



Select Committee on Economic Affairs

Corrected oral evidence: Employment and Covid-19

Tuesday 6 October 2020

4 pm

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Members present: Lord Forsyth of Drumlean (The Chair); Baroness Bowles of Berkhamsted; Lord Burns; Viscount Chandos; Lord Fox; Baroness Kingsmill; Lord Livingston of Parkhead; Lord Monks; Lord Skidelsky; Lord Stern of Brentford; Lord Tugendhat.

Evidence Session No. 11

Virtual Proceeding

Questions 87 - 96

Witnesses

I: Julian Bird, Chief Executive, UK Theatre; Horace Trubridge, General Secretary, Musicians' Union; Abigail Pogson, Managing Director, Sage Gateshead; Peter Heath, Managing Director, Professional Lighting and Sound Association (PLASA).

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Examination of witnesses

Julian Bird, Horace Trubridge, Abigail Pogson and Peter Heath.

Q87 **The Chair:** Welcome to Horace Trubridge, general secretary, the Musicians' Union; Abigail Pogson, managing director, Sage Gateshead; Peter Heath, managing director, the Professional Lighting and Sound Association; and Julian Bird, chief executive, UK Theatre.

Perhaps I may begin by asking a pretty broad but serious question. Will the performing arts sector in the United Kingdom be able to survive the crisis? Is there a danger of a talent drain in which performers leave the UK to take up opportunities elsewhere? How difficult will it be for the sector to bounce back in the future?

Julian Bird: Thank you for inviting me to be part of this session.

We have just completed a pretty major study of the performing arts sector six months on. I am chief executive of both UK Theatre and the Society of London Theatre, the two bodies that look after what you might call professional performing arts in all its guises across the UK in all four nations—the venues themselves and the producers and people who put products on. In the last few months we have played a role across the broad entertainment spectrum, and with DCMS, in working out how we get back to activity. We conducted a survey six months on, which we got the results of just yesterday, and which I think will help to answer your question.

You might be interested to know that, as we sit here today, 78% of all theatres and performing arts centres remain closed. In other words, only 22% have managed to open at all yet, and that is with limited activity. Of those that have opened with social distancing in place, the majority have only been able to sell at a capacity of 30%. The maximum capacity has been 50%. One does not need to be a huge economist to work out that a venue selling at 30% is not going to survive for very long.

Cash flow is becoming an increasing issue, despite the support schemes. Of course, we are waiting for the first announcement of who has been successful from the cultural recovery fund—the portion of the £1.57 billion that is going to the arts, culture and heritage. This announcement is due next week.

Some 53% of venues and producers are reporting that they will have cash-flow issues by the end of the year, with a further 30% saying they will have cash-flow issues by the end of April. North of 80% by the end of this financial year will be in problems. In getting our sector back up on its feet, the volume or the type of government support packages on offer are vital to future viability.

Abigail Pogson: Will the performing arts sector survive without help? Not without help, is the answer to the question. There are three components to navigating through this for the majority of cultural organisations. The first is philanthropy and asking for support. In many

cases, organisations are getting great support from audiences and their public.

The second is cutting costs, reshaping and doing things differently, which many organisations are doing very actively now.

The third is public sector support. In the first six months of the year, that has come to many of us via the job retention scheme, and in the second six months of the year many of us are hoping to secure funding from the Culture Recovery Fund.

Those are the three things that will form the basis of navigating a way through this. The key thing in the public support is what happens after April and how we navigate our way through 2021-22. It is very clear that this is not just a one-year issue.

Horace Trubridge: Thank you for inviting me to this session. The Musicians' Union has 32,000 members who work in every sphere of music you can imagine. We have back room fiddle players and bedroom rap artists—everything you can imagine.

We recently surveyed our members, and 30% of them told us they were having to consider leaving the profession. This would be an extraordinary talent drain if it happened. I really do not know how they have managed to maintain any foothold in the profession for the last six months, because, again with our surveys, we found out that 40% of our members did not qualify for either the job retention scheme or the Self-employment Income Support Scheme. Those schemes are coming to an end anyway and those who qualify for them will no longer be able to benefit from them.

If you try to make the replacement to the job retention scheme work for an orchestra, for instance, it just does not work. The 20% of profit for self-employed musicians, when the majority of self-employed musicians are earning only £20,000 to £25,000 a year, is not going to keep their heads above water. It is really alarming.

I found out recently that, unlike the devolved Governments of Wales and Scotland, the cultural heritage fund moneys in England are not allowed to be distributed by Arts Council England to individual self-employed musicians. Wales and Scotland have made some of that money available to self-employed musicians, who really are on their knees, but Arts Council England has been told by No. 10 that it is not allowed to make any of that money available to self-employed freelancers.¹

What is missing here is an understanding of the ecology of how musicians and creatives work. Of course, it is important that creatives create, and that funds are available from the Arts Council for project funding for new creative projects, but you also need world-class musicians to deliver those creative projects. Those are the people being left out of the

¹ On 9 October 2020, the witness clarified that the instruction came from Government and not Number 10 in particular.

equation and who will leave the industry, and we will slip back in the world rankings, I am afraid, unless something is done urgently.

The Chair: When you say that the Arts Council was instructed by No. 10 to do this, you know that to be the case, do you?

Horace Trubridge: I do indeed, yes.

The Chair: Would you be able to let the Committee have some details of that in due course?

Horace Trubridge: I think if you ask the Arts Council itself it will quite willingly tell you that is the instruction it received from No. 10.

The Chair: Thank you.

Peter Heath: Thank you for this opportunity. The Professional Lighting and Sound Association is a trade body that represents the supply chain to the live events industry. Indeed, it is more than that. Whether it is manufacturers, production rental houses, individuals, engineers—you name it—we represent them.

This area of the supply chain to the events industry has been absolutely devastated. However, the question was: can it survive? As my other colleagues have said, the answer would be subject to a number of factors, and that is how soon we can return to work, because currently we are not allowed to work, and what support mechanisms will be in place to maintain the skills, maintain the innovation from the manufacturers, and maintain the rest of the supply chain so that it is there when the demand returns.

We believe that the demand will be quite high in live events because people like to spend money on doing things that make them happy, and going to live events makes them happy. We believe there will be a good desire to return, but we need to be able to have the industry there to fulfil that demand. Right now, if we carry on as we are, much of the supply chain will disappear, and we will not be able to deliver what could be a good return.

The Chair: In our earlier session we were asking for examples of perfectly viable good businesses that were made unviable as a direct result of government action, and whether the Government had a moral responsibility to support those businesses. I do not want to put words into your mouth, although I am, but would the theatre, music and entertainment world be a classic example?

Peter Heath: Absolutely. Many companies have been in double-digit growth for many consecutive years. They were heading for growth this year as well. They have now been put into a difficult position because they have had zero revenue from March onwards. For example, one of our members, who in the period of March to August in 2019 invoiced over £11 million, in the same period this year has invoiced only £170,000, and he is now being told that he is not viable.

Q88 **Lord Tugendhat:** I have a question specifically concerning Sage. Of course, Sage, has a reputation that extends way beyond the north-east, but could you explain to me, Ms Pogson, exactly the nature of Sage's importance to the local community?

Abigail Pogson: In places such as Newcastle or Gateshead, and a region such as the north-east, you feel this more clearly in relation to scale and impact than you might in a bigger conurbation.

I will start with economic impact. In 2018-19, our contribution to the north-east economy was £13.5 million in GVA, supporting the equivalent of 315 full-time jobs. In the first 10 years of the organisation, we brought £286 million in value to the region, and our estimation now at 16, which is the age of the organisation, is around £500 million. Pre-pandemic we had 300 permanent contracts, 200 casual contracts, and we were engaging about 100 people on freelance contracts in a year. This does not include an artist coming in to do a single gig. We are now at 185 on contracts, so we have made a significant reduction through restructuring in recent weeks; we have no work for casuals and are engaging only a handful on freelance contracts. It is quite a change as a result of the pandemic.

Panning out and thinking about the cultural sector in the region, on 2016 figures, arts and culture in the north-east turned over about £400 million, which is equivalent to just under 2,500 jobs. Within that, the performing arts, our part of the sector, was about £133 million, or 700 jobs.

In addition to our cultural mission, we run a conference business, which provides connections for us with a wide range of businesses, but also generates profit that we gift across from the trading company to the charity. Last year we ran over 100 such events, with just under 30,000 delegates, half of whom were from outside the region.

Within mission, we are welcoming about half a million people a year into the building, to a concert or a class or a conference event. On a weekly basis, about 2,000 adults come in to learn an instrument or to take part in some activity where they are learning and developing. Each year 30,000 young people participate in musical education with us across a range of different programmes.

The reach therefore is very wide and it cuts across economic, social and educational value. From what we hear and see, that stacks up in a place such as ours and it helps to contribute to quality of place, through inbound investment and the brand and feel of the place, and the quality of the place for local people.

Lord Tugendhat: May I ask one brief question? We dealt in the last session with actions that central government could have taken, and we have had very interesting answers to that, but are there any actions that your regional authority could have taken quite separately from anything that the Government in London might or might not have done?

Abigail Pogson: Our regional authorities have been very supportive through this process. They have had their work cut out, quite clearly, and have found it a really challenging period, I think it is fair to say, in lots of different regards.

We have been in regular dialogue with them about the situation within the region and have been in conversation about how together we build plans in recovery. I think that is an area of focus now. We also need to focus on regional responses that are sensitive to specific needs and are grouped across private, HE, public and third sector, to come together in a place to navigate through recovery.

Q89 **Baroness Bowles of Berkhamsted:** I want to ask Peter Heath a question. We have already explored to some extent the impact on your industry, but I want to know a little more about the impact that the pandemic has had on the live events industry's supply chains, and what support would need to be put in place to ensure that those supply chains were viable going forward. I presume that some of these are skilled jobs and, therefore, should be among those that will qualify for support so that they are still in existence when we get to recovery phase.

Peter Heath: That is a very good question, thank you. Before answering it, I would go back to the previous question about regional authorities and local authorities. There has been such a vast difference in the response across the country from authorities about how they have responded to our members' requests regarding business rates and grants. Many of our members were not able to secure those because the local authorities deemed them not to qualify. It has been a very mixed reception in some of the support that was put out there by government. That is the first point regarding regional and local authorities.

In answer to your question, the industry is highly skilled now, with technology at the forefront of it. The people who work within this sector have learned or gained their skills over a period. The people who work within the live music sector are completely passionate about what they do. It is unlike going to work in another sector, where you might get up at the same time every morning and come home at the same time every night. This is just not the case in this sector. To be potentially losing it because there is not sufficient support for those people, whether they be employed or freelancers, would be devastating for the industry.

What is needed is a financial package that is tailored to help us survive and keep that skill set until we can go back to work. Furlough was a great help, but, as furlough has gone on and the supply chain has had no revenue, redundancies were being made as early as July, because they just could not afford to keep their staff, even with furlough. With the new scheme in place, the redundancies will only continue to multiply because there is still no revenue, and some of the companies are now deemed not viable, and therefore this new scheme just does not help the live music sector, absolutely.

Baroness Bowles of Berkhamsted: I hear what you say about people

being passionate about their industry, but in the event that the companies do not survive and no replacement ones grow up to replace them when we get to recovery, are their skills transferrable?

Peter Heath: Yes, they are transferrable, but I think the issue is what happens to the people who will not be working in the industry who have spent a considerable amount of years in it. We have done some recent research that suggests that the majority of people in our industry joined before they were 20 and they are still working in the same industry in their middle to late 50s. They dedicate their whole life to this industry, and for them to be told, "Sorry, you can't do that now. Please go and retrain and do something else, and we'll let other people come in and do it afterwards", I am not sure that provides an answer.

Q90 **Lord Burns:** I would like to declare an interest as trustee of two organisations helping to promote people working in classical music, including the Young Classical Artists Trust. May I press Horace Trubridge further on the points he mentioned about the ineffectiveness of the government schemes in supporting musicians? How are musicians coping? What is happening to them? What are the priorities for support in the performing arts generally? You mentioned some things that are not happening, but what would be top of your list?

Presumably, the fortunes of musicians and others working in the performing arts are critically affected by the impact of the restrictions on venues. I am also interested in how significant the financial pressures are on the venues, and how close they are to real trouble, if this is to go on for months and months further.

Horace Trubridge: There is quite a lot in that one. To start with, the venues cannot operate. As Julian has already said, it is not just musical theatre and theatre generally that cannot operate on a 30% audience: music venues cannot, either. We have been pushing hard and backing the #OneVoiceCampaign proposal, where the Government would pay for a second seat, to enable venues to at least take 60% takings even though they only have a 30% audience. That would enable them to break even.

More importantly, and this is really crucial, it would enable the workforce to work. This is a viable industry. You can see from the few concerts and events that have taken place—socially distanced—that the tickets have sold out very quickly. People want live music. They will always want live music. They know that live music presents for them what can be a once-in-a-lifetime experience. It is so much more important than recorded music, and, whereas we can all watch football on our TV and get 70% of what you would get if you were there in the stadium, that is not the case with music. Music has to be experienced live. Everybody knows that. There is no secret there. It is not as though we will have to work hard to get audiences back, because they are desperate to see it.

This is a viable industry that the Government are preventing from working. As such, I think the Government have a responsibility to look

after this industry—to look after the people who have made this industry great and the envy of the world. They are not doing that.

As I said, the cultural heritage fund is aimed mainly at enabling organisations and institutions and hallowed halls and buildings to stay in business while they cannot operate, to keep their heads above water. That is not providing work for this enormous talented workforce, whether it be Peter's members or Julian's members or my members. It is not providing work, and that is what we really need. We need a stimulus scheme that will provide work and enable the workforce to get back to work, or they will leave.

Musicians have transferrable skills. They are very gifted. Peter's members have fantastic skills, and I hear anecdotally that a lot of them are drifting across to the gaming industry, which has been enormously successful during the lockdown, and obviously offers a lot more security. I do not think it offers anywhere near the excitement and fulfilment of live events, but, nevertheless, it is a very secure future.

If you want to mount a Glastonbury next year, where are you going to find those sound engineers and lighting technicians to make it happen, if they all migrate to other tech industries where it is more secure? The industry really needs financial help from the Government now, and not just money to prop up institutions and hallowed halls, which is mostly what the cultural heritage fund is doing.

Lord Burns: Are there any comments on these things from the others? How close are the venues to real trouble?

Julian Bird: As I said, we have already seen some venues across the country go out of business. Some of those will be lost irretrievably and some will have a future life, we hope, as performing arts venues.

The job retention scheme has been hugely important. We know that within our sector around 80% of organisations took advantage of it. The winding down of that and its replacement will not particularly help our sector. We worry significantly about the conversation about viable jobs or viable industries. We are in a viable industry. We are prevented from getting back to work at the moment, as Horace said, but we will be viable in the long term. In theatre, and in many other things but particularly in theatre, we led the world. We were looked at as the leading people in the world. A lot of people who train throughout the country in theatre saw investment through local authorities and arts councils, and it led to those people working all over this world and staffing the major Hollywood film studios with our technical and creative skills.

All that is at risk of being lost. This is not just about the viability of some venues across the country. It is about the viability of a whole infrastructure of people.

May I pick up on Lord Tugendhat's point earlier? One of the biggest risks that we face is not just what happens with central government funding

but what happens with local government funding. We are very aware from the Local Government Association that local authorities are coming under more and more pressure as regards funding, and, of course, arts and culture—all the things we value at a local level or at a regional level—are not mandated services that local authorities have to provide. Therefore, there is a huge risk that local authority spending on arts and culture will be hit just as this sector is trying to recover. It is a major risk for us going forward.

Peter Heath: May I add to what Julian is saying? I completely agree with him. In addition to the cultural impact, which is huge, and, as Julian has pointed out, we are world leaders not only in theatre but in events, and how we put events on.

There is the whole issue of innovation. The UK has a strong manufacturing dimension and it is also under threat as part of the supply chain to live events. We innovate heavily, which enables these productions to be even more impactful than ever before. If we are not supported correctly, we are under threat of losing that world-class innovation. We have decisions to make about whether we want to be losing this type of position.

Q91 **Viscount Chandos:** How likely is it that significant parts of the performing arts sector will fall through the gaps in the Job Support Scheme and in the emergency fund? I hear, for instance, that the emergency fund is being very much prioritised on physical aspects—the theatres and concert halls—such that even the owners of those theatres have been arguing that more of the funding should go to the producers and the creators of the shows and the content that are needed to make the venues viable. Julian Bird, is it fair to ask you to kick off on that?

Julian Bird: I am very happy to, thank you. There are issues with everything that you have mentioned, absolutely. This goes back to questions on how the job support scheme was established and jobs that are viable. It is very hard to see how any venue of any type across the country—a theatre or any other type of venue—that is essentially closed or operating at a very low capacity is bringing in enough income to be able to fund its normal or its entire workforce through a job support scheme of the sort that has been announced by the Chancellor. That is just basic maths. With almost no income coming in, how do you fund people even on a two or three-day-a-week level?

There are fundamental problems. In our survey this weekend, just over half the organisations say that they do not think that will help them. That is a worrying statistic. The biggest single thing that our sector has argued for is some form of sector-specific support—for example, an extension of the job retention scheme for sectors that need it. In the earlier session you talked about that. You will be aware that the Chairs of both the Treasury Committee and the DCMS Committee in the House of Commons have written to the Chancellor advocating that, and, of course, we very much back that. We think that is the best way forward.

You are absolutely right, and we will wait to see from Monday onwards with the Culture Recovery Fund who is successful and what is successful. Backing what Horace said earlier, the guidelines laid down by the Treasury and DCMS for applying for those funds from the Arts Council are very much about the preservation of organisations. For that you might read buildings and infrastructure.

Whether they will be successful or not, I do not know. While we have been here, there has been more news—for example, that the Royal Shakespeare Company has announced that it will not open its two smaller theatres in 2021 at all. It has made that decision already. We are talking about quite long-term implications for our sector that very much stretch ahead.

I have spoken many times, as have Horace and Peter, about the issues relating to the freelancers and the self-employed in our sector. Somehow we have to find a way to ensure that money that flows from whatever government pot to organisations flows on to people.

That would include producers and people who put work together, who, in the main, have very few employees, and it is only when they put a production on that they employ all these freelancers or self-employed people. When I say freelancers or self-employed, that includes every single actor and musician and the vast majority of technicians and crew. It is the biggest part of the workforce in our sector, and it is the bit of the workforce that is at most risk as we sit here now.

Horace Trubridge: I want to make a general point about the self-employed. I worry that there are people in the Treasury who view the self-employed as tax dodgers, particularly in our profession. Nothing could be further from the truth, to be honest with you. The self-employed pay their taxes and they almost never claim any kind of benefit, because it is virtually impossible to do so, and they are a very vulnerable workforce.

If you compare the criteria for the job retention scheme and for the Self-employment Income Support Scheme, you see that the criteria were far more stringent for the Self-employment Income Support Scheme, which made it much more difficult for self-employed people to get any financial help.

I recall that the Chancellor made some comments about changing the tax regime when he announced the Self-employment Income Support Scheme, which suggested to me that he felt this was a sector of the workforce that did not perhaps pay as much tax or national insurance as they should. I think that is regrettable. These are wonderful pioneering entrepreneurial people who need just as much support as people who pay PAYE.

Q92 **Baroness Kingsmill:** I would like to declare an interest. I sit on the board of the Theatre Royal Stratford East and I am also the development director, which I might tell you is not a very satisfying task at the present

moment. We are heavily reliant on generous donations and it is a very difficult situation. We have had to make some very painful decisions as we go along, and there are more to come.

I am highly sensitive to the issues that you have all raised, particularly in relation to the self-employed. We have covered so much of this ground already, but I would like to ask you a couple of questions.

Is the universal credit system useful to your members and your people? What proportion of people are managing on that? Is it helpful?

Secondly, I thought the suggestion of the extra seats being bought was very helpful, and we would love to be able to do that at our theatre, but what other support systems are realistic and possible?

The third element is about how we engender the political support that seems to be absent for our sector.

Peter Heath: Going back to the previous question, although it also leads on to the question about universal credit, there are a phenomenal number of freelancers and self-employed people within our sector. In fact, the majority of the workforce are made up of those people. Some of the individual cases that we are now listening to are terrible. People are losing their houses, people are losing their rented homes and having to sofa-surf because they are not getting the support, whether it be universal credit or anything else, to help them survive.

If you put that into context, for one event where you might go to a venue, whether it be for a theatre performance or a live music event, there could be up to 350 jobs, with the majority of the people being self-employed or freelancers. They are being hit the hardest right now because they are not qualifying for any of the support that is out there.

As Julian has already mentioned, and we have already mentioned, we need something quite sector specific to help them get through this period until they can go back to work. There is a desire to go back to work as soon as they can. The things that can help us go back to work are getting rid of social distancing—that is one answer—and some method of getting a track and trace system, which other countries have already in place and are starting to have more organised gatherings of thousands of people. If we had that system in place over here, that would certainly help us to return to work and some normality.

Abigail Pogson: May I make two sets of comments? I am sorry to go back to the self-employed, but I would like to make a very brief broad comment on that, which is not just about our sector. It seems to me that there is an opportunity in this moment for us to balance how we look at self-employment and employment—to treat them each differently but with equality. I think we could take a big step forward out of this crisis on that. That does not just relate to our sector of course, but it would have a very big impact on our sector.

The final thing I will say about self-employment, and I know we are dwelling on it, is that I completely agree with others that this is the

critical issue for our sector right now. In relation to the pipeline of young talent coming through the system, and the prospect of that being inclusive and diverse, it is really important that we do the right thing by that part of the sector, because we want to keep that moving and keep that developing.

May I answer your question about support for the sector and the initiatives that you are asking about? We have already mentioned the seat relief scheme. There are a couple of others that it is worth having in mind. The first is theatre tax relief, which for our sector also comes in the form of orchestral tax relief. If an adjustment to that level could be made for a period, that would make quite a big difference to performing arts organisations, the organisations actually producing work, which is the group we have been referencing.

I will not talk about seat relief, but I agree that that would be a really useful way of making a stepping stone between what we are in right now in relation to the performing arts, which is stage 4, moving towards stage 5. It seems to us that stage 4 is probably going to last for a while, and the seat relief would really work for that.

The third area is digital investment for the sector as a whole. We are all looking at different ways of making work and investment in infrastructure, training and skills. I think that would make a big difference.

Julian Bird: I will try not to repeat everything. You had a specific question about universal credit. Some of this is anecdotal, but we know that in our sector there are people getting into really desperate states. I do not mean just one or two; I mean hundreds and thousands of them. I am very proud that we have managed to raise a lot of money for charity and relief funds to help those people. For example, Sam Mendes and I have worked on the theatre artists fund and we are up to over £4 million in that. That is emergency money to help people with their rent and to put food on the table for their kids.

The more this goes on, the more we fear that that will not be enough. Neither that nor universal credit will answer the problem, unless the proposal is genuinely that we retrain all those people into other sectors, in which case our sector will be so irreparably damaged that we will not be able to come back next spring.

We have a timing issue in all this that we need to grapple with. Abigail has talked about tax relief or creative industry reliefs. We are working on all that with government at the moment. It could be a huge boost to our sector.

We need to come back to this point about stage 5 and a date to re-open. We all know that cases are where they are now, but we are talking about an indicative date for full auditoriums and full venues across the country. We need an indication that we are all working towards a date. If that is next March or April, people need to know that, and they can plan on that

basis, and freelancers will have certainty on contracts and what they are coming back to.

It is worth us all talking about investment. This is not just about a government handout. There has been much talk between our sector and government about investing in the sector for the future, an investment from which you would get a return. We are a successful commercial enterprise that cannot operate at the moment. If you had invested in RSC and “Les Misérables” many years ago, you would have made your money back many times over. That is just one example I could give. That is not necessarily a government way of thinking. This is not just asking government for a bailout, but asking government to come and invest in one of our successful enterprises as a country.

Baroness Kingsmill: Horace, do you want to add anything?

Horace Trubridge: All the points have been well made. I just want to reiterate that the basic need for our sector is that they want to work. It is viable. They are ready and willing to work. My members do not want to have to go cap in hand to the Government. They want to work, they want to perform and they want to earn money again. Perhaps the seat stimulus plan is one that can enable them to work.

They need some kind of support or, as Julian says, they will leave the industry. I would reiterate that a third of our members said that they would have to leave the profession if they did not get some support.

Baroness Kingsmill: Peter, do you have anything to add?

Peter Heath: It has all been said. Certainly, a date to work to would be most helpful. Between that, we need some additional financial support; otherwise, there will not be anybody there to support.

Q93 **Lord Fox:** I should declare an interest in that I have family members who are self-employed people working in the arts and cultural sector, and, in that respect, I understand the problems you have described.

We have covered most of my question in different ways. Is the situation universally awful across the sector? Are some parts of the sector doing better than others, or is it all completely as doom and gloom as you describe? If the Government were going to target support, would it be universal support or focused support? If it is focused, how do we go about doing that? Perhaps Julian can start with the theatre sector, although, obviously, there are other parts of the whole business.

Julian Bird: It sounds awful to say but, in a way, it is universally awful. Yes, outdoor theatre spaces have been able to come back earlier than indoors over the summer—once again, at that 30% with social distancing. That is an uneconomic model. Some indoor theatres—as I said, about 22%—have managed to start some activity, but not on an economic basis. This is mostly about engaging audiences and keeping certain numbers of the workforce engaged.

We are a sector that is barely open again and barely functioning. As this is the Economic Affairs Committee, it is worth reminding ourselves of the knock-on impact on regions. While we have been sitting here, there has been a debate in Westminster Hall about the West End of London, where theatre is one of the things that brings people in. For every £1 spent in the theatre, £5 or £6 is spent in the local economy. I could give you those statistics across the whole country for every town, city and village.

It is universally awful in that sense, because the knock-on impacts of venues being closed is very direct and hugely indirect in those places. We have talked around some of the ways in which we could get out of this, but there is no immediate easy answer in saying that one bit of the forest is suddenly flourishing. That does not appear to be the case at the moment.

Lord Fox: Horace, is that the same for you on the music side?

Horace Trubridge: I will be honest and say that studio work has come back a little bit, but nowhere near enough as we would like. The American film studios like to come to the UK to record soundtrack here and they have not been able to do so or have been reluctant to do so.

A lot of my members teach. They have been innovative and creative in the way they have developed online teaching for local authorities as well as privately.

I was going to say that what gets forgotten is the musician who perhaps writes a little bit and has a creative project, but earns most of their money by playing weddings, events, conventions, conferences. As we all know, that area of work has disappeared. Those are the hardcore MU members who get by with a portfolio career but rely very much on that bread-and-butter work. These are really good musicians, who will also do musical theatre for Julian's producers, or will back other main artists on the Jools Holland show or at big gigs in London. These are very good musicians, but their stock-in-trade is weddings, exhibitions, conventions, conferences and events of that kind. All that has gone and those people are really suffering.

Lord Fox: Peter, I guess that absence of events is hitting your members fundamentally as well.

Peter Heath: There have been some gigs and performances. A lot of them have been to raise money as a charitable event, so all the infrastructure has been provided free of charge, and the musicians are going there and doing it free of charge, to raise money for charities. We are at the stage of saying that it is time to help out our sector. We are always the first port of call when something is needed from us. There is a disaster: "Let's get some musicians together or get a gig together. Let's do something. Let's raise some money". Surely, the boot must be on the other foot now, and it is time to help out our sector, and deservedly so.

Lord Fox: Abigail, I guess you would be the recipient of any targeted

help. How should the Government be broadcasting help? Abigail, perhaps you can look at it from your perspective as a venue.

Abigail Pogson: If you look at us as an example, 80% of our income has stopped as a result of the present circumstances. Some 60% has stopped completely, 20% has dipped dramatically and only 20% is secure. It is a really significant impact. I think we are typical in a sector that draws some public subsidy, as is the case for us.

Those of us who have most diversified our income streams have been hit hardest and most immediately because they have completely stopped. The point was made earlier about local authority funding. I would add to that other sources of partnership funding that might still be there for organisations right now but that may well come under pressure in future. There is potentially a long tail on this, and the effect of this will be felt over a significant number of years.

In the arts and culture sector more broadly, targeting performing arts, museums and galleries, different parts of the sector, is probably the way to go to ensure that support gets most appropriately to different parts of the sector.

Across the performing arts, it has pretty universally been a challenging period.

Q94 **Lord Livingston of Parkhead:** Sitting here in Covent Garden, as I am—a very quiet Covent Garden—I can certainly confirm your comments about four, five, six jobs for every theatre job when I see closed restaurants and the like. As somebody who goes to the theatre once or twice a week when it is open, I feel the pain. I feel your pain.

I was going to ask about some of the longer-term activity. I think Abigail Pogson talked earlier about what the Government might do beyond the immediate crisis to get investment back in the sector. May I change the question and ask you to help the Committee? You mentioned other countries and people going to other countries. Is there a model somewhere that you would point the Committee to and say, "You know what, they're doing it right. They've put in the investment"? Did you have one or two countries in mind when you made the earlier comment?

Horace, do you want to start? I think you had some comments about people leaving. Is there a country that we should be looking to as a model?

Horace Trubridge: I have to be honest and say that I think that most other European countries have always valued their musicians and the music in their countries more than we have. Germany and France have some very good examples of funds that they have set up to help musicians. Other Scandinavian countries have done the same. I think to some extent we are lagging behind our friends in Europe.

Julian Bird: There are two elements to the answer. The first is who has done well on Covid and has led the way. We continue to point to countries such as South Korea. Even though many areas of France have

their problems, France is doing well on venues being open at much higher capacities than we are seeing here in the UK. They have measures in place but much higher capacities. Just as Horace has said, and I can back it up, people are flocking to those places in France as well as they are here.

We can continue to learn from what others are doing with regard to Covid to get the sector back on its feet. Horace is absolutely right: we all know that over decades the funding for the arts in the majority of European countries has been very different. I am fortunate to meet my European counterparts fairly often, and the difference is stark, particularly at the moment. France and Germany have some version of a furlough scheme. They are all very different schemes, but versions of those have already been announced for a much longer period, giving people greater certainty, whether they are employed or self-employed.

That is the other crucial thing. We can learn from any other countries about both the safety measures and about the way we support our workforce.

Lord Livingston of Parkhead: Peter, are there any particular measures in other countries that you would point to?

Peter Heath: I would agree that other parts of Europe seem to be ahead of us. If we continue as we are, the very businesses that drive a lot of our industry will disappear and will therefore not be there to give the freelancers the work when it returns. We will have companies coming in from Europe doing all our work for us, because they are ahead in their planning and thinking about being able to deliver events in theatre as they should be done. We should be looking to learn from them if we can.

Abigail Pogson: My final point on this is that if the balance of support is there—recognising that the balance in the UK is different residually from the balance in, for example, mainland Europe—this sector can make a significant contribution to recovery and to supporting communities and individuals both in the capital and around the country to come out of this.

I suppose my request would be that, whatever support is there, it is really confidently placed, and it is placed in a way that is sustainable and targeted, so the sector is not trapped in a constant chase for survival over a long period and it can genuinely do what it is capable of. That could have a really significant impact and feed back into economic and social value.

Q95 **Lord Stern of Brentford:** Like Lord Fox, I should declare an interest of a family member in this sector.

You have all emphasised, and it is surely clear, the importance of having confidence about when venues will be something like fully open. Are you working with government on the practicalities of that, when next spring the virus is likely still to be endemic and full vaccination is unlikely to be available? Can we learn on those practicalities? Are you working with the Government on the practicalities of getting people back in those

circumstances?

Horace Trubridge: Julian and I were both on a DCMS venues call this morning where these discussions were taking place. It seems that the priority now is to try to establish what forms of ventilation will enable us to increase the capacity in venues when the virus is still out there.

Julian Bird: DCMS has established four working groups: one on venue infrastructure, one on audiences, one on people working in venues, and one on touring. I am the convener of those four groups and co-ordinate that work.

We are working incredibly hard, I have to say, and learning the lessons from venues that are opening, and from around the world. Horace is absolutely right: ventilation is a key issue to understand, as is the role that testing could play, and new rapid tests as they come on to the market. Not a week goes by when I do not get approached by a conglomerate wanting to sell me millions of tests for the sector. We need to understand how useful those could be medically and practically—and cost-wise, of course.

There is ventilation, testing and the role that other mitigations can play. We are learning more about people sitting in regimented, fixed seating, which is very different from being in a pub together, for example; the risks that are associated with that are very different, as we are seeing on aeroplanes around the world.

We are doing that work at speed, with a view to the overall review of social distancing which the Government have talked about for the beginning of November. I am not sure where we are on that at the moment, given that the number of cases is rising, but for us that look towards next spring and the indication that we can move to fuller, if not completely full, audiences is vital as we press ahead with that work.

Q96 **Lord Monks:** I invite you to get your crystal ball out and look ahead. Do you think that the pandemic will lead to long-term changes in the way people relate to the performing arts and culture? Is there a fundamental change coming along?

Horace Trubridge: As I said before, I do not think the beauty and appeal of live music will ever diminish in the public's mind. People will spend more money on one ticket to go and see a particular live music event than they would pay for the whole catalogue of the recordings of that artist, because they know full well that they are likely to have an experience of a lifetime when they do. That goes for musical theatre as well as rock bands, rap bands, or any other kind of live performance. It is a magical thing and people will always want it. The key is whether we will have the workforce to deliver it.

Peter Heath: I agree completely with Horace. There is absolutely an appetite for people to go and participate and have a memory put in front of them, which is why they will go. Not only will the desire to go help the sector to recover, but it will have, and continue to have, a long-lasting

effect on well-being, which is another area that is under massive scrutiny across the country and the globe because of the lack of these types of event, memory creation and enjoyment. That will return once we can start to get people back into venues.

Julian Bird: I agree with all that. All the surveys that we are doing across the country on audience demand shows that there is a huge pent-up demand. People want to come back live. They want it to be safe, but they want to come back live.

As Horace has said, the live entertainment sector has seen exponential growth over the last few years. People have wanted to spend less on buying music or buying things online, but they are prepared to come and have that very live experience.

Having said that, we have learned huge amounts very rapidly about the use of technologies and digital. But that is not the replacement for our sector, although it may be additive, and it is certainly not an income replacement stream—not that we are seeing that at the moment from anything—but the encouragement is that audience demand is very much there, and we are seeing that in the flesh with people turning up to events and in the extensive surveys that we are doing.

Abigail Pogson: If you look at evidence from previous regional pandemics in Asia, you see that audiences have bounced back. In parts of the world where things have opened up, audiences have bounced back. We are hearing very specifically from our own audiences of a very high appetite. As everybody else has said, all the evidence suggests that there is a very strong appetite for live performing arts.

There are two trends that were there anyway that I think will accelerate out of this. The first is the use of digital in the performing arts. I think a blended approach will become a norm. That was starting anyway, but there has been a huge move on that, and it will continue to accelerate.

The second thing that I think will accelerate is the role of cultural activity and organisations within place and within civic infrastructure, particularly as there are shifts in what the centre of the place is—what a town centre is, what a specific geographical location is, and what its community's relationship to it is. That will probably also accelerate out of this, and culture has a lot to contribute to that.

The Chair: Julian Bird, Horace Trubridge, Abigail Pogson, Peter Heath, may I thank you on behalf of the Committee? This has been a really powerful, if depressing and sometimes alarming, session. It really makes the Committee more aware, if we were not already aware, of the urgency with which we need to produce our report. We really appreciate the work that you are doing, not just with this Committee but to get across the message of how important our arts and culture are to the nation's wealth and health. Thank you very much.