Financial support for self-employed musicians
Parliamentary Briefing by the Incorporated Society of Musicians

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The Incorporated Society of Musicians (ISM) is 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. We have over 10,000 members working in the music sector, that we support with legal services and advice, insurances and professional development.

1. Introduction

This briefing has been prepared for the General Debate on 17 September about support for self-employed and freelance workers during the coronavirus outbreak.

Coronavirus has had a devastating impact on the music industry. Widespread venue closures have caused huge financial difficulties for music organisations and businesses, particularly live music venues and festivals, which have lost an entire year of trade. Many independent music venues have shut indefinitely, which affects staff working there while also depriving self-employed musicians of potential future work.

The Self-Employment Income Support Scheme (SEISS) provided much-needed help for those eligible but it is due to end shortly, leaving musicians without financial support. In addition, thousands of musicians were excluded from the SEISS leaving them without any financial support. Until music venues can reopen at full capacity, those who are predominantly self-employed in the music sector cannot transition back to work.

The ISM is calling for a new targeted and tailored financial support package for freelancers in the creative sector. Over 120 organisations and industry bodies from across the creative industry have warned that, without a financial intervention of this kind, the government risks the devastation of the performing arts and an exodus of highly skilled talent.¹

2. Background

2A. Research and evidence

The UK music industry, generates enormous cultural and economic value. It contributes £5.2 billion to the economy and £2.7 billion in export revenue, sustaining 191,000 full-time jobs². Music also underpins the UK’s second place in the Portland Soft Power Index³.

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¹ https://www.ism.org/news/creative-organisations-treasury-letter
² https://www.ukmusic.org/research/music-by-numbers/
The Office for National Statistics found that the arts, entertainment & recreation is the sector worst affected by coronavirus. Music, performing and visual arts are projected to lose £11 billion in revenue (-54%) and 57% of jobs (178,000). Forecasts predict that the impact on creative freelancers will be twice as worse than PAYE workers across the sector, with 287,000 freelance contracts estimated to be terminated by the end of 2020.

Recent ISM research (2019) found that 55% of ISM members who all work in the music sector earn less than £20,000. 79% of musicians earn less than £30,000.

70% of people working in music, performing and visual arts are freelancers.

2B. Financial support for freelancers

The SEISS has been a vital lifeline for many in the music sector. In late May and early June 2020, the ISM surveyed nearly 500 self-employed professionals in the music sector:

- 67% of those surveyed were able to access it, while 33% were not;
- 59% said their payment was sufficient to cover the costs of living.

In response to calls to extend the SEISS, the government has announced that a second grant will be available to cover a further three months' worth of profits. The amount of money available is reducing to 70% of average monthly trading profits, up to a maximum of £6,570. Applications opened on 17 August 2020 and you will have until 19 October 2020 to claim. Please visit our advice page for more information.

It is estimated three million self-employed workers were excluded from accessing the SEISS across the economy. This includes:

- Individuals who operate under a limited company and take dividends as a source of income (and make up a significant proportion of the self-employed and do not necessarily generate high incomes)
- Individuals whose self-employed income is less than 50% (which excluded many musicians who mix PAYE contracts on zero-hours and self-employed work).
- Individuals with profits of over £50,000 to claim (a similar cap was not used for the furlough scheme).

2C. Financial support package for the arts

In July the government announced a £1.57 billion financial package for the arts sector.
Arts Council England (ACE) oversees £500 million of the £1.57 billion to support arts and cultural sector institutions\(^{11}\), commented: “this fund is to enable cultural organisations…to stay afloat, providing them with support over a 6-month period to ensure that **by 31 March 2021 they can reopen, either fully or partially, or operating on a sustainable, cost-efficient basis until they are able to reopen at a later date**”.

Whilst it is welcome that ACE has committed £2 million to support freelancers, it is not sufficient. That is because the freelance workforce represents approximately a third of all workers in the arts and the majority within the music sector.

£188 million was allocated from the Culture Recovery Fund for Scotland (£97 million), Wales (£59 million) and Northern Ireland (£33 million)\(^{12}\). Each of the devolved nations used a portion of their share to provide grant funding for affected freelancers – £5 million allocated in Scotland\(^{13}\), £7 million in Wales\(^{14}\), and £4 million in Northern Ireland\(^{15}\). **Best practice from the devolved nations on urgent cash-flow support for creative freelancers should be adopted in England as the SEISS comes to a close.**

Other countries have implemented similar measures. For example, in Belgium, grant support was available for self-employed workers unable to return to work due to social distancing measures, with a higher level of support for those in the creative industries.

2D. The return of live performance

In July, the government announced further details of its five-stage roadmap for the return of live performance. In England we are currently at Stage 4, with partial capacity and socially distanced indoor live performances now permitted. However, it was recently reported that the government intends to safely reopen theatres and other live performance venues without social distancing from 1\(^{st}\) November. The Prime Minister has linked the success of this objective to the ‘moonshot’ plan – a new strategy for mass testing with on-the-spot results at venues. While this ambition is laudable, this long-term plan does not address the financial difficulties facing freelance musicians.

Northern Ireland and Scotland are currently at Step 3 in the roadmap, which permits performances outdoors with a limited socially distanced audience. The Welsh government has not yet advised that live performances can go ahead.

We welcome steps being taken to reopen music venues. However, unlike other industries, the return of live performances cannot happen overnight. Planning for the Christmas shows, often the most profitable time of year, began much earlier in the year and many venues have already announced their cancellation. While concerts typically take less time to prepare, this should still be a key consideration for the government.


\(^{14}\) [https://gov.wales/find-out-if-you-are-eligible-support-cultural-recovery-fund](https://gov.wales/find-out-if-you-are-eligible-support-cultural-recovery-fund)