

**May 2021**

**UK Music Submission to Treasury Committee Inquiry Jobs, Growth, and Productivity after Coronavirus**

- 1.1** UK Music is the umbrella body representing the collective interests of the UK’s music industry, from songwriters and composers to artists and musicians, studio producers, professional recording studios, music managers, music publishers, major and independent record labels, music licensing companies and the live music sector. UK Music exists to represent the UK’s music sector, to drive economic growth and promote the benefits of music to British society (see the Annex for a full list of members).
- 1.2** The Chancellor laid out in his speech for the 2021 Budget that; “*An important moment is upon us... Of difficulties, yes, but of possibilities too.*”<sup>1</sup> This statement applies to the music sector more than most. The sector has been one of the “hardest hit” by the COVID pandemic, yet the UK Government’s huge response (including the £1.87 billion Culture Recovery Fund) has shown what can be achieved in the creative industries with bold and strategic Government intervention.<sup>2</sup>
- 1.3** Bringing this to the post-pandemic UK music sector could benefit not only music but the whole UK. By treating the UK music sector as a national economic asset and developing a strategic framework for its support the UK and devolved governments can drive economic growth across a range of sectors and buttress a UK industry that has defined the global soundtrack of the last century.

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<sup>1</sup> <https://www.gov.uk/government/speeches/budget-speech-2021>

<sup>2</sup> <https://www.artscouncil.org.uk/sites/default/files/download-file/CEBR%20Report%20-%20The%20Impact%20of%20the%20Cultural%20Recovery%20Fund%20on%20the%20Arts%20and%20Culture%20sector.pdf> p. 4

<https://www.gov.uk/government/groups/culture-recovery-board>

**1.4** To achieve this the focus should be on 3 areas:

- **Delivering Effective COVID Recovery Support.**
- **Promoting the UK as a Home for Global Music.**
- **Promoting and Enabling UK Music Exports.**

**1.5** Key recommendations to achieve these aims are:

**Recommendation 1: UK Government should treat UK music as a national asset and work strategically to support it.**

**Recommendation 2: UK Government should urgently establish a Government backed insurance scheme for live events to allow them to go ahead in summer 2021.**

**Recommendation 3: UK Government should extend the horizon of COVID support to buttress sector recovery.**

**Recommendation 4: UK Government should establish a financial incentive to encourage music production in the UK.**

**Recommendation 5: UK Government should look to address the place of music spaces in the tax system, and look at how their retention and creation can be incentivised.**

**Recommendation 6: UK Government should invest in music education to ensure the sector has the skills to thrive.**

**Recommendation 7: UK Government should negotiate a reduction in barriers to live music touring both between the UK and the EU as well as other key live music markets.**

**Recommendation 8: UK Government should establish a response fund for the music industry to help it adapt to trading with Europe under the TCA.**

**Recommendation 9: The UK Government should provide more financial and information support for music exporters, including at looking at establishing a Music Export Office.**

**Recommendation 10: The protection and assertion of Intellectual Property Rights should be a part of the UK Government's trade negotiations.**

**1.6** Setting out why UK music is so important and how these aims can be achieved in ways that will deliver across the UK will form the remainder of this submission.

**2.0 A National Asset**

**2.1** UK music is a national economic asset. It has global economic and artistic importance, showed strong growth in recent years, has a broad base of activity throughout the United Kingdom and drives business across other sectors of the economy, as well as being resilient to automation.

**2.2** The domestic economic value was laid out in UK Music's report *Music by Numbers 2020*. In 2019 the UK music sector employed more than four times as many people as the UK fisheries and steel industries combined (197,168 vs. 44,000).<sup>3</sup> It also generated £5.8 billion in GVA in 2019 (up 11%) and attracted 12.6 million visitors to UK venues and festivals, seeing growth well above the UK economic average.<sup>4</sup>

**2.3** Critically, the report also found that this value was geographically diffuse. For example, the South West, North West and Scotland all saw over 1 million music visitors in 2019.<sup>5</sup> A series of Ed Sheeran gigs in Ipswich in 2019 has been calculated as being worth £9 million to the local economy.<sup>6</sup>

**2.4** Internationally, the UK music sector is world beating across all forms of music. The UK is one of only three net global exporters of music, is the third biggest seller of recorded music and one in ten songs streamed globally in 2019 were

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<sup>3</sup> UK Music, Music By Numbers 2020, <https://www.ukmusic.org/research/music-by-numbers-2020>

House of Commons Library, UK Steel Industry: Statistics and Policy,

<https://commonslibrary.parliament.uk/research-briefings/cbp-7317/>

Marine Management Organisation, Fishing Industry in 2019 Statistics Published

[https://www.gov.uk/government/news/fishing-industry-in-2019-statistics-](https://www.gov.uk/government/news/fishing-industry-in-2019-statistics-published#:~:text=In%202019%2C%20there%20were%205%2C911,metres%20and%20under%20in%20length)

[published#:~:text=In%202019%2C%20there%20were%205%2C911,metres%20and%20under%20in%20length](https://www.gov.uk/government/news/fishing-industry-in-2019-statistics-published#:~:text=In%202019%2C%20there%20were%205%2C911,metres%20and%20under%20in%20length)

<sup>4</sup> UK Music, Music By Numbers 2020 <https://www.ukmusic.org/research/music-by-numbers-2020>

<https://www.ons.gov.uk/economy/grossvalueaddedgva/timeseries/abml/qna>

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/employmentintheuk/december2019>

<sup>5</sup> <https://www.ukmusic.org/research-reports/music-by-numbers-2020/> p. 26

<sup>6</sup> <https://www.ipswichstar.co.uk/news/ed-sheeran-ipswich-concerts-economic-impact-1-6692162>

by UK artists, who routinely receive international critical acclaim.<sup>7</sup> Five of the top twenty grossing tours of 2019 were by UK artists, and the O2 Arena is one of the world's busiest venues.<sup>8</sup> The UK's skill in making music is a unique selling point for the UK economy that could be honed and better used.

**2.5** Despite this importance music, and the creative industries more generally, are rarely treated as a national strategic priority by the UK. For example, despite leaving the EU causing problems for both fisheries and music, the smaller fisheries industry has received Government financial support due to its strategic importance whereas music has not so far.<sup>9</sup>

**2.6** These successes are shadowed by growing challenges to the sector. These include increasing concerns around the talent pipeline with new artists struggling to break through as well as a range of threats to music spaces (venues, recording studios and rehearsal spaces) such as exponentially escalating Business Rates, growing costs, a lack of protection in planning law and cuts to Local Authority budgets.<sup>10</sup> UK artists and music businesses are also facing increasing competition from music sectors whose governments are willing to give strategic backing, like Canada, France and South Korea.<sup>11</sup>

**2.7** Trading with the EU under the Trade and Co-operation Agreement has introduced barriers for UK music businesses, both for those looking to make ad-hoc sales (now mostly curtailed due to costs and bureaucracy) and those looking to tour (Spain charges £232 for a visa for non EU citizens looking to work).<sup>12</sup> This not only makes it difficult to maintain current levels of trade, it will

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<sup>7</sup> <https://publications.parliament.uk/pa/ld5801/ldselect/ldcom/248/248.pdf> p. 6  
<https://www.bpi.co.uk/news-analysis/1-in-10-songs-streamed-globally-are-by-british-artists/>  
<https://www.grammy.com/grammys/news/2021-grammys-complete-winners-nominees-list>

<sup>8</sup> <https://www.iq-mag.net/2019/01/the-o2-world-busiest-venue-2018/>  
[https://www.pollstar.com/Chart/2019/12/Top100%20WorldwideTours\\_790.pdf](https://www.pollstar.com/Chart/2019/12/Top100%20WorldwideTours_790.pdf)

<sup>9</sup> <https://www.gov.uk/government/news/new-financial-support-for-the-uks-fishing-businesses-that-export-to-the-eu>

<sup>10</sup> [https://www.pollstar.com/Chart/2019/12/Top100%20WorldwideTours\\_790.pdf](https://www.pollstar.com/Chart/2019/12/Top100%20WorldwideTours_790.pdf)  
<https://www.ukmusic.org/news/securing-our-talent-pipeline/>

<sup>11</sup> <https://www.factor.ca/>  
<https://www.mdpi.com/2071-1050/12/18/7790/pdf> p. 5

<https://www.iq-mag.net/2017/07/tax-reward-promoters-france/#.YJ5EIKhKhPY>

<sup>12</sup> <https://www.ism.org/images/files/ISM-research-Visa-and-Work-Permit-Guide-updated-22.04.21.pdf>

also hamper future growth as new artists find it more difficult to make the jump to touring Europe.

**2.8** These profound challenges have been exacerbated by the COVID crisis that have closed venues for a year and frozen or ruined many promising careers. Given UK music's success, but also the challenges it now faces, a strategic approach to music could help drive growth across sectors and areas of the UK in a robust way as it recovers from the impacts of COVID. To achieve this the focus should be on three policy goals; COVID Recovery Support; Promoting the UK as a Home for Global Music; Promoting and enabling UK Music Exports.

**Recommendation 1: UK Government should treat UK music as a national asset and work strategically to support it.**

### **3. COVID Recovery Support**

**3.1** The first step in any strategic approach to music as a national asset in 2021 must be to address the damage done by the COVID crisis. This recovery will in turn support businesses that supply the music sector, as well as related activities, and boost the broader recovery. The Music Venue Trust (MVT) estimates that every £10 spent in a live music venue is worth £17 to the local economy through local hospitality spend, transport spend and other means.<sup>13</sup> Therefore, every venue and festival that does not reopen is a loss to the local economy and in turn the UK recovery.

**3.2** When considering further support the scale of the damage must be considered. In March 2020 UK Music estimated that £3 billion in GVA could be lost to the sector, survey data from 2020 indicates that the damage will be at least that bad.<sup>14</sup>

- **70% of UK musicians in 2020 saw their work volume fall 75%.**<sup>15</sup>

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<sup>13</sup> <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/digital-culture-media-and-sport-committee/live-music/oral/91709.pdf>

<sup>14</sup> <https://www.ukmusic.org/news/new-report-from-cif-shows-uks-creative-industries-are-on-the-brink-of-devas/>

<sup>15</sup> <https://musiciansunion.org.uk/campaigns/invest-in-musicians>

- **According to the UK Government's figures only 34.2% of self-described freelancers in the music sector received the Self-Employment Income Support Scheme (SEISS).<sup>16</sup>**
- **Grassroots Music Venues (GMVs) saw their income fall by 75.1%.<sup>17</sup>**
- **Arenas and large venues saw their income fall 74.0%.<sup>18</sup>**
- **Festivals saw their income fall 90%.<sup>19</sup>**
- **Technical supply companies saw their income fall 95%.<sup>20</sup>**

**3.3** The scale of the crisis can be seen in the efforts made by the sector to support music workers. The musicians' benevolent fund Help Musicians has distributed £14.7 million in direct grants to 19,000 musicians.<sup>21</sup> UK Music members PPL, PRS for Music, the BPI, the Musicians' Union (MU), AIM and the Music Managers Forum (MMF) have created, coordinated or funded hardship funds. The independent music community raised and distributed just under £1m in hardship grants to freelance music workers including venue and road crew, musicians, managers and others who were in serious hardship via AIM's Covid Crisis Fund.

**3.4** The UK Government has shown ambition in its response to mitigate this damage. This response included the Coronavirus Job Retention Scheme (CJRS), SEISS, Business Rate Relief, VAT cuts and the CRF.<sup>22</sup> This support has been necessary and unprecedented but that does not mean it has been sufficient to support UK music playing the full role it could play in the recovery, extending the ambition shown so far to the recovery is key.

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<sup>16</sup> <https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-september-2020>

<sup>17</sup> [https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT\\_UK-Live-Music-at-a-Cliff-Edge.pdf](https://concertpromotersassociation.co.uk/wp-content/uploads/2020/10/REPORT_UK-Live-Music-at-a-Cliff-Edge.pdf) p. 6

<sup>18</sup> Ibid

<sup>19</sup> Ibid

<sup>20</sup> Ibid

\*Devolved Governments have also established cultural funds to support the cultural sectors, and have brought forward business relief measures.

<sup>21</sup> <https://www.helpmusicians.org.uk/news/blog/help-but-is-it-enough->

<sup>22</sup> <https://www.gov.uk/government/groups/culture-recovery-board> the £1.87 billion figure includes the additional £300 million announced in the 2021 Budget  
<https://www.gov.uk/government/news/400-million-to-help-more-than-2700-arts-culture-heritage-organisations-and-independent-cinemas-survive-and-thrive>

**3.5** In the *Save Our Summer 2021* report UK Music set out the actions that could be taken to ensure that UK music could play an important role in the COVID recovery.<sup>23</sup> Many of the ideas set out there have been brought forward by all 4 UK governments, including an indicative date for restart, and targeted financial support such as an extension to the current VAT cut on cultural tickets.<sup>24</sup>

**3.6** However, there are a number of further actions the UK Government could take and failing to take them will undermine the entire reopening project. Many businesses will take some time to properly recover, new debts will need to be serviced, viability as a business shown, capital reserves built up again. UK Music have estimated a 3-year recovery cycle for the sector.<sup>25</sup> This means support needs to look beyond its current horizon of September 2021, and examine what additional support could ensure the support already given is as effective as possible.

**3.7** A key ask of the *Save Our Summer 2021* report was for a UK Government backed insurance solution for live events, as without it many festivals would not have the confidence to go ahead.<sup>26</sup> Sadly, this has been borne out by events, as of April 2021 at least 14 major festivals with a combined capacity of 502,000 (almost enough to hold the population of Manchester) cancelling. The 66,000 capacity Boomtown Festival specifically cited the lack of Covid cancellation insurance as their reason for cancelling stating it; “*simply does not exist at this point in time*”.<sup>27</sup>

**3.8** As it stands festivals across the country are facing either cancelling or going ahead without COVID cover and facing bankruptcy if anything goes wrong. This is dampening spending, restraining growth and slowing the recovery, particularly given growing public health concerns around presence of the B.1.617.2 variant first observed in India in the UK.<sup>28</sup> The UK Government has stated that it is talking to the industry but the situation does not clear the bar for

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<sup>23</sup> <https://www.ukmusic.org/campaigns/save-our-summer-2021/>

<sup>24</sup> <https://www.gov.uk/government/news/budget-2021-what-you-need-to-know>

<sup>25</sup> <https://www.ukmusic.org/news/new-report-from-cif-shows-uks-creative-industries-are-on-the-brink-of-devas/>

<sup>26</sup> <https://www.ukmusic.org/wp-content/uploads/2021/01/Let-The-Music-Play-Save-Our-Summer-2021.pdf>  
<https://committees.parliament.uk/oralevidence/1462/pdf/>

<sup>27</sup> <https://www.bbc.co.uk/news/uk-england-hampshire-56812886>

<sup>28</sup> <https://www.gov.uk/government/speeches/pm-statement-at-coronavirus-press-conference-14-may-2021>

intervention, because insurance in their view is not the “only” barrier to reopening.<sup>29</sup> The UK Government has stated it is examining what further restrictions may be needed beyond 21<sup>st</sup> June 2021 through the Events Research Programme (ERP) and other reviews “*which all have a bearing on the viability of these events.*”<sup>30</sup>

**3.9** Yet, it is only because of the risk of restrictions beyond 21<sup>st</sup> June 2021 that a public backed insurance solution is needed. Events need to decide now whether or not to go ahead and simply cannot wait for the ERP to report back in late May 2021 or worse for the UK Government to assess whether insurance was a barrier after full reopening had been achieved as the Secretary of State Oliver Dowden MP indicated on Thursday 13<sup>th</sup> May.<sup>31</sup> With an average of 40% of costs being paid by June 2021, and commercial COVID cancellation insurance not being available this is far too late. If a large number of events make these payments without insurance only to discover restrictions make their events unviable the effect will be disastrous for festivals and the communities that benefit from them, the risk will discourage (and is discouraging) many. Therefore, a Government backed insurance scheme is critical for music festivals to go ahead in large numbers in the summer of 2021.

**3.10** It should be noted that the UK Government has already provided a government-backed insurance solution to film and TV production that (per guidance) “*have been unable to proceed in light of the lack of insurance cover for certain COVID-19 related risks on commercially viable terms*”.<sup>32</sup> This has supported almost 20,000 jobs and was extended in the Budget to the end of December 2021.<sup>33</sup> Other countries have also proceeded with laying out the ground work for this kind of scheme, such as Austria’s €300 million protective umbrella for live events and Sweden’s €292 million fund for July – December

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<sup>29</sup> <https://questions-statements.parliament.uk/written-questions/detail/2021-02-02/147955>

<sup>30</sup> <https://hansard.parliament.uk/lords/2021-04-27/debates/0336F4A3-F030-483A-B9B0-4DAE61F84E49/MusicFestivalsCovid-RelatedCancellations>

<sup>31</sup> <https://committees.parliament.uk/event/4352/formal-meeting-oral-evidence-session/>

<sup>32</sup> <https://www.gov.uk/government/publications/film-tv-production-restart-scheme/film-tv-production-restart-scheme-draft-explanatory-notes>

<sup>33</sup> <https://www.gov.uk/government/publications/film-tv-production-restart-scheme>



2021.<sup>34</sup> The LIVE Group has suggested that some of the CRF could be used to fund a similar UK scheme.<sup>35</sup>

**3.11** That the Government accepts such a scheme is necessary for live music events to definitely go ahead can be seen in the fact that when events were needed for the Events Research Programme the Government accepted insurance could not be found and put up £300,000 per event as an indemnity.<sup>36</sup>

**3.12** An insurance solution would also ensure that previous spending was as effective as possible. It is clear that without insurance even some events that have received CRF funding will not be able to go ahead. In a recent statement to the Lords the Government Minister, Baroness Barran, name checked 4 festivals Boomtown, Shambala, Glastonbury and Deer Shed that had received CRF support, yet all four have now been cancelled for the summer of 2021.<sup>37</sup>

**3.13** If the Government is fully confident in its roadmap it should expect to entirely recoup the capital put up to support the scheme. Therefore, making it an essentially cost-free way to support growth. If the Government feels that the risk to the public purse of such a scheme is too great, it is unclear why it thinks that risk should instead be shouldered by a sector that has been battered in the last 12 months – and will be devastated if things go wrong.

**3.14** A £650 million live music insurance scheme could cover over £2 billion in commercial activity, and encourage consumer spending at events across the country, that in turn will benefit local supply chains.<sup>38</sup> According to the Association of Independent Festivals (AIF) a 5,000-capacity festival is worth

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<sup>34</sup> <https://www.iq-mag.net/2020/10/e300m-umbrella-for-austrian-promoters/#.YC5Bduj7RPa>  
<https://www.iq-mag.net/2021/04/swedish-gov-sek-3bn-event-cancellation-pot/#.YG1sfehKhPY>

<sup>35</sup> <https://www.iq-mag.net/2021/04/uk-fests-cancel-gov-backed-insurance/#.YJv8YahKhPY>

<sup>36</sup> <https://questions-statements.parliament.uk/written-statements/detail/2021-04-14/hcws916>

<sup>37</sup> [https://twitter.com/DeerShed?ref\\_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwtterm%5E1384794034527379459%7Ctwgr%5E%7Ctwcon%5Es1\\_&ref\\_url=https%3A%2F%2Fwww.nme.com%2Fnews%2Fmusic%2Fdeer-shed-festival-becomes-latest-event-to-cancel-after-government-fails-to-back-insurance-2924896](https://twitter.com/DeerShed?ref_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwtterm%5E1384794034527379459%7Ctwgr%5E%7Ctwcon%5Es1_&ref_url=https%3A%2F%2Fwww.nme.com%2Fnews%2Fmusic%2Fdeer-shed-festival-becomes-latest-event-to-cancel-after-government-fails-to-back-insurance-2924896)

<https://twitter.com/ShambalaFest/status/1382288248370835456>

<https://www.bbc.co.uk/news/uk-england-hampshire-56812886>

<https://www.glastonburyfestivals.co.uk/a-statement-from-%C2%A7/>

<sup>38</sup> <https://www.ukmusic.org/news/uk-music-unveils-new-report-outlining-strategy-to-restart-live-music-industry-when-safe/>

£1.1 million to the local area, while a 110,000 capacity festival can be worth over £27 million.<sup>39</sup>

**3.15** This is spending that would be unleashed by a Government backed insurance scheme for events, allowing the industry and the UK to recover more quickly. It would also provide employment opportunities to the musicians and technical freelancers who have had so little work over the pandemic, every cancelled festival is the cancellation of opportunities for a range of workers.

**Recommendation 2: UK Government should urgently establish a Government backed insurance scheme for live events to allow them to go ahead in summer 2021.**

**3.16** There are also broader financial steps that could be taken to support the sector as it recovers. As it stands the Business Rate Relief for qualifying businesses is 100% until June 2021, and 66% for the rest of the financial year.<sup>40</sup> This differs from Wales and Scotland where Business Rates are being waived for qualifying businesses for the entirety of 2021/2022.<sup>41</sup> This along with the extension of the 5% VAT rate on culture tickets to September 2021 was welcome, however the Government should consider extending the 100% Business Rate Relief and the 5% rate for the whole of 2021/2022. It should be noted that Austria has extended its 5% VAT rate for live events until December 2021.<sup>42</sup> These breaks could help music businesses, many of which have not traded at all for a year, recapitalise and invest. It would be self-defeating for short term tax liabilities to push marginal businesses that would otherwise have recovered over the edge.

**3.17** At the very least Business Rate Relief should be extended to ensure a UK wide approach to businesses. Beyond that serious consideration needs to be given to how businesses will be encouraged to recover, meet the debts

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<sup>39</sup> <https://www.ukmusic.org/campaigns/save-our-summer-2021/>

<sup>40</sup> <https://www.gov.uk/government/news/budget-2021-what-you-need-to-know>

<sup>41</sup> <https://gov.wales/business-rates-holiday-extended-12-months>

<https://www.gov.scot/news/non-domestic-rates-relief-extended/#:~:text=Extra%20money%20for%20mental%20health,22%20under%20proposals%20outlined%20to day.>

<sup>42</sup> <https://www.avalara.com/vatlive/en/vat-news/austria-cuts-vat-on-restaurants-to-5-.html>

accrued and invest in music and performances. A key way to allow them to do that is reducing their tax burden.

**3.18** Music venues are proportionally particularly hit by Business Rates as UK Music set out in more detail elsewhere and was acknowledged by the pre-pandemic 50% cut in Business Rates for GMVs, therefore removing this burden entirely for a year would allow qualifying music businesses to recover, and buy time to consider their position in the tax system more generally.<sup>43</sup> A VAT cut would allow profit from activity to be reinvested in putting on more events, thereby providing more opportunities to music workers and stimulating the supply chain, particularly if it were extended to the festive period.

**3.19** The UK Government should also look at how music studios can be better supported. They are outside the Business Rate Relief system, yet have faced similar challenges to retailers who are eligible. In theory studios are eligible for Local Discretionary Funding, yet there are concerns that many studios are missing out.<sup>44</sup> The UK Government has stated in a response to a Parliamentary Question that local discretionary funding should be used to support the stating; *“Supporting these businesses is vital to preserve the UK’s talent pipeline, even if they do not sell to consumers directly on a specific premise.”*<sup>45</sup>

**3.20** Yet, this does not go far enough, the guidance should be updated to ensure that it is legally clear that recording studios are eligible, the Government should also write to Local Authorities to ensure they are aware of their obligations. These are foundational businesses for music and therefore should benefit from specific funding, either through more explicit inclusion in discretionary grant guidance or inclusion in Business Rate Relief.

**Recommendation 3: UK Government should extend the horizon of COVID support to buttress sector recovery.**

**3.21** UK Music’s estimate that the music sector is likely to take 3 years to reach 2019 levels given the scale of the damage from 2020/2021 should be

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<sup>43</sup> [https://www.ukmusic.org/wp-content/uploads/2020/12/UKM\\_Final\\_HMTreasuryBusinessRates\\_18.09.pdf](https://www.ukmusic.org/wp-content/uploads/2020/12/UKM_Final_HMTreasuryBusinessRates_18.09.pdf)  
<https://www.theguardian.com/music/2020/jan/27/small-music-venues-to-get-50-reduction-in-business-rates>

<sup>44</sup> <https://questions-statements.parliament.uk/written-questions/detail/2021-02-19/155281>

<sup>45</sup> <https://questions-statements.parliament.uk/written-questions/detail/2021-02-19/155281>

emphasised at this point.<sup>46</sup> It is unknown whether restrictions will be in place in autumn 2021.<sup>47</sup> Therefore, reimposing taxes on vulnerable businesses may suppress the recovery, or lead businesses to fail that given more time might have been able to meet their tax burden. In the long term a music business is worth more to the Treasury than an empty lot. To achieve this the Government should look to:

- **Urgently establish a Government backed insurance scheme.**
- **Extend Business Rate Relief to 100% for the entirety of 2021/22.**
- **Extend the 5% rate on cultural tickets to the end of 2021/22.**

#### **4. Promoting the UK as a Home for Global Music**

**4.1**A Government led strategic approach to music would also look beyond pandemic recovery to what structural issues could be addressed by changing incentives to create a better environment for the music industry to thrive in and in turn power the rest of the UK economy. Three key policies are:

- **The UK Government should establish a financial incentive to encourage music production in the UK.**
- **The UK Government should look to address the place of music spaces in the tax system, and look at how their retention and creation can be incentivised.**
- **Supporting music workers.**

**4.2**To encourage investment in UK music the Government should look at a fiscal incentive for music production in the form of a tax super deduction on UK based productions that use UK talent. As it stands music is unusual in the creative industries in not having a sub-sector wide fiscal incentive for UK based production like the Film and TV Tax Relief or Video Games Tax Relief.<sup>48</sup> For film and high-end TV the tax relief is a payable tax grant of 25% on UK

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<sup>46</sup> <https://www.ukmusic.org/news/new-report-from-cif-shows-uks-creative-industries-are-on-the-brink-of-devas/>

<sup>47</sup> <https://news.sky.com/story/covid-19-uk-should-prepare-for-difficult-autumn-warns-public-health-england-official-12238728>

<sup>48</sup> <https://www.gov.uk/guidance/claiming-video-games-tax-relief-for-corporation-tax>

expenditure of a Film Production Company that is based in the UK and uses UK companies for a certain proportion of the work, thereby encouraging projects to be based in the UK and use UK talent to meet thresholds for being considered British and qualify for relief.<sup>49</sup>

**4.3** There are ongoing discussions within the industry and with UK Government on the exact form such a relief might take, but it should be noted that in France a tax relief favouring France based music production coincided with an increase of the proportion of French produced singles in the French top twenty from 70% to 90% between 2007 and 2016 at an annual cost of € 9,351,538, as well as returning € 24,840,816 per year to the state through increased activity and subsequent tax.<sup>50</sup>

**4.4** A UK equivalent would stimulate UK music production, de-risk investing in UK based music production, and encourage expenditure in the UK based music ecosystem. This would encourage production that either previously would not have occurred or would have occurred outside the UK, and help preserve the talent pipeline by defraying the costs of less successful projects. Thereby encouraging risk and what is in effect Research and Development by encouraging the development of a broader range of artists.

**4.5** Qualifying roles could include UK studios, UK based session musicians, UK based songwriters etc so that the entire supply chain is incentivised. It could be structured to additionally benefit UK based independent production (as the French model does), while also encouraging Foreign Direct Investment.<sup>51</sup> The film tax credit in the UK has been credited with helping to double the amount of film production in the UK in the decade since its introduction, and the broader creative tax credits have supported “137,340 FTEs, £7.91 billion in GVA and £2.04 billion in tax revenue.”<sup>52</sup> A music equivalent would only add to this.

**4.6** Another potential tool for encouraging investment in UK music would be to increase the value of the existing catalogue of UK produced music by looking

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<sup>49</sup> <http://britishfilmcommission.org.uk/plan-your-production/tax-reliefs/>

<sup>50</sup> <https://www.irma.asso.fr/Bilan-du-credit-d-impot-a-la> p. 5

<sup>51</sup> <https://www.irma.asso.fr/Bilan-du-credit-d-impot-a-la> p.6

<sup>52</sup> <https://www.bfi.org.uk/industry-data-insights/reports/uk-screen-sector-economy> pp 123 – 125

at how the UK's copyright law regime can be improved to ensure that artists and rights holders can be confident of realising the full value of their work.

**Recommendation 4: UK Government should establish a financial incentive to encourage music production in the UK.**

**4.7** The COVID pandemic also highlighted the importance of physical music spaces to the sector. Broadly these are live music venues for performances, recording studios for recording music for global dissemination and rehearsal spaces to stimulate and maintain artists. As UK Music identified in the *Securing Our Talent Pipeline* report music spaces are vital for talent development, and 35% of Grassroots Music Venues closed between 2007 and 2017, perhaps contributing to the decline in young UK talent breaking through.<sup>53</sup> UK Music would welcome a strategic review of how these spaces can best fit within the taxation system, particularly in the light of a year of closure due to COVID and the huge investment in culture organisation and venues through the Culture Recovery Fund and devolved government funds that has provided £54 million specifically to music venues.<sup>54</sup>

**4.8** As it stands music spaces face a variety of pressures from beyond the music sector, particularly Business Rates where they are commercially run and the pressure on Local Authority budgets where Council funded (this most relates to rehearsal spaces). Business Rates hammer studios and music venues because they are calculated on the basis of floor space and local house prices and these businesses require a large amount of floor space and are often based in cities with rising house prices. Therefore, they have been acutely affected by steep rises in Business Rates, for example Abbey Road's Business Rates increased by 56.7% in 2017 alone.<sup>55</sup> These rises are entirely divorced from the productive capacity and ability to pay of the spaces in question.

**4.9** These spaces are the factories and laboratories of the sector, where the music that is the product of this industry is honed and created. Yet their costs disincentivise investment. Therefore, incentivising investment in these space

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<sup>53</sup> <https://www.ukmusic.org/news/securing-our-talent-pipeline/> p. 4

<sup>54</sup> <https://questions-statements.parliament.uk/written-questions/detail/2021-02-22/156293>

<sup>55</sup> [https://www.ukmusic.org/wp-content/uploads/2020/12/UKM\\_Final\\_HMTreasuryBusinessRates\\_18.09.pdf](https://www.ukmusic.org/wp-content/uploads/2020/12/UKM_Final_HMTreasuryBusinessRates_18.09.pdf)

through cutting costs could unlock growth and development in the sector and in turn boost the UK economy. This could include extending the Grassroot Music Venue Business Rate Relief to music studios, looking at whether music venues can be better protected under local planning regimes, incentivised to own their own premises, or new music spaces encouraged in disused retail space, all of which could come under a strategic review of cultural spaces.

**Recommendation 5: UK Government should look to address the place of music spaces in the tax system and look at how their retention and creation can be incentivised.**

**4.10** Finally, financial investment and spaces are nothing without the people with the skills to create and facilitate music. As with any other strategically important industry music needs a workforce with specific skills. The UK Music *Securing Our Talent Pipeline* report laid out the importance of high quality, accessible music education to the development of music workers.<sup>56</sup> The report also found that there was an alarming rise in the experience profile of festival headliners, with the average time since debut album release for festival performers rising from 7 to 16 years between 1995 and 2017, suggesting an issue with talent breaking through.<sup>57</sup>

**4.11** One potential reason for this is that there has been an alarming slide in the number of state pupils taking music A-levels over the past 10 years in England.<sup>58</sup> Furthermore this may be exacerbated by the pandemic, Ofsted's assessments of learning during COVID contain worrying reports of the difficulties of practical music teaching during the pandemic noting it was one of the subjects that were "challenging to offer remotely or were not offered" and with music spaces in schools being used for other purposes physical return to school did not mean a return to practical teaching for many pupils.<sup>59</sup>

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<sup>56</sup> <https://www.ukmusic.org/research-reports/securing-our-talent-pipeline/#:~:text=That's%20why%20UK%20Music%20launched,cent%20to%20%C2%A32.5%20billion.>

<sup>57</sup> <https://www.ukmusic.org/research-reports/securing-our-talent-pipeline/#:~:text=That's%20why%20UK%20Music%20launched,cent%20to%20%C2%A32.5%20billion.>

<sup>58</sup> <https://www.ukmusic.org/news/uk-music-warns-results-expose-alarming-drop-in-a-level-music-students/>

<sup>59</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/943732/COVID-19\\_series\\_briefing\\_on\\_schools\\_November\\_2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/943732/COVID-19_series_briefing_on_schools_November_2020.pdf) p. 8, 15 and 20

**4.12** The UK Government has made positive noises on addressing this. However, it is vital that the Arts Pupil Premium and National Plan for Music Education are backed by funding from Treasury to ensure schools are able to properly provide music teaching, and that assessment is made of the adequacy of the current school estate for the provision practical of music teaching.<sup>60</sup> Extracurricular music teaching should also feature in these discussions.

**4.13** Furthermore, it was deeply disappointing to see the decision by the Office for Students (OfS) to cut recurrent funding for music university students by 50% for the 2021 – 2022 academic year.<sup>61</sup> While there were warm words on the general importance of music in the consultation on the decision it directly pitted creative subjects against STEM, stating that the latter were more in line with UK Government “priorities”.<sup>62</sup> UK Music rejects this framing and believes this underestimates the role of creative subjects in the future economy including their synergy with other subjects. This role was highlighted in the UK Government’s report *Build Back Better: Our Plan for Growth* that identified the creative industries as a sector with high growth and innovation going forward.<sup>63</sup>

**4.14** If the UK is to buttress and using music as a national asset this sector needs workers with high level music skills as much as the automotive sector needs engineers. This in turn requires Higher Education and Further Education institutions to be incentivised (or at least no disincentivised) to take on music students and provide music courses. UK Music has raised concerns directly with the OfS in response to their consultation.<sup>64</sup>

**4.15** Music Education Hubs that UK Music helps support were singled out for praise by Arts Council England for their “*remarkable work*” delivering music teaching during the pandemic, bolstering their funding further could help arrest the decline in music education.<sup>65</sup> Wherever there is talent there needs to be

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<sup>60</sup> <https://www.gov.uk/government/publications/budget-2020-documents/budget-2020>

<sup>61</sup> <https://www.officeforstudents.org.uk/media/8610a7a4-0ae3-47d3-9129-f234e086c43c/consultation-on-funding-for-ay2021-22-finalforweb.pdf>

<sup>62</sup> <https://www.officeforstudents.org.uk/media/8610a7a4-0ae3-47d3-9129-f234e086c43c/consultation-on-funding-for-ay2021-22-finalforweb.pdf> p. 17

<sup>63</sup> <https://www.gov.uk/government/publications/build-back-better-our-plan-for-growth> p. 20

<sup>64</sup> <https://www.ukmusic.org/wp-content/uploads/2021/05/UK-Music-OfS-Response-FINAL-pdf.pdf>

<sup>65</sup> <https://committees.parliament.uk/oralevidence/2046/pdf/> p. 5



opportunity to learn and engage with music. The Government must consider the training of musicians to be as much a national.

**Recommendation 6: UK Government should invest in music education to ensure the sector has the skills to thrive.**

**4.16** In sum encouraging investment in production, the curation of music spaces and ensuring people have music skills could allow UK music to play a key role in stimulating national recovery, and in the UK's long-term economic good health.

## **5. Promote UK Music Exports**

**5.1** UK artists, creators and workers from the music sector have historically done well in gaining international success. In 2019 the UK music sector exported £2.9 billion, and the UK is one of only three countries globally that are a net exporter of music.<sup>66</sup> This paper earlier noted the UK's strong global position at greater length but it is important to reiterate that the UK is in the front rank of music creators and consumers in a way it simply is not in many other industries. Five out of 20 of the top international tours of 2019 were by UK artists.<sup>67</sup>

**5.2** This is a global strategic position that brings many benefits to the UK economy through the music ecosystem as discussed earlier, but it is increasingly under threat from government backed competition such as France and South Korea.

**5.3** Furthermore, UK music exports are also facing challenges stemming from leaving the European Union, while these issues may be balanced by long term opportunities, the negative impacts are already being felt while any advantages are long-term and contingent, therefore urgent remedial action is required alongside a longer-term plan to promote and facilitate UK music exports.

**5.4** Therefore, to buttress and expand UK music's position internationally, that in turn can benefit the UK economy, the following policies should be followed.

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<sup>66</sup> <https://publications.parliament.uk/pa/ld5801/ldselect/lducom/248/248.pdf> p. 6

<https://www.ukmusic.org/research-reports/music-by-numbers-2020/>

<sup>67</sup> [https://www.pollstar.com/Chart/2019/12/Top100%20WorldwideTours\\_790.pdf](https://www.pollstar.com/Chart/2019/12/Top100%20WorldwideTours_790.pdf)

- **The UK Government should negotiate a reduction in barriers to live music touring both between the UK and the EU as well as other key live music markets.**
- **The UK Government should provide more financial and information support for music exporters, including at looking at establishing a Music Export Office.**
- **The protection and assertion of Intellectual Property Rights should be a part of the UK Government's trade negotiations.**

**5.5** Live touring internationally is a corner stone of expanding a global fanbase, promoting merchandise and making direct sales. Therefore, the fewer barriers there are to touring the better. This encompasses the artists themselves, their crew, their transport, kit, merchandise for sale etc. In a world with increased border security and immigration controls barriers to touring in Europe were kept low by the UK's EU membership. UK performers and their crew were able to tour visa free and bring in merchandise for sale with no customs checks on their instruments, this allowed UK acts to "dominate" the EU live music scene in the words of the European Commission.<sup>68</sup>

**5.6** This situation has changed under the EU-UK Trade and Co-operation Agreement (TCA), though the COVID pandemic and the halting of international touring across Europe mean that the impact is as yet unquantifiable. The TCA did not cover touring artists as a group that was allowed work permit free short working, it also provides for a range of new checks, for instance on carnets and CITIES documents (both of which cost per instrument, carnets cost £325.96) for artists instruments travelling from the UK – EU and vice versa.<sup>69</sup> There is also no coverage of touring vehicles, meaning there are new restrictions on touring trucks (artists and merchandise for sale cannot be on the same truck,

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<sup>68</sup> European Commission, Music Moves Europe, <https://op.europa.eu/en/publication-detail/-/publication/4be2f11d-216c-11ea-95ab-01aa75ed71a1/language-en/format-PDF/source-111483830> p. 24

<sup>69</sup> [https://eur-lex.europa.eu/legal-content/EL/TXT/PDF/?uri=CELEX:22020A1231\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EL/TXT/PDF/?uri=CELEX:22020A1231(01)&from=EN)  
[https://www.gov.uk/guidance/working-performing-and-touring-in-europe-guidance-for-musicians-and-accompanying-staff?fbclid=IwAR1ADLtvUvrqETMplms7oNr\\_gCm7IAM2ux57ELLx7RqR1VYLKkqM-Rv93I](https://www.gov.uk/guidance/working-performing-and-touring-in-europe-guidance-for-musicians-and-accompanying-staff?fbclid=IwAR1ADLtvUvrqETMplms7oNr_gCm7IAM2ux57ELLx7RqR1VYLKkqM-Rv93I)  
<https://www.gov.uk/taking-goods-out-uk-temporarily/get-an-ata-carnet>

the use of industry standard splitter trucks is being circumscribed), and the tightening of old rules (a 3 stop limit on UK trucks coming to the EU).

**5.7** It should be emphasised that it is not that it is physically impossible for acts to tour Europe, but that it has been made less efficient, more expensive and more bureaucratic than before, and anecdotally this impact is already being felt with less high profile acts struggling to afford tours and employment opportunities being lost due to a desire by European employers to hire EU citizens.

**5.8** Whereas before you did not need a work permit or a visa to visit EU member states each country now has its own rules for UK citizens coming to work, while some will allow you to work within 90 days for every 180 days some will require a visa and a work permit, others just a work permit.<sup>70</sup> Complying with these rules will also make UK music workers less attractive to EU employers, it will lead to short notice and marginal decisions going against UK artists and workers, particularly at entry level.

**5.9** For example, a five person band with five instruments that had never played internationally before would have to pay £1629.8 in fees for carnets to play a gig in the EU if the instruments needed to travel unaccompanied.<sup>71</sup> If the gig was in Spain they would need to pay another £1160 for visas (£232 per head).<sup>72</sup> These additional costs will vary from country to country and in some places will not apply, or will be applied indirectly. But this all causes confusion, delays and in many cases additional costs, making employing UK citizens less attractive for European organisations and reducing the ability of early career musicians to play in Europe, and particularly reducing the flexibility of UK artists and music workers to take advantage of short notice opportunities. Thereby exacerbating issues with young talent breaking through.

**5.10** Technical companies that support large tours are also considering their UK position, given the cabotage issues. These companies and the technical opportunities around them are based on being useful to large acts looking to tour Europe. If those tours base themselves inside the EU, the UK-EU barriers

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<sup>70</sup> <https://www.ism.org/images/files/ISM-research-Visa-and-Work-Permit-Guide-updated-22.04.21.pdf>

<sup>71</sup> <https://www.gov.uk/taking-goods-out-uk-temporarily/get-an-ata-carnet>

<sup>72</sup> <https://www.ism.org/images/files/ISM-research-Visa-and-Work-Permit-Guide-updated-22.04.21.pdf> p. 32

mean they will not use UK based trucks and technical companies. Ergo many technical companies and specialist haulage companies will be forced to relocate costing the UK jobs and tax revenue.

**5.11** It is vital that the UK Government works urgently to reduce these barriers both through bilateral negotiations with EU Member States and at an EU level. In recognising that increased barriers to live music exports to Europe are harmful inspiration should be found for broader efforts to reduce barriers with other live music markets. The UK Government should wield the greater control it has stated it has over immigration policy to reciprocally reduce barriers to touring with other key live music markets like the USA, Canada and Japan.<sup>73</sup> As a net music exporter the UK will benefit from reducing barriers to musicians touring, but will need to offer a reciprocal reduction to achieve this.<sup>74</sup>

**5.12** This highlights the importance of a strategic approach to the UK music industry by the Government. The industry cannot negotiate with sovereign states, but Government can conduct those negotiations with the aim of creating the conditions for success as part of a strategic approach that can benefit the music sector and in turn the UK economy.

**5.13** This approach should be paired with the establishment of a fund to help the sector transition to trading under the TCA, in the same way as £23 million has been made available to fisheries.<sup>75</sup> Music is a national asset that is facing unique barriers to trade with its biggest export market due to its lack of coverage in the TCA – unlike many other industries - therefore remedial action is urgently required.

**5.14** The Government should also consider that the EU is a key export market for the UK music sector and therefore be open to looking at reducing these barriers where possible. The current situation is deeply challenging to the pre-existing export models of many UK based music businesses and artists, without change this may lose the UK a generation of talented artists and businesses,

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<sup>73</sup> <https://hansard.parliament.uk/Commons/2021-03-24/debates/464FFFBB-ECA5-4788-BC36-60F8B7D8D9D1/NewPlanForImmigration#contribution-BF11FC14-7635-449D-A352-8B772E28FAFA>

<sup>74</sup> <https://publications.parliament.uk/pa/ld5801/ldselect/lducom/248/248.pdf> p. 6

<sup>75</sup> <https://www.gov.uk/government/news/increased-support-for-fishing-and-shellfish-businesses#:~:text=The%20UK%20fishing%20and%20seafood,replace%20EU%20funding%20this%20year.>

to bureaucratic red tape. The preamble of the TCA itself is explicit that it is a basis for further negotiation.<sup>76</sup> Furthermore, a recognition of the importance of the EU market does not prevent the UK also pursuing deals to reduce barriers to touring in other key international markets.

**Recommendation 7: UK Government should negotiate a reduction in barriers to live music touring both between the UK and the EU as well as other key live music markets.**

**Recommendation 8: UK Government should establish a response fund for the music industry to help it adapt to trading with Europe under the TCA.**

**5.15** When considering how the promotion of UK music exports can be improved it is vital to consider the good work already done. To take two examples the Music Export Growth Scheme (MEGS) and the International Showcase Fund (ISF) are excellent funds (both supported by the Department for International Trade) that do great work in promoting early career artists, and also provide strong returns for the public money that they receive (£12 and £15.20 per £1).<sup>77</sup>

**5.16** However, it remains true that they are both much smaller and more constrained than some international rivals, who can take a more strategic approach. For example, the Canadian programme FACTOR has a much larger budget than MEGS and ISF combined, it also a guaranteed multiannual financial framework and can 100% fund promising projects which MEGS and ISF are precluded from doing by their year-to-year financing.<sup>78</sup> This allows FACTOR to plan further ahead and expand the pool of Canadian exporters by allowing even the smallest artist to reach an international audience if they have

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<sup>76</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22020A1231\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22020A1231(01)&from=EN) p. 21

<sup>77</sup> <https://prsfoundation.com/funding-support/funding-music-creators/international/international-showcase-fund/>

<https://www.bpi.co.uk/news-analysis/music-export-growth-scheme/>

[https://prsfoundation.com/wp-content/uploads/2019/09/PRSF-ISF-Report-2016-19-FINAL-DIGITAL\\_1.pdf](https://prsfoundation.com/wp-content/uploads/2019/09/PRSF-ISF-Report-2016-19-FINAL-DIGITAL_1.pdf)

<sup>78</sup> FACTORs grants for 2019 – 2020 was £14.6 million MEGs total grants, the last round of MEGS awarded £261,527

[https://factorportalprod.blob.core.windows.net/portal/Documents/Annual\\_Reports/FACTOR\\_Annual\\_Report\\_2019-2020.pdf](https://factorportalprod.blob.core.windows.net/portal/Documents/Annual_Reports/FACTOR_Annual_Report_2019-2020.pdf)

<https://www.music-news.com/news/Underground/128337/20-UK-acts-to-share-250-000-exports-funding-boost-in-Music-Export-Growth-Scheme>

the talent. Therefore, the Government should look at placing both funds on a more permanent footing and allowing them more leeway in 100% funding exceptional projects.

**5.17** The Government should also look to fund a centralised information point for music export in the form of a Music Export Office. Given the devolved nature of culture there is a conversation to be had about whether this would be UK wide or England only. But the recent issues around touring Europe highlighted the importance of up-to-date information that is easily accessible. While it was welcome that industry bodies like Incorporated Society of Musicians stepped into the breach if UK Government wants music businesses to be fully of aware of practicalities of touring in key countries it would be immensely useful to have a resourced official office to provide and collate that information.<sup>79</sup> This office could also provide information on funding opportunities, facilitating creatives ready to take the next step in building an international profile, thereby increasing the number of creatives who tour and boosting music exports with a consequential benefit for the UK economy.

**5.18** Overall, it is vital that UK music exporters have the funding and information they need to be as successful as possible in a highly competitive global market where the UK has done well but has no destiny to succeed. A strategic approach that treats music as a national asset would give them the tools they need, particularly early career music workers who are most vulnerable to increases in costs and complexities.

**Recommendation 9: The UK Government should provide more financial and information support for music exporters, including at looking at establishing a Music Export Office.**

**5.19** The value of music exports could also be increased by looking to use the UKs new more independent trade position to assert the rights of UK music rights holders in overseas territories. By ensuring these rights are recognised and enforced the global popularity of UK artists will bring in more income to the UK. It was welcome to see that more robust protection of Intellectual Property

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<sup>79</sup> <https://www.ism.org/images/files/ISM-research-Visa-and-Work-Permit-Guide-updated-22.04.21.pdf>

rights was an outcome of recent trade talks with Japan.<sup>80</sup> UK Music has written at length of the changes that could be achieved as the UK negotiates with a number of countries, but to take one example in the USA there is the so called “bars and grills exemption”.<sup>81</sup> This exempts 70% of bars and restaurants in the USA from paying royalties to artists whose work they use in their establishment. Removing this exemption so that UK rights holders are fairly paid for the exploitation of their work should be an aim of trade talks with the USA.<sup>82</sup>

**5.20** The Government should also look to see where data exchanges can be facilitated. Collecting information about usage and calculating royalty payments is easier with a smooth flow of data, therefore maintaining data flows is an absolute priority. It was concerning that while a draft data adequacy decision to allow EU – UK data flows seems to be imminent it was not resolved prior to the UK leaving the EU.<sup>83</sup> It is vital that the Government understands the economic importance to businesses beyond the technology sector of maintaining these data flows and that this is prioritised.

**Recommendation 10: The protection and assertion of Intellectual Property Rights should be a part of the UK Government’s trade negotiations.**

**5.21** Taken together this is a strategic package to retrench and potentially expand the UK’s global position in the music sector, a position that benefits the UK music ecosystem and the UK economy as one the UK’s world class industries.

## **6. Conclusion**

**6.1** A strategic approach to UK music that treats it as a national asset could secure the position of a global prominent industry and reap benefits for the UKs

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<sup>80</sup> <https://www.gov.uk/government/news/uk-and-japan-sign-free-trade-agreement#:~:text=The%20UK%20%E2%80%93%20Japan%20Comprehensive%20Economic%20Partnership%20Agreement%20was%20agreed%20in,of%20UK%20trade%20by%202022.>

<sup>81</sup> [https://www.ukmusic.org/wp-content/uploads/2020/09/New\\_Zealand\\_Free\\_Trade\\_Agreement.pdf](https://www.ukmusic.org/wp-content/uploads/2020/09/New_Zealand_Free_Trade_Agreement.pdf)  
[https://www.ukmusic.org/wp-content/uploads/2020/12/UK\\_Music\\_trade\\_paper\\_-\\_UK\\_India\\_16\\_September\\_20.pdf](https://www.ukmusic.org/wp-content/uploads/2020/12/UK_Music_trade_paper_-_UK_India_16_September_20.pdf)

[https://www.ukmusic.org/wp-content/uploads/2020/09/UK\\_Music\\_trade\\_paper\\_-\\_UK\\_Aus\\_FTA\\_2\\_July\\_20.pdf](https://www.ukmusic.org/wp-content/uploads/2020/09/UK_Music_trade_paper_-_UK_Aus_FTA_2_July_20.pdf)

<sup>82</sup> [https://www.ukmusic.org/wp-content/uploads/2020/09/UK\\_Music\\_trade\\_paper\\_-\\_UK\\_US\\_FTA\\_4\\_may\\_20.pdf](https://www.ukmusic.org/wp-content/uploads/2020/09/UK_Music_trade_paper_-_UK_US_FTA_4_may_20.pdf)

<sup>83</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_661](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_661)

economy and culture for many years to come. While UK Music welcomes the range of support the UK and devolved governments have shown during the COVID crisis (including the £1.87 billion CRF), recent decisions including not implementing COVID cancellation insurance for live music events, and the 50% cut in Office for Students funding for music students suggests that the UK Government is not strategically supporting music as effectively as possible. This is disappointing as such an approach could reap dividends.

**6.2** The urgency of a change in approach is increased by the COVID crisis that has also highlighted what can be achieved with political and policy bravery to take actions that were previously unprecedented. The key aims should be:

- **Delivering Effective COVID Recovery Support.**
- **Promoting the UK as a Home for Global Music.**
- **Promoting and Enabling UK Music Exports.**

**6.3** To achieve these there are 9 policy recommendations.

**Recommendation 1: UK Government should treat UK music as a national asset and work strategically to support it.**

**Recommendation 2: UK Government should urgently establish a Government backed insurance scheme for live events to allow them to go ahead in summer 2021.**

**Recommendation 3: UK Government should extend the horizon of COVID support to buttress sector recovery.**

**Recommendation 4: UK Government should establish a financial incentive to encourage music production in the UK.**

**Recommendation 5: UK Government should look to address the place of music spaces in the tax system, and look at how their retention and creation can be incentivised.**

**Recommendation 6: UK Government should invest in music education to ensure the sector has the skills to thrive.**



**Recommendation 7: UK Government should negotiate a reduction in barriers to live music touring both between the UK and the EU as well as other key live music markets.**

**Recommendation 8: UK Government should establish a response fund for the music industry to help it adapt to trading with Europe under the TCA.**

**Recommendation 9: The UK Government should provide more financial and information support for music exporters, including at looking at establishing a Music Export Office.**

**Recommendation 10: The protection and assertion of Intellectual Property Rights should be a part of the UK Government's trade negotiations.**

**6.4** Taken together these recommendations form the starting point for a strategic approach to the UK commercial music sector that should be continually challenged and renewed as the sector develops and continues to provide economic wealth as well as incredible music.

## **Annex**

UK Music's membership comprises: -

- AIM – The Association of Independent Music – The Association of Independent Music – the trade body for the independent music community, representing 1000+ independent record labels and associated businesses, from globally recognised brands to the next generation of British music entrepreneurs.
- BPI - the trade body of the recorded music industry representing 3 major record labels and over 400 independent record labels.
- FAC – The Featured Artists Coalition is the UK trade body representing the specific rights and interests of music artists. A not-for-profit organisation, they represent a diverse, global membership of creators at all stages of their careers and provide a strong, collective voice for artists.
- The Ivors Academy - The Ivors Academy is an independent association representing professional songwriters and composers. As champions of music creators for over 70 years, the organisation works to support, protect and celebrate music creators including its internationally respected Ivors Awards.
- MMF – Music Managers Forum - representing over 1000 UK managers of artists, songwriters and producers across the music industry with global businesses.
- MPG - Music Producers Guild - representing and promoting the interests of all those involved in the production of recorded music – including music studios, producers, engineers, mixers, remixers, programmers and mastering engineers.
- MPA - Music Publishers Association - with 260 major and independent music publishers in membership, representing close to 4,000 catalogues across all genres of music.
- Musicians' Union - Representing over 32,000 musicians from all genres, both featured and non-featured.
- PPL is the music licensing company which works on behalf of over 110,000 record companies and performers to license recorded music played in public (at pubs, nightclubs, restaurants, shops, offices and many other business types) and broadcast (TV and radio) in the UK. PPL also collects royalties for members when their recorded music is played around the world through a network of international agreements with other collective management organisations (CMOs).
- PRS for Music is responsible for the collective licensing of rights in the musical works of 150,000 composers, songwriters and publishers and an international repertoire of 28 million songs.
- UK Music also has an informal association with LIVE (Live music Industry Venues & Entertainment), the voice of the UK's live music and entertainment business. LIVE members are a federation of 13 live music industry associations representing 3,150 businesses, over 4,000 artists and 2,000 backstage workers.