

**THE UK MUSIC 2017
MANIFESTO**



UK Music is the umbrella organisation which represents the collective interests of the UK's commercial music industry from artists, musicians, songwriters and composers, to record labels, music managers, music publishers, studio producers, music licensing organisations and the live music industry.

The members of UK Music are: AIM, BASCA, BPI, FAC, MMF, MPA, MPG, MU, PPL, PRS for Music and the UK Live Music Group

The UK Live Music Group is made up of members of the Association of Independent Festivals (AIF),

Association for Electronic Music (AFEM), Association of Festival Organisers (AFO), Concert Promoters Association (CPA), Agents Association (AAGB), International Live Music Conference (ILMC), National Arenas Association (NAA), Production Services Association (PSA) and Music Venue Trust (MVT) with contributions from PRS for Music Foundation, MU, MMF, FAC and BPI.





INTRODUCTION

Andy Heath, Chairman of UK Music

The UK's creative industries are of huge economic and cultural importance. They contribute £87.4 billion to the economy, and have an export value of £19.8 billion. One in 11 jobs are in the creative sector, which is second only to the US in terms of cultural soft power.

Playing a fundamental role in this success is the UK's world-conquering music industry. The sector contributed £4.1 billion to the economy in 2015, a figure which has grown 17% over the space of four years. We are home to diverse and innovative music companies and artists, writers and musicians, forming a dynamic ecosystem consistently delivering for music fans. It is also a nation which attracts 27.7 million visits each year to live music events and venues, such as Glastonbury Festival and the O2 Arena.

This is an exciting time for the UK music industry. Ed Sheeran's new album ÷ set a new record by achieving 375 million streams on Spotify in its first week of release and is dominating music consumption around the world. Adele's third album 25 sold in excess of 20 million copies worldwide since it was released in November 2015 making her one of three British acts in the top five biggest sellers globally in 2016, along with Coldplay and the late David Bowie. Artists

such as Stormzy and Skepta are enjoying deserved recognition for their creativity and reach, taking the homegrown genre of grime to the world. Clearly we do music very well.

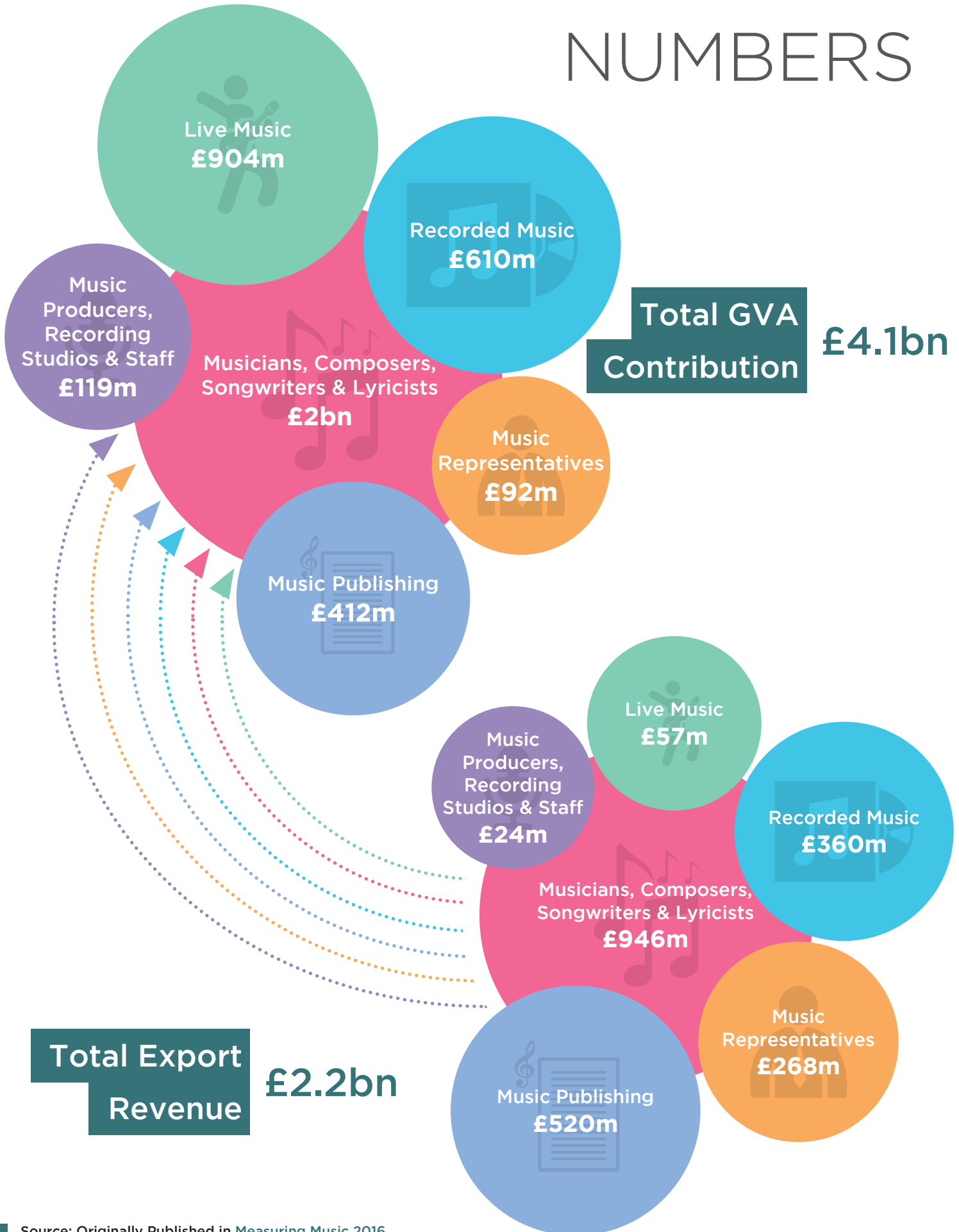
Yet despite this success, we have to sound a note of caution. To maintain growth and withstand the challenges that may be presented over the next five years our Government needs to put creative industries at the heart of Brexit negotiations and devise an industrial strategy to safeguard sectors like music and allow them to develop further.

To do this we have prepared a manifesto which establishes a five-point plan as the basis for securing the right framework in the coming years:

- International Action
- Regional Development
- Intellectual Property
- Skills and Education
- Finance and Investment

We urge those who will have power and shape the next five years to take this forward – and ask that the next Parliament holds the Government to account. Securing the best deal for music must be achieved for our industry, our economy and for the world's music fans.

UK MUSIC IN NUMBERS



Source: Originally Published in Measuring Music 2016

Employment

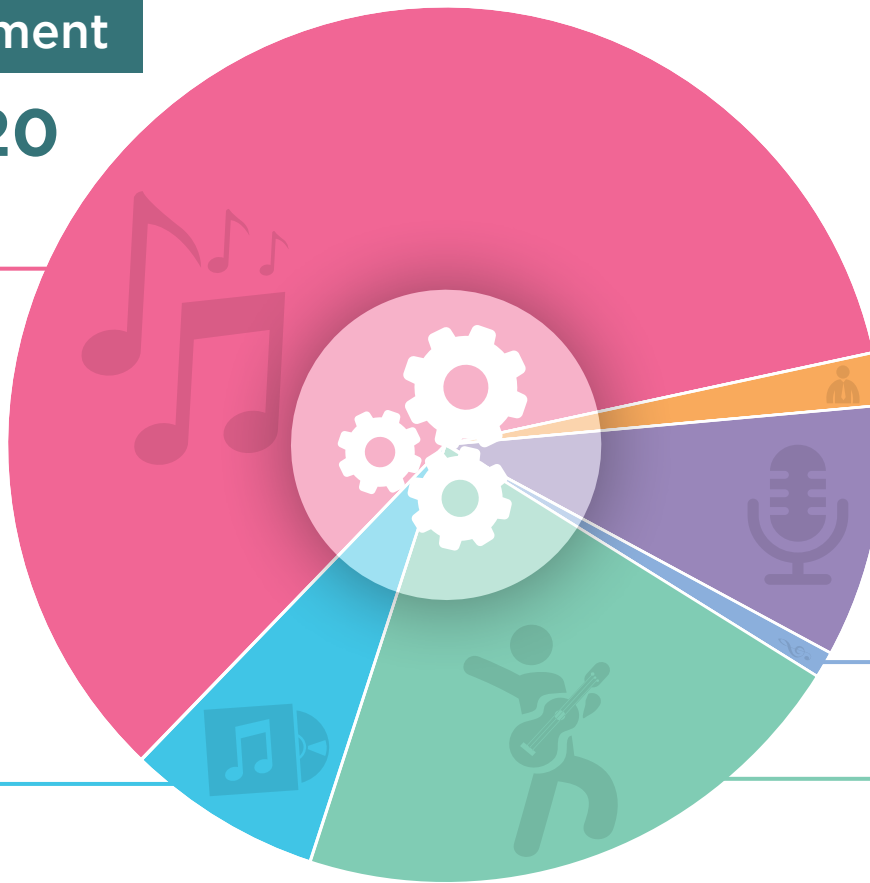
119,020

Musicians, Composers,
Songwriters & Lyricists

70,700

Recorded Music

8,600



Music Representatives

2,320

Music Producers,
Recording Studios &
Staff

11,100

Music Publishing

1,150

Live Music

25,150

MUSIC TOURISM IN NUMBERS

£3.7 BILLION

Total direct and indirect spend generated
by music tourism in the UK

10.4 MILLION

Number of music tourists in the UK in 2015

38%

Proportion of live music audiences that are
music tourists

767,000

Number of overseas music tourists
visiting the UK

16%

Increase in number of overseas music tourists
visiting the UK between 2014-2015
(*in venues above +1500 capacity)

39,034

Number of full time jobs sustained by
music tourism

INTERNATIONAL ACTION

UK music industry exports generate £2.2 billion annually. Global appetite for UK music artists is at record levels. Four of the top 10 grossing worldwide music tours for 2016 are from UK acts (Coldplay, the Rolling Stones, Adele, and Paul McCartney). Three of the top 5 global biggest selling artists in 2016 are from the UK (David Bowie, Coldplay and Adele). Wayne Hector, Alex da Kid, Cathy Dennis and Tom Fletcher are amongst a growing number of UK songwriters achieving global recognition for their work with domestic and international acts such as Nicki Minaj, Eminem, Kelly Clarkson and One Direction.


We need the freedom to trade at an international level. It enables us to break and develop new markets. This freedom is crucial during Brexit negotiations and as the country develops a new trading relationship with the world. UK Music is concerned that the UK creative industries must not be used as a bargaining chip in any trade talks. Nor should UK music content be subject to restrictive quotas or costly tariffs.

Copyright and its enforcement should be a key part of the trade negotiations, ensuring that our trading partners protect not only their respective creative industries but also the interests of the UK music industry. **Specific challenges in Australia, China, Canada, Russia and Turkey need to be addressed.**

Government commitment to place Intellectual Property Office representatives in key UK cities should be developed further. **The existing IP attaché network, whereby liaison officers are based within South East Asia, China, Brazil and India, should be extended to other key markets.**

The US remains the largest national market for the recorded music industry. Under US copyright law, a variety of issues prevent the UK music industry from benefiting from the use of music. **The imposition of compulsory licences, the “bars and grills” exception, no sound recording royalties on FM radio and Consent Decrees should all be tackled in future trade deals.**

The ability of musicians to travel globally with instruments without hindrance is of importance. **The recent changes to the CITES regulations on trade is welcome news and should be fully implemented in the UK.**



Leaving the European Union could result in restrictions for musicians, crews and freight in relation to live music tours. The burdensome performing visa system that operates in the USA is already a significant impediment to UK acts and artists. Tours for UK bands are important for building fan bases. Promoting new music overseas and deriving income to UK music companies and creators is needed without bureaucracy and costly administration. **Systems to support the introduction of temporary short-term permissions and exemptions for musicians and crews are required.**

International collecting societies administer rights and royalties on behalf of UK creators, performers and rightsholders. **There is a need to ensure they operate transparently.**

REGIONAL DEVELOPMENT

The nations and regions that make up the UK are rich in creativity. England, Wales, Scotland and Northern Ireland all contribute greatly to our world leading music industry. Developing artists, musicians, composers, songwriters and producers across the country supports local and dynamic music businesses. They are integral to the industry's overall growth.

UK Music's Wish You Were Here report into music tourism underlines the appetite for attending music events the length and breadth of the country, generating £3.7 billion in spend in the process.

There is a possibility of doing much more with devolved and local government playing a role in bringing this together. Taking steps to introduce regional creative clusters and develop creative enterprise zones has the potential to support this further.

The Mayor of London has successfully established a Music Development Board and appointed a Night Czar to maximise the potential for the capitals night time economy. **Similar measures should be considered by other elected Mayors and considered as part of devolution deals.** This can complement the work and resource of existing music development organisations in the nations and regions that play a vital role in mentoring local talent. Generator, based in the North East of England, is a market leader in this field and has run programmes supported by the European Regional Development Fund (ERDF) which will not be available once the UK leaves the EU.

Live music should not be stifled by unfair rules and bureaucracy. Restrictions like Form 696 in London which has an adverse impact on the performance of certain genres should be prohibited.

Music venues play a vital role in supporting the industry's infrastructure and ensuring a healthy music industry across the country. They also nurture the music industry's talent pipeline. Venues are increasingly finding it difficult to operate. In the past 10 years the sector has come under substantial external threats, resulting in a decline of 35% in the total number of grassroots music venues trading in the UK. London has been badly affected and venues in Birmingham, Manchester, Edinburgh, Glasgow, Belfast, Bristol, Plymouth, Newport and Swindon, to mention just a few, have either closed or had considerable threats of closure placed on their businesses in recent years. **Measures such as the introduction of a statutory "agent of change" planning principle and further liberalisation of licensing laws, building on the Live Music Act, should be taken forward to abate venue closures.**

Music businesses are facing substantial increases in their business rates. 10 of the top 11 arenas in England will see increases to their business rates. Over half of these increases will be in excess of 45%. The geographical disparity of the hardest hit venues ranges from the North West, North East, West Midlands, East Midlands and London. Music fans will undoubtedly suffer, either through paying more or having fewer venues to attend due to closures. Music recording studios also face such challenges. **The Government and next Parliament should prioritise business rate reform in order to avoid a detrimental impact on culture and creativity. The existing exemption for festival and event sites should be maintained to prevent further punitive measures from being imposed.**

The UK is rich in talent with musicians, performers, artists and composers based in all parts of the country. **The Government should work with counterparts in the devolved administrations to ensure that the interests of music creators living in Scotland, Wales and Northern Ireland are supported.**



INTELLECTUAL PROPERTY

Intellectual property is of substantial importance to the UK economy with copyright being a key enabler for the music industry. Copyright provides a powerful tool that supports creators receiving a financial return for their work. Growth would be severely inhibited if copyright is not protected or its value not recognised. Copyright also acts as an incentive for businesses to invest.

Maintaining and strengthening the copyright framework is of great importance to the music industry during the Brexit negotiations and beyond. The European Union's competency over copyright means UK domestic legislation is based on Directives emanating from the EU as part of the Copyright Acquis. The EU provides a high level of protection for copyright works.

Withdrawal from the EU does not require substantial changes to the UK copyright framework. This continuity is critical to ensuring confidence amongst music businesses. **There is no evidence of the need for new exceptions to copyright. If this is not accepted by the Government then it would only serve to take away rights and undermine the potential for growth.**

Music businesses increasingly depend on reliable data when administering copyright in a digital environment. Whilst the industry has invested in this, further work could be carried out with the assistance of the Government. **Cooperation with the tech sector should be facilitated and funding sources, such as the proposed UK Industrial Strategy Challenge Fund, made available.**

There were 7.2 billion visits to copyright-infringing streaming websites in 2016, representing a 60% increase in the previous year. Withdrawal from the EU provides an opportunity for the UK to strengthen the enforcement of copyright. **Initiatives should be developed to place responsibility on internet service providers and require them to have a duty of care for copyright protected music.**

Withdrawal from the EU provides a good opportunity to put forward a coherent definition of hyperlinking under copyright law. This is needed to provide certainty for music businesses when licensing music online following recent EU court decisions.

A photograph of a violin and its bow resting on an open sheet of musical notation. The violin is positioned diagonally across the frame, with its body in the upper right and its neck extending towards the lower left. The bow is placed horizontally across the open pages of the sheet music. The sheet music is filled with complex notation, including treble clefs, notes, rests, and dynamic markings. The background is a light-colored wooden surface with a visible grain. The overall composition is artistic and focused on the theme of music and copyright.

The proposed EU Directive on Copyright in the Digital Single Market clarifies the gap between the value that certain digital platforms extract from music, and the value that is returned to rights owners. **The Government should set out how it intends to implement the value gap and other aspects of the Directive relating to transparency and contracts, in the event of the UK leaving the EU before the proposals are adopted.**

Education is important to fostering respect for copyright and intellectual property. Programmes such as UK Music's Music Inc app have demonstrated global reach. **The Get It Right From A Genuine Site campaign, designed to promote greater copyright understanding online, is also showing evidence of success. With further support it has the potential to broaden its reach.**

SKILLS AND EDUCATION

Talented creators are essential for the music industry's continued success. This must not be taken for granted. Creative skills need to be nurtured at the earliest opportunity. The music industry's workforce needs to be equipped with the right skills to realise this talent.

Music industry investment in skills and education can be evidenced in a number of ways, such as the work of the BRIT Trust which provides significant investment to both the Brit School and ELAM. PRS for Music's investment in its Foundation which has established a UK wide Talent Development Network.

UK Music has been involved in a number of initiatives in recent years to ensure that our sector continues to attract, nurture and retain talented people within all aspects of the business. This work includes the formation of the Music Academic Partnership (MAP) which fosters collaboration between industry and academia. We also operate an apprenticeship scheme and a rehearsal space network. Within this work we have attempted to overcome inequalities to ensure the music industry has a diverse workforce.

Creative skills, including music, need to begin at primary school and play a significant part in continued curriculum learning. Music provision in schools is under threat however. According to a recent report music is only compulsory for 'all Year 9 students' in 62% of schools, despite it being compulsory in the National Curriculum. **This trend needs to be reversed to avoid a catastrophic effect on the industry in the short, medium and long term.**

UK Music's rehearsal spaces are now firmly embedded in their local communities and have been used to deliver meaningful projects for young people from poor socio-economic backgrounds, boosting skills, fostering creativity and driving down crime in local communities. **The Government should consider further investment in the current scheme and assistance with expanding it.**

Reducing access to music could lead to an inequality of opportunity. Top earners are four times more likely to pay for social-enrichment classes for their children. 50% of children at independent schools receive sustained music tuition, whilst the figure for state schools is only 15%. **Given its importance to developing our future workforce, compulsory creative learning needs to continue.**

The UK music industry is committed to helping talented young people get paid jobs in the sector. The creation of music apprenticeships have coincided with a growth in the music industry's workforce. The sector sustains 119,020 jobs. A further 40,000 jobs are supported by music tourism. UK Music has also developed a Code of Practice on internships. **The Government should strengthen careers advice so that information on working in the music industry can be better understood.**

In an increasingly digital market the music industry needs to recruit and retain a workforce that can adapt and embrace new technologies. It is essential that school leavers have a basic level of digital literacy and that graduates are equipped with the digital skills needed to gain employment in the sector. **The link between creative and digital skills needs to be more explicit and supported by action from the Government.**

The UK Music Diversity Taskforce survey found that 15.6% of the workforce are from a BAME (Black, Asian, minority ethnic) background. Two thirds of music industry workers are based in London where the workforce as a whole is 30.3% BAME however. The overall split of men to women (53.6% to 45.3%) in the music industry shows women are slightly underrepresented in comparison with the UK population as a whole (49.3% to 50.7%). Women between the ages of 25 and 34 account for 54.5% of the workforce yet for those aged between 45 and 64 it is 32.7%. **The next Parliament and Government should continue to engage with the industry on steps towards a more diverse and representative sector.**

43.5% of those working in the creative sector are self-employed. In the music industry this includes many creators such as musicians, composers, producers, engineers or mixers. Self-employed parents are penalised by not being eligible for shared parental leave and pay. **Eligibility for shared parental leave should be changed to support work-life balance amongst self-employed people working within the music industry.**



FINANCE AND INVESTMENT

The right incentives are needed to sustain the development of new creators and music businesses. Breaking new acts and music contributes to our growth and productivity as a sector. Measures should be put in place to further drive this. Our ability to be entrepreneurial, bold and ambitious is enabled by having the right funding mechanisms and financial environment in place.


There are many small and medium enterprises operating in the music industry whose financial needs may be quite different to that of larger companies. Fiscal stimulus is needed whether a business or creator is at start-up or scale-up phase, or whether the needs are more general.

The Government has introduced a number of creative sector tax credits to incentivise new productions. At present music does not receive equivalent assistance from the Government. **Initially, measures to incentivise the UK as a destination for music recording via tax credits should be introduced to support the development of new artists and ensure content creation within the UK is retained.**

Physical infrastructure is important to the development of the music industry. Without modern venues, studios and rehearsal spaces it would be impossible for new and existing artists and musicians to develop and grow audiences and fanbases. **Proposals such as the Sound+Vision Project which can deliver high quality sound, lighting, audience and artist facilities in grassroots music venues should be supported.**

The Government should consider the case for a Culture and Heritage Investment Tax Relief. This would be based on the existing Social Investment Tax Relief model and operate along similar lines to that of EIS/SEIS schemes. It would allow investors to receive tax relief in relation to venues, creative spaces and performances.

Artists, musicians, composers and songwriters are taking new and innovative approaches to realising their creativity. **The Government should consider the case for extending existing tech R&D fiscal incentives to creators.**



The extent to which the Arts Council of England supports music-related projects and how this can be enhanced to encourage new talent and entrants should be addressed.

Across mainland Europe (including Germany, Belgium, Holland, Denmark, Sweden and Austria), venues receive subsidies that amount to an average 42% of operating costs, and are as high as 70% in France.

The next Parliament should consider how leaving the European Union will restrict access to Creative Europe and other similar programmes.

This could put UK music companies at a competitive disadvantage given funding music is likely to become a greater priority for Creative Europe. Horizon 2020 which supports innovation could be beneficial to other music industry initiatives.

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