



Department for Digital, Culture, Media & Sport

Caroline Dinenage MP
Minister of State for Digital and Culture
4th Floor
100 Parliament Street
London SW1A 2BQ

E: enquiries@dcms.gov.uk

www.gov.uk/dcms

3 March 2021

Matt Arnold

matt.arnold@heartoflondonbid.co.uk

Our Ref: MC2021/02023/SR

Dear Matt,

Thank you for your correspondence of 26 January, to the Secretary of State for Digital, Culture, Media and Sport, the Rt Hon Oliver Dowden CBE MP, outlining your concerns about the impact the COVID-19 pandemic has had on the arts and culture sector. I am responding as Minister for Digital and Culture. Please accept my apologies for the delay in replying to you.

First of all, I would like to thank you for your support through your work with the Heart of London Business Alliance, whose members I look forward to working with over the coming months as we navigate out of the current lockdown towards the reopening of the arts and culture sector. I am continuing to hold meetings of the Entertainment and Events Working Group with a number of organisations from across the country, and was pleased to be invited by the Lord Mayor of the City of London to deliver a key speech at the launch of the City of London Culture and Commerce Taskforce's "Fuelling Creative Renewal" report on 9 February. I am wholly supportive of the task force's work to develop new ways in which London's cultural and commercial sectors can work together to support creative businesses through this crisis.

Since you wrote, on 22 February the Prime Minister published the [COVID-19 Response - Spring 2021](#) document setting out the roadmap out of the current lockdown for England. The roadmap has been informed by the latest scientific evidence and seeks a balance between our key social and economic priorities, whilst preserving the health and safety of the country. Whilst dates remain conditional, we know that the sector has been calling for "no earlier than" dates, and the roadmap provides these at 5 week intervals between each step. This is to allow the government and health experts time to assess the impact of the previous step and provide a week's notice before changes occur.

I do, of course, recognise the huge contribution that this sector makes, to both the economy and international reputation of the United Kingdom, and I know the sector has been hit particularly hard by the pandemic. That is why we introduced the unprecedented £1.57 billion Culture Recovery Fund which has already benefited over 3,000 organisations across the country, including a large number of theatres. The final £400 million of grants and repayable finance funding launched in December will support cultural organisations facing financial distress as a result of closures, as well as helping them transition back to fuller opening later this year. We will announce the successful applicants in March.

Throughout the pandemic the government has been clear that the arts and culture sector is a vital asset to the country and has taken a number of steps to support the sector, including through sector-specific and pan-economy interventions. This is why we previously announced the extension of the Coronavirus Job Retention Scheme until 30 April 2021, which will see employees receive 80% of their usual salary for hours not worked, up to a maximum of £2,500 per month. This is on top of the economy-wide support the government is offering to businesses legally required to close. Such businesses can now claim one-off grants of up to £9,000 for each of their business premises, which comes on top of the existing grants worth up to £3,000 for every month closed. This generous support will help organisations across the country to protect their employees' jobs during this challenging period.

The government has further supported the sector through the VAT cut on tickets and concessions, a business rates holiday and a number of loan finance schemes such as Bounce Back Loans.



We are committed to reopening the sector as soon as it is safe to do so. However, we have always been clear that the activity permitted would be in line with the latest public health context. I do of course recognise the importance of giving the sector clarity for when activity can resume, and acknowledge the lead in time required for programming, casting and rehearsing productions. As such, the Department for Digital, Culture, Media & Sport (DCMS) has convened a Venues Steering Group which includes representatives from leading sector organisations as well as Public Health England and other experts to develop an action plan for maximizing activity, including plans to introduce frequent testing as an alternative to the need for self-isolation for people who have had close contact with someone who has COVID-19.

I am aware many in the arts and culture sector have raised the issue of indemnity schemes. Progress on the vaccination rollout and beating the virus are absolutely crucial. This, and reopening when we are confident it is safe to do so, will reduce the chance of cancellations and interruption due to the pandemic, creating a more predictable and secure operating context for arts and cultural events to take place, in turn hopefully reducing risk. Understandably, the bar for considering government intervention is set extremely high, especially in light of recent announcements including the considerable extension to the furlough scheme and local business support. The evidence of market failure specific to DCMS sectors and why an indemnity scheme needs to be developed now must be clearly demonstrated and robust evidence must be provided that indemnity cover is the only barrier to staging events. Given the high costs involved in setting up a scheme we also need to make sure it is the most effective and appropriate use of funds at a time when we are looking at how best to support the sector in facing the wider challenges around recovery and renewal. We are continuing to work closely with the sector to determine the appropriate and most effective response within the public health context

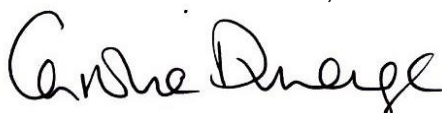
We know that when venues reopen, we will need to continue to work with the sector to promote the safety of venues and that they are operating in line with COVID secure guidance. Once theatres and performing arts venues are able to reopen, we absolutely want the public to show their support by visiting theatres, and we will continue to review the merits of schemes such as 'seat out to help out' alongside other viable schemes to promote theatre going once again.

I know that many organisations have diversified their business models to provide performances for digital consumption due to the constraints they face during the pandemic. When the theatres and orchestras tax relief was introduced, digital performances were not considered as potentially important to the business models of most creative and artistic organisations, however, I know that they have now become an essential way for many theatres to reach their audiences. Her Majesty's Treasury does keep all tax reliefs under review, and when considering any changes, they must ensure tax reliefs remain well-targeted towards their policy aims and represent good value for money for the taxpayer. We are continuing to look at a variety of options for supporting the sector's recovery and I very much appreciate your thoughts on these issues.

Finally, we are doing all we can to ensure the sector is kept up-to-date with new measures, through a number of a number of channels, including through working groups. The [Performing Arts Guidance](#) also provides specific support to the sector and is updated on a regular basis in line with the latest measures. Alongside this, many arts and cultural organisations have signed up to our weekly bulletin which captures recent government announcements associated with the arts and cultural sectors. I would encourage all stakeholders with an interest in the sector to sign up by contacting arts-and-libraries-covid19@dcms.gov.uk.

Thank you once again for your support during these difficult times, and I hope this information is helpful.

With best wishes,



Caroline Dinenage MP
Minister of State for Digital and Culture

