Financial support for the music workforce
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 Opposition Day debate on the extension of the furlough scheme and the protection of jobs and businesses.

COVID-19 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 at a time of acute financial vulnerability.

The Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS) provided much-needed help but they are due to end shortly, leaving musicians without 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 government must extend both schemes for the creative sector and widen the eligibility criteria for freelancers, so that the music community can get the support they need.

Over 120 organisations and industry bodies from across the creative industry have warned that, without this financial intervention, the government risks the devastation of the performing arts and an exodus of highly skilled talent1.

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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2 [https://www.ukmusic.org/research/music-by-numbers/](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 coronavirus⁴. Music, performing and visual arts are projected to lose £11 billion in revenue (-54%) and 57% of jobs (178,000)⁵.

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 £30,000⁶.

2B. Financial support package for the arts

In July the government announced a £1.57 billion financial package for the arts sector⁷. £188 million was allocated to the devolved administrations in Northern Ireland (£33 million), Scotland (£97 million) and Wales (£59 million).

Arts Council England (ACE) oversees £500 million of the £1.57 billion to support arts and cultural sector institutions⁸, commenting: “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.

2C. 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 1st November.

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.

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⁶ ISM (2019). Members Fund Survey. ISM Group
2D. 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.

However, loopholes in the SEISS mean many cannot access support.

Newly self-employed musicians who commenced self-employment in the tax year 2019-20 were left with no financial support under the current measures. **The ISM recommends extending eligibility to individuals who have been self-employed for less than a year.**

Individuals who operate under a limited company and take dividends as a source of income are also ineligible to claim through the scheme. It is important to remember that such people make up a significant number of the self-employed and do not necessarily generate high incomes.

The threshold of self-employed income to qualify for the Scheme is currently 50%, which excludes those who mix employed and self-employed work. **The ISM recommends this threshold be lowered to 25%.**

SEISS currently does not allow those with profits of over £50,000 to claim. **The ISM recommends the removal of this cap, which already does not apply to those claiming through the CJRS.**

To find out more, contact our Senior External Affairs & Policy Manager at Liam.Budd@ISM.org