

26 January 2021

The Rt Hon Oliver Dowden CBE MP
Secretary of State for Digital, Culture, Media & Sport
Department for Digital, Culture, Media & Sport
100 Parliament Street
London
SW1A 2BQ

Dear Minister,

**The worst-case scenario has become a reality for the arts and culture sector:
Here is how to get the show back on the road.**

The arts and culture sector is fundamental to London's success. In normal times, cultural tourists spend **£7.3 billion** a year in the capital, supporting at least 80,000 jobs, which bind the whole West End ecosystem.

But beyond its economic role of generating jobs and growth and securing London as the leading world city to visit, live, work and invest, culture also has a profound emotional impact.

Throughout this crisis, the entire nation has craved inspiration, creativity and solace, all of which is found inside our institutions' walls. But at present, London's arts and culture sector faces an existential threat.

Our prediction of cultural ruin is becoming reality with the third lockdown.

During the first lockdown, Heart of London Business Alliance (HOLBA) commissioned Arup to assess how the arts and culture sector would fare between now and 2025 under various scenarios.

Under the worst-case scenario, where London experiences repeated lockdowns, there would be a catastrophic **97% decrease in economic output**, which would amount to a total loss of £18.5 billion in GVA in the period from 2020 to 2024.

And this "worst-case scenario" for the arts and culture sector is now becoming a reality.

As we endure a third national lockdown, we risk the near extinction of the arts and culture sector, plus the countless hospitality, leisure, retail, and tourism businesses that rely on it, in one of the most culturally rich areas in the world. This is not only putting jobs at risk but is permanently removing a piece of the nation's cultural heritage and the UK's soft power abroad.

The West End needs immediate support.

The success of Central London has a positive knock-on effect for the region, given the number of people who work and travel there, and for the UK economy more broadly, given the "draw" London has globally. A key element of this is the economic ecosystem that exists in no other UK city – the agglomeration effect of this adds £21.1bn GVA to the economy in good times, but clearly leaves a major gap to fill when economic activity cannot happen. Therefore, politically, it should not be about Central London versus the rest of the UK – the success of the two are linked.

The West End is a unique attraction that cannot be replicated. Visitors from the UK and further afield come for the entire experience and spare no expense on this world-class destination. This in turn creates employment for people across multiple sectors and ultimately drives prosperity.

It is good news that vaccines present an exit strategy from restrictions, but we believe central London needs immediate support if it is to thrive once again.

The immediate needs of the sector are:

1. **An extension of the Theatre Tax Relief Scheme** and the definition of eligible core costs expanded to apply to all production expenditure and ordinary running activities.
2. **A Government-backed insurance scheme for theatre and arts and cultural institutions** similar to that which has been given to film and TV, allowing producers, the confidence and security to produce work without the fear of Covid infection derailing opening and incurring huge costs.
3. **An extension of the VAT cut** for arts, cultural and hospitality businesses (short term) and the reduction of VAT on admission for currently non-exempt forms of entertainment, such as “commercial” performances (long term).
4. **An extension of business rates relief** until at least March 2022 to relieve struggling West End arts, cultural and hospitality businesses, pending longer term reform that accounts for London’s specific needs and the high cost of commercial rents relative to turnover or profit.
5. **Grant funding** to help make cultural venues COVID-19 secure and to enable their reopening.
6. **Commitment to the publication of a roadmap** out of lockdown with clear timelines for cultural organisations to plan towards.

Unfortunately, even when the sector does begin to open, COVID-19 will still be with us. Nobody expects the old days to return immediately. The sector will, therefore, need **ongoing support**.

This support should include **domestic and international campaigns** to tempt people back into London, consumer incentives such as **culture vouchers, restaurant discounts and discounted travel**, and **allowing businesses to operate normal hours** so people can enjoy the full hospitality of the West End.

The West End’s arts and culture sector is an asset to the local and national economy, Britain’s standing abroad, and the soul of the nation. And, just as it has supported us in the past, it is now time for us to do our utmost to ensure it has a future.

Yours sincerely,



Ros Morgan, Chief Executive Officer, Heart of London Business Alliance
Kay Buxton, Chief Executive, Marble Arch London BID & PaddingtonNow BID
Claude Abi-Gerges, Director, Capital Arches (T/A McDonald’s)
Kate Nicholls, Chief Executive Officer, UK Hospitality
Jace Tyrrell, Chief Executive, New West End Company
Elliot Grove, Founder, Raindance Film Festival and British Independent Film Awards
Andrew Love, Senior Advisor, The Ritz London
Penny Alexander, Chief Executive, Baker Street Quarter Partnership
Virginia Chichester, Deputy Chairman, St James’s Conservation Trust
Tim Walters, General Manager, Madame Tussauds
Charles Begley, Executive Director, London Property Alliance
Inderneel Singh, Managing Director, Edwardian Hotels London
Fiona Callaghan, Managing Director, Criterion Theatre Trust
Axel Rüger, Chief Executive, Royal Academy of Arts
Jasmine Whitbread, Chief Executive, London First
Brian Bickell, Chief Executive, Shaftesbury
Julian Bird, Chief Executive, Society of London Theatre (SOLT) and UK Theatre
The Reverend Lucy Winkett, Rector, St James’s Church Piccadilly