



Select Committee on Communications and Digital

Corrected oral evidence: Covid-19 and the creative industries

Tuesday 30 June 2020

4.05 pm

Members present: Lord Gilbert of Panteg (The Chair); Lord Allen of Kensington; Baroness Bull; Baroness Buscombe; Viscount Colville of Culross; Baroness Grender; Lord McInnes of Kilwinning; Baroness McIntosh of Hudnall; Baroness Meyer; Baroness Quin; Lord Storey; The Lord Bishop of Worcester.

Evidence Session No. 2

Virtual Proceeding

Questions 10 - 19

Witnesses

I: Leila D'Aronville, Manager, Tyne and Wear Cultural Freelancers Network; Julian Bird, Chief Executive, Society of London Theatre and UK Theatre; Deborah Annetts, Chief Executive, Incorporated Society of Musicians.

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

Leila D’Aronville, Julian Bird and Deborah Annetts.

Q10 **The Chair:** We have just completed an interesting session with representatives of the museum sector and we now welcome witnesses from the performing arts to talk to us about the impact of Covid on their sector. I will ask our witnesses to introduce themselves briefly in a moment.

Thank you very much for joining us. Sadly, we only have an hour of your time and quite a lot to pack in. The Committee has a lot of questions to ask you. The Committee Member will direct a question initially at the member of our witness panel who they think is best placed to answer that question; we will then ask other members of the witness panel if they wish to add anything. If you can keep your responses reasonably brief, it means that we can pick up on issues of interest. If Members of the Committee can be as brief as possible in asking their questions, we will, I hope, get through quite a crowded agenda.

I will start by asking our witnesses to say a very brief word of introduction about themselves and the organisations that they represent. We will then get stuck into questions about the impact of Covid on the sector.

Leila D’Aronville: Thank you for having me. I am a freelance creative producer and lead-maker in the north-east of England. I currently run two organisations. There is one called Northern Roots, which is a music promotion and development agency; we focus on artists of colour through mentoring and platforming. I have also, in the last year and a half, founded another organisation called Tyne and Wear Cultural Freelancers. We represent around 1,400 freelancers from across the cultural sector in the north-east. Through Covid-19, we have become a lifeline to many. We provide a connection between the local and the regional strategy, between institutions and freelancers. That is the big bulk of the group that I am here to present on behalf of.

Julian Bird: I am the chief executive of the Society of London Theatre and UK Theatre, the two bodies that represent professional theatre in its broadest sense, around the West End in the London sense and the broader London community, and then around the rest of the UK. The definition of theatre for us is performing arts, so dance and opera in all its forms as well as all aspects of theatre. I also chair two major arts organisations: the Yvonne Arnaud Theatre in Guildford and the De La Warr Pavilion in Bexhill. I see things from multiple angles, which is perhaps important to add.

Deborah Annetts: Thank you for asking me to attend this session. I am chief executive of the ISM, which is a professional association representing over 10,000 professional musicians who work across every single type of genre, from working in the theatre to orchestras but also lots of small gigging ensembles. Also, many of them work in music

education in our schools, et cetera, which is a particularly fraught area at the moment.

Q11 Viscount Colville of Culross: Good afternoon, and thank you for coming. I declare an interest as a freelance series producer, making content for Netflix and the Smithsonian Channel. We have heard a lot about the financial suffering of the creative workforce during this Covid period. How do you think the SEISS and the furlough scheme have been helping them? I would then like to go on to look at freelancers, who are disproportionately represented in the creative workforce. These schemes are going to come to an end in August. What more can be done to support them?

Leila D’Aronville: That is a really wonderful question, thank you. It has been quite worrying how many people have not actually been served by the SEISS. It is estimated that around 70% of cultural freelancers have not been able to draw down from the scheme. A recent survey in the north-east of the freelancers I represent showed a much more modest number, with only 30% having not been able to draw down from the SEISS.

However, even when the numbers are slightly different, the scheme itself has not been completely fit for purpose. A lot of people have not been able to draw down from it because they are newly freelance. Recent graduates are a real issue within the sector; we have people who have recently graduated who have not been able to access the scheme. A large proportion have not been able to access the scheme because 51% of your work needs to be freelance and, as we know, a huge number of people within the cultural sector have a portfolio career, so they might be working on PAYE contracts, quite often seasonal contracts and short-term PAYE contracts, which have then made up the 50%, so they are immediately excluded from the SEISS.

Through the recent survey we have done, 30% were unable to draw down. However, the even more worrying figure within that is that 81% of the freelancers we surveyed—it was around 300 participants in the north-east—said that they did not have enough money to survive beyond September. If the scheme finishes in August, it causes quite a lot of issues for people.

The other challenge with the SEISS for people in the cultural sector is the fact that it was 80% of profits. As we know, a lot of artists and a lot of creators will have fixed costs that they are continuing to accrue and continue to have to pay for, but actually they were not taken into consideration in the SEISS. For example, people who have accrued costs for artist studios will be unable to get grants from their local authorities, and also that was not taken into consideration in their SEISS grants.

In addition to that, we have a lot of creative businesses that are limited companies. We have quite small limited companies that make up quite a large portion of the creative sector. A lot of these companies were turned into limited companies to be able to draw down funding and to serve the communities they are there to serve in the most effective ways.

Directors of these companies have been drawing down quite minimal fees for themselves and then drawing down dividends, more to manage cash flow than to have any sort of tax benefit to them as individuals. These companies are also not served by the SEISS or even the furlough scheme. If they were to furlough themselves, it would mean that their businesses could not continue to work.

Among all of this, I have a real concern about the health and well-being of the sector as a whole, particularly freelancers and the workforce within the culture sector. It is a real concern for me. There are some ways that we could begin to alleviate this going forward. A universal basic income would have a really significant impact on the cultural and creative sector. As a regular payment paid to all adults regardless of means, it is a guaranteed income for life. It is set at a level that is appropriate within the country. We know from other areas of the world that have tested out a universal basic income that people go into it in quite a positive way. They set up businesses. They pay off debts. Young people stay in education. The people who have lower incomes access less statutory provision than they would need to if they were not on UBI. We know that it also sets a stimulus that encourages creativity and entrepreneurship by removing financial insecurity.

We know, taking the freelancers of the cultural sector into consideration, that the benefits of the universal basic income are really clear. It would provide a steady income across the year, so it would take out a lot of the insecurities that sit within the sector and it would also create a level of equality.

Another scheme that was tested in the 1980s—so we actually have done this in the UK—is the enterprise allowance scheme. It was tested in the 1980s and it reaped many creative benefits across the cultural sector. The scheme was not actually set up for the creative industries at the time but it did support a lot of practitioners to set up their own companies and we know that a huge number of people from within the cultural sector, who we are reaping the benefits of now, actually began their careers around that time, whether it was directly through the enterprise allowance scheme or through being employed by companies that were set up through the enterprise allowance scheme.

We also know that the programme had its flaws. A lot of work has been done around what might have been wrong with the enterprise allowance scheme. One of those things was that one in four participants fell by the wayside in the longer term, a year or two years into the programme. However, we have an opportunity at the moment, with a large number of organisations being very interested and up for collaboration, whereby we could have the enterprise allowance scheme running alongside a really strong collaborative mentoring scheme through some of the building-based organisations, which could actually bring that number down and ensure that, if we were to recreate something like the enterprise allowance scheme, its take-up and success could actually hold a lot of benefits.

Viscount Colville of Culross: Julian, have you found that people who

work in the theatre sector have suffered similarly? What do you think the Government could do to help them?

Julian Bird: I absolutely concur with everything that has just been said. It is worth saying that in the performing arts and the theatre sector, around 70% of people are freelance or self-employed. It is important to note, first of all, that the make-up of a sector such as ours is very different from that of a normal economic sector that you would be talking about at another time. Of course, to be clear, that includes most performers. It includes nearly all actors, all musicians and vast numbers of the technical staff. People are very vulnerable at the moment.

At the start of this I pulled together the 25 benevolent charities, which support people with long-term illness or in hardship in our sector. For the first time, we have pulled the 25 together over the last four or five months. I chaired them again yesterday and it is heartbreaking to hear that the number of cases and the number of applications are rising. These are for pretty basic things. This is for money to eat, money for their children and for housing. They all described yesterday that the key people in these charities see this as the start of a wave going through. Waves seem to be the discussion of the day with a second wave of the coronavirus, but this is a wave of applications as we go into the autumn while this continues.

It is important to say that this is all about the supply chain for us as a sector. While theatres and venues remain closed, they are of course not engaging freelancers. It is a direct read-through of the problem that there is no income coming into the sector, to the venues and the producers, which means that there is no money to engage all these freelancers and the self-employed.

There are many routes to do this. We talk to actors and musicians everywhere; they want to get back to work. Crucially, we need to think about how we can encourage economic activity to get back up and running so that freelancers get engaged. That is the whole nature of the conversation that we need to have. How can we invest in the sector to enable people to do what they want to do and get back to entertaining the public? There is universal basic income and all those other ideas, but we know that they are not going to happen very quickly. Therefore, the quickest thing we can do is to think about how we can incentivise organisations and venues to start activity as soon as we can, within public health parameters and almost certainly with some government support. It would mean that people would get back to work.

Viscount Colville of Culross: Deborah, how could that happen? How could we incentivise the revival of this sector?

Deborah Annetts: I agree with what Julian just said. Musicians—we represent over 10,000 of them—are desperate to work at the moment. I do not think matters have been helped by a lack of clarity from the Government in some areas. There is quite a lot of misinformation swirling around at the moment as to what a safe working practice is, and you see that particularly with various conversations taking place within DCMS. There is a lot of confusion at the moment.

There is definitely a huge amount of need in the music sector. You have 200,000 freelance workers and they are very keen to return to work. A lot of them are now on universal credit and some of the younger members of my organisation are now saying that they are going to give up music as a career and retrain because they just cannot see it as a sustainable career option. Going back to Julian's point, there is a massive issue around the talent supply chain, which is coming under immense pressure. If musicians cannot work, they cannot practise and so they will be deskilled as well. The sooner we can get them back working, the better.

Just adding another bit into this, which I hope I will be able to touch on a bit later, we have written extensively to various government departments, including the Department for Education, seeking clarity around music education and safe working practices there, even around private teaching, and we have had absolutely nothing back. While, as from Monday, it will be okay for people to return to teaching others how to drive, which is in quite a confined space, nothing similar has come out in relation to music teaching. Most musicians work not just as performers but also as music teachers. If you are suffering in relation to the performance part of your portfolio because you cannot work in a West End theatre, you should be able to rebalance it with some music education work, but you cannot do that at the moment because there is no guidance coming out from DfE. We need to tackle all of this holistically.

The Chair: There is quite a lot there that we can explore at length but we need to move on, sadly.

Q12 **Baroness Bull:** We have seven very eager Peers queuing up after me so I will ask a very quick question and I will beg you for short, pithy answers so that they can get in. It is a two-part question. The Government have recently published their road map. From your perspective, Julian, what is missing, if anything, from that road map? The second question, to Deborah and Leila, is about your biggest fear for the long-term recovery of the sector.

Julian Bird: The simple answer is dates. A five-stage road map is useless without indicative dates—as I termed it in the media last week, a “no earlier than” date. We all know that hairdressers had a date of no earlier than 4 July. We do not have anything for the theatres and we all know, with social distancing in place, that the vast majority cannot get back into anything like operation. We need a “no earlier than” date for auditoriums, which of course fits the public health context as we approach that date. It is as simple as that. We advised the Government of that and we suggested that that should be included in the road map before it was published.

My biggest fear is that we do irreversible damage to a sector in which we lead the world. It is as simple as that. It sounds trite to say it but theatre is a sector in which we lead the world. We may not lead the world in many things any more but we definitely do in theatre. We are net exporters in terms of cash flow around the world of this. If we damage

the supply chain and the extraordinary skills and talent we have in this sector, you cannot just rebuild that overnight. It is not just a case of saying, "We will mothball it and let it go away for a while and then set it all back up again". We all know it does not work like that. It is a complicated sector with many people. If they cannot earn a living doing this, they will have to move to other things. You cannot just rebuild it overnight. That is my biggest fear.

Deborah Annetts: I totally agree with what Julian has just said. My biggest fear is that we will end up with no music sector. The music sector is worth £5.2 billion to the economy. The creative industries generally are worth £111 billion. These are incredibly important sectors. They have so far received no financial help, even though fishing, which equates to a tiny fraction of what the creative industries bring in, has received financial help. We also have an extraordinary reputation in terms of our soft power that comes from our creative industries. If we do not take action to support both the individuals and the industry as a whole, it will simply not be there to come back to, with all the ramifications that has in terms of GDP as well as mental health, cultural activities, industry, tourism, et cetera. We are really on a knife-edge and we could be saying goodbye to the creative industries. It is that serious.

Leila D'Aronville: I would echo all those things. Those are absolutely huge issues. One thing that was missing from the road map was the financial package to go alongside it because, as we know, it is not just about the capacity that you can fit into a building; it is about audience confidence. We know that audience confidence is really low at the moment. We are unsure whether that will increase over the next few months. It may well be that audience confidence remains low until the end of next year. That is a really big issue for the sector as a whole, and I would echo everything that has been said about the real challenges and worries for the sector as a whole.

The other thing that I would add into that is diversity. We have had a problem with diversity within the sector for a very long time and, particularly over the last eight years, we have come some way to starting to alleviate some of that. At this point in time, we are in severe danger of losing a lot of that amazing work that has been happening and we will lose diversity from the sector.

Baroness Bull: That was impressively concise and impressively full of information.

- Q13 **Baroness Meyer:** I am interested in the issues you are facing with art education, and most particularly with music, because we all know how beneficial music is for children's development, their IQ and memory. We have already seen that the number of schools teaching music is reducing all the time. With Covid-19, it is going to be an ever bigger problem. What is it all about? In Germany, most children are taught music at school and there are some 1 million children who go to music schools. Is it that our Government is not investing enough or is it that we do not feel that music is important in our children's education in this country? What would the solution be from your point of view? This is more a

question for Deborah since that is her field.

The Chair: We might have lost Deborah. Julian, you are probably the next in line for that question. Do you want to take a bash at it?

Julian Bird: Yes, absolutely. Deborah is more of a specialist on the music front but let me talk about art education in general, which includes music, theatre and dance in its many forms. I will assume that we all believe in the value of arts education in one form or another.

There have been, as we know, huge cuts in arts education in the formal education of our children. We know that the number of people studying art subjects as they approach GCSE has gone down and continues to fall every time the statistics are produced. I am firmly of the view that a rounded education is good for people. It has certainly taken me through the multiple careers that I have had. Freelancers, musicians and artists in our world are facing the lack of the education side of their work as well as of the performance-type work. It is coming on top of one another and making it even more difficult.

A lot of education happens through outreach work from theatres, venues and performing companies the length and breadth of this country. While they are all closed, all those education activities are closed as well. I mentioned that I am chair of a big theatre in Guildford. Our entire group of 150 to 200 young people who are part of our youth theatre are not meeting and are not part of that drama activity every week. It is another crisis that was already emerging, and this is just exacerbating the situation for artists at the moment.

Baroness Meyer: It is a pity that we have lost Deborah because music, in particular, is not taught in this country. The performing arts are doing a little better than music.

The Chair: Perhaps that is something we can pick up with Deborah offline. It happened at exactly the wrong moment.

Julian Bird: I do not think the performing arts are doing any better than music. There is a complete lack of all of them at the moment, and that is one of the issues.

Leila D'Aronville: Just for the record, music is a performing art.

Q14 **Baroness Buscombe:** I want to talk more about what the sector is doing to circumvent this; we have heard a lot about all the problems. I have to come back to Leila on this point about universal basic income. I am really surprised you think that is fair when it is not even means-tested. We are spending somewhere between £50 billion and £60 billion a year on in-work benefits, which a lot of freelancers and those part-timers and so on actually call upon. We already have a system where we have a safety net for those people who cannot fund themselves enough by working in the performing arts.

Where is Equity in all of this? I have not heard from it at all. What is the industry doing to lobby the Government around practical solutions as opposed to financial solutions to Covid? For example, we are all seeing

pictures of people sitting on full aeroplanes now with masks on. Are you presenting that to Government and saying, "If this is possible for a six-hour flight, why is it not possible for a theatrical performance?"

Secondly, are you calling upon people such as Cameron Mackintosh, Andrew Lloyd Webber and others who have done extraordinarily well and made huge amounts of money, brilliantly, through their world? What are they doing to support the sector that has supported them and made their lives so brilliant in many years? Are you not asking them for help and saying, "You put in so many millions"—£100 million, maybe—"and match that with government"? What about something practical like that?

Julian Bird: First, it is for Cameron and Andrew to talk for themselves. They both have major charitable foundations and they have both made significant gifts to many things already during this crisis. Within seven to 10 days, we will be announcing a major initiative across the performing arts to help people. Many people are part of that and I thank them in advance for what we will announce.

We have roughly 290,000 people working in the performing arts in this country. Two of them are Cameron Mackintosh and Andrew Lloyd Webber. Absent them, it is hard to think of anyone who has anything like that level of wealth. The vast majority of people, including most of the producers and theatre owners, are not in that league. These are people who earn their living doing something that they fundamentally believe in. Yes, it is right that Andrew and Cameron have stepped up to the mark and have done things, not always in public, and they have played a crucial part. I particularly thank Andrew and LW Theatres, who are leading some of the work around the Palladium in terms of testing things and getting audiences back again.

On the first part of your question, for better or worse, I have been leading the majority of the work with the Government on reopening for the sector through huge numbers of working groups and everything. We have been engaged in extraordinary levels of detail on how to get back to work and there is more work going on around that at the moment and more scientific evidence. It is phenomenally complicated if you say that there has to be social distancing in an auditorium. Two-metre social distancing takes you down to about 20% of capacity. At one metre, it takes you down to around 35% of capacity. Neither of those is an economic model.

I am afraid I still have not received a proper answer from anybody as to why people are allowed to sit in an aeroplane with masks on but in rows, face to back, exactly the same as one would in an auditorium, and what the difference is. The only thing that has been mentioned to us is that there is a comprehensive track and trace system on an aeroplane because they have everybody's details. Of course, in a theatre, people book, so we have the people's details as well. I am afraid I will continue to ask the authorities almost every day why our airlines are treated differently from other sectors of the economy.

Baroness Buscombe: Julian, can I just come back in there quickly to say that I had a very strong quiet feeling that Cameron and Andrew were

doing great things? I just wanted to get it out there on the record, because I know they do a lot behind the scenes but it is important that people know.

Deborah Annetts: Can I just come back to that question on music education? The problem started with the policy around the EBacc, which Peers may know meant that there were a variety of core subjects and the arts did not form part of the EBacc. That has resulted in music and the other arts subjects disappearing from the school curriculum. What has been happening in relation to Covid-19 is a further narrowing of the curriculum. In some instances, schools have been willing to let their children learn via Zoom lessons for their music tuition.

We heard today that there is a leaked document—it may not be true—of a 16-step plan for getting children back to school in September, but non-core subjects will be dropped for the first two terms. Our concern is that music, not being a core subject, will be dropped from our schools, which could mean GCSE as well. If that happens, that is a total interruption to the development of the talent pipeline. It also increases risks around access for poorer children and those from ethnic minorities, because it will mean that the children who can access music education are those whose parents can afford to pay for it. There is a massive issue developing in terms of children getting access to music education.

We are already seeing mass redundancies among music teachers and teachers who are working for music education hubs. That is partly because they have not been able to put in place the service level agreements with local schools, but also because the Government have still not produced a revised national plan for music education and are now saying that they are not sure if they can do a three-year settlement for music education hub funding. All of this is a bit of a perfect storm when it comes to music education, and it is desperately worrying.

The Chair: We will have to leave that there, Deborah. We may come back to you offline for some further evidence on that because we really are running short on time. I will ask Leila if she wishes to say something very briefly in response to Baroness Buscombe's question.

Leila D'Aronville: There has been a lot of work with the smaller venues and the regional venues. A lot of the venues that I work with are independent music venues; the Music Venue Trust has been doing some great work around that. It is just that we do not necessarily have the power of the bigger venues and bigger theatres, and that is still a bit of a concern in terms of how much of that knowledge can come back to those smaller venues that perhaps are not in quite as solid a position with regards to the expertise and knowledge within their organisations.

Baroness McIntosh of Hudnall: I should declare an interest. My daughter is a full-time professional musician and she teaches, and I am also deputy chair of the Royal Shakespeare Company. Deborah, I just want to say that in the next-door local authority to mine they have already taken the decision not to re-engage with any extracurricular or non-core subject at all when they return in September for the foreseeable future, so all of the people who teach that stuff will not be

required.

Q15 **Baroness Quin:** I wanted to raise the issue of the Cultural Renewal Taskforce that has recently been created and its membership announced. My concern, which I would like you to comment on, is that, although there are some key people on the task force, it does not currently reflect many of the diversity concerns that many of us have—how diverse voices and the voices of the regions and localities can be heard in the work of the task force. Can you comment on the task force and perhaps deal with the question of, if the membership stays as it is now, what mechanisms can be set up to ensure that diverse voices are heard as well as the voices of the regions and localities?

Leila D’Aronville: I agree. The nations and regions not being represented in the task force is very clear from the make-up of the task force. As we know, things that happen, particularly outside of London, work in a very different way. I am based up here in the north-east, currently standing in Gateshead, and the way that we work in the north-east is quite different. We have large areas of rurality, which you do not have in London, and the way that local authorities work together is quite different as well.

Diversity is a huge part of the work that I do too, whether that is ethnic diversity, gender or sexuality—all of the protected characteristics that we are absolutely at risk of losing within the cultural sector—and, from what I can see, they are not very well represented across the task force. The gender representation across the task force is not balanced, so that is quite a simple thing that you can look at just from seeing who is on that task force. Not having that lived experience and that knowledge at that top level is a real challenge.

You have the working groups that then feed into the task force, which is great. However, from a north-eastern point of view, there is still not a huge amount of representation from organisations that I would say are representative of the performing arts in the north-east. We do not have that representation on the working groups either. There is a better spread with regards to organisations that work with particular groups of people around diversity but that is not here.

Gender balance in the sector is already struggling, and one of the things around gender that will be an issue going forward is that Covid-19 has caused severe issues for women within the sector. There are various bits of data that I am more than happy to share with you, but basically women are taking on the majority of the caring responsibilities. Women within the sector make up a large number of the freelance roles, they are generally slightly lower paid and the gender balance of the sector will be affected quite badly. The fact that there is not that gender balance on the task force is an issue.

Deborah Annetts: There is nobody from the music sector on the main task force, which is quite extraordinary given the importance of music to the economy. There is nobody from the music sector.

Julian Bird: No one that I know in the sector was asked about who should be on the Cultural Renewal Taskforce. We were not asked for any recommendations or what the balance of it might look like. I was very involved in the Entertainment and Events Working Group, which is one of the working groups that feeds in. I am very pleased that we have the Newcastle Theatre Royal on that working group, among many organisations, and we were very keen on that to make sure we had very good regional representation. We have been able to get disability and access specialists on there, so they are directly at the table with the Minister when we are discussing guidance for the future.

I completely agree with everything that has been said. The lack of a clear regional voice on the task force is an issue, and it should be corrected. If the Cultural Renewal Taskforce is going to represent this entire sector, it needs to have specialists from each part of the sector on it. Music is clearly the biggest bit that is missing. There are other gaps. I have people asking me why so-and-so is not represented but music, in its broadest sense, is a big gap on there. On the regional voice, it would be a shame if this becomes so London-focused that we are not also thinking about everything else around the country.

The Chair: You said that nobody had spoken to you or to anybody that you knew about the composition of the task force and the working groups. Where do you think they did go for advice?

Julian Bird: We were absolutely involved in the Entertainment and Events Working Group. I was asked, we supplied lists and suggested regional representation. That was not the case for the main Cultural Renewal Taskforce. I am not the one to ask about that. I believe that was a DCMS governmental conversation.

Leila D’Aronville: Can I say something really briefly about the Newcastle Theatre Royal being on the workforce? It is absolutely brilliant and it is great that it is there. It is slightly different from the way that a lot of the cultural sector works in the north-east. It is mainly a receiving house and it works in quite a different way from a lot of the other theatres and the other performance venues in the north-east, which is why it is not necessarily representational of a regional voice. I just wanted to clarify that.

Q16 **Lord Allen of Kensington:** I need to declare my interest as chairman of Global Media and Entertainment. I am also chairman of Classic FM, and I will come back to the music issue in a moment. I am really interested to understand what public policy decisions should be taken to kick-start and support the sector. I am keen to talk to Deborah. I had a long conversation this week with my managing editor of Classic FM. How do we mobilise the industry as well as government to be more supportive in what we can do to really move things forward?

Deborah Annetts: I come back to the point that there is a lack of clarity on what the social distancing mechanisms should be within the creative industries. Julian made the point that airplanes are fine but theatres are not, and that driving instructors are fine but private teaching is not.

There seems to be a real lack of clarity coming from the Government in relation to what is reasonably safe while at the same time supporting our creative industries.

My organisation and other organisations have been saying that we need better research. I have just commissioned a global literature review of all the resources across the world in relation to transmission of Covid-19 in both the performance and the education space because there was so little clarity coming out of government. I have literally this afternoon been given the report and it shows that there is plenty of guidance out there but it relates to, say, Berlin or British Columbia or wherever. It is documentation that the British Government could be usefully using to give us better clarity around how to get these various parts of the economy back up and working. As we have heard, the musicians, the actors, et cetera, want to work. They do not want to apply for universal credit, which is what they are now looking at.

We need clarity first, but we also need some financial help from the Government to the creative industries while they get back up and working, which is what has happened in Germany, Norway, Denmark, France, New Zealand, Australia, et cetera, right across the world. People recognise the importance of the cultural industries and Governments are taking action to support them. With our mixed model of commercial and public funding, we cannot do it by ourselves. We need some help from the Government.

Julian Bird: We are in a crisis situation, and I am not overestimating it. Every time we do the research that we do, we get to the same figure, which is that 70% of organisations will run out of money by the end of the year. In terms of public policy decisions, we have been very clear with the Government that we are not really talking about a bailout; we are saying, "Come and invest in a sector that will pay you back over the long term". I can see Baroness McIntosh nodding but you have only to look at things such as "Les Misérables" and "Matilda the Musical" to see that there is a genuine ability to pay back the Government for investment in this sector. That is the public policy decision we need but we need it very soon because the time is approaching—time will run out for that decision to happen. As I said, my biggest fear is that we just let our sector wither. It is quite clear that we are talking about investment; we are not talking about a bailout. That terminology is really important.

Lord Allen of Kensington: It is important to get this on the record. What sort of level of investment are we talking about and what is the payback?

Julian Bird: We have put forward an investment proposition called the cultural investment participation scheme to the Government. There has been engagement on that. We are talking about different levels of investment. If you are in the purely commercial sector, it is just a small percentage, potentially, to help you get back up. For the major subsidised organisations, such as the RSC, it would be something a little larger. It would depend on each organisation's individual circumstance but the aim is that that would be countrywide; it would not go just to the

big players. The aim is for that to be an equal scheme that would help everyone in the north-east as much as it may help the big organisations in London. It is tiered and, crucially, in that is support for people. We keep coming back to the freelancers. If we do not look after our people, we will not have a workforce to bring anything back in the first place.

Lord Allen of Kensington: I am sorry to push you, but how many hundreds of millions are we talking about?

Julian Bird: There is a rough figure of around £300 million for every quarter that the sector is not working. That can be flexed either way but, in terms of getting back, that is the sort of figure that we need—plus plus. We have been closed since March. To state the obvious, once the job retention scheme ceases or starts to wind down, and once the self-employed scheme starts to wind down, we are faced with an even bigger problem than we are now.

Deborah Annetts: There are additional things that we could be doing, such as looking at rates relief. That is particularly important for the smaller music venues. There are various tax breaks, such as the orchestra tax relief scheme, which could be extended. There are tax things that we could be looking at alongside the package that Julian has been talking about.

Q17 **The Chair:** The Government can operate in a number of areas. They are doing a lot across the economy to support workers. You have issues with how that works in the creative industries, and there are a variety of reasons for that. It is not without complexity for the Government to address some of these issues. Julian, you talk about the need for investment in the sector rather than bailouts. The Government are going to invest in a range of sectors and it is highly likely that they will invest in a number of sectors beyond the creative industries, which may take the form of taking equity stakes in some businesses, as with the banking bailouts. How would that work and what would be the payback, as Lord Allen asked, in the creative industries if the Government see this as an investment? Would you see the payback as being different for the commercial creative industries compared with the less commercial and subsidised creative industries?

Julian Bird: Yes, it would be different. There would be one scheme but payback would be different. We believe that on the commercial side it would be a clear payback scheme, in the same way as producers raise money to do shows and pay their investors back with profits when the shows are a huge success. It would be exactly the same with the Government.

For the not-for-profits, in the broadest sense, some have government subsidy through an arts council and some do not. We need to be clear that you cannot really do equity stakes in charities so we are not talking about the Government taking an equity stake in something but about an investment in the long-term health of these institutions, with payback almost certainly coming from a percentage of the profit from the group every year. There are some who may want to do that in a different way

but it is also the conversation about whether there could be any cultural capital payback in terms of a requirement on organisations for what they are doing in localities. It could be around employment or education. There are a range of mechanisms. We have put forward some quite clear propositions that are under discussion at the moment.

Q18 The Chair: You have all been, in various ways, quite critical of the Government's response, the significance that they show to the sector and the lack of clarity in government guidance. Government is basically Whitehall departments and quite a lot of officials, all of whom are working incredibly hard. Most of them are not furloughed, they are working from home and they are dealing with all the challenges that we are dealing with, such as childcare problems. There is a chorus of people calling upon the Government, by which they mean other people working in Whitehall and other government departments, to be doing more. What more could your sector be doing to help the Government and the relatively small number of people employed in government departments working on these issues?

Julian Bird: I have paid tribute many times in interviews, and in my evidence to the House of Commons a few weeks ago, to the officials in DCMS and the Treasury. They are working phenomenally hard. They are trying to understand all the complicated issues around our sector and I give huge credit to them. When I say "phenomenally hard", it is not rare for there to be texts and calls until very late in the evening and on both weekend days. No one could be working harder, on both sides, to try to find answers to this.

Clearly, we are offering to bring the sector's expertise to bear with government and with officials to try to find a way through this. We have had that engagement and we say to them, "Please keep up that engagement". There is huge expertise around the table from the sector and there is no better time than when we work collectively together.

Deborah Annetts: I would like to echo what Julian has just said. The DCMS officials have been extraordinary in their commitment to getting to know the sector and to try to find answers. We have been supplying them with briefing papers, et cetera, and sharing possible ideas with them, and they have been very responsive. Unfortunately, the same cannot be said for the Department for Education, where it is like talking to a brick wall. Nothing ever comes back.

Leila D'Aronville: I would like to echo exactly the same things that everybody else has said. I have been on several round tables with members of DCMS, talking to people from all over the sector and trying to gather what they can do to support. My main criticism has been around the support that has been in place for the freelance and independent side of the sector, which has not, so far, been fit for purpose. There are things that could be done quite simply to support that, such as removing the 50% PAYE. There are some reasonably simple things across the SEISS and supporting small limited companies in whatever way that may be, whether it is through local authorities or otherwise. The Government have been working incredibly hard.

The Chair: We have time for one final question. Until Covid came along, the only thing that we talked about as a country was Brexit. Covid to some extent, sadly, is the new Brexit. Brexit has an impact on the future of your industry, so let us take one final question on that.

Q19 **Baroness Grender:** If we had been sitting here pre-Covid, all of you would have been answering questions and worrying about and planning for Brexit. Covid has had a significant impact on Government planning for Brexit but what impact has it had on your planning for Brexit?

Deborah Annetts: We produced our fifth Brexit report back in May, which brought together the findings of more than 600 responses from right across the music sector. We found that people were already losing work in the EU as a result of Brexit. People were being told that they could not apply for jobs if they did not have an EU passport. The main issue continues to be a lack of freedom of movement for musicians post Brexit. The ability for musicians to tour across Europe is of paramount importance, even more so in the light of Covid-19. We have been told by the Government that they are looking at this, using something called Mode 4. We have investigated Mode 4 and it is simply not fit for purpose when it comes to enabling musicians to tour.

If you add Brexit on to Covid-19, the situation for the music sector becomes even more concerning given that so much of the income for so many musicians comes from Europe. If that is not available for musicians post December, again I fear for the talent pipeline. Youngsters, young musicians, young ensembles and those who gig will just give up and find some other way of earning their income. We desperately need an answer to the touring challenge post Brexit

Leila D’Aronville: I would echo all of those things. Losing freedom of movement is one of the biggest challenges for us, including in terms of bringing artists in from the rest of Europe. Alongside that—it is all tied together—is European healthcare, which will cause issues if freedom of movement is allowed to continue but the healthcare is not. That will also cause issues for the smaller ensembles, in particular, in being able to gig in Europe.

Julian Bird: I agree with all of that. I will say something completely different, which is that we have some huge concerns around the speed with which trade deals are being done with other countries around the world, not least with America. If you look at pure money trade flows, America is probably the most important country in the world for us, particularly in theatre. The speed with which we are rushing to do a trade deal with America—a country with which we have never had one before and where we have been able to freely trade in our sector—is, to be honest, of huge concern. We need to ensure that issues such as intellectual property are properly taken care of and that we do not end up agreeing to something that would very detrimentally affect artists, writers and composers in our sector in a way that people are not imagining because we are just rushing through it. The same would apply to Australia and everywhere else as well but America is the one with the biggest impact.

Baroness Grender: On that trade deal, what level of engagement are you getting and what do you need from the politicians sat around the table right now to ensure that this happens in the right way for you?

Julian Bird: It has never been announced but I think Deborah and I are allowed to say that we are both on the Expert Trade Advisory Group on the Creative Industries, appointed by the Secretary of State, but the engagement is very minimal, partly because everyone is focused, as you rightly said, on one other thing; we are as well, by the way. We need to have a sector to come back to trade so we are focused on that but, as the weeks and months go on, there is no doubt that we will need more engagement around these other countries.

Deborah Annetts: I agree. If Peers could be asking lots of searching Parliamentary Questions in relation to the trade deals, that would be hugely helpful.

Baroness Grender: Was the engagement minimal before Covid-19? Has it changed as a result of Covid-19 or was it minimal before?

Deborah Annetts: It has always been minimal. At the end of a meeting, you are not quite sure what you have really learned.

Julian Bird: On the formal process, I agree with Deborah. Behind the scenes with officials, there was much more engagement than there is now, to be clear. A lot of the officials who were engaged on post Brexit, including international trade, for example within DCMS, have been moved into the Covid teams and the emergency teams. Yes, there is no doubt that there is less engagement than there was, and that is because this has taken over.

Deborah Annetts: Some of those officials look as though they do not have that much of a grounding within the creative industries.

The Chair: On that cheerful note, thank you very much indeed. We had lots to talk about and we crammed a lot in. We may come back to you on the issue of school music in particular, for a little more evidence on that. That was one of the many things that we would have liked to have explored further. Thank you very much for giving us your time this afternoon. It was really appreciated. Do keep in touch with us. Good luck with getting your sector up and running. I hope you all get full houses one day. I am sure we all look forward to engaging with your sector, culturally as well as politically, in the future. Thank you very much indeed for taking the time to be with us today.