

Written evidence submitted by the Incorporated Society of Musicians

We welcome this investigation into the Culture Recovery Fund (CRF). This submission was produced by the Incorporated Society of Musicians (ISM), the UK's oldest professional representative body for musicians, set up in 1882 to promote the art of music and to protect the interests of all those working in the music sector.

- I. In July 2020, the Government announced a £1.57 billion financial support package for the arts sector recovery and an additional £300m was announced in the 2021 Budget. These funding packages were of course welcome, after the ISM and wider creative sector had called on the Government to intervene in response to the COVID-19 crisis. As a result, many venues and organisations have been able to sustain themselves through these extremely challenging times, preventing permanent closures and job losses, and protecting much of our country's rich cultural offering.
- II. However, the impact of COVID-19 on the freelance community has been particularly devastating. Many of our member have not been able to work since March due to the cancellation of concerts, festivals and other live performances. A study by Carey & Chambers published last year entitled "UK live music: At a cliff edge" warned that freelancers and selfemployed workers will be forced to leave the sector in large numbers, with their annual income having fallen by 88%.¹ It is worth highlighting that approximately a third of all workers in the creative sector are freelancers² and in the music sector they form the majority.
- III. The response from Government on numerous occasions has been that the allocation of the CRF to venues will support creative freelancers.³ We note that 'applicants for revenue grants have covered the work of 206,400 freelancers and self-employed people'.⁴ Following the announcement of the CRF, Arts Council England also allocated an additional £900,000 to the Help Musicians' Financial Hardship Funding programme as part of £4 million of benevolent funds to support freelancers particularly affected by the crisis.⁵
- IV. While this was appreciated, the scale of funding in England has been hugely insufficient to address the needs of at least 700,000 creative freelancers who form the backbone of the creative economy.⁶ The Government's own estimates indicated that 12.5% of the business costs of Culture Recovery Fund recipients will go to freelancers, artists and casual events staff.⁷

¹ https://livemusic.biz/wp-content/uploads/2021/04/REPORT_UK-Live-Music-at-a-Cliff-Edge.pdf

² <https://www.creativeindustriesfederation.com/statistics>

³ <https://members.parliament.uk/member/4706/writtenquestions#expand-1303114>

<https://hansard.parliament.uk/lords/2020-11-09/debates/D2D4F982-5AA6-4D11-B3F7-5547D65A5675/Covid-19SupportForEntertainmentAndMusicIndustryFreelancers>

<https://questions-statements.parliament.uk/written-statements/detail/2020-10-13/hcws509>

⁴ <https://www.nao.org.uk/wp-content/uploads/2021/03/Investigation-into-the-Culture-Recovery-Fund.pdf>

⁵ <https://www.artscouncil.org.uk/sites/default/files/download->

file/Data_report_E_R_F_Individuals_Organisations_outside_National_Portfolio_0.pdf

⁶ <https://www.gov.uk/government/statistics/dcms-sector-economic-estimates-employment-oct-2019-sep-2020>

⁷ <https://hansard.parliament.uk/lords/2020-12-15/debates/C658099D-171D-4A04-8430-467A8B7632F0/Covid-19ArtsSector>

- V. It has been extremely disappointing that targeted support via the CRF has focused predominately on cultural, arts and heritage institutions, with limited support for freelancers in England. In stark comparison, the devolved nations have used their allocation of the CRF to direct funds to individuals. For example, Creative Scotland reported a total of £17 million for creative freelancers¹ and in Wales the figure was close to £16 million in total.² The ISM has consistently called on the Government to adopt best practice from the devolved nations and increase the level of financial support for freelancers in England.
- VI. The situation has been especially challenging because many of the venues and organisations that have received financial support through the CRF have remain closed, or at best partially open whilst it was permitted to so in line with COVID-19 restrictions. Most venues operate on tight profit margins due to high operating costs making it financially unviable to reopen within social distancing safety requirements. That has meant that much of the funding received so far has kept them afloat, rather than support live performances to go ahead.
- VII. Due to the reasons above, freelancers, such as musicians and other live performers, have had extremely limited work opportunities and have not been able to access an income through live performance. In effect, funding via the CRF has not trickled down to freelancers as it is supposedly intended to. This is an issue we have highlighted since the CRF was first announced in July 2020. For example, on 05 January 2021 we wrote to Chief Executive Darren Henley asking Arts Council England to work with the Treasury and the Department for Digital, Culture, Media & Sport to drastically increase the level of funding for creative freelancers, making use of unallocated CRF funding.
- VIII. The need for targeted support was reinforced by the shortcomings of the Treasury support schemes. The gaps in the Self-Employment Income Support Scheme (SEISS) are well documented and many of our members have felt abandoned at a time of crisis. For example, 33% of musicians the ISM surveyed were not able to access to the SEISS.³ In response to these financial challenges, the ISM Members Fund made £200,000 of hardship funding available to our members. Grants of £300 have been made available to assist members who continue to experience acute financial hardship as a result of the COVID-19 pandemic.
- IX. Although the CRF was often described by the Government as ‘the biggest ever investment in the arts’⁴, the level of funding fell short of many other arts and cultural support packages in the international community. For example, in France, arts festivals, independent production houses and small arts companies were eligible for help from a special €7bn fund for small businesses, allowing them to claim for cancelled shows, film shoots and other

¹ <https://www.creativescotland.com/funding/funding-programmes/hardship-fund-for-creative-freelancers#:~:text=The%20Scottish%20Government%20has%20committed%20%C2%A317m%20through%20Creative,%C2%A39m%20to%20be%20administered%20in%20March%202021.>

² <https://gov.wales/further-89-million-support-creative-sector-freelancers>

<https://gov.wales/wales-launches-fund-support-creative-freelancers-affected-covid-19>

³ <https://www.ism.org/news/ism-responds-dcms-guidelines-live-performance>

⁴ <https://www.gov.uk/government/news/588-more-arts-organisations-saved-by-76-million-in-latest-culture-recovery-fund-grants>

events.¹ France also announced an extra €50m of financial backing for the music industry, and an extension to the 'intermittent du spectacle', the country's financial support scheme designed to protect freelance creatives, until 31 August 2021.² More recently, the US Congress passed the Save Our Stages act which is worth \$15bn to save their theatres and arts venues.³

- X. Finally, a major barrier to the return of performance is the failure of the commercial insurance market to offer suitable cancellation policies. Already dozens of festivals have cancelled activity for this summer, such as Cornbury Music Festival, Download, Belladrum, Shambala, Bluedot & Glastonbury, and hundreds more will do so in the coming months if no cover is forthcoming. But this issue is not confined to summer festivals – almost all live music activity of any scale becomes untenable if it can be cancelled at short notice with no financial protection. We believe that the £500 million Restart Scheme for Film and TV which helped delayed productions obtain insurance has set an important precedent. Promoters and venues would pay into a dedicated fund, to be matched by the Government, in addition to an additional premium paid by the insurance industry. Similar funds have already been announced in countries such as Germany, Denmark, Austria, the Netherlands, Belgium and Norway. Using CRF monies already allocated by the Treasury could be one avenue for a solution with almost no further impact on the public purse.

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¹ <https://www.france24.com/en/20200506-macron-announces-extra-aid-for-french-arts-sector-battered-by-covid-19-crisis>

² <https://www.theguardian.com/culture/2020/jun/18/world-spends-to-protect-culture-from-economic-ruin>

³ <https://www.backstage.com/magazine/article/save-our-stages-act-actors-performing-artists-72354/>