

## **Written evidence submitted by the Association of British Orchestras**

### **ABO response to the Digital, Culture, Media and Sport Committee inquiry into the Impact of Covid-19 on DCMS Sectors**

#### **1. Executive Summary**

- The UK's orchestras are facing an existential crisis. With touring having dried up from January, the national shutdown being implemented in March, and the prospect of restrictions on mass gatherings lasting to the end of the year, they face up to a year of lost income from concerts, tours, recordings and commercial activity.
- Unlike orchestras in continental Europe, which receive far higher levels of public subsidy to up to 80% of income, the UK's orchestras are heavily dependent on earned income.
- While the Government's business support schemes have helped, they are scheduled to finish at the end of June. Orchestras have been ineligible for certain elements of the support package, and many freelance musicians are ineligible for the Self-Employed Income Support Scheme.
- Arts Council England's emergency package is welcome, but simply utilises existing lottery funds, and is only intended to last until September 2020.
- Concert halls and orchestras need certainty as to when they can get back to business. But even if a timetable for the lifting of restrictions on mass gatherings is published, concerts and tours in the UK and abroad have already been cancelled through to the Autumn.
- The ABO believes it essential that additional government funding is provided to enable concert halls and orchestras to weather a lengthy period of enforced shutdown. The Government also needs to publish a strategy for the lifting of restrictions on mass gatherings, to enable our sector to plan with certainty.

#### **2. Introduction**

- 2.1 The Association of British Orchestras (ABO) is the representative body for professional orchestras in the UK. Its 65 full members range from the major symphony orchestras to chamber, opera and ballet orchestras. The ABO's mission is to enable and support an innovative, collaborative and sustainable orchestral sector. It exists to provide advice, support, intelligence and information to the people who make British orchestras a global success.
- 2.2 The ABO is pleased to submit evidence to this inquiry as a long-standing stakeholder in the full range of issues impacting on the arts and culture. Our evidence is submitted, as a representative body, on behalf of the entire orchestral sector.

#### **3. The UK's orchestras – a national success story**

- 3.1 The UK's creative industries are the envy of the world, and our orchestras are key to this. Each year, they play to over 4 million people in over 3500 concerts and performances in the UK and give over 400 concerts in 40 countries across the world. This means our members bring in a sizeable return on their public investment, and provide a vital inward investment and public relations role for the UK.
- 3.2 They also play an important role in music education and in communities, reaching 700,000 children and adults in education and community settings each year, and increasing their work in health and social care particularly in relation to people with dementia.

#### **4. The impact of Covid-19 on the orchestral business model**

- 4.1 This success is now under threat as a result of the impacts of Covid-19. With venues shut down both in the UK and abroad, our members' earned income from concerts, tours, recordings and commercial activity has plunged to zero.
- 4.2 Unlike orchestras in European countries, which receive upwards of 80% of their income from public funding, the average for British orchestras is just 30%, meaning they are far more reliant on earned income to survive. Many ABO members receive no public subsidy at all, meaning they are almost totally reliant on the money they earn.
- 4.3 It is clear from other countries that restrictions on mass gatherings will be the last measure to be lifted. This could possibly not take place until the end of the year and even then could be subject to 'social distancing' conditions. When combined with the cancellation of tours prior to lockdown, our members face the prospect of up to a year of lost income.
- 4.4 The picture post-lockdown still looks very uncertain, with the prospect of further cancellations should a 'second wave' of lockdown be imposed. Insurance companies have confirmed that due to Covid-19 exclusions, orchestras forced to cancel concerts under these circumstances will not be covered by insurance.
- 4.5 The work of our members in education and community settings has also stopped, with no prospect of an imminent lifting of restrictions. It is likely, for example, that musicians will not be able to work in care homes for a very long time.

#### **5. The UK Government's business support measures**

- 5.1 The Government's business support measures for orchestras are welcome and allow salaried musicians to be furloughed through the Job Retention Scheme and freelance musicians to benefit from the Self-Employed Income Support Scheme.
- 5.2 However, with continued unavoidable expenditure on core management staff and overheads, and no income coming in, reserves for many orchestras will be exhausted in a matter of weeks.
- 5.3 It is not clear how the Government will help those businesses that remain subject to lockdown measures after the end of June, when the furlough scheme is scheduled to end.

- 5.4 There are many freelance musicians who are not eligible for the Self-Employed Scheme because they are either a recent graduate with no tax record, a higher earner, are paid through a personal services company, or have a mix of PAYE and self-employed earnings. ABO research suggests that 30% of freelance orchestral musicians will be ineligible for the scheme.
- 5.5 For those musicians who are eligible, they will have an immediate cashflow problem, as they will not be receiving any money until June. Others may see the amount they are eligible for reduced due to lower earnings in a tax year through a career break due to maternity leave or injury.
- 5.6 Other business support measures announced by the government have proved to be of no help to orchestras. Business interruption loans are an inappropriate vehicle for registered charities, recipients of charity rate relief have been excluded from the small business rates grants scheme, and the charity package excludes non-frontline charities such as those working in arts and heritage.

## **6. Arts Council England emergency support**

- 6.1 Arts Council England's emergency support package is welcome, but this is simply a smash-and-grab raid on lottery reserves and lottery funds that would have been spent in other areas, and as a result there will be an inevitable contraction in the lottery funding available for future projects.
- 6.2 The anticipated call on these funds is expected to far exceed the resources available and is only intended to take organisations through to September 2020.
- 6.3 The UK Government is yet to provide any additional funding to help cultural organisations survive the existential threat this crisis poses. It has been noted that cultural emergency funds are being provided by other governments across Europe.

## **7. Digital content – a replacement for live?**

- 7.1 It is important to stress that orchestras are keen to play their part during this national emergency. They have continued to engage their audiences through digital content and have provided online resources for young people, at their own expense.
- 7.2 This, however, can never replace the power and earning potential of live performances and commercial activity.

## **8. Conclusion**

- 8.1 Orchestras need to know that they can get back into business and create an income stream for themselves and their musicians from concerts in the UK and abroad. For this they need a recovery strategy, with a timetable and clear direction and encouragement from the Government to the general public, of all ages, that it is safe to attend concerts.
- 8.2 Our asks to the UK Government are to:
  - **Provide additional financial support to cultural organisations such as orchestras, to ensure they can survive the continued shutdown of live entertainment.**

- **Clarify whether the Job Retention Scheme and Self-Employed Income Support Scheme will extend beyond the end of June for those sectors of the economy that will be subject to continued restrictions.**
- **Provide income support for the many self-employed musicians who are ineligible for the Self-Employed Income Support Scheme.**
- **Extend small business rates grants to recipients of charity rate relief.**
- **Implement a Government backed insurance guarantee scheme to enable orchestras to commit to contracted concerts and tours in the UK and abroad after the official lifting of restrictions, which may become subject to cancellation due to further Covid-19 lockdowns.**
- **Publish a timetable for the lifting of restrictions on mass gatherings, to enable orchestras and concert halls to plan with certainty.**
- **Work with the sector to ensure that customers, especially those aged over 70, have the confidence to attend live concerts and performances once restrictions on mass gatherings are lifted.**

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