



Rt Hon Philip Hammond MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

3 March 2017

Dear Chancellor,

I am writing to you in advance of the Spring Budget which you will deliver on Wednesday 8th March. This follows concerns expressed at a recent meeting of the UK Live Music Group in relation to the imminent business rates revaluation and the potential negative impact on the live music sector of these changes. We ask that you use the opportunity of your Budget next week to put measures in place to mitigate the worst excesses of the valuation in order to avoid a detrimental impact on culture and creativity in our communities.

UK Music is the umbrella body representing the collective interests of the UK's commercial music industry, from songwriters and composers to artists and musicians, studio producers, 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 commercial music sector, to drive economic growth and promote the benefits of music to British society. A full list of UK Music members can be found in the annex.

The music industry is worth £4.1 billion to the economy and generated exports of £2.2 billion in 2015.¹ The industry employs 119,020 people and supports an additional 40,000 jobs via music tourism.² Based on UK Music's annual Measuring Music report, the value of music the sector has grown by 17% over the past four years, out-performing much of the rest of the UK economy.³

Live music is worth almost a £1 billion to the economy and employs 25,150 people.⁴ The sector's exports, via music tourism, has produced year on year growth of 35%.⁵

¹ <http://www.ukmusic.org/research/measuring-music-2016/>

² <http://www.ukmusic.org/research/music-tourism-wish-you-were-here-2016/>

³ <http://www.ukmusic.org/research/measuring-music-2016/>

⁴ <http://www.ukmusic.org/research/measuring-music-2016/>

⁵ <http://www.ukmusic.org/research/measuring-music-2016/>

Venues act as important centres for cultural activity in our towns and communities. 24 million people attended gigs and concerts during 2015.⁶ 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%.⁷

The geographical disparity of the hardest hit venues ranges from the North West, North East, West Midlands, East Midlands and London so the idea that the rating revaluation is a fiscally neutral rebalancing act from south to north to reflect property inflation is not borne out in reality for arenas. Whilst we understand that the intention of the revaluation is fiscal neutrality, it is evident that some sectors in the economy will be harder hit than others.

Grassroots music venues act as important hubs for local music talent and offer a means by which musicians and performers can cultivate and nurture their creativity. In the last 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. In London, grassroots music venues are facing business rate revaluations of up to 200%. Considering transitional and other reliefs this could still see rises between 35% to 55% and may require £3 being added to every ticket or £150 on every hire. Music fans will undoubtedly suffer, either through having to pay more or having fewer venues to attend due to closures. Recent positive measures from the Government to eliminate challenges for grassroots music venues will be undermined by significant business rate increases.

Beyond venues, music festivals also contribute significantly to our music industry with 3.7 million people attending festivals in 2015.⁸ Festivals and events have historically benefited from an agricultural exemption to business rates. We ask that the exemption for festival and event sites is maintained to prevent further punitive measures from being imposed. In addition, any attempt to backdate business rates is completely arbitrary and unfair. This position is for festivals and other outdoor events is supported by over 720 organisations including members of those comprising the UK Live Music Group, the Events Industry Forum, the National Outdoor Events Association, Local Authority Event Organisers Group and British Visits and Events Partnership.

⁶ <http://www.ukmusic.org/research/music-tourism-wish-you-were-here-2016/>

⁷ List of venues drawn from:

<http://www.pollstarpro.com/files/Charts2016/2016YearEndWorldwideTicketSalesTop200ArenaVenues.pdf> plus Royal Albert Hall, Nottingham Arena, Metro Radio Arena Newcastle and Echo Arena Liverpool.

Calculations of new business rates via: <https://www.gov.uk/calculate-your-business-rates>

⁸ <http://www.ukmusic.org/research/music-tourism-wish-you-were-here-2016/>



The Scottish Government recently announced an initial rateable value cap of 12.5% for the Scottish hospitality sector following concerns expressed by industries bodies relating to rate rises.⁹ UK Music would welcome your urgent consideration to also introduce measures that would ensure the music industry and its capacity for growth is not adversely affected by the business rates revaluation.

Yours sincerely,

A handwritten signature in black ink that reads 'Jo Dipple'.

Jo Dipple
CEO, UK Music

CC:

Rt Hon Sajid Javid MP, Secretary of State, Department for Communities and Local Government, 2 Marsham Street, London, SW1P 4DF.

Rt Hon Karen Bradley MP, Secretary of State, Department for Culture, Media and Sport, 100 Parliament Street, London, SW1A 2BQ.

Rt Hon Matt Hancock MP, Minister of State for Digital and Culture, Department for Culture, Media and Sport, 100 Parliament Street, London, SW1A 2BQ.

⁹ <http://www.bbc.co.uk/news/uk-scotland-scotland-politics-39034966>

Annex



UK Music's membership comprises of:-

- AIM – Association of Independent Music - representing over 850 small and medium sized independent music companies.
- BASCA - British Academy of Songwriters, Composers and Authors – BASCA is the membership association for music writers and exists to support and protect the professional interests of songwriters, lyricists and composers of all genres of music and to celebrate and encourage excellence in British music writing.
- BPI - the trade body of the recorded music industry representing 3 major record labels and over 300 independent record labels.
- FAC – The Featured Artists Coalition represents and promotes the interests of featured recording artists in the music industry.
- MMF – Music Managers Forum - representing over 500 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 producers, engineers, mixers, re-mixers, 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 30,000 musicians.
- PPL is the music licensing company which works on behalf of over 90,000 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.
- *PRS for Music* is responsible for the collective licensing of rights in the musical works of 114,000 composers, songwriters and publishers and an international repertoire of 10 million songs.
- UK Live Music Group, representing the main trade associations and representative bodies of the live music sector. The Group is made up of Association of Independent Festivals (AIF), Association for Festival Organisers (AFO), Concert Promoters Association (CPA), Agents Association (AAGB), International Live Music Conference (ILMC), National Arenas Association (NAA), Production Services Association (PSA), Music Venue Trust (MVT) and Association for Electronic Music (AFEM) with contributions from the Musicians Union, Music Managers Forum, BPI and PRS Foundation.

For more information please contact Tom Kiehl, Director of Government and Public Affairs, UK Music on tom.kiehl@ukmusic.org or 020 3713 8454.