

THE IMPACT OF COVID-19 ON THE UK'S ORCHESTRAS

The Association of British Orchestras (ABO) is the national body representing the collective interest of professional orchestras, youth ensembles and the wider classical music industry throughout the UK. Our mission is to enable and support an innovative, collaborative and sustainable orchestral sector by providing advice, support, intelligence and information to the people who make British orchestras a global success.

The UK's creative industries are the envy of the world, and our orchestras are key to this. Each year, they play to over 4 million people in over 3500 concerts and performances in the UK and give over 400 concerts in 40 countries across the world. This means our members bring in a sizeable return on their public investment, and provide a vital inward investment and PR role for the UK.

They also play an important role in music education and in communities, reaching 700,000 children and adults in education and community settings each year, and increasing their work in health and social care particularly for people with dementia.

This success is under threat as a result of the Covid-19 emergency. With venues shut down both in the UK and abroad, our members' earned income from concerts, tours, recordings and commercial activity has plunged to zero. Unlike orchestras in European countries, which receive upwards of 80% of their income from public funding, the average for British orchestras is just 30%, meaning they are far more reliant on earned income to survive. Many ABO members receive no public subsidy at all, meaning they are almost totally reliant on the money they earn.

It has become clear from other countries that restrictions on mass gatherings are the last measure to be lifted. While it is the Government's intention that venues and orchestras will be able to reopen from 4 July, in reality concerts have been cancelled in the UK and abroad through to the end of the year, and any that can take place will be subject to public health restrictions that make their financial viability questionable. When combined with the cancellation of tours from January 2020, our members face the prospect of up to a year of lost income. The picture post-lockdown still looks very uncertain, with the prospect of further cancellations should a 'second wave' lead to the re-imposition of lockdown. Insurance companies have confirmed that due to Covid-19 exclusions, orchestras forced to cancel concerts under these circumstances will not be covered by insurance.

The work of our members in education and community settings has also stopped, such as in schools, care homes and prisons, with no prospect of an imminent lifting of restrictions.

The Government's business support measures for orchestras are welcome and have allowed salaried musicians to be furloughed through the Job Retention Scheme and freelance musicians to benefit from the Self-Employed Income Support Scheme. However, with continued unavoidable expenditure on core management staff and overheads, and no income coming in, reserves for many orchestras will be exhausted in the coming months. It is also not clear how the Government will help those businesses that remain subject to lockdown measures after the end of October, when the furlough scheme is scheduled to end.

Additionally, there are many freelance musicians who are not eligible for the Self-Employed Income Support Scheme, because they are a recent graduate with no tax record, a higher earner, are paid through a personal services company, or have a mix of PAYE and self-employed earnings. For those musicians who are eligible, they still have cashflow problems, as they will not receive any money after August. Others have also seen the amount they are eligible for reduced due to lower earnings in a tax year through a career break due to maternity leave or injury.

Other business support measures announced by the government have proved to be of no help to orchestras. Business interruption loans are an inappropriate vehicle for registered charities, recipients of charity rate relief have been excluded from the small business rates grants scheme, and the charity package excludes non-frontline charities such as those working in arts and heritage.

Arts Council England's emergency support package is welcome, but this simply uses lottery reserves and future proceeds that would have been spent in other areas, meaning there will be an inevitable contraction in the lottery funding available for future projects. The call on these funds has far exceeded the resources available and is only intended to take organisations through to September.

The UK Government is yet to provide any additional funding to help cultural organisations survive the existential threat this crisis poses. It has been noted by the ABO that emergency funds for cultural organisations are being provided by other governments across Europe.

It is important to stress that orchestras are keen to play their part during this national emergency. They have continued to engage their audiences through digital content and have provided online resources for young people, at their own expense. But this can never replace the power and earning potential of live performance. Orchestras need to know that they can get back into business and create an income stream for themselves and their musicians from concerts in the UK and abroad. For this they need a recovery strategy, with a timetable and clear direction and encouragement from the Government to the general public, of all ages, that it is safe to attend concerts.

Our asks to the UK Government are to:

- **Provide additional financial support to cultural organisations such as orchestras, to ensure they can survive the continued shutdown of live entertainment.**
- **Ensure that the Job Retention Scheme continues beyond the end of October, and the Self-Employed Income Support Scheme beyond the end of August, for those sectors of the economy that will be subject to continued restrictions.**
- **Provide income support for the many self-employed musicians who are ineligible for the Self-Employed Income Support Scheme.**
- **Extend small business rates grants to recipients of charity rate relief (as in Scotland).**
- **Publish a timetable for the lifting of restrictions on mass gatherings, to help orchestras and concert halls plan with certainty, and work with the sector on a strategy for returning to financial viability.**
- **Amend Orchestra Tax Relief rules to enable claims on digital concerts.**
- **Extend Gift Aid on admissions, currently applicable to museums and other heritage sites, to performing arts charities.**
- **Work with the sector to ensure that customers of all ages have the confidence to attend live concerts and performances once restrictions on mass gatherings are lifted.**
- **Implement a Government-backed insurance guarantee to enable orchestras to commit to contracted concerts and tours in the UK and abroad after the official lifting of restrictions, should they become subject to cancellation due to Covid-19.**

The ABO would be happy to provide any further information that may be required. Please contact Mark Pemberton, Director of the ABO on mark@abo.org.uk.