

Written evidence submitted by Help Musicians

Submission to Department for Digital, Culture, Media and Sport Select Committee Inquiry on Impact of COVID-19 on DCMS Sectors

16 June 2020

1. Help Musicians, originally known as the Musicians Benevolent Fund, was founded by Edward Elgar in 1921. For nearly a century the charity has provided help, support and opportunities to empower musicians through all stages of their lives. In 2019 the charity had over 14,000 interactions with emerging, professional, and retired musicians, from all musical genres and all parts of the UK. Our direct charitable expenditure increased to £5.6m in 2019, a new all-time high for the charity. We aim to provide a lifetime of support when it's needed most, supporting musicians on creative development, health & wellbeing issues and business skills. By "musician" we mean performers, composers/writers/creators and others in a role requiring a high level of musical skill (instrumental teachers, DJs, music therapists, mixing/mastering etc.).
2. Help Musicians is submitting evidence to this inquiry to assist DCMS in building a more complete picture of the issues impacting UK musicians as a result of the coronavirus crisis. Our comments focus on the scale and impact of the crisis on musicians' wellbeing (in the broadest sense) not the wider music ecosystem in which they exist.

What has been the immediate impact of Covid-19 on the sector?

- 3. The loss of income for most musicians was immediate, severe and not cushioned**

The impact of Coronavirus on musicians' lives and careers is unprecedented. When lockdown started the vast majority of musicians lost all their income. Public perception of a musician is likely to be of someone with a public profile – meaning they have royalty income, a fanbase, streaming/broadcasting options, merchandise sales etc. But this is in fact rare. Most musicians are not "featured artists" and therefore earn virtually all their money from in-person work: performing, rehearsing, recording sessions and teaching. These lines of work mostly evaporated. What's more, they are never paid a great deal in the first place, so musicians have little in the way of savings to fall back on. So not only was the impact immediate and severe, for most it was not cushioned, and they were thrown into financial crisis straight away.
- 4. Help Musicians made immediate financial relief payments to 16,700 musicians**

Help Musicians responded quickly to the crisis by offering immediate short-term financial relief to musicians in need. On the 25 March Help Musicians launched a Hardship Fund for musicians, releasing £5m of our own reserves as part of an initial phase of support, also receiving generous [donations](#) of a further £3.35m (in large part from the BPI, Arts Council England, Royal Society of Musicians and PPL, but also from many musicians, music-lovers, trusts and foundations). Demand for the fund was extremely high – in total we provided one-off grants of £500 to nearly 16,700 musicians across the UK in just four weeks – a total cost of £8.35m. This provided immediate relief whilst musicians waited to see what government support would be provided. And it showed the scale of the problem (even more significant when combined with the numbers of applicants to other hardship funds e.g. Musicians Union & PRS Benevolent Fund).
- 5. 25%+ musicians are not eligible for SEISS**

The vast majority of musicians are self-employed (in our survey of musicians in April 2020, 87% identified as freelance). Therefore the most important government measure was the Self Employment Income Support Scheme. However, whilst the Chancellor announced that this scheme would pick up 95% of the self-employed, our April survey (which received over 2,000 responses) showed that 25% of musicians expected to be excluded. Whilst a more recent survey by the Musicians Union suggests this figure is higher than one third. We wrote to the Chancellor on 9th April to explain that this was a major issue, caused by the SEISS eligibility rules; in particular excluding those who have been self-employed for less than a year (or have not yet

made a profit), who are part self-employed (at less than 50% of their total annual income) or who earn just above the £50,000 cap. However, no changes have been made to the SEISS scheme and therefore a large number of musicians have nothing but Universal Credit on which to rely. And many don't qualify for that due to partner earning levels (which in no way implies that they are comfortably off).

6. Over 5,000 musicians have applied for hardship support Jun-Oct

Help Musicians was left with no option but to launch a second phase of hardship funding for self-employed musicians who have nothing to survive on other than Universal Credit, or who are struggling to survive on what little other support they receive. The fund provides grants to struggling professional musicians which they can apply for online, giving them assistance over the period Jun-Oct, to pay for household bills and other living costs. We opened this second phase on 5 June 2020, with a total of £2.55m, made up of £2m from the charity's reserves plus donations of £500k from PPL and £50k from the Lightbody Foundation. For over four hours on the first day of opening, we were receiving applications at the rate of 1 every 10 seconds. As of Thursday 18 June we had received over 5,000 applications. Our £2.55m fund is not enough to provide the level of financial support that these musicians require. We are actively fundraising, but this is a difficult climate with many charities competing for donors' attention.

What will the likely long-term impacts of Covid-19 be on the sector, and what support is needed to deal with that?

7. A significant number of musicians will need financial help many months after SEISS ends

In addition to not having enough cash to fund our Jan-Oct hardship programme we are even more concerned about how to support musicians with hardship problems beyond this period. With SEISS set to end after the summer, we could face a much larger number of musicians turning to us in the autumn, with even less prospect of successful fundraising. While other parts of the UK economy may begin to reopen, a return to capacity for the live music sector seems a distant prospect. Universal Credit does not provide a level of financial support to sustain people over the long-term (it was designed to encourage claimants back into work – not an easy proposition for musicians when their sector is closed and a recession reduces the number of non-music jobs available elsewhere in the economy).

8. Any financial support package for the music industry must assist musicians directly, as well as providing support for the infrastructure of the industry

The music industry is not like most other sectors in the UK economy – normally the core workforce are permanent employees, with some freelancers filling in gaps and working on the periphery. In the music industry the core workforce (i.e. musicians) are freelance, whilst the supporting roles (managers, labels, promoters, agents, venues etc.) are more frequently permanent employees. According to UK Music there are nearly 140,000 musicians, singers, composers, songwriters, lyricists, producers and engineers. They ARE the music industry; creating iconic moments and memories that inspire and sustain us, whilst also contributing £5.2billion to the UK economy and strengthening the image of the UK abroad.

Compared to the number of voices speaking to the government on behalf of the supporting roles, the number of voices representing musicians are few in number (even though they are highly respected, articulate and knowledgeable like the Musicians' Union, the Incorporated Society of Musicians and the Ivors Academy amongst others). As a result we are concerned that any government financial package to support the industry might be skewed towards supporting the industry's infrastructure whilst not providing an adequate level of support for musicians themselves. To be clear, we fully endorse the requests for support from all structural elements of the music industry – once social distancing is over musicians need viable venues, management companies, etc and so all elements must be supported. But until live performance has returned to normal levels, it cannot be assumed that supporting the infrastructure of the music industry will provide any kind of meaningful "trickle-down" of finances to musicians themselves. Therefore it is vital that any government support package has musicians at its heart, as well as the music industry infrastructure.

9. Financial support for musicians isn't just an end in itself, it saves money in the long-run and ensures a quicker return to normality once social distancing rules allow.

Two examples to illustrate:

a. Providing financial security is a cheaper option than dealing with the mental health timebomb that will otherwise explode

Since 2017 Help Musicians has run Music Minds Matter, a dedicated, round-the-clock support line and service for anyone working in the music industry. We understand in detail the mental health challenges that musicians face. Our April 2020 survey showed 80% were already worried fairly/very often about their financial situation and 46% said this was having a strong/significant impact on wellbeing. In the subsequent 7 weeks these statistics can only have become bleaker. Financial-related anxiety impacts mental wellbeing, relationships, the ability to rationally manage finances (with knock-on impacts on housing, debt-rating etc) etc. These require long-term solutions which require a lot of resource. So we take the view that whilst musicians are unable to perform live regularly, it would be "penny save pound foolish" to leave them floundering financially.

b. Providing financial security gives musicians the space to prepare and build

If musicians have certainty that their basic needs are met, they can devote their time to creativity (practicing, composing, developing a broader range of musical talents, learning new business skills etc.) which can be productive in itself and leaves them well-placed to return quickly to professional life once social-distancing allowed. Help Musicians provides support across many of these areas (as do other charities in the music sector) but in the last three months we have seen £7m of our own reserves spent on providing financial hardship support for musicians who are not receiving adequate government support to survive. This is not the most productive use of our charitable funds.

10. Recommendations, focused on helping musicians:

- a. Extend SEISS for professional musicians until at least April 2021, so that it does not end until widescale performance returns**
- b. Amend SEISS eligibility criteria to reduce the number of musicians who fall through the gaps**
- c. Fund charities like Help Musicians to use their sector-specific knowledge and ability to act quickly/responsively to administer an effective hardship fund for the next 12 months**
- d. Fund charities (either directly, in in-kind e.g. with additional tax incentives for corporate and personal donations) like Help Musicians to provide additional health & wellbeing support, creative development opportunities and business skills training to help musicians make the most of their lockdown with the aim that the creative sector emerges stronger not weaker**

11. We welcome opportunities for further dialogue with DCMS around how best to develop the support needed for musicians, for their survival through the crisis and to sustain and enrich our UK music industry both creatively and economically.

Case study Musician 1: Impact of Covid-19

At this point in time, not very confident [about the future], to be frank! It is particularly concerning to me that the government has extended the salaried furlough scheme to include June, and so totalling 4 months of assistance, yet the self employed scheme still only states that it will cover 3 months. I have two major concerns: in the short term, I'm extremely worried that when the government starts to reopen workplaces, they will completely remove any form of financial support, yet we know that music venues will be the last to open in the expected timeline. Therefore, how can we be sure that the government

will not neglect those of us in the Arts, financially, when we are forbidden to work, in this period of waiting... I am sadly convinced that we will be left to wither away once things start reopening next month (as they will simply state that they've already provided assistance and most places are reopen), even though it will be many more months before our work spaces reopen.

Case study Musician 2:

Due to my unique circumstances (being self employed as a musician from April 2019) I miss out on any Government assistance due to being in the 5% who do not meet the criteria. I have tried Universal Credit but have no entitlement as my wife works currently and earns a wage, albeit not a fortune! We are now expected to live on one wage, more than half of it goes on our rent, as well as cost of living and food. I have nowhere to turn and am desperately trying to find some work. I would obviously like to get back to gigging and making money as soon as possible but have no idea when this is likely to happen in 2020, if at all!