

#### About UK Music

UK Music is the collective voice of the UK's world-leading music industry. UK Music represents all sectors of the music industry – bringing them together to collaborate, campaign and champion music. As a trade body, we provide a platform for music industry leaders to share ideas, concerns and goals for the sector that allow us to speak on their behalf with an authoritative voice. We help guide policymakers towards decision-making in the best collective interests of our membership (Annex A), now and for the future.

#### CMS Select Committee inquiry scope

Last year according to the Music Venues Trust, the UK experienced a net loss of 125 grassroots music venues (GMVs) across the UK, equivalent to over a tenth of the sector. GMVs are an important part of the live music ecosystem, providing a platform for up-and-coming bands and music professionals, as well as space for rehearsals, education, social programmes and other arts and cultural productions.

The CMS Select Committee announced a short inquiry to explore the ongoing crisis among GMVs. The inquiry's aims are to explore the specific issues faced by GMVs, consider interventions that will prevent further venue closures and improve the evidence base regarding proposals.

#### About the grassroots music ecosystem

GMVs are a crucial part of the ecosystem which UK Music promotes and supports. Many artists build their career, experience and fanbase by starting out at GMVs in their local music scene. It's where many music fans fall in love with artists for the first time and where many music industry professionals decide it's the career for them. These venues serve as more than just a stepping stone for artists aiming to perform larger shows. Many of the UK's most popular music movements are developed and preserved in them – for example, rave, drum & bass and grime – even as they expand their global reach.

They also provide a platform for songwriters' works to be performed to communities across the country, thereby generating royalties. Songwriters contribute significantly to the music scene, even if they are not always performing on stage.

UK Music welcomes this investigation into GMVs, which is likely to uncover some interesting findings and solutions for the industry. However, we also encourage the CMS Select Committee to consider the entire, wider grassroots music ecosystem in this inquiry. GMVs are extremely important, but for music venues to function properly wider support must be given to all parts of the music industry including the grassroot artists, producers, recording studios, record labels, publishers, promoters, crew, and festivals, alongside the voluntary and educational sectors.

Without all these components of the music industry working together, music venues will continue to struggle to survive. We believe many measures which will support venues, such as cuts to VAT, are important because they also support artists, rather than just that they support venues and therefore, as a byproduct, support artists.

From record labels and producers to stage crews and promoters, each component plays a crucial role in sustaining the vibrancy of the music scene. Any investigation into GMVs must extend beyond the venues themselves to encompass the diverse network of individuals and organisations that contribute to the entirety of the grassroots music industry. By adopting a holistic approach, the CMS Select Committee will help to safeguard the entire music ecosystem, ensuring its continued growth and resilience in the face of recent challenges.

This submission will look at the specific issues faced by the grassroots music ecosystem, consider the interventions that will prevent further issues and provide tips to improve the evidence base regarding proposals. We would like to see some of these interventions form part of a comprehensive music strategy focussed on growing the sector – something we called for in our [Manifesto for Music](#).

## **1. Specific issues facing the grassroots music ecosystem**

**Rising costs:** Operating costs, including rent, bills, and staffing, have soared since the devastating impact of the COVID-19 pandemic and cost-of-living crisis. Average costs for gas and electricity since 2022 have had a considerable impact on the profitability of all music spaces, including GMVS, recording studios and independent labels. Many of the grassroots festivals that have been cancelled in 2024 have cited financial costs as a large reason for cancellation.

**Lack of infrastructure:** With less spaces to perform, practice or record and higher prices to do so, it's considerably more difficult than it used to be for an early career artist to make their presence known in the industry. Recording studios have also been unable to raise their rates in over a decade, and their inability to increase rates in line with rising costs has put many out of business. This has devastating knock-on impacts on the talent pipeline, at a time when other countries internationally, such as Canada, South Korea and Australia, are investing more than ever in music as a cultural and economic tool.

**Influence of ticketing companies:** Ticketing companies continue to exert considerable influence over the live music industry. High service fees and exclusive contracts with larger venues can make things tricky for GMVs, while secondary ticketing markets exacerbate issues of affordability and accessibility, pricing out music fans and undermining the viability of parts of the industry.

**Access to the arts:** UK Music believes talent is everywhere, but opportunity is not. Access to creative careers continues to be inaccessible to a large portion of the UK. We want to ensure everyone has access to the tools they need to play music and develop their craft. This starts with music education in schools and support for spaces like music hubs, which encourage equal access to the industry. We would also encourage the Committee to think about access for disabled people being a priority across all music spaces.

## **2. Interventions that could help the grassroots music ecosystem**

**Put Agent of Change protections in primary legislation to protect venues threatened with closure:** Many music venues are threatened by planning and licensing disputes arising from new developments and resident complaints about noise levels. The Agent of Change principle places responsibility on new developments to mitigate noise complaints when situated near existing music venues. To ensure reliable protections for venues, it is essential to enshrine

Agent of Change in law and move beyond its current implementation through guidance and policy.

**Reduce VAT on Tickets to 10%:** UK gig-goers are charged 20% VAT on tickets, which is almost double the EU average (10.3%) and around triple countries like Belgium (6%) and Germany (7%). Reducing VAT on tickets will incentivise investment in the grassroots of the sector, stimulate live music activity and boost local economies. The Music Venue Trust (MVT) estimates that every £10 spent on a ticket in a live music venue is worth £17 to the local economy.

**Long-Term Business Rates Cut:** The current business rates system penalises recording studios and venues, since they often require a large floor space and are typically in city centres or regenerating locations. Modern music infrastructure often involves multi-use facilities affiliated with indie labels and SMEs. These locations typically include recording studios, rehearsal spaces and other community music facilities that suffer from high rates. A long-term business rate cut for music spaces would help alleviate some of these disproportionate financial pressures. For many small music businesses, a business rates cut would help create jobs, with many currently having to reduce staff to cope with rising costs. Updating outdated SIC codes is a critical first step for business rates reform, with recording studios, venues, and other music spaces lacking dedicated classifications reflecting their unique characteristics.

**Regulate against exploitative secondary ticketing practices.** Many online secondary ticketing platforms allow event tickets to be resold at prices significantly above face value. Just hours after Eurovision 2023 tickets sold out, they appeared on these platforms for up to £9,000 - more than 20 times their original price. Extortionate resale prices, alongside practices like bulk-buying and speculative selling only serve to enrich resellers and exploit fans. The Government should protect music lovers by introducing measures to curb these practices.

**Music industry levy:** UK Music is concerned about the continued challenges surrounding grassroots music venue closures and is supportive of further exploration of industry-led solutions, such as the potential formation of sector body led trusts to distribute any agreed levy. To have credibility and ensure value for money, the decision making of any trusts should be led by acknowledged industry experts and be based on strong governance principles to avoid any conflicts of interest. A significant proportion of the levy should go towards artists to help stimulate activity.

**Encouraging music policy in local government:** Music impacts a wide range of areas for local government – planning, licensing, regeneration, health, housing, arts and culture, sustainability, tourism, and economic growth, among others. By uncovering best practices in each and measuring how they impact each other, we can see that investment is only one part of a thriving music ecosystem. A robust policy framework with music incorporated into performance indicators is key.

**Support ending high commission fees on merchandise:** The FAC's "100% Venues" campaign has been supported by over 60 industry bodies and businesses, including the Music Venue Trust, PRS for Music and the MMF. This advocates for fair treatment of artists by ending high commission fees on merchandise sales at live music venues. The Government should aid efforts to stop the practice of punitive fees being charged.

**Wider support:** Wider than these recommendations, the Select Committee should also consider other elements such as support for music exports and renewed appeals to fix the

problems with touring in the EU. They should also consider additional support schemes for artists, who drive activity as the sector's primary employers, hiring and covering expenses for various roles. Recent Government support schemes for music have not covered this part of the sector. A full list of recommendations to boost music across the UK is included in UK Music's *Manifesto for Music* ([here](#)) and *Here, There and Everywhere* ([here](#)) reports.

### **3. Enhancing the evidence base of the grassroots music ecosystem**

In terms of UK Music data, our 2022 *Here, There and Everywhere* report found:

- The total number of music tourists attending live music events across the UK in 2022 was 14.4 million.
- Total number of foreign music tourists in 2022 was 1.1 million.
- Total number of domestic music tourists in 2022 was 13.3 million.
- Total music tourism spending in 2022 was £6.6 billion.
- Total employment sustained by music tourism in 2022 was 56,000.

The data also revealed that:

- Total attendance at UK festivals and concerts in 2022 was 37.1 million.
- A total of 6.5 million music fans attended festivals in the UK in 2022.
- A total of 30.6 million people attended concerts (which includes everything from arena shows to grassroots gigs).

There are many examples from across the country of best practice in data collection. Venue mapping by the Liverpool City Region Music Board has helped the city detail the precise locations, capacity, and the primary functions (i.e. arena, small music venue, concert hall or festival space) of all live music venues. The map provides the addition of data filters and overlays to clearly illustrate useful information such as evening bus routes to and from venues, venues' safety kite marks and also their alliances with other industry organisations and businesses. Recent updates also consider changes in average house prices to see how areas are adapting to urban development or gentrification. Venue mapping can be a great place to start for many towns, cities and regions, and is something we also encourage in our work with regions.

To further enhance the evidence base, the DCMS Select Committee should also investigate artists and audiences' experiences to identify the changing habits of consumers and creators. The committee should continue to work with industry associations, trade bodies, and grassroots organisations to facilitate data collection and knowledge sharing.

**UK Music welcomes this inquiry from the CMS Select Committee and looks forward to seeing the recommendations it produces.**

## **Annex A: UK Music's membership**

**AIM** - Association of Independent Music – The trade body for the independent music sector and community which make up more than a quarter of the UK's recorded music market. Representing 1000+ independent record labels and associated businesses, AIM's members range from globally recognised brands to the next generation of British music entrepreneurs.

**BPI** - The British Phonographic Industry - The representative voice of the UK's recorded music sector. Their membership consists of approximately 500 music companies, ranging from hundreds of SME independent labels to the major global record companies Universal, Sony and Warner. They also organise the BRIT Awards, the Mercury Prize and administer the Music Exports Growth Scheme (MEGS).

**FAC** - The Featured Artists Coalition - 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** - 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 - The representative voice of the UK's music publishing sector. Membership includes over 95% of the country's major and independent music publishers and close to 4,000 catalogues across all genres of music.

**MU** - Musicians' Union - Represent over 32,000 musicians from all genres, both featured and non-featured.

**PPL** - Licenses recorded music in the UK when it is played in public or broadcast and ensures that licensing revenue flows back to its members, including independent and major record companies, together with performers ranging from emerging musicians to globally renowned artists.

**PRS for Music** - 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.