



# Digital, Culture, Media and Sport Committee

House of Commons, London SW1A 0AA

Tel 020 7219 6120 website [www.parliament.uk/cms](http://www.parliament.uk/cms)

Rt Hon Rishi Sunak MP, Chancellor of the Exchequer

HM Treasury, 1 Horse Guards Road

London SW1A 2HQ

cc Rt Hon Mel Stride MP, Chair, Treasury Select Committee

3 September 2020

Dear Chancellor,

## **The Coronavirus Job Retention Scheme and the arts/leisure sectors**

I am writing to you about the case for extending the furlough scheme for the arts and leisure sectors.

As we concluded in our July [report](#) on the impact of Covid-19 on the DCMS sectors, ending the Coronavirus Job Retention Scheme in October puts the future of our cultural workforce and creative industries at significant risk.

We are concerned that linking the end of furlough to a calendar month renders the Government's approach to supporting our creative economy highly inflexible. Moreover, ending the scheme for all industries alike in October does not reflect the unique situation faced by the arts and leisure sectors. These high-value sectors have become hostages to fortune; they are among the hardest hit by the Covid crisis, with 51% of workers still reliant on furlough, compared with 13% across all industries. However, while restrictions on activity and audiences remain, employees of empty theatres and closed leisure centres face no immediate prospect of returning to work.

The decision to introduce those restrictions on the arts and leisure sectors was a Government one. The Government therefore has a responsibility to support these sectors' workforces until the industries have fully re-opened. Otherwise we risk many cultural organisations going out of business, never to return. It is of great concern that nearly one-quarter of arts, entertainment and recreation companies report a severe or moderate risk of insolvency, compared with 11% across all industries. As evidence to our inquiry showed, the furlough scheme has been a lifeline for these companies – but without it, we can expect large-scale redundancies in the creative industries over late-2020 and into 2021. As we identified in our report, this could not only have consequences for the diversity of the workforce, but will diminish the capacity of these valuable sectors to contribute to our economy and attract visitors to our country for years to come. Action is needed to stop this now, before it is too late.

While we welcome the Government's emergency funding package for cultural and heritage organisations, it simply will not be enough to replace the furlough scheme. Further thought must therefore be given to extending the scheme for the arts and leisure sectors until they are able to return to full capacity. Germany and France have shown this flexibility is possible via their decisions to extend their schemes through 2021. As Lord King of Lothbury outlined similar concerns in an [interview](#) on 1 September: as he observed, it is not the fault of the Government that there is uncertainty, but it is in the Government's behest to seek to mitigate the risk and safeguard the future of our vital arts and leisure sectors.

Yours sincerely,

**Julian Knight MP, Chair, Digital, Culture, Media and Sport Committee**