

Rt Hon Boris Johnson MP
10 Downing Street
London
SW1A 2AA

cc. Rt Hon Rishi Sunak, Chancellor of the Exchequer
Rt Hon Oliver Dowden, Secretary of State, DCMS

[19 April, 2021]

Dear Prime Minister

Contingency cover for live events – a new proposal

The live music industry has been one of the most impacted of all sectors by the Covid crisis – with UK revenue down by around 85% in 2020. Businesses and jobs have been lost across the UK, with almost no income at all for more than a year. Given that, we have been heartened by your various references to this being a great British summer of music and sport and the sector is planning furiously to be able to start activity again. We are also pleased that an outdoor festival event has been added to the Government's Events Research Programme and will take place in Liverpool on 2 May.

You will be aware, however, that the absence of commercial insurance for cancellation cover makes the prospect of any activity, but particularly that at large scale and cost, fraught with risk. We have been discussing this issue for more than six months with ministers and officials across the Treasury and DCMS but seem to have reached an impasse.

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.

There is a complete market failure in the insurance market with regards to the provision of Covid-related cancellation cover and we have been told by the insurance industry that it will be at least 12-24 months until commercial cover is available, which is simply too long to wait.

Given this, we were very interested in your comments at the Commons Liaison Committee on 24 March, in response to a question on insurance from DCMS Select Committee Chair Julian Knight MP, that implied the Culture Recovery Fund could be one avenue to a solution. The CRF has indeed been a vital lifeline for many businesses in the live music industry, and the wider arts sector, and we are very grateful for that support.

We estimate that there is around £400m of the almost £1.9bn fund yet to be allocated. Given that, we would like to formally propose that a material portion of the remaining fund is used to create a contingency scheme in order to stimulate economic activity in the Summer and beyond. This could work by covering a proportion of an organiser's costs if they were forced to cancel for Public Health grounds. Similar funds have already been announced in countries such as Germany, Denmark, Austria, the Netherlands, Belgium and Norway.

As we emerge from the last year, there is simply no better or more efficient way to use CRF funds to drive money through the live music ecosystem – from artists and venues to technical staff and freelance crew – than to enable people to get people back to work. It would also be a very efficient use of public money as in an ideal scenario, where events happen as planned, much of it would be left unclaimed ready to underwrite further economic activity, which would provide a virtuous circle of work for people and tax receipts for the Government.



Live music
Industry
Venues and
Entertainment

The live music industry is ready to work with officials in Government and other bodies to get a straightforward scheme operational in time to capitalise on the NHS' world-leading vaccine rollout. Much of the hard work and analysis required has already been done.

We are working alongside the Government on the Events Research Programme and will do everything we can to be prepared to reopen safely when restrictions lift. But we are also deeply frustrated that this vital issue is still unresolved and will prevent the sector from reopening. The window of opportunity to create a workable scheme that will save the summer is closing - and with it, the chance of capitalising on the vaccine rollout and getting one of the country's most innovative and world-renowned sectors back on its feet. We cannot wait for the end of the ERP process to then re-open the issue of compensation or insurance schemes - it will be too late for summer activity. And if the Government continues to drag its feet then the impact will be felt long past the summer, impacting activity throughout the rest of 2021 and beyond.

We trust that this proposal will be taken seriously and progressed with the speed required. The CRF monies have already been allocated by the Treasury, early conversations with Arts Council England about a scheme are positive, and we think that a fund could be created with almost no further impact on the public purse. As such, we view this as a win-win for industry and the Government and urge you to press the Treasury and DCMS to engage as a matter of urgency.

Yours sincerely,

Greg Parmley, CEO, LIVE (Live music Industry, Venues & Entertainment)

Deborah Annetts, Chief Executive, Incorporated Society of Musicians
Kevin Appleby, Chair, British Association of Concert Halls
Melvin Benn, Managing Director, Festival Republic
Phil Bowdery, Chair, The Concert Promoters Association
Jonathan Brown, Chief Executive, Society of Ticket Agents and Retailers
Annabella Coldrick, CEO, Music Managers Forum
Mark Davyd, CEO, Music Venue Trust
Denis Desmond, Chairman, Live Nation UK & Ireland
Geoff Ellis, CEO, DF Concerts
Stuart Galbraith, CEO, Kilimanjaro Live Group
Harvey Goldsmith CBE
Steve Heap, General Secretary, Association of Festival Organisers
Bob James, President, The Entertainment Agents Association
Dave Keighley, Chair, Production Services Association
David Martin, CEO, Featured Artists Coalition
Greg Marshall, GM, Association for Electronic Music
Simon Moran, Managing Director, SJM Concerts
Jamie Njoku-Goodwin, CEO, UK Music
Lucy Noble, Chair, National Arenas Association
Paul Reed, CEO, Association of Independent Festivals
Susan Tanner, CEO, National Outdoor Events Association
Jim Winship, Secretary, The Events Industry Forum