, but they might well want to experiment with pot, ecstasy or whatever—they don't want to go to the hard drugs, but by making the soft drugs illegal, you introduce them, inevitably, to drug dealers, who will have no moral scruples about what kind of drugs they try to offer them. So which is it? Is it a gateway, or is it better to allow people to have access to the softer end?

Anna Wade: I think it is very much about the conversations around it and the positions that people are in. We just have to look at the current situation with drugs in this country: we are going for the hard-line, zero-tolerance side of things, and people are still having overdoses; people are still taking the hard-end drugs. That is proven—that's out there—so that approach is not working. There is a new approach that is tried and tested within the smaller confines of festival sites, but The Loop have done inner-city testing as well. They did that here in Bristol. I think they did it up in Manchester as well. Sacha might be able to speak on that a bit more.

This approach does work; it is proven. It is proven on a micro scale, but what if it was rolled out further and implemented within city centres, music venues and education venues? What if it was normalised? As you say, in the Netherlands the police are testing it. We also have at Boomtown the police doing the back-of-house testing, with a company called TICTAC. They had done that for years before we had the front-of-house testing. But the real key to the front-of-house testing is the education and the intervention. I mean the factual, non-judgmental education that people get from it and the conversation and normalising—being able to speak and understand the dangers that you are putting yourself in. The problem is that people don't know what they are taking. It's illegal, but it's still out there and people can get hold of it—and even more so now, with the invention of the dark web. It is so easy for people to get hold of illegal drugs that we have to do something to stop the dangers. If we cannot plug the hole where the supply chain is coming in, something has to happen to keep people safe, because that just isn't in existence at the moment.

John Nicolson: Thank you. Back to you, Chair.

Chair: Thank you, John. I thank our witnesses, Sacha Lord and Anna Wade. That concludes our first panel. We are going to have a short recess of about five minutes as we set up our second panel.

Examination of witnesses

Witnesses: Steve Heap, Jamie Njoku-Goodwin and Paul Reed.

Chair: This is a Digital, Culture, Media and Sport Committee hearing into UK music festivals. We are now about to commence with our second panel. We are joined by Steve Heap, the General Secretary of the Association of Festival Organisers, Jamie Njoku-Goodwin, Chief Executive of UK Music, and Paul Reed, Chief Executive of the Association of Independent Festivals. Good morning Steve, Jamie and Paul. Thank you for joining us. Our first question will come from Clive Efford.

Q46 **Clive Efford:** May I ask the panel about Government-backed insurance for festivals? Without a Government-backed scheme, how many of your members' events will be able to go ahead this year?

Paul Reed: Insurance is the most critical factor that will enable us to plan festivals. In response to your question, zero members will be able to go ahead. Commercial insurance for Covid cancellation does not currently exist; it is not in the market. Our understanding is that it is unlikely to exist until at least 2022, so we could reach a situation where, if the public health situation drastically improves over the spring and there is a certain level of confidence in festivals happening in some shape or form, there is a market failure in terms of insurance. That is why we think it requires Government intervention. Otherwise, festivals will simply cancel early and en masse, or commit to the up-front capital with no protection. It is a significant amount of money to stage a festival: for a 5,000-capacity festival, it is about £420,000; when you go up to 70,000 people, it is £12.5 million—and upwards from there. It could, essentially, mean a second year wiped out for the industry. Also, having insurance would enable festivals to kick-start the supply chain and contract across the industry—to the multitude of small businesses and freelancers who are their essential partners in delivering festivals.

Q47 **Clive Efford:** By when do you think that the organisers will need to make a decision on whether to commit to arranging festivals? We are talking about 2022 now, aren't we, to realistically get a festival organised?

Paul Reed: We are rapidly approaching a determination point. I would say that it is still too early to tell, in a binary sense, whether this season is on or off. For the larger festivals, you are looking at by the end of this month; for some of the smaller ones, it is further along the line—March, perhaps early April—but they are reaching a point at which they will need to commit that up-front capital and make a determination on the event for this year.

Q48 **Clive Efford:** Just so I am clear, that is for this summer—this season—for 2021?



Paul Reed: Correct. Yes; that is where we are in the current planning cycle.

- Q49 **Clive Efford:** How far ahead for a really major festival? Is this normal, that you would be making this decision in January, or would you be well into the planning of a large festival, by now, in normal times?

Paul Reed: Good question. I would say that the planning cycle is slightly behind. Festivals are very much a year-round endeavour now—a 12-month planning cycle—but you can do it within six to eight months. I would say a minimum of six months, even for the smaller-scale events.

We are already starting to see that some festivals in May are shifting. You heard from Parklife earlier. They were originally scheduled for June and have time-shifted to September, so we are already seeing some events from early in the season starting to move to later in the year.

- Q50 **Clive Efford:** The Government have said that it is for the industry to prove that insurance is the only barrier to going ahead and organising festivals. Is that realistic?

Paul Reed: I do not think it is the only barrier. I think it is quite dissimilar to the film and TV production intervention, where it was the sole barrier to restarting that activity, and therefore that economic activity. Obviously there is a lot more uncertainty in general, but it is the key to unlocking the planning process and being on sale with some confidence and being able to contract across the industry. I think we almost need to flip that around and say that it is not the final barrier but the key to unlocking everything else and the capacity to plan.

- Q51 **Clive Efford:** Do you have any estimate of the loss to the taxpayer of these events not going ahead?

Paul Reed: If you look at the overall contribution of festivals to the UK economy, you are looking at £1.76 billion GVA. They support 85,000 jobs as well, and I believe that the live music industry in general generates about £1.6 billion in VAT receipts. A significant portion of that will be generated by festivals, so yes, it is significant.

- Q52 **Clive Efford:** There are different options for how an insurance scheme might be structured. Do you have a preference for either a general scheme, based on Pool Re, or a sector-specific one, like the one for TV and film?

Paul Reed: The proposal that is currently sitting with Government—there have been some constructive conversations with the Department and roundtables, but I am not sure it has been sufficiently escalated to the Treasury at present, given the urgency—is the “Let LIVE Thrive” proposal, which is very much structured around a Pool Re kind of structure. That is the proposal for a Government-backed insurance scheme.

Clive Efford: That is what your preference is?



Paul Reed: That is the preference. It is the only way that we can see it working. It will come as a substantial additional cost to the organiser—it will put insurance up to being around 7% of the overall cost of staging a festival, which is not insubstantial—but we feel that we do need that safety net to be able to plan for some sort of season this year.

Q53 **Clive Efford:** Does that cover all aspects of insurance—for instance, if a major headliner was to pull out? Is that covered in Covid-related liabilities?

Paul Reed: The proposal on the table at the moment covers the entire supply chain—so all the suppliers, the contractors around it and the artists, in terms of getting all of those back to work as well. I appreciate this morning you have already heard of issues around the supply chain and key suppliers leaving the industry—except obviously there is an enormous temporary workforce around festivals. It protects the entire supply chain and its events.

Q54 **Clive Efford:** Do your colleagues have any comments on those issues?

Jamie Njoku-Goodwin: I would echo everything Paul said. In particular, it can feel strange having this conversation now about events that should be happening in the summer, but right now is when organisers have to make these key decisions. It is definitely the case, and we are hearing from festival organisers across the country, that if they don't have certainty and some sense of financial security for summer events, there are going to be major cancellations within weeks. This really is one of the main issues we are facing as a sector in getting the festival season going again in 2021.

The other thing just to add is about the idea that it should be the last piece of the puzzle or the final barrier. As a sector, we have been doing a whole load of work to this extent. We have been working on testing pilots, we have been working with Government on guidance to bring back safe working and safe engagement at festivals. There is a whole load of work we are doing with Government and with officials to make sure that we can be doing things safely. But without this, much of the summer festival season this year won't happen. I'm sure we will come on later to things like vaccine roll-out and testing, but given the situation it is looking like we are going to be in the next few months, in terms of mass testing and vaccine roll-out, it does seem like there is hope that the conditions will be there to be holding festivals safely. But if we don't have the confidence now, then they will not be happening this summer—not because of the landscape, but actually because of the lack of confidence and security now.

Steve Heap: I am fully in support of what Paul and Jamie are saying, but I think it is important to point out that the image of festivals in the perception of the general public is of these vast amounts of people standing in front of a stage for a rock and pop event. There are somewhere in the region of 975 music festivals in the UK alone. Paul and I, between us with our associations, represent about 200 of them. Of the



rest, there are absolutely hundreds of quite small events that have enormous impact on their local communities. It is even said that the insurance aspect to some of the very small events—of 3,000 to 5,000 capacity—is not necessarily the end factor. They are run quite often by volunteers and they are run for local and national charitable purposes. There are some small festivals prepared to take the risk without the insurance, however, they know right from the start that economically it just will not work. It is not going to happen.

Can I just also comment on the date by which festivals need to know where we are at? We recently conducted a survey among the Association and found that 30% of our members needed to know by March, 15% in January and 27% in April, which just reiterates what Paul said. If we get as far as Easter and we still don't know that crowds can gather at festivals, however large or small, then we are in a catastrophic situation with this year's festival season.

Clive Efford: Thank you very much.

- Q55 **Chair:** Steve, just to follow up on the 2021 festival season, we heard from our previous panel that they could not see a situation where they could actually cope if there were actually reduced numbers. I think it was Parklife with 80,000, I think they said. They needed that capacity. Is that the case across the industry or can festivals survive with fewer patrons?

Steve Heap: They cannot actually survive economically. The social aspect of the festival could still go ahead with smaller numbers, even with social distancing, which is by far the biggest stumbling block. I have some variations of opinion with Anna from the previous discussions on testing.

However, some of the smaller festivals—for instance, a 3,000-capacity festival—could reduce to 1,500, and somehow achieve maybe a one-stage, socially distanced event, but of course it loses everything we all know to be the festival spirit and atmosphere. It is the experience that our customers come for: the camaraderie and community spirit. All that is lost when you start reducing infrastructure, artists and audience.

Chair: It just becomes a gig outdoors, basically.

Steve Heap: Indeed.

- Q56 **Giles Watling:** I wanted to come in with a quick question. We have talked a lot about confidence for the organisers, insurance and so forth, in order to get a good festival season going. Thank God, as we've said, the vaccine is being rolled out.

We have seen over the last period that people have been breaking the rules and holding little gigs recently. Steve, you might be the only person on the panel who recalls this. I remember the Weeley festival of 1971, which happened in my constituency down here, where a bunch of local Rotary guys set up a festival and 110,000 people came. That was amazing and that was the start of it. They weren't prepared for it and all of that.



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When I suspect we get this festival season running again, I personally think there will be a big rush. Everybody is desperate to get out there and get back to festivals, but there might be an issue of audience confidence because we've had this pandemic. What can we do to address that and let people know that actually British UK festivals are open for business again? I think that goes to Steve.

Steve Heap: Customer confidence is one of the biggest hurdles we have to overcome. Our ticket sales are virtually at zero. There are one or two festivals that are managing okay to sell, but the customers are no longer prepared to release the funds for the tickets, because they are just not sure that the event will go ahead. Until we get to such a point that we can say they will go ahead, I don't think the ticket sales are going to happen.

You are quite right in saying that there is an enormous number of people chomping at the bit to come out to live music and live festivals, but they need to be doing that safely. They need to know that they and their families will be safe when they arrive and enjoy their weekend.

Q57 **Giles Watling:** I think this point goes to Jamie. This will need a marketing effort, a comms effort, and I believe, Jamie, that is your area of expertise.

Jamie Njoku-Goodwin: I agree that is something we need to be very aware of and aware of now. It is one of the reasons we have been very clear as an industry that, although we want to come back, we don't want to come back before it's safe. We want to come back safely. As an industry, we are not pushing to be open as soon as we possibly can.

We want to be open when it is safe. That is why we are engaging with testing to make sure that we can find ways to ensure that no infections are brought into event spaces. It is why we are fully supportive of the whole vaccine effort. We want to do what we can to help to get that rolled out.

It is one of the reasons we are asking for an indicative date from Government. Having Government be clear that this is the date when we believe it is safe to be able to hold events without social distancing at scale, will help with the public confidence effort.

There are things we can be doing as an industry in terms of our marketing and communications. I am sure there will be things that Government will be thinking about in connection with this in particular. We saw over the summer when we opened up hospitality that there was a demand problem that needed Government intervention, to ensure that consumers were feeling confident to be able to go back to bars, pubs and restaurants.

Giles Watling: Eat Out to Help Out.

Jamie Njoku-Goodwin: Yes. That could be a marketing or PR campaign from Government, or something, just to help confidence. I am sure that is something that Government will be thinking about. It has been very



encouraging as an industry to see some of the appetite from consumers again.

It completely varies. Steve is completely right that there will be some festivals and some age demographics in particular that might be wary about coming back, but we are talking now not about this month or next month. We are talking essentially about post pandemic. We are talking about the summer when we expect to have a vaccine far through the roll-out. We expect to have mass testing in a position where we can safely hold events. We are absolutely not asking people to come to events when there is still a pandemic raging.

We are absolutely not asking people to come to events when there is still a pandemic raging; we are talking about being able to have our sector ready to come back when the pandemic has been pushed back—beaten back—and it is safe to carry out social contact.

Giles Watling: Right. I take away from that, then, that we need to keep the lines of communication between Government and your organisations open. Thank you.

Q58 **Kevin Brennan:** I want to ask Jamie a few questions from a UK Music perspective. First, I congratulate you, Jamie, on your appointment, and I thank your predecessor, Michael Dugher. I think this is the first public opportunity that we have had to do that on the Committee. You have issued a short report overnight that has been circulated to the Committee. Could you very briefly tell us what your key points are in that report?

Jamie Njoku-Goodwin: Thank you, Mr Brennan. In the report we have set out that, essentially, as an industry we want to be able to come back safely. We see that, as an industry, as meaning that we have to do a number of things. The first is to address the public health risk at present. That means looking at ways we can engage in things like testing as an industry, looking at things that can mitigate the risk of the pandemic, such as working with Government on guidance to make sure that events can be held safely, and looking at ways we can essentially engage as much as possible in reducing the public health risk and making sure that festivals and live music events can be held as safely as possible.

In addition to the public health risk that we want to mitigate there is an economic risk that we have to look at. This pandemic has absolutely devastated our sector. In terms of cashflows, lots of major festivals that should have had working capital to spend on the festival season this year were unable to generate money last year, so there is a real cashflow problem for lots of organisations and lots of festivals.

In particular, I think there are two main things on the economic side of things. Any business will know that to run properly you need certainty and confidence, and some element of financial security. That is why the two main things that we have called for in this report are an indicative date from Government for when we can hold live music and live events at scale



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again without social distancing, and an insurance scheme, which we have touched on already, to ensure that we can plan ahead with financial security.

- Q59 **Kevin Brennan:** Picking up on those two points—the insurance scheme and the date—I take it that you think the insurance scheme should cover the fees of any freelance musicians and crew as well as other issues. Is that correct?

Jamie Njoku-Goodwin: Yes. One of the things that the last year has really shown up is how much of an ecosystem the music industry is, and how much different constituent parts are dependent on each other. The absence of most of the live music scene in the past nine, 10, 11 months has obviously been devastating for events organisers and promoters, but it has also had a huge impact on musicians, technicians and crew—on the people working in our sector. It has impacted licence fee holders. It has impacted songwriters and composers who have been finding fewer commissions for new works, so it is really important that when we are looking at finding ways to get our sector to come back we are doing it in a way that benefits all parts of the sector and means that musicians, crews and people working on events are also going to be protected.

- Q60 **Kevin Brennan:** Other European countries have backed insurance for Covid-related cancellations. Have you had a look at those schemes, and is that the sort of thing that we should be doing here in the UK? What would be the cultural implication for the UK of failing to do the same?

Jamie Njoku-Goodwin: Germany has come up with a €2.5 billion cancellation fund for events that are planned for the second half of 2021 but are then cancelled. The Austrian Government have come up with a €300 million umbrella scheme to protect promoters against cancellation costs. The real danger here is that if we see a lot of countries—particularly in Europe, close to home—protecting their festival seasons and live music seasons, you could almost have a talent transfer.

We do not want to have a situation where musicians, crews, technicians and people who should be working in and supporting the UK festival scene are looking to the continent and thinking, “Actually, if there’s going to be live music happening there in 2021, that’s where we’re going to go.” We really do not want to put our festival circuit at a competitive disadvantage, especially if other countries are moving ahead with schemes like this.

- Q61 **Kevin Brennan:** That leads me on to the point I was asking about earlier on the ability of people to move freely and work within the music sector, and the festival sector in particular, across the European Union post Brexit. There had been great hope, before this, that the matter would have been negotiated between the UK Government and the European Union, so there was a lot of disappointment that that was not in the deal we voted on last week. Do you know what happened there? Why was that not got across the line? What is your view of the prospects of getting something like that across the line, and its importance?



Jamie Njoku-Goodwin: It is so important. In the UK, we have a vibrant and proudly global live music scene. People travel from across the world to our country because of that vibrant and dynamic scene. Every year, you will find some Australians, Germans and South Africans travelling to a field in Somerset to watch American, French and Korean musicians perform. I cannot think of another sector that imports the supply and the demand, but generates millions of pounds for our economy in the midst of doing so. It is a real asset to our country, so it was very disappointing to have a situation in which it could be not just more difficult for UK artists who tour abroad post Brexit, but harder for talent to come to the UK. International talent is one of the things that makes our UK live music scene the dynamic live music scene that it is. It looks like Government get this to an extent. The public position of the Government is that they tried to have an exemption for cultural workers included, but it was not agreed on the European side.

Q62 **Kevin Brennan:** Do you have any insight into that, Jamie? We had a lot of fuss about fish, most of which we don't eat, but not a lot of fuss about this, which is more important to our economy, as well as incredibly culturally important. Do you have any insight into why it did not get done?

Jamie Njoku-Goodwin: I have nothing against the fishing industry, but the music industry is a £5.8 billion industry that employs 200,000 people every year; the fishing industry is £1.4 billion, with a few tens of thousands. Nationally, it is important, but the music industry is a key national asset.

As for why it was not done, we are working on establishing that firmly, but our priority is to fix it. The Government are talking about wanting to negotiate a whole load of supplementary agreements and memorandums of understanding with the EU, using the trade agreement as a foundation. Our priorities are, first, to make sure that Government see this as a priority—when we are doing the supplementary agreements with the EU and moving forward using this trade agreement as a basis for improving things that were left out of the original deal—and making sure of provisions for UK artists and for European artists to be able to come to support our live music scene.

Right now, when we do not have any international travel or live music, it might not feel like an issue that Government need to talk about, but they absolutely do. It is critical to us and to the future of the festival sector, because our festival sector depends so much not just on European talent but on UK musicians being able to go to Europe and to bring back that experience and fan base.

Q63 **Kevin Brennan:** Finally, Jamie, you were talking about having some certainty about when, and some deadlines, and so on. I have been a Minister and you have been a senior Government adviser, on the other side of it—very close to Government decision making. If you were advising Government still on this issue—I understand, it is a difficult issue for Ministers to bring what you want from the UK music industry—what



would your advice be to them as to how they could provide the assurances that the music and festival industries need?

Jamie Njoku-Goodwin: Particularly on this issue of an indicative date, if you had asked me this question four or five months ago, I would have had a very different answer, because we would still have been in the middle of a pandemic and we would not have had a vaccine—we would not really have had an end point. Look at a lot of the public pronouncements of Government: even with the things that are happening right now, with a new lockdown and worsening infection rates, we have a vaccine on the way—it is being rolled out, there is a timetable for that and the public target for Ministers has been 2 million vaccines every week.

If you have that sort of data and that sort of information, there should be a way to calculate or make some sort of political determination or judgment. If we are going to be rolling out 2 million vaccines a week and if we know our testing capacity and situation is to be at this point by a certain time, we should be able to recognise or have some sort of roadmap with dates, or data on what needs to be done, to have that sort of indicative date for return. It feels like there is much more capacity and ability to have an indicative date now than there has been, mainly because of the roll-out of the vaccine. We want to have engagement, particularly on the scientific side of things, just so we know.

Again, it comes back to this question: when will it be safe for our industry to operate again without social distancing? We are not hankering to come back before our time; we just want to know when that date is—and that can be done.

Kevin Brennan: Thank you, Jamie.

Q64 **Steve Brine:** Welcome, gentlemen. I would like to talk a bit more widely about public health. Festivals are obviously used to dealing with health and keeping people healthy. This is probably a question for Steve and Paul, and then Jamie can comment if he wants to. To what extent does Covid present a rather unique challenge, and what might be the long-term impact of things such as hands, face, space? What might be the long-term impact of keeping people healthy and safe at festivals? If you want to talk about toilets, that is entirely up to you.

Steve Heap: There is no doubt at all that, however well the vaccine is rolled out and on whatever date we manage to get our festivals going again, customers are going to expect a much higher level of healthcare at our festivals and events. In fact, it has already been discussed among many of my member festivals. They are talking about far more hand sanitisers around sites. They are looking at the whole situation of toilet facilities, cleaning, showers, more water for handwashing and so on. It all helps to solve the health problem, but in fact, delivers quite a stringent economic problem, in that infrastructure will have to be beefed up somewhat. It is a little bit like green issues, if we were to talk about the environment. The customers are not always that bothered about who is on the main stage. They are bothered about how safe their family will be,



how clean and tidy the event will be, and how green the credentials of the festival are, and that is what starts to sell tickets.

Q65 **Steve Brine:** Interesting. Paul, I have been to many festivals over many years, and I am rather pleased with the fact that I have never yet had a shower. Are you telling me that will have to change? I have had hand sanitiser, I hasten to add. *[Interruption.]* The Chair is looking at me and thinking, "Too much information", as ever. Are you telling me that my bad habits will have to change?

Paul Reed: It may be one of the consequences of delivering Covid-secure festivals, I am afraid, Mr Brine. There has been a lot of dialogue, because it is difficult at this stage to see testing as the only solution to facilitate festivals, along with vaccines being rolled out. Testing and pilots are one of the pillars, alongside vaccine development and roll-out and, of course, treatment, but the other pillar would be industry mitigations. That is why we have a festivals working group, which is cross-industry, from the large to the small organisers, working with DCMS and PHE to look at specific guidance and planning assumptions. We are largely open-air environments, so we do not have exactly the same considerations as indoor venues around ventilation and so on. The areas of focus are close contact, entry and exit, sanitation, managing the bars and traders and so on. All of that will contribute to a proposition for how festivals can safely return and instil that confidence in customers.

Q66 **Steve Brine:** Jamie, anything to add on my hygiene?

Jamie Njoku-Goodwin: Beyond your personal hygiene, which in my experience has always been superb—

Steve Brine: That is very kind of you.

Jamie Njoku-Goodwin: I would like to make a point about testing. A lot of the things that Paul was just saying about mitigations are especially important, but not just for this pandemic. I do not want to depress people or sound too pessimistic, and the current threat we are facing obviously needs to be addressed and mitigated, but previously people used to act as though pandemics were this once-in-a-century occurrence that would only happen one in a hundred years. They would think, "If it happens once, fine; the next one is not until 2120." In the age of globalisation, interconnected societies, global travel and so on, I do not think we can just assume we might not have another one for decades and decades.

We need to make sure we have a clear testing system and testing infrastructure by which we might be able to continue events safely in the event of a future pandemic. We need to make sure we have working groups to work out how to make events as safe as possible. What sort of mitigations we can have, what sort of working groups we can have—all this work that we are doing now is, obviously, hugely important in bringing this current pandemic to an end. But it may also be very important in the years ahead if we face another such situation—touch wood that we don't—so that we can have some sort of blueprint for how, as a sector, we can operate viably throughout future threats. Again, if we get hit by another



pandemic in 10 or 15 years' time, just saying that we're going to lock down the whole system and not have any live music for a year is just not really tenable. It has brought us to the brink as a sector this time, so we want to be really clear that we have capacity in the systems in place to ensure that, if this happens again, we can operate safely and also viably through it.

Q67 **Steve Brine:** Is there anything there on which you need help from the Government, or is it really just down to the organisers?

Jamie Njoku-Goodwin: I think forging forward on testing, in particular. What I am slightly nervous about doing is seeing that there is a vaccine coming and just shunting off the testing to one side and saying, "Right, it's fine. The vaccine is coming, so we don't really need to worry about testing too much." First, testing—rapid-style testing—is incredibly important over the next few months if we are to start to be able to do things again and have some sort of activity. We need to make sure that we are engaging with it and—I do not want to say using the next few months as an opportunity—make sure that, while we are operating under pandemic conditions, we, as a sector and as a Government, working together, can use this to look at how we can make this viable for the future.

Steve Brine: Interesting.

Q68 **Julie Elliott:** Good morning. Clearly, additional costs will be in place to allow festivals to happen this year, and I am very concerned about how consumers will be affected by rising prices. How much do you think festival goers will be willing to spend to cover costs to ensure that festivals will go ahead this year?

Paul Reed: That is a really good question. Organisers are looking at this in the round in terms of the bottom line. Festivals run incredibly tight margins at the best of times, and these are not the best of times. I would argue that they are incredibly good value for the ticket price given the variety of entertainment, musical and otherwise. Yes, that will be inevitable. We have already touched on the fact that there is likely to be longer-term mitigations. I do not think that anyone is under the illusion that we are suddenly going to snap back into business as usual. That will come with additional costs, so it is of concern for independent festivals in particular. They will reach a tipping point quite quickly.

Q69 **Julie Elliott:** Might next summer create a problem with demand for tickets?

Paul Reed: Potentially. I was just going to round off by saying that that cost will not necessarily be just directly passed along to the consumer. It will be looked at in the round of the event budget. Obviously, we are at a serious pivotal moment of this pandemic and the summer feels very distant, but I do feel that, once we get beyond this, there will be an incredible appetite for those communal experiences, so audience loyalty and brand equity of festivals are not the issue. Getting through this is the issue, and getting the requisite Government support. We hope that we can come back very strong next year. Someone was saying earlier about



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110,000 people showing up. Most festival organisers would be very pleased with those numbers. We are aware that, largely, we can operate only at full capacity, with very few exceptions. It does not really work economically to do otherwise for the vast majority of festivals.

Steve Heap: Thank you for the question. I think there is an opportunity here for us to work with DCMS and the Treasury in encouraging the extension of the VAT reduction. The extra costs that are almost certainly going to be taken on board by festivals should not, in the main, have to be passed on to the customer. It is fairly safe to say that up to 50% of ticket sales for 2020 were already in the bank—that is the bank of the agencies, not the bank of the festival. With a lot of festivals, we are looking at selling another 50% of tickets, and that price should have to hold as near as possible to what it would have been in 2020—if that is at all possible. One way that Government could help us is by maintaining and indeed extending that VAT reduction. That would help enormously. The CRF was helpful to some festivals, but more in the way of keeping them going during the dark winter months yet again.

Paul Reed: Could I just add that I completely agree with Steve that the VAT reduction is a welcome measure, but sales have flatlined for the very obvious reason of lower customer confidence? So we would welcome a three-year extension to that cultural VAT reduction, in line with this Committee's recommendations.

Jamie Njoku-Goodwin: I definitely echo the points that Steve and Paul have just made, especially about VAT reduction. It has been brilliant for the year that it has happened, but it has happened in a year where we can't sell tickets. We want to take advantage of that when we actually can.

The other point that I would make briefly is that we don't want festival goers to be hit with higher costs. The best way to do that would be supporting events to be able to operate viably, and not to have higher costs for them. It is also about making sure there is a healthy supply of festivals and a festival market in 2021. The fewer festivals there are, the more demand there will be for a select few, so giving festivals and live events the confidence to go ahead means that there should be some healthy competition among festivals in the summer, and hopefully prices should therefore reflect that.

Q70 **Julie Elliott:** Steve, can I go back to something that you mentioned? You said that half of the sales are already in the bank. People have bought their tickets for 2020 and rolled them over for 2021. If festivals don't go ahead this year, do you see those people losing money?

Steve Heap: Not necessarily. In the majority of festivals, the money from sales goes into an agency fund, where it effectively is not allocated to the festival until the product is delivered in line with the customer relations. The agency holds on to those funds and, if the festival doesn't take place, they could be asked if they would roll over to 2022 or they can be offered a refund. There shouldn't be any customers losing their ticket money.



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Q71 Damian Green: Can I first of all pick up that last point from Steve, and declare an interest? I bought tickets for Latitude last year and rolled them over for this year. I hope it happens, but if it doesn't, frankly the fear—not for that festival, as it is part of a big group, but for other festivals—is that the organisation won't exist. It will be bankrupt. In those circumstances, that must be the fear of why people will lose money. Is that not right, Steve?

Steve Heap: I am not a lawyer. I don't entirely follow the legal aspects, but it would be fair to say that if the system is put in place, as we understand it, the ticket money goes to the agency, remains in the agency account and is not, at that point, passed over to the festival. As I understand it, if the festival does go bankrupt, the agency is still retaining the money to give back to the customers. I may be corrected by legal authority at some later stage.

Q72 Damian Green: Thanks. I wanted to ask about the Culture Recovery Fund, which we discussed in the first panel. The DCMS say that, of the nearly 1,000 festivals, only 81 applied for it. Why were the numbers so low?

Paul Reed: That is interesting. Firstly, we had to fight very hard to get festival eligibility for the CRF, and we had to provide a lot of detailed reports around monthly liabilities, reserves etc. Perhaps there was an awareness issue there. Over half of our members applied—just under 60%—and 75% of those were awarded a grant in the first two rounds. Now 65% of those have been stabilised and have the sufficient funds to stage a festival this year, if permitted.

Perhaps that was an awareness issue for festivals that are essentially in the wild, outside of membership groups. They might not have realised they were eligible. Also, the emphasis of those first two rounds was very much on businesses that would face financial collapse within this fiscal year. If you had run a business and built up reserves over the year, you weren't really in a position to illustrate that. Our advice to those festivals was that this shouldn't apply, actually, because the intent of the fund was very much for those on the brink, who weren't going to make it through the financial year. So I think that is probably the underlying reason.

CRF was a remarkable intervention—we have already praised it—but it didn't reach everyone. It didn't sort the whole sector out, as your statistic illustrates. We ran a survey, and of those who weren't offered a grant, 100% of them don't have sufficient funds to stage their festivals this year, so they remain on the brink. Perhaps something will come of this additional round of CRF that will open this week.

Steve Heap: May I add to that? I agree with what Paul is saying there. There is also the added issue of the bottom line: the minimum fund you could apply for was £50,000. The Arts Council's criteria was quite clear that you had to justify why you needed £50,000. It is fair to say that an enormous number of festivals quite simply didn't need £50,000, and they were honest enough to say so by not applying. What they needed was



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£15,000 to £25,000 in order to survive. I am pleased to see that the new round, which has just been announced, starts at £25,000.

It also presented some problems with an understanding of the criteria that the Arts Council put in place, and led to what I can only describe as honesty from some festival organisers and maybe not from others—I don't know. However, regionality was not described as part of the criteria and yet played a part in the fact that some festivals were unfortunate to not receive grants.

Q73 Damian Green: Is £25,000 still too high? If, as you say, people are going to continue to be honest, should this Committee be advocating that the limit should be lower if you actually want to save some smaller festivals?

Steve Heap: I think you are quite right. If we were to try and open the door to some smaller festivals with an honest application, to start at £15,000 would be advantageous to the grassroots. As has already been said by colleagues, the grassroots is where the musicians begin. It's where the technicians begin. It's where the infrastructure people begin. Saving those grassroots festivals is absolutely crucial. What we really do not want to see is the big multinationals trying to swallow up the smaller festivals. It would destroy a lot of the community events that take place throughout the country.

Damian Green: Paul, you were nodding at that.

Paul Reed: I was going to add, on CRF, that it is positive that the threshold is being lowered. We are concerned that this current round only covers three months of costs. The focus is reopening full capacity, with the assumption that we will have full-capacity events beyond the end of June. So it is interesting that we don't have any "no earlier than" date, but clearly assumptions are being made elsewhere.

In addition to insurance and the lack of a reopening timetable that we talked about, lack of working capital is the sole major threat to independent festivals being able to take place next year. I think there is a really real risk. Obviously, this pandemic has affected all festivals, from large to small. The liquidity in the market ceased in five to seven days. So I think the Government should focus on those industry-wide measures and ways of alleviating the situation in the sector. But I think there is a danger that if independent festivals become vulnerable, there could be more acquisitions, and there could be more of a concentration of power in a small number of major companies, therefore stifling competition. This was stated as a specific concern in France's published emergency plan. They provided funds so that smaller festivals weren't swallowed up by larger actors. So that is a longer term concern about the structure of the market.

This Committee recommended that the Competition and Markets Authority conduct a market study in 2019, and it hasn't occurred yet. I know that this Committee is looking at streaming and the landscape there, so I think it is a longer term kind of structure of the market concern, in which Covid could have a potential knock-on effect.



Q74 **Damian Green:** That is really interesting. Jamie, do you want to add anything?

Jamie Njoku-Goodwin: Yes. In terms of the take-up, one of the things that we have to be aware of as well is that the CRF was originally designed to support organisations through to 31 March. For a number of festivals or events, the bulk of the activity would have been taking place in summer 2021, so it was being presented as support to 1 April—the hope was, a few months ago, that we might be in a position on 1 April to be carrying out activity and those organisations would not then need that support.

As Paul indicated, it is really important when we are looking at future rounds of the CRF that things like an indicative date are linked to what is happening in the CRF. The CRF should be supporting the sector so it can be there ready to come back when we are allowed to function and operate viably. What we can't have is a situation where the CRF takes our sector up to a certain date, then we are still not allowed to operate or to operate at capacity in a viable way, and we have two or three months where we have no working capital and no Government support. It is really important that those two are joined up.

Q75 **Mrs Wheeler:** I am really interested in the financial model. The Government have given help from the Treasury. Could you expand a little more on what the nation would lose financially if the Government do not get the assistance right for you? Do you have some figures to get on the record?

Jamie Njoku-Goodwin: First, this goes back to the whole point about the ecosystem. When we are talking about festivals, we are not talking about things in the abstract. It is lives, jobs and livelihoods. There are thousands of musicians that won't be getting support. There are thousands of events and a lot of things that will be lost from the local community.

I would point to what has happened to the live sector. Our stats are that 65% of music creators' income has been lost this year, which goes up to 80% for those who are most dependent on live performance. People who work in our sector are completely dependent on live activity going on. If we don't have support to be able to come back viably, they will need more support.

We have already seen the Government spending a lot of money on things like furlough, the self-employment support scheme and business support grants. We don't necessarily want the Government to be providing a whole load more support—we want the Government to be helping us so that we can get back to capacity and be able to generate our own income and our own support.

The basic principle is that there are a whole load of risks and things that will be lost from not having festivals happening in 2021. Our stats show that we could have up to £2 billion-worth of activity happening in 2021, from the festival scene. It just depends on a few things from the Government to allow us to unlock that.



Paul Reed: If I may follow up, festivals generate annually £1.76 billion GVA for the UK economy, support 85,000 jobs and contribute significantly to the £1.6 billion in VAT receipts that the live music industry—festivals and concerts—generates. As Jamie said earlier, they also bring in a substantial amount of music tourism, in terms of international fans, and keep domestic spend in the UK.

From our own surveys and reports, we know that at least 10% of that spend is spent along the supply chain outside of the site on local businesses, so festivals have that multiplier effect to the local economy. I imagine all that activity will be essential to the recovery phase of Covid-19.

Jamie Njoku-Goodwin: In 2019, music tourism generated £4.7 billion of spending across the economy. That is not just in London. That is spread across Scotland, Wales, the north, the south, the east—across the whole country. There are huge benefits that would be lost.

Mrs Wheeler: You are quite right to stress the Union.

Steve Heap: If one turns to the local economies, quite apart from the festivals' contribution to GVA, the festival scene is known to contribute enormous amounts to local economies. Sadly, there are several shops, offices, hotels, B&Bs and campsites that have got into serious financial difficulties because festivals didn't happen. It is broadly known that £10 spent at a festival site usually generates up to £17 in the local community.

Q76 **Mrs Wheeler:** The final question is slightly more niche. When it comes to local authorities and licence fees, have you got examples of those who have rolled them over and been helpful while others have not? I do not know whether you want to name and shame or to talk to us about that later.

Paul Reed: Steve and I definitely have numerous examples of local authorities who have understood the situation—there certainly is a rationale for rolling over those fees—and other authorities were just saying, "This isn't possible. We have to charge this." We have provided our members with some advice around that, but I think we had at least 16 examples of authorities who have done that. I am very happy to follow up in writing with details of those.

Q77 **Chair:** Please do, Paul, and if you wish we can approach them.

To follow up an issue on insurance, the Committee effectively lobbied the Government to bring about an insurance scheme for film and television. I think the liability they were in for was £500 million, but at the end of the day they did not end up spending a single penny of that, and actually they scooped a lot more than £500 million in tax revenue as a result. Given that example and the fact that we are now in a better position with the vaccine and mass testing, why do you think the insurance industry is so nervy about this and comes up with insurance premiums that are so high as to make them uneconomic?



Jamie Njoku-Goodwin: It is partly about the experience of this pandemic. Pandemics move in curves and, even though there is a lot of talk from Government now about how we are reaching the final phase, the experience over the past year has been optimism followed by pessimism followed by optimism—that is just the nature of pandemics and the way things have gone. Whenever you have these events, insurance markets are often impacted in terms of confidence. That is why we think that if there is a way in which we can get the private market to start providing policies in a viable way, that would be brilliant, but it is not happening at the moment. It is one of the reasons why we think an indicative date from Government, with the Government saying on the record, “We think it will be safe for events to be happening by this date for these reasons”—vaccine roll-out and so on—would not just help us in preparation and planning as an industry, but hopefully mean that the insurance market could start to provide policies.

In most of the conversations we have been having with the insurance market, it sounds like viable pandemic insurance at premiums acceptable to our industry will not come around until 2022—I do not know if Paul and Steve have had the same conversations. Any more that the Government can do to provide certainty and clarity on when our events can take place would be helpful across the park.

Paul Reed: As I said earlier, the problem is mobilisation of the insurance market. It has been hit with so many claims across all sectors—certainly not from festivals, because 98% of our members were not covered, and even if they had communicable disease cover, Covid was excluded from that very rapidly, so there certainly have not been many payouts in that respect—that in general there has been an impact across the market. I spoke to some brokers who compared it to terrorism—when there is an incident like 9/11 or 7/7, there are certain parts of the market that they just cannot provide for. That is when Government did actually intervene and provide a Pool Re solution. So I think there are some parallels there.

Chair: Basically you are saying the insurance industry is once bitten, twice shy, and potentially it will not really be back in the market until next year, but that is a year that the industry cannot wait for, so you are looking for a scheme like the one that was in place for film and television, which was not called upon at all during what may be seen as one of the heights of the pandemic.

Q78 **Giles Watling:** I want to quickly move on to the good point, well made by Steve, about how festivals are good for supply chains and local economies. You have only got to look at the west end of London to see the effect that theatre closures are having right across the west end. Are micro-festivals relatively better for local economies than the bigger ones? For the bigger ones, people might just go to the festival, use all the facilities there and go away. Are the smaller festivals slightly better for local economies?

Steve Heap: Thank you for the question. Yes, it is very likely that smaller festivals are more localised. It is obviously well known amongst festival



people now that our customers are travelling much shorter distances to get to their events. There are enough festivals spread evenly throughout the country for people to travel just a short distance to get to a good festival. When they do approach the festival, it is with the simple things like groceries, fuel, B&Bs, small hotels and so on that our customers then start to pay into that local economy. There are, of course, still people who travel not just within the UK but from Europe as well to some of the more major festivals, and even they have an effect on local economies as they get nearer—witness Glastonbury, of course, with a multimillion-pound input into that small area of Somerset during those few weeks in June.

Q79 Giles Watling: Which festivals do you think will find it easier to return this year? Which are going to be more affected—the smaller or the larger?

Steve Heap: I do not think I have the information to decide between those two. What I do know is that I believe we are getting very close to the point where we need the scientists to help. We need to get somehow nearer to an opening date. One of the ways perhaps we might be able to do that is to establish what percentage of the UK adult population need to be vaccinated before Government will allow a crowd. At what stage do we say it is now safe to go to a festival? It might be the scientists that have to help us with that answer.

Q80 Giles Watling: That is worth pushing well up the chain.

Just one final thing. I put it to the earlier panel, and I think it is worth putting it to you guys too, because I am really concerned about the model changing and about larger festivals subsuming smaller festivals. If they do that, then it would have a knock-on effect on grassroots music growing through the industry, because I imagine that the model at the moment is of the smaller festival as the place where you can try your act out and get it right. Do you think that might have an effect? Steve?

Steve Heap: You are absolutely right, but rest assured that the big boys who are going to scoop up festivals are not going to be looking at the very tiny ones. They are looking at it purely from an economic point of view: it is a financial transaction, as in all business. So I really believe that the smaller festivals that are nurturing those grassroots musicians will be the ones that survive. Indeed, if they do not survive in '21, they will regenerate eventually, but it may take some time. But, of course, our worry is that when they do finally regenerate, will there be the infrastructure and supply chain to help them?

Giles Watling: I think you have answered that. That is fine. Thank you so much.

Chair: Thank you, Giles. That concludes our session, so thank you to Steve, Jamie and Paul for your evidence today, and thank you all for your contributions.