

## Written evidence – UK Music (PTC0022)

### The Long-term Impact of the Pandemic on Towns and Cities<sup>1</sup>

- 1.1** UK Music is the collective voice of the UK's world-leading music industry. UK Music represent all sectors of the music industry – bringing them together to collaborate, campaign, and champion music. UK Music promotes the music industry as a key national asset to all levels of Government and publishes research on the economic and social value of music.
- 1.2** Local music ecosystems made up of performers, all forms of music workers and music spaces, are vital to the UK's music sector. UK music was worth £5.8 billion GVA to the UK economy in 2019, is one of only three net global exporters of music and employs 197,168 people (more than four and a half times the combined employment of the fishery and steel industries).<sup>2</sup>
- 1.3** The music sector also adds value to cities and towns across the UK; music attracted 8.5 million visitors to places outside of London in 2019, it is also a key part of what makes places worth living in.<sup>3</sup> Though this is not to say that the music sector is only in towns and cities, but it is where they are concentrated and the focus of this paper. The COVID-19 pandemic and the effect that has had on music ecosystems has long-term implications for our towns and cities, particularly those with strong music ecosystems. If the damage to the music sector is not mitigated localities may turn into "music deserts" as key music spaces and local skills are lost.
- 1.4** Local music scenes in towns and cities across the UK are important to the UK music sector and their local communities. Recognition of this dual importance should lead to a number of policy steps to prevent long term economic scarring on towns and cities due to the effect of the crisis on music including:
- **Synchronising further COVID restrictions with further support.**
  - **Supporting the music sector post-Covid.**
  - **Empowering Local Authorities to support their local music ecosystem.**

- 2.1** UK Music's *Music By Numbers 2020* report laid out the value of music to towns and cities across the UK. In 2019 75% of music tourism in the UK was to venues and festivals outside of London, Wales saw a 17.5% rise in music visitors, music visitors also spent over £477 million in the North West, focused on the hubs of Liverpool and Manchester.<sup>4</sup>

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<sup>1</sup> [The long-term impact of the pandemic on towns and cities - Committees - UK Parliament](#)

<sup>2</sup> <https://publications.parliament.uk/pa/ld5801/ldselect/ldcom/248/248.pdf> p. 6

UK Music, *Music By Numbers 2020*, <https://www.ukmusic.org/research/music-by-numbers-2020>  
House of Commons Library, UK Steel Industry: Statistics and Policy, <https://commonslibrary.parliament.uk/research-briefings/cbp-7317/>  
Marine Management Organisation, Fishing Industry in 2019 Statistics Published <https://www.gov.uk/government/news/fishing-industry-in-2019-statistics-published#:~:text=In%202019%2C%20there%20were%205%2C911,metres%20and%20under%20in%20length>

<sup>3</sup> <https://www.ukmusic.org/research-reports/music-by-numbers-2020/> p. 27

**2.2** Music venues and festivals provide huge benefits to towns and cities economies, the Music Venue Trust (MVT) has estimated that every £10 spent on a ticket for a venue is worth £17 to local towns and cities in travel, additional hospitality and local services.<sup>5</sup> Though urban festivals cannot match the size of a site like Glastonbury the Association of Independent Festivals has estimated that even a small-scale festival of 5,000 people can be worth £1.1 million to the local area.<sup>6</sup> Almost 200,000 people are employed in the sector across the UK, these roles are spread across the UK and provide a range of opportunities.

**2.3** As stated in UK Music's submission to the DCMS Select Committee Major Sports and Cultural Events inquiry the music sector can play a major role in supporting the levelling up agenda by bringing growth to areas that are underinvested in, as in Wales through gigs at the Principality Stadium that attracted over 700,000 visitors to Wales between 1999 and 2018, the East of England as with Ed Sheeran's series of gigs that was worth £9 million to Ipswich's economy, or the £477 million in spending that music tourism attracted to the North West in 2019.<sup>7</sup>

**2.4** Music stimulates a value chain by providing direct job opportunities, this is not limited to performers and musicians but also includes technical workers (lighting), studio staff, promotional workers, producers, composers, songwriters and managers. It also encourages local visitors and spending on local goods, businesses and services. The range of businesses, freelancers and workers involved creates a music ecosystem that supports the staging and recording of music.

**2.5** Towns and cities are not only critical as hubs for visitors, and location for venues and many festivals they also in turn provide the spaces to develop local music talent, the rehearsal spaces, venues and studios where music workers can learn their trades as well as placing networks of businesses in close proximity to one another and drawing together the broad range of businesses and skills needed for a music ecosystem. This ecosystem also promotes a range of creatively fulfilling careers.

**2.6** Music also makes areas worth living in by providing local entertainment and opportunities for participation as well as boosting local culture and wellbeing. As the 2017 Live Music Census discovered "*Live music enhances social bonding, is mood enhancing, provides health and well-being benefits, is inspiring, and forms part of people's identity.*"<sup>8</sup>

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<sup>4</sup> <https://www.ukmusic.org/research-reports/music-by-numbers-2020/>  
Econactive, *20 Years On the Importance of the Principality Stadium*  
[https://d2cx26qpfwuhvu.cloudfront.net/wru/wp-content/uploads/2019/06/25171654/WRU1570-Principality-Stadium-economic-impact-report-V2\\_LR.pdf](https://d2cx26qpfwuhvu.cloudfront.net/wru/wp-content/uploads/2019/06/25171654/WRU1570-Principality-Stadium-economic-impact-report-V2_LR.pdf) pg. 12

<sup>5</sup> <https://www.ukmusic.org/campaigns/save-our-summer-2021/> p. 10

<sup>6</sup> <https://www.ukmusic.org/campaigns/save-our-summer-2021/> p. 10

<sup>7</sup> <https://www.ukmusic.org/wp-content/uploads/2021/05/UKM-Submission-DCMS-Select-Committee-Major-Sporting-and-Cultural-Events.pdf> p. 4

<https://www.ukmusic.org/research-reports/music-by-numbers-2020/> p. 26

**3.1** However, the networked nature of music means that the huge effect of COVID on live music has compromised many local music ecosystems and threatens their long term survival. The sheer scale of the damage makes for grim reading. For 2020 alone we estimated that £3 billion out of what would have been around £6 billion GVA was lost for the sector.<sup>9</sup> The live sector in particular was hit very hard.

- **70% of UK musicians in 2020 saw their work volume fall 75%.<sup>10</sup>**
- **Grassroots Music Venues (GMVs) saw their income fall by 75.1%.<sup>11</sup>**
- **Arenas and large venues saw their income fall 74.0%.<sup>12</sup>**
- **Festivals saw their income fall 90%.<sup>13</sup>**

**3.2** The Government did make provision for support that UK Music welcomed, including the Coronavirus Job Retention Scheme, Self-Employment Income Support Scheme (SEISS), various loans schemes and the Culture Recovery Fund (CRF).<sup>14</sup>

**3.3** However, these schemes had a number of gaps. For instance, according to the UK Government's figures only 34.2% of self-described freelancers in the music sector received SEISS.<sup>15</sup> A key reason for this low take up was high levels of ineligibility, the Government has stated that 66% of those eligible did access SEISS.<sup>16</sup> But, this figure is arrived at by discounting the 89% of total applicants who were deemed ineligible either due to earning more than the income cap (which did not exist for the CRJS), or being newly self-employed, for not earning a high enough proportion of earnings to be self-employed, or being a Company Director (many music freelancers draw their income in dividends to alleviate the feast and famine nature of their income).<sup>17</sup> Furthermore, many supply chain companies were unable to apply for grants, despite technical supply companies seeing their income fall 95% on average.<sup>18</sup> These gaps are naturally more significant for areas with stronger music ecosystems that are more exposed than the UK economy on aggregate.

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<sup>8</sup> <http://uklivemusiccensus.org/wp-content/uploads/2018/03/UK-Live-Music-Census-2017-full-report.pdf>

<sup>9</sup> <https://www.ukmusic.org/news/new-report-from-cif-shows-uks-creative-industries-are-on-the-brink-of-devas/>

<sup>10</sup> <https://musiciansunion.org.uk/campaigns/invest-in-musicians>

<sup>11</sup> [https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT\\_UK-Live-Music-at-a-Cliff-Edge.pdf](https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT_UK-Live-Music-at-a-Cliff-Edge.pdf) p. 6

<sup>12</sup> [https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT\\_UK-Live-Music-at-a-Cliff-Edge.pdf](https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT_UK-Live-Music-at-a-Cliff-Edge.pdf) p. 6

<sup>13</sup> Ibid

<sup>14</sup> <https://www.ukmusic.org/policy-campaigns/covid-19/>

<sup>15</sup> <https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-september-2020>

<sup>16</sup> <https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-september-2020>

<sup>17</sup> <https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-september-2020>

<sup>18</sup> Ibid

**3.4** This income shortfall has left a debt mountain, while the £250 million repayable finance made available to the creative industries through the CRF was welcome, it is still a debt that has to be repaid.<sup>19</sup> The MVT calculated that closed GMVs were losing £524,000 per day in March 2020, and a Night Time Industries Association survey in spring 2021 found 75% of night-time economy businesses were facing insolvency due to rent arrears.<sup>20</sup>

**3.5** Many businesses have addressed these bills by taking on commercial loans or have not been able to address them and have accrued significant rent arrears. This is a key risk to many music spaces going forward. It should be considered that areas that are already have less investment, higher levels of poverty and other indices of deprivation are likely to attract less investment and custom post pandemic and therefore harder to pay off these debts – potentially exacerbating regional inequalities.

**4.1** This COVID damage presents dual threats to the music sector in cities and towns in the long term. Firstly, there is the threat that the loss of venues and studios will rob the sector of the infrastructure that it needs to thrive. If these spaces are forced to close the entire local music ecosystem will be cut off from opportunities to perform and earn money on a permanent basis.

**4.2** Secondly, local music scenes need workers and companies capable of performing and staging a performance. 71% of musicians are either considering quitting the sector or unsure if they will continue.<sup>21</sup> But performances also need technical skills to stage, as well as organisers, promoters, managers, venue staff and technical supply companies (often sole traders) were one of the worst hit by the pandemic.<sup>22</sup> 72% of workers in the sector are freelancers, if music is not being played they are not being paid.<sup>23</sup> The CRF was intended to focus on music businesses, and provide a trickle down effect to freelancers, however the Public Accounts Committee found that freelancers were “under represented” in the CRF.<sup>24</sup>

**4.3** It should be noted that the devolved Governments showed more flexibility in providing support to freelancers who fell through the gaps, the Welsh and Scottish Government established hardship funds for freelancers and the Northern Ireland Executive established a specific fund for company directors.<sup>25</sup>

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<sup>19</sup> <https://www.gov.uk/government/groups/culture-recovery-board>[https://www.ukmusic.org/wpcontent/uploads/2020/09/UK\\_Music\\_Submission\\_to\\_DCMS\\_Select\\_Committee\\_ImpactCOVID\\_7\\_May2020.pdf](https://www.ukmusic.org/wpcontent/uploads/2020/09/UK_Music_Submission_to_DCMS_Select_Committee_ImpactCOVID_7_May2020.pdf)

<sup>20</sup> <https://www.ntia.co.uk/appg-officers-responds-to-commercial-rent-challenges-across-the-night-time-economy-with-letter-to-mhclg-beis/>

<sup>21</sup> <https://musiciansunion.org.uk/campaigns/invest-in-musicians>

<sup>22</sup> [https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT\\_UK-Live-Music-at-a-Cliff-Edge.pdf](https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT_UK-Live-Music-at-a-Cliff-Edge.pdf)

<sup>23</sup> <https://www.ukmusic.org/research-reports/music-by-numbers-2019/>

<sup>24</sup> <https://committees.parliament.uk/publications/6383/documents/70055/default/>

<sup>25</sup> <https://gov.wales/fund-support-creative-freelancers-affected-covid-19-now-open>  
<https://www.creativescotland.com/funding/funding-programmes/hardship-fund-for-creative-freelancers#:~:text=What%20is%20this%20fund%20for,of%20the%20COVID%2D19%20pandemic.&text=We%20will%20trust%20that%20those,emergency%20funding%20at%20this%20time.>  
<https://www.economy-ni.gov.uk/news/dodds-announces-ps20m-support-scheme-company-directors>

This failure to support freelancers was not unique to music with freelancers across the economy feeling under supported.<sup>26</sup> However, given the majority of music workers are self-employed it has a particular impact on the music sector, and the places where the sector is prominent.<sup>27</sup>

**4.4** This failure to support freelancers threatens a brain drain of the people able to stage, play and conduct performances and recordings, the large-scale loss of any one group of music workers would render the survival of studios and venues a moot point. For example, a local shortage of sound engineers could severely restrict future growth and effectively prevent many engagements from going ahead.

**4.5** The losses of many of the spaces and skills to stage and perform music could lead in the long-term to the creation of “music deserts” in towns and cities where there are few or no permanent opportunities to play live music to an audience or record it. The loss of key infrastructure and skills will throttle growth, that will trigger a decline in opportunities and in the long-term workers and businesses will either leave the area or the sector. Even less comprehensive damage could fundamentally impact music ecosystems, leading to a permanent loss of opportunities and growth that would compromise what should be an important driver of local economic activity and part of a national asset.

**4.6** This risk is especially acute in smaller cities and towns where there is less resilience in the music ecosystem and more reliance on a smaller number of music spaces and music workers. If not addressed this could accentuate regional inequality and increase the imbalance between London and other parts of the UK, as well as between inner and outer London.

**4.7** To address these challenges the following action needs to be taken by the UK and devolved Governments:

- **Synchronising restrictions and support.**
- **Supporting the music sector post-Covid.**
- **Empowering Local Authorities to support their local music ecosystem.**

**4.8** COVID restrictions and support being synchronised is a moral and economic imperative.<sup>28</sup> Economic support should not be withdrawn for workers or businesses until full reopening is allowed without capacity restrictions for all music businesses. This should apply to both businesses through the CJRS, and workers through SEISS. While not perfect, SEISS is vital to retaining at least some skilled workers in the music sector. This

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<sup>26</sup> <https://excludeduk.org/>

<sup>27</sup> [https://www.ukmusic.org/wp-content/uploads/2020/08/Music\\_By\\_Numbers\\_2019\\_Report.pdf](https://www.ukmusic.org/wp-content/uploads/2020/08/Music_By_Numbers_2019_Report.pdf)  
p.11

<sup>28</sup> <https://www.ukmusic.org/wp-content/uploads/2021/05/UKM-Submission-to-Treasury-Committee-Inquiry-Jobs-Growth-and-Productivity-after-Coronavirus-Policy.pdf>  
<https://www.ukmusic.org/campaigns/save-our-summer-2021/>  
[https://www.ukmusic.org/wpcontent/uploads/2020/09/UK\\_Music\\_Submission\\_to\\_DCMS\\_Select\\_Committee\\_ImpactCOVID\\_7\\_May2020.pdf](https://www.ukmusic.org/wpcontent/uploads/2020/09/UK_Music_Submission_to_DCMS_Select_Committee_ImpactCOVID_7_May2020.pdf)

challenge is compounded by the UK's new relationship with the EU, which has caused many EU citizens to leave the UK industry and made hiring EU citizens to fill skill shortages has been made more difficult.

**4.9** On the principle of balancing restrictions and support the recent extension of restrictions in England should lead to additional fiscal support. The UK Government should look at extending the commercial rent eviction moratorium to account for the delay in the economy fully reopening. Given that the Chief Medical Officer for England Prof. Chris Whitty has stated that there will be a further surge of the virus in the winter of 2021/22 the Government should look at extending the furlough scheme past September for affected businesses as well as the possibility of a 6<sup>th</sup> SEISS grant.<sup>29</sup> The Government should also look at halting the increased employer contributions to furloughed employees for businesses that are yet to fully reopen and work to address gaps in SEISS. We would also welcome the devolved administrations taking a similarly synchronised approach.

**4.10** The moment of peak vulnerability for many businesses and workers will be the second half of 2021 as support is withdrawn, and the debts that many businesses have taken on will start needing to be serviced and rent arrears addressed. These issues represent the "long COVID" for the music sector and mean the crisis will not end with restrictions and is one of the reasons we have calculated a 3-year recovery cycle for the sector.<sup>30</sup>

**4.11** Given the amount UK Governments have committed to supporting music businesses it would be perverse for sound businesses to fold at just the point the nation is returning to relative normality. Therefore, the UK and devolved governments should look at what support can be extended for the whole of 2021/22.

**4.12** A major outlay for music businesses is Business Rates and this spiralling cost was a key cause in the 35% decline in the number of live music venues between 2008 and 2018.<sup>31</sup> The 2017 revaluation saw one venue The Macbeth have a rise of 800% in its Business Rates Bill.<sup>32</sup> The UK Government recognised the unfairness of this with a 50% cut in Business Rates for Grassroots Music Venues (GMVs) in January 2020.<sup>33</sup> For 2020/21 given the COVID crisis qualifying affected businesses received 100% Business Rate Relief. The 2021 Budget announced that this support would be continued to June 2021 and then reduced to a 66% reduction for the rest of the year.

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<sup>29</sup> <https://www.theguardian.com/politics/live/2021/jun/17/uk-covid-live-news-coronavirus-delta-variant-hancock-johnson?page=with:block-60cb4c738f08d3594f2ed435#block-60cb4c738f08d3594f2ed435>

<https://www.gov.uk/government/collections/coronavirus-job-retention-scheme>  
<https://www.gov.uk/government/publications/self-employment-income-support-scheme-fifth-grant/self-employment-income-support-scheme-fifth-grant>

<sup>30</sup> <https://www.ukmusic.org/news/new-report-from-cif-shows-uks-creative-industries-are-on-the-brink-of-devas/>

<sup>31</sup> [https://www.ukmusic.org/wp-content/uploads/2020/12/UKM\\_Final\\_HMTreasuryBusinessRates\\_18.09.pdf](https://www.ukmusic.org/wp-content/uploads/2020/12/UKM_Final_HMTreasuryBusinessRates_18.09.pdf) p. 2

<sup>32</sup> [https://www.ukmusic.org/wp-content/uploads/2020/12/UKM\\_Final\\_HMTreasuryBusinessRates\\_18.09.pdf](https://www.ukmusic.org/wp-content/uploads/2020/12/UKM_Final_HMTreasuryBusinessRates_18.09.pdf)

<sup>33</sup> <https://www.bbc.co.uk/news/newsbeat-51263579>

**4.13** This reduction is insufficient, given that the level of rent arrears for many businesses and the loss of an entire year's worth trading and ongoing uncertainty. The Government should match the Welsh and Scottish Governments and the Northern Ireland Executive who have implemented Business Rate Relief for the whole of 2021/22.<sup>34</sup> Furthermore, given the standard 50% relief for GMVs it only represents an additional 16% relief.<sup>35</sup> The delay of Stage 4 reopening, additional local guidance and the ongoing possibility of renewed restrictions in the winter highlight the uncertain nature of the current situation.<sup>36</sup> The Government should therefore provide confidence and certainty to businesses that they will not be taxed on business lots they cannot profitably use and pre-empt the need for ad hoc responses by immediately extending full Business Rate Relief 2021/22.

**4.14** It should also be noted that this relief does not cover vital impacted music spaces like music studios that have to rely on discretionary funding where there has been concerns around access.<sup>37</sup> Therefore, we would also welcome the Government revising its guidance to Local Authorities to allow studios to benefit from Business Rate Relief.

**4.15** Another way to ensure that the music ecosystems in our towns and cities recover would be to keep money in that ecosystem. Live music events stimulate a value chain, and the more revenue that can be kept within that value chain, the more that can be used to pay down debts, recapitalize and be reinvested in more performances. The current VAT of 5% on cultural tickets was introduced in July 2020 and aimed at "supporting the reopening of the economy following the outbreak of the coronavirus pandemic", the renewal of restrictions means as of June 2021 that reopening has still not happened and VAT is due to rise to 12.5% in September.<sup>38</sup> To protect jobs and stimulate activity VAT should be frozen at 5% and the VAT hike deferred to March 2022.

**4.16** Furthermore, as the sector recovers and the UK returns to normality the broader environment for music will become more important. The UK music sector is deeply concerned that changes to Permitted Development Rights and broader planning changes promoting housing will weaken the Agent of Change principle I which holds that incoming developments should adapt to the local area e.g. by sound proofing residential developments next to a music venue. This is to avoid situations similar to what happened to The Point

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<sup>34</sup> <https://gov.wales/business-rates-holiday-extended-12-months>  
<https://www.gov.scot/news/non-domestic-rates-relief-extended/>  
<https://www.northernireland.gov.uk/news/over-25000-businesses-benefitting-100-rate-relief-murphy>

<sup>35</sup> <https://www.ukmusic.org/news/uk-welcomes-government-cuts-to-business-rates-for-grassroots-music-venues/>

<sup>36</sup> <https://news.sky.com/story/covid-19-some-covid-restrictions-could-return-next-winter-chief-medical-officer-warns-12180133>

<https://www.gov.uk/government/news/further-measures-in-additional-areas-to-tackle-delta-b16172-variant>

<https://www.gov.uk/government/speeches/oral-statement-on-easing-of-coronavirus-restrictions>

<sup>37</sup> <https://questions-statements.parliament.uk/written-questions/detail/2021-02-19/155281>

<sup>38</sup> <https://www.gov.uk/government/publications/introduction-of-a-new-reduced-rate-of-vat-for-hospitality-holiday-accommodation-and-attractions/introduction-of-a-new-reduced-rate-of-vat-for-hospitality-holiday-accommodation-and-attractions>

in Cardiff which was forced to close in 2009 when a new residential development triggered noise complaints. The venue that had hosted the likes of Franz Ferdinand and the Super Furry Animals was forced to closed as it could not meet the cost.<sup>39</sup>

**4.17** To avoid this the UK Government should match its commitment to home building with a strengthening of the legal footing of Agent of Change in relation to Permitted Development Rights and the planning system as a whole. The Government should also look at classifying music venues as “community assets” to provide additional protections from development. The Culture Recovery Fund recognised that venues can be of particular local importance and therefore more worthy of support – a principle that should be carried into the planning system.<sup>40</sup> It is critical in the long term that we have a planning system that incentivises music spaces alongside other uses.

**4.18** Local Authorities can also take the initiative in these areas to move towards a presumption in favour of music venues as a local cultural good in local plans and guidance. The devolved administrations, while not pursuing the same changes as UK Government at this point, should also look to make sure their own planning systems are sympathetic to music venues.

**4.19** The pandemic has also highlighted the importance of having strong local governance that can step in to support local music ecosystems. Given that some areas are more reliant on live music than others it is useful to have institutions with the financial ability to provide support and supplement national support systems. For example, in Liverpool the Liverpool City Region was able to establish a £150,000 fund to support music businesses in Liverpool.<sup>41</sup>

**4.20** This allowed the City Region, through the Liverpool Music Board (of which UK Music is an observer member), to support foundational music businesses that may have missed out on overarching support like studios (e.g. RPM and Jam Studios) that were not included in Business Rate Relief or Retail, Hospitality and Leisure Grants or supply companies that often missed out on the CRF like Liverpool Audio Ltd.<sup>42</sup> The funding awards were made by a Board that was intimately familiar with the Liverpool music ecosystem and able to support key businesses based on their value to the Liverpool music ecosystem and the level of support needed.

**4.21** It is vital that work is also done to ensure that skilled workers remain in the music industry, ensuring that the gaps in SEISS are addressed and that freelancers have as many opportunities for gainful employment as possible is absolutely vital. The technicians, performers, managers, producers, session musicians, songwriters and many others who make up the music sector

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<sup>39</sup> <https://www.nme.com/news/music/various-artists-4327-1303870>

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[https://www.artscouncil.org.uk/sites/default/files/downloadfile/CRF%20Grants%20Guidance%20for%20Applicants%20v7.2\\_0.pdf](https://www.artscouncil.org.uk/sites/default/files/downloadfile/CRF%20Grants%20Guidance%20for%20Applicants%20v7.2_0.pdf) p. 19

<sup>41</sup> <https://www.liverpoolcityregion-ca.gov.uk/music-fund-supporting-city-regions-economic-recovery/>

<sup>42</sup> <https://www.liverpoolcityregion-ca.gov.uk/music-fund-supporting-city-regions-economic-recovery/>

provide the creative spark that make the sector worth having. It is vital they are supported to remain in their music ecosystems. This work can include funding to help keep local freelancers in their roles as Greater Manchester did with the £500,000 Cultural Hardship Fund for Freelancers. In the long term this kind of local agility in supporting music workers should be encouraged.<sup>43</sup>

**4.22** Areas with strong music sectors also have an opportunity. If managed properly the return of live music and recording at capacity can boost the local recovery, stimulating consumer spending and moving money through the local economy by encouraging a range of business transactions on multiple axis. Music jobs are dynamic, creative and resilient to automation making their incentivization a sound strategic decision for towns and cities in the long term.

**5.1.** The long-term prospects for music ecosystems in towns and cities across the UK, and by extension those towns and cities themselves, are dependent on the action that the UK and devolved governments take going forward. Music is of great value to towns and cities across the UK with local music ecosystems clustering around towns and cities and powering growth, as well as improving day to day life and wellbeing. There is no reason why a properly supported music sector cannot play a role in stimulating the recovery and preventing economic scarring from COVID in towns and cities across the UK.

**5.2.** However, the enforced closure of key music spaces in 2020 – 2021 and loss of work for many of the sector's almost 200,000 employees poses acute challenge for the sector, saddling many music businesses with crippling debts that may cause them to fold and potentially triggering a brain drain of skilled workers away from the sector. Urgent action is needed to prevent the creation of "music deserts" in towns and cities in the UK the long term, as the closure of music spaces and the loss of skills withers music ecosystems and removes permanent opportunities for performances. Particularly, in areas that are already disadvantaged by regional inequality.

**5.3.** Therefore, the following policy aims should be adopted:

- **Synchronising restrictions and support.**
- **Supporting the music sector post-Covid.**
- **Empowering Local Authorities to support their local music ecosystem.**

**5.4.** Specifically, the UK Government should extend SEISS and the CRJS for as long as COVID restrictions persist, bring forward the next round of CRF Funding, extend 100% Business Rate Relief for the whole of 2021/22 and freeze VAT at 5% for the same period. The devolved administrations should also look to ensure that the support is synchronised and the music sector supported through 2021/22. In the long term both should look at how communities can be empowered to support local creative industries more

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<sup>43</sup> [https://secure.manchester.gov.uk/info/500362/covid-19/8121/cultural\\_hardship\\_fund\\_for\\_freelancers](https://secure.manchester.gov.uk/info/500362/covid-19/8121/cultural_hardship_fund_for_freelancers)

effectively, as well as how the planning system can be used to incentivise local music spaces. It is vital that not only the businesses but the workers and performers that provide the sector's world-renowned creative spark are protected and supported, so they can build a better industry in the future, for the benefit of towns and cities across the UK.

**5.5.** If this action is taken this will help music ecosystems across the UK play their role in the economic recovery from COVID and support the long term economic and social health of communities across the UK.

## **Annex**

UK Music's membership comprises: -

- AIM – The Association of Independent Music – AIM – The Association of Independent Music – the trade body for the independent music community, representing 1000+ independent record labels and associated businesses, from globally recognised brands to the next generation of British music entrepreneurs.
- BPI - the trade body of the recorded music industry representing 3 major record labels and over 400 independent record labels.
- FAC – The Featured Artists Coalition is the UK trade body representing the specific rights and interests of music artists. A not-for-profit organisation, they represent a diverse, global membership of creators at all stages of their careers and provide a strong, collective voice for artists.
- The Ivors Academy - The Ivors Academy is an independent association representing professional songwriters and composers. As champions of music creators for over 70 years, the organisation works to support, protect and celebrate music creators including its internationally respected Ivors Awards.
- MMF – Music Managers Forum - representing over 1000 UK managers of artists, songwriters and producers across the music industry with global businesses.
- MPG - Music Producers Guild - representing and promoting the interests of all those involved in the production of recorded music – including music studios, producers, engineers, mixers, remixers, programmers and mastering engineers.
- MPA - Music Publishers Association - with 260 major and independent music publishers in membership, representing close to 4,000 catalogues across all genres of music.
- Musicians' Union - Representing over 32,000 musicians from all genres, both featured and non-featured.
- PPL is the music licensing company which works on behalf of over 110,000 record companies and performers to license recorded music played in public (at pubs, nightclubs, restaurants, shops, offices and many other business types) and broadcast (TV and radio) in the UK. PPL also collects royalties for members when their recorded music is played around the world through a network of

international agreements with other collective management organisations (CMOs).

- PRS for Music is responsible for the collective licensing of rights in the musical works of 150,000 composers, songwriters and publishers and an international repertoire of 28 million songs.
- UK Music also has an informal association with LIVE (Live music Industry Venues & Entertainment), the voice of the UK's live music and entertainment business. LIVE members are a federation of 13 live music industry associations representing 3,150 businesses, over 4,000 artists and 2,000 backstage workers.

*6 July 2021*