

EMERGING FROM LOCKDOWN RESTRICTIONS

A report for HM Government (HMG) by Music Venue Trust on (MVT) behalf of the Grassroots Music Venue (GMV) Sector

MVT is a registered charity which represents the Music Venues Alliance (MVA), a network of 700 GMVS in the UK employing 7700 FTE staff, 20,000 part-time freelance contractors, and providing space for over 150,000 events per year delivering 400,000 performance opportunities to a network of over 100,000 artists, production and supporting crew. The sector is currently in full lockdown with all activity suspended, in accordance with HGM instructions. This document details options for HMG to work with the GMV sector to lift restrictions, and is an overview of two detailed policy documents produced by MVT on behalf of the sector; the Reopen Every Venue Safely (REVS) policy and the Cultural Infrastructure Procurement Policy.

In respect of the GMV sector and the impact of Covid 19 during Phase 1 (20 March to 31 May 2020):

- As a result of the crisis, the sector acquired liabilities of £48million
- HMG provided total financial support of £35million
- MVT and others worked to mitigate the remaining £13million of liabilities

This document provides options to HMG of how to address needs of the sector in the next and subsequent phases of containment and management of Covid 19. GMVs are a cornerstone of the UK music industry, providing the research, development, and engagement facilities that enable artists and crew to enter the music industry. The protection of these spaces is vital to the future health of the UK music industry. GMV spaces also provide important cultural and social meeting points which are fundamental to the health and well-being of our communities. For these reasons, HMG should aim to

- Protect the physical infrastructure of the GMV sector
- Ensure that the capacity of the sector is maintained

OPTIONS AVAILABLE TO HMG

A: Protect the physical infrastructure of the GMV sector and the workers within it by protecting and securing the businesses which occupy the existing spaces as a result of tenancy (93%) or ownership (7%). This can be achieved through two models of interventions:

1. Set a date on which HMG believes the entire GMV sector can reopen and provide the financial support or liability removal measures required between 1 June 2020 and the proposed date calculated at £524,000 per day (the full cost of closure of the entire sector)
2. Adopt a phased approach to reopening which permits parts of the sector to open as and when it is safe to do so and to provide the financial support or liability removal measures required while that process proceeds - MVT can supply information to HMG to enable the ongoing financial cost of this option to be considered at each phase of the emergence from current restrictions, and has established a REVS process policy by which it can be managed

These financial costs will include, but not be limited to:

- I. Loss of income or additional expenditure arising from compliance required to deliver containment measures, including but not limited to:
 - A. Limitations on capacity
 - B. Limitations on behaviour
 - C. Public health standards compliance
 - D. Additional staffing costs
- II. Ongoing liabilities from ownership or lease of a premises, including
 - A. Rent
 - B. Mortgage
 - C. Rates
 - D. Maintenance
 - E. Licensing
- III. Ongoing protection of income for workers in the sector, including but not limited to:
 - A. Salaried income - production, bar, event and programme staff
 - B. Self employed income - production, bar, event, programme staff, touring crew and touring musicians
 - C. Venue owner/operator income - directors/PAYE

B: In the event of a decision not to protect the existing businesses, protect the physical infrastructure of the GMV sector by supporting the procurement of the buildings within the sector and supporting future operators to emerge:

1. Create a Cultural Infrastructure Procurement Fund which enables MVT to acquire the freeholds of any premises in which an existing GMV businesses has been unable to survive the Covid 19 crisis - cost £XXX
2. Establish a Culture and Heritage Investment Tax Relief to enable MVT to attract private investors to achieve the same purpose
3. Adopt a mixed policy of the the two above measures, a partnership between public and private investment
4. Invest in emerging venue operators and/or support existing operators to re-enter the sector after the failure of their business due to Covid 19

MVT has powers to own and maintain property for the benefit of the music community and local communities. It has a longstanding and fully developed policy for the procurement of freeholds to create protected status for GMVs within the commercial market.

C: Addressing the long term resilience of the GMV sector and the underlying causes of closures within the sector, exemplified within the Covid 19 crisis, implement both A and B above; act to protect existing businesses in the short to medium term with a REVS policy and take this opportunity to secure their long term future by establishing a Cultural Infrastructure Procurement Fund.